

BALSU

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Balsu

Sustainable Development Goals
Compliance Report - Abstract

2022

Balsu Sustainability Approach

As Balsu, we adopt a healthy and traceable supply approach from the farmer to the final hazelnut consumer in line with our social responsibility principles and company mission. Balsu, which focuses on the development activities of the society, aims at sustainable growth through social, economic and environmental practices in which it plays an active role. In this direction, it carries out many projects, especially collaborations established with relevant Ministries, local and international NGOs (Non-Governmental Organizations), Universities, Development Agencies, Unions and customers.

Balsu is here for Children Protection, Combating Climate Change, Responsible Sourcing and Production, and Community Empowerment.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 ECONOMIC GROWTH AND JOBS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR GOALS
Protection of Children	●			●	●				●	●	●	●	●			●	●
Tackling Climate Change			●			●	●		●		●	●	●	●	●		●
Responsible Sourcing and Production	●		●	●		●		●	●	●	●	●	●	●	●		●
Empowerment of Community	●	●	●	●	●			●		●			●			●	●

As Balsu, our activities are grouped under 4 different themes in line with the Sustainable Development Goals (SDGs), which we are in the sphere of influence and contribute to.



Protection of Children

The activities carried out for the protection of children at harvest and Balsu's journey in this process are discussed.



Tackling Climate Change

Sustainable environmental practices of Balsu in both production and supply are discussed.



Responsible Sourcing and Production

The practices carried out by Balsu towards the understanding of production under sustainable and responsible conditions are discussed.



Empowerment of Community

Sustainable development and empowerment practices carried out by Balsu for all its stakeholders within the framework of equal and ethical management approach are discussed.

Balsu Sustainability Standards and Certifications



In 2019, Balsu was deemed worthy of the "Special Jury Award" for its project "Preventing Child Labour and Improving the Living and Working Conditions of seasonal migrant agricultural workers" within the framework of the Corporate Social Responsibility Awards organized by the Turkish Confederation Employer Associations (TISK).

Collaborations and Certifications

Protection of Children



- International Labour Organization (ILO)
- Genc Hayat Foundation (GHV)
- Ministry of Family and Social Services
- Ministry of Labour and Social Security

Responsible Sourcing and Production



- Good Agricultural Practices
- Istanbul Exporters' Associations
- Düzce University
- Zero Waste
- I-REC Renewable Energy

Tackling Climate Change



- Rainforest Alliance (RA)
- Global Agri Alliance
- British Retail Consortium (BRCGS)
- International Featured Standard (IFS)
- ISO 27001
- Halal
- Kosher
- Organic - EU standard
- Organic - USDA - NOP

Empowerment of Community



- Fair Labor Association (FLA)
- Rainforest Alliance (RA)
- Ministry of Family and Social Services
- Ministry of Labour and Social Security
- Ministry of Agriculture and Forestry
- SEDEX
- Covid -19 Safe Production Certificate



Focus Area: Protection of Children

In Turkey, more than 400,000 seasonal migrant agricultural workers (SMAW) work in the hazelnut harvest in August and September each year. Due to the relatively profitable income opportunities of the hazelnut harvest, some families working in the Western Black Sea Region generally migrate with their other relatives, including their children (0-18 years old), only for the hazelnut harvest. Nationwide, if between 10% and 30% of workers in the hazelnut harvest are child labour, this corresponds to approximately 43,000 to 129,000 children.

It was stated that only 2.4% of seasonal agricultural worker families had access to childcare services where they could leave their children during their shifts, and none of the families interviewed had access to education or entertainment services for their children.

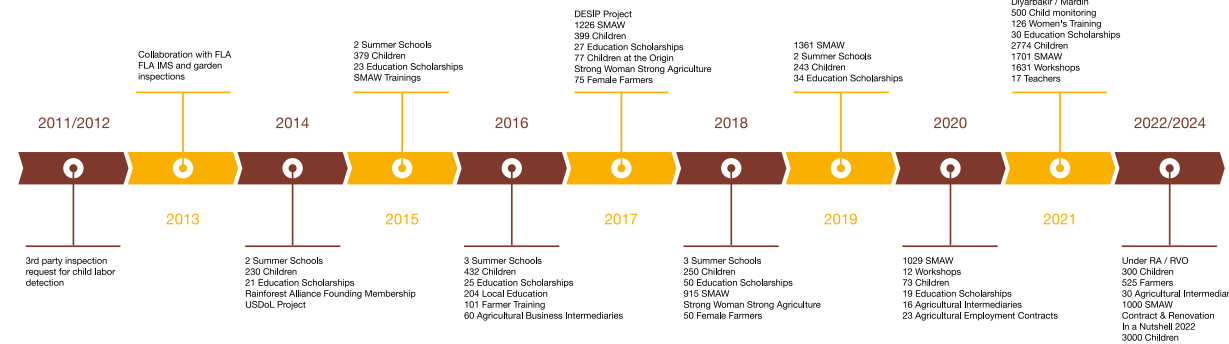
Balsu started to work in 2011 with the aim of identifying child labour in the supply chain and its main causes. The farm-level foundation has demonstrated challenges to safe, healthy living and working conditions in the hazelnut supply chain in Turkey and in many seasonal agricultural areas. The presence of migrant workers and child labour during the harvest period has turned Balsu's ever-growing field of activity in a completely different direction.

In this direction, in the light of the National Employment Strategy of the Republic of Turkey, cooperation has been started in the summer school program by ensuring that the children of workers have access to education during the hazelnut harvest period in order to eliminate child labour.



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Please scan the QR code to watch the video.

