



## **Policy on Prevention of Deforestation and Exploitation, Protection of Peatlands and Biodiversity**

At Ülker, we believe that sustainable practices are fundamental to the long-term success of our business and the protection of the environment. We support responsible and sustainable raw material sourcing throughout the supply chain. This policy sets out our commitment to eradicating deforestation, protecting peatlands, and ensuring that workers and communities are treated ethically.

As part of this commitment, we are focusing on developing our Beyond Cocoa programme in line with EUDR 2025 (EU Anti-Deforestation Regulation), sourcing deforestation-free cocoa beans and ensuring full traceability down to the plantation level. Our goal is to achieve 100% deforestation-free and traceable cocoa and palm oil across our entire product portfolio by 2030.

We are committed to working collaboratively with our suppliers to drive transformational change to prevent deforestation in our supply chains, ensuring that we and our suppliers comply with all applicable legal requirements in the area of deforestation, peatland, and labor exploitation.

The scope of this document includes palm oil and cocoa, which are high-risk products. Our suppliers, including third-party suppliers, are required to adhere to the following principles throughout their operations and sourcing:

### **Commitment to Resource Use Without Deforestation:**

- We are committed to sourcing raw materials only from suppliers who implement a strict deforestation policy. This means that natural forests and areas with High Conservation Value (HCV) are not cleared or converted.

### **Forest and Biodiversity Protection:**

- Conservation of forests and natural habitats and prevention of deforestation through High Conservation Value (HCV)\* areas and High Carbon Stock (HCS)\*\* forests.

### **Reducing Greenhouse Gas Emissions and Protecting the Soil:**

- The fact that peatlands are not destroyed, regardless of their depth.
- Not using the combustion method to clear land for new developments or to replant existing developments.

### **Human Rights and Working Conditions:**

- Compliance with Ülker's Human Rights policy.
- Establishment of an internal grievance system that provides workers with access to fair procedures and remedies.
- Non-exploitation of people or communities, recognition of the free, informed and consent-based (FPIC) decision of local communities and indigenous peoples regarding the use of lands to which they have legal, community or customary rights.

\* *The High Value of Protection (HCV) approach is specified in the HCV resource guidelines.*

\*\* *High Carbon Stock (HCS) is defined in Implementing Deforestation: The HCS Approach Version 2.0.*

**Traceability:**

- Improving supply chain traceability, helping Ülker achieve 100% traceability to refineries, mills and cooperatives, and improving the traceability rate back to plantations and farms year on year.

**Transparency:**

- Establishment of an external complaints system that is open to stakeholders to report violations of NDPE principles.

**High Level Implementation of the Policy**

- Ülker will ask suppliers to communicate this NDPE policy in their supply chains.
- Ülker will include this document in its standard terms and conditions of doing business.
- Ülker will collaborate with industry experts and NGOs to identify suppliers at risk, develop implementation plans, and organize capacity-building sessions on NDPE principles as needed.
- Ülker will work with suppliers to address incompatibilities in the supply chain.
- Ülker will identify key performance indicators and provide regular progress updates to measure performance against NDPE policy.
- If a supplier fails to comply with this policy or the proposed corrective measures, Ülker will take appropriate initiatives and take legal action when necessary.
- Ülker will periodically review this policy to ensure that it is in line with its purpose and to reflect its philosophy of continuous improvement and
- will notify suppliers of any changes deemed necessary.

We will engage with all our stakeholders, including NGOs, local communities, industry colleagues and governments, to promote NDPE principles and pursue common action for sustainable development. This policy will be reviewed and updated as necessary to reflect new information, changing circumstances, and developments in sustainable practices.

At Ülker, we believe that our commitment to Preventing Deforestation and Exploitation and Protecting Peatlands is vital to the health of our planet, the well-being of communities, and the success of our business. We are committed to implementing this policy in our supply chain and working collaboratively to create a sustainable future.

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