SUSTAINABILITY NEWSLETTER

JULY 2024



Balsu's Sustainability Journey: B.E.S.T. Program with Young Lives Foundation.

We are strengthening our ethical, sustainability, and traceability standards through a 5-year protocol with the Ministry of Labor and Social Security and the Young Lives Foundation. Our Sustainable Agriculture Program, which we have been running since 2009, is now known as B.E.S.T. (Balsu Ethical Sustainable Traceable). This program aims to promote ethical, sustainable, and traceable practices throughout the supply chain.

In leading hazelnut-growing provinces, we are working with local authorities to establish committees and visiting them to implement our program.

We will provide educational opportunities for 1,000 children in 12 districts and 37 neighborhoods in Düzce, Sakarya, Samsun and Ordu in 2024, in collaboration with the Young Lives Foundation. In addition, we will continue our work in Şanlıurfa, Diyarbakır and Şırnak by developing cooperation with public institutions to ensure the continuity of education for an additional 1,000 children during the formal education period. Within the scope of the project, we will collaborate with 1,100 farmers to ensure ethical and sustainable production and prevent child labor by working comprehensively on improving decent work standards, labor contracts, improving accommodation conditions, etc.

The B.E.S.T. program is a significant step towards creating a sustainable and ethical hazelnut sector and aims to expand the "Areas Free of Child Labor" model to a broader area.





Preparation for the Harvest Period: Risk Mapping.

As Balsu, we carry out our sustainability activities together with all relevant institutions in our supply chain through strong partnerships and collaborations. Before the 2024 hazelnut harvest, we complete our mapping studies with agricultural labor contractors, village headmen and farmers in our supply chain through our social workers and determine our working areas for the harvest season. Within this scope, our collaborations are strengthened through our visits to public institutions and local governments and our efforts and participation in the formation of district monitoring boards. During these visits, we focus on the current regulations on seasonal agricultural workers and the duties and responsibilities of local governments, and we aim to increase activities especially for seasonal migrant agricultural worker families and their children.

Our Pre-Harvest Training Sessions Have Been Completed as Part of Our Farmer Support Program.

We provide regular trainings to our farmers, strengthening their knowledge and skills in modern agricultural techniques. Whenever possible, we do this in cooperation with local authorities, such as local health, education and municipality authorities.

Personal farmer coaching is available on demand, helping each farmer to improve their practices. To protect the safety and well-being of our farmers, we provide personal protective equipment such as hats, gloves, earplugs, safety glasses and first aid kits, as well as necessary agricultural inputs. From October 2023 to July 2024, we were able to effectively reach more than three thousand farmers in 6 provinces, 13 districts and 43 different villages.





Impact of Climate Change on 2024 Yield.

During 2024 season, global climate change and diseases and pests have caused significant problems in hazelnut cultivation. These issues have had serious consequences for the yield and quality of the crop. The amount of rainfall in November, December, April, and May fell far below expectations. In November, the Western Black Sea region received 70 mm of rainfall, and the Eastern Black Sea region received 50 mm; in April, the Western Black Sea region received 30 mm of rainfall, and the Eastern Black Sea region received 8 mm. Hazelnuts prefer humid environments and regular rainfall; sudden rains are harmful. In December, heavy rains and floods negatively affected agricultural activities in Zonguldak, Ereğli, and in July, in Samsun, Terme, and Ordu, İkizce.

Sudden and extreme temperature fluctuations led to sunburns, while generally cool and rainy weather conditions accelerated the spread of diseases such as powdery mildew, bacterial blight, and gray mold. Pest populations also posed a major threat. Particularly, the brown marmorated stink bug, after retreating to overwintering sites in October-November of the previous year, emerged in April-May with the warming weather. Stink bugs that encountered hazelnuts early on increased the formation of empty hazelnuts by sucking the nuts, leading to shedding. The main damage will be seen as rotten, hidden rotten, and galled hazelnuts after the harvest. If the population does not decrease, bigger problems may arise in the future.

The phenological stages observed since November indicate that the harvest time is 10 days earlier compared to last year. The extreme temperatures and irregular rainfall caused by climate change are leading to early ripening of hazelnuts, bringing quality issues with it.

Balsu Continues Capacity Strengthening Trainings.

Balsu continues its trainings for its employees. Within the scope of capacity strengthening and collaboration with local authorities, <u>Digital Addictions training was provided by Hendek District Health Directorate Training and Project Unit.</u> By examining the harms and causes of digital addiction, ways to use technology in a healthy way and the importance of a balanced life were emphasized.