

pladis Responsible Hazelnut Standard

As pladis, we consider partnerships and engagement with our suppliers is a virtue for everyone involved in our supply chain that will ensure responsible sourcing. We are dedicated to collaborating with our suppliers on a continuous improvement path because we firmly think that doing so will benefit us, our suppliers, and all the communities in which we operate. With this Sustainable Hazelnut Standard, we aim to ensure a fair, sustainable, and transparent supply chain.

Context

This standard covers the frame for a sustainable and thriving hazelnut industry where farmers prosper, communities are empowered, human rights are respected, and the environment is conserved and enhanced through regenerative practices.

Application and Scope

Our standard covers our entire hazelnut supply chain (we source 100% from Türkiye) and sets out the requirements expected from our direct and indirect suppliers. It includes upstream supply chain compliance with laws and regulations, as well as requirements to create positive impact and minimize the negative impact on natural resources, farmers and communities.

We expect all of our hazelnut suppliers to conduct business responsibly and transparently and to adhere to the principles in this standard.

Our standard has three pillars:

- I. Securing human rights and responsible social practices
- II. Ensuring environmental protection and regeneration
- III. Promoting transparency and collaboration along the supply chain

PILLAR I: SECURING HUMAN RIGHTS AND RESPONSIBLE SOCIAL PRACTICES

All suppliers and subcontractors to pladis must confirm that all their activities comply with the provisions of pladis' Human Rights Policy.

Where products or services of suppliers are carried out by a supplier or outsourced company, the supplier to pladis will ensure that these provisions are also applied and that it will undertake due diligence with those sub suppliers before agreeing to commence commercial relationships as well as on an ongoing basis.

In addition, suppliers must confirm that all their activities and those of their suppliers comply with the following provisions:

- Take action to prevent exploitation of people or communities, recognizing the rights of local communities to give or withhold their free, prior and informed consent to the utilization of lands to which they hold legal, communal or customary right
- Take action to prevent child exploitation, including having an action plan in place to ensure 100% of sourcing farms in Blacksea Region of Türkiye are covered by child labour monitoring and remediation systems
- Work with stakeholders to assess how farmer's income and worker's wages in the supply chain compare with a living income and strive to bridge the gap, if any
- Improve farmer resilience and sustainable livelihoods.

PILLAR II: ENVIRONMENTAL PROTECTION AND REGENERATION

Our vision is to have a sustainable hazelnut supply chain in which the environment is conserved and enhanced through Good Agricultural Practices (GAP) and Good Environmental Practices (GEP).

All suppliers and subcontractors to pladis must confirm that all their activities comply with the provisions within pladis' No Deforestation, no Peat, no Exploitation (NDPE) Policy.

Where products or services of suppliers are carried out by a supplier or outsourced company, the supplier to pladis will ensure that these provisions are also applied and that it will undertake due diligence with those sub suppliers before agreeing to commence commercial relationships as well as on an ongoing basis.

In addition, suppliers must confirm that all their activities and those of their suppliers comply with the following provisions:

- Adopt the principles of agroforestry and regenerative agriculture that builds soil health (including carbon storage capacity), increase on-farm biodiversity, contribute to climate resilience and regeneration of ecosystems and to food security and income diversification for farmers
- Support community forest protection and restoration
- Support sustainable production particularly through non-chemical means such as grafting, pruning, hand pollination, limiting waste and loss of the crop
- No usage of substances that are thought to be harmful to the environment or individuals
- Implementation of chemical management procedures across the supply chain. If required, the supplier must present documentary evidence of their chemical management and application.

PILLAR III: PROMOTING TRANSPARENCY AND COLLABORATION ALONG THE SUPPLY CHAIN

Transparency and collaboration are essential to understanding, addressing and creating positive impact for people and the environment. Together with our suppliers, we commit to:

- Proactively assess and mitigate the risk of noncompliance with our commitment,
- Implement a comprehensive action plan with regular progress reporting every 12 months,
- Promote greater transparency of suppliers' cooperative and farm names and locations,
- Increase hazelnut supply chain traceability to improve traceability to farm level,
- Actively engage with our direct suppliers to ensure their progress on action plans,
- Participate in on the ground transformation activities.

High Level Implementation of the Standard

- pladis will require suppliers to communicate this hazelnut standard down their supply chains.
- pladis will include this document in the standard terms and conditions of doing business.
- pladis will partner with industry experts and NGOs to identify suppliers at risk, develop implementation plans and, when needed, organize capacity building sessions on the elements within this standard.
- pladis will work with suppliers to address non-conformances in pladis' supply chain.
- pladis will define key performance indicators to measure performance against this hazelnut standard and provide periodic progress updates.
- pladis will take appropriate initiatives and potentially legal actions if supplier fails to comply with this standard or, recommended remedial measures.
- pladis will review this standard on a periodic basis to ensure it is fit for purpose and reflects a philosophy of continuous improvement. Changes will be communicated to suppliers accordingly.