Child Protection Program



Focus Area: Tackling Climate Change

Climate change resulting from human activities has been identified as one of the biggest challenges facing the world and will continue to affect the business world and people in the coming years. Balsu acknowledges that the works for the protection and improvement of the environment are an integral part of the business processes in the areas for which it is responsible. In this context, Balsu continues its efforts to tackle climate change in accordance with the Environmental Policy, which is also supported in Occupational Safety, Food Safety and Quality Policies.

Balsu acts with environmental awareness throughout the hazelnut production process (production of hazelnut products from agricultural activities and delivery to the end user). In this journey of hazelnut, Balsu carries out activities to raise awareness of its stakeholders in the supply chain on environmental and climate change with its good agricultural practices, energy efficiency and transition to renewable energy consumption and responsible production approach.

Balsu's environmental commitments:

- To fulfill our legal obligations and to increase our responsibilities when possible,
- To reduce the use of natural resources, raw materials and energy, to minimize wastes, to prevent pollution,
- To contribute to increasing the environmental awareness of our employees and the community by cooperating with our suppliers and customers,
- To continuously improve our environmental performance and to set targets for the environment,
- Ensuring that the public can easily reach our environmental policy and environmental objectives,
- All our environmental activities will be within the scope of **"ISO 14001 Environmental Management System"**,
- To carry out all calculations within the framework of **"ISO 14064 standard"** in line with the greenhouse gas emission management we have adopted,
- **We are committed** to leading our industry with our Environmental Management System approach, which is a part of our Corporate Social Responsibility.

In this context, the activities that stand out are:



Focus Area: Responsible Sourcing and Production

Balsu Production Under Sustainable and Responsible Conditions

Balsu has been working to provide first-class quality products since its establishment in 1979. Since 2010, Balsu has been working to support responsible and sustainable hazelnut farming. In line with Balsu's social responsibility principles, it is the basic principle of providing a healthy and traceable supply chain from the hazelnut garden to the customer.



The main purpose of Balsu is to provide first-class natural and processed hazelnuts by providing a sustainable, traceable and healthy supply chain from farmer to customer, maximizing satisfaction. Activities to raise awareness of both farmers and Seasonal Mobile Agricultural Workers continue during and after the harvesting process. In this direction, it is

aimed to contribute to the reduction of the problems experienced in hazelnut exports and to obtain healthier and standard quality products as a result of the feedback given to the farmers. In order to support the training of the technical team in the field, Balsu signed a protocol with the Hazelnut Research Institute and received theoretical and practical training of trainees support.

Collaborations and Programs

Balsu strives for the development of hazelnut farming by touching each stage of the supply chain and grows together by involving all stakeholders who want to participate in this effort. Sustainability activities are carried out with key suppliers and stakeholders in order to comply with international standards on social, environmental and agricultural issues in the sustainability journey with the aim of moving hazelnut farming further in the focus.

Balsu works closely with farmers to increase the yield and quality of hazelnuts while protecting the environmental ecosystem. In addition, it prohibits the use of certain agrochemicals harmful to the environment by farmers, follows the process and implements an incentive system to reduce the use of pesticides. Balsu provided organic soil regulator distribution to its farmers in 2022 within the scope of "Sustainable Agriculture Program Regenerative Agricultural Activities" in order to improve the soil, increase the organic matter content and at the same time increase the availability of nutrients in the soil. It brought together 105 tons of fertilizer with 352 farmers in 14 different regions in Sakarya, Düzce, Samsun and Ordu provinces. In addition, the Ministry of Agriculture and Forestry provides income payment to farmers with its Good Agricultural Practices (ITU) certificate and encourages farmers to invest in responsible hazelnut production projects with this premium.

Balsu has been one of the four co-founders and certificate holders of UTZ Hazelnut Turkey program since 2014. Since then, we have continued to invest in hazelnut farmer groups to document their hazelnuts. After the merger of UTZ and RA (Rainforest Alliance) in 2018, "Rainforest Agricultural Standard 2020" started to be applied for certification in the hazelnut field, and today, compliance with this standard continues within all suppliers.

For nearly a decade, Balsu has been working with the Fair Labor Association (FLA) to support farmers and seasonal workers and to improve conditions in the hazelnut supply chain. Since 2014, an evaluation has been carried out annually by third-party auditors as part of Balsu's Corporate Social Responsibility due diligence programme under the supervision of FLA. Nearly 10 thousand farmers have been included in the training by Rainforest, ITU and FLA and have been certified.

Balsu signs a mutual employment contract with all its suppliers that it cooperates with. In this contract, Balsu's social and environmental approach, sustainability standards, compliance with national and international certifications and contracts and legislation related to the entire supply chain are detailed. At the same time, cooperation is carried out to fulfill the obligations by meeting with our suppliers within the framework of sustainable supplier development program trainings.

Focus Area: Empowerment of Community



Equal Employee Management Approach

Balsu makes its understanding of equal value employees for equal value work accessible to all stakeholders through CSR 100 Corporate Social Responsibility Handbook. Taking the Equal Pay Agreement No. 100 as a reference, ILO, of which it is the signatory, undertakes that it will not discriminate between employees with an equal work understanding in its activities.

All stakeholders in Balsu's value chain have equal rights in all business processes, regardless of race, social group, ethnicity, gender, sexual orientation, religious belief, political opinion, age, social status, physical structure, physical disability, membership of trade unions or labour

organizations, being contracted or permanent, etc. It is not acceptable for any employee or business partner to be discriminated against, including practices such as personal freedom, hiring, remuneration, educational opportunities, promotion, dismissal, discipline and retirement, etc. In addition, incentive practices are carried out to record SMAW and local wages in the field and, if not, to record SMAW expenditures.

