

aromsa *40 years*



SUSTAINABILITY REPORT
2019–2020–2021



By combining amateur soul with professional service, we bring together the unforgettable tastes that accompany every moment of life for the last 40 years, with all our business partners in the food industry in our country and around the world.

We are pleased to share our second sustainability report of our 40 year journey, where we add flavours to life with quality, innovation and passion.

To many happy 40 years together

On November 10, 2021, we opened our exhibition titled **The Story of Aromsa in Flavour Journey**, prepared for the 40th anniversary of our establishment. We would be happy to host all our partners at this exhibition where we showcase Aromsa's experience, achievements and values from past to present which will shed light on future generations.

[Click here to watch our video: The Story of Aromsa in Flavour Journey.](#)



Three Generations of Aromsa Representatives Together



The Story of Aromsa in Flavour Journey

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ABOUT THE REPORT

After publishing our first sustainability report in 2019, we are pleased to publish our second sustainability report this year, in order to present our management strategy adopted for the management of the social, economic and environmental impacts of our operations, our sustainability priorities and our activity and performance results in support of the United Nations Sustainable Development Goals.

This report is prepared in compliance with the GRI Standards: 'Core' option. The prioritized issues that form the basis of the report content were obtained as a result of the processes carried out in compliance with the reporting principles specified in the GRI Standards. The scope of the report consists of the activities carried out in Aromsa Besin, Aroma ve Katkı Maddeleri Sanayi Ticaret A.Ş. (Aromsa) between January 1, 2019 and December 31, 2021.

You can access the **2019-2020-2021** Sustainability Report via [here](#). Please feel free to send us your comments and suggestions regarding our sustainability activities at surdurulebilirlik@aromsa.com.tr

MESSAGES FROM THE MANAGEMENT



Dear Stakeholders,

Last two years have gone down in history as a period when the global health crisis left its mark on the entire world. While Covid-19 pandemic threatened human health, it also caused contraction in many countries' economies.

As Aromsa, we managed this period with the motto of 'Predicting the Unknown'. Our first priority in this period was to protect the health of our employees and ensure the continuity of production. In this regard, we quickly took action on the necessary physical and administrative measures.

Whereas the pandemic had negative effects on most industries, the food industry has worked uninterruptedly to ensure safe and continuous food supply. As Aromsa, we provided uninterrupted service with our R&D center and production facilities in order to ensure the continuity of the products at the shelves and proceed with innovation without slowing down. We succeeded in providing employment, increasing net sales values and profitability by ensuring business continuity while offering the products that the society needs.

We closely followed the trends in our sector and the changing needs of the customers in the pandemic. In this period, we have observed that consumers prefer packaged products with a longer shelf-life, basic food products and food and beverages that boost the immune system. As a result, fermented products that are enriched with vitamins, minerals and increased protein stood out. At the same time, demand for snacks has increased since people spent more time at home and worked from home due to restrictions. In consideration of all these changing habits, as Aromsa, we focused on R&D and applications during this period. Due to high demand for products boosting the immune system, we increased our investments in natural extract production and developed natural antioxidants.

The Covid-19 pandemic has also made the fragile structure of the global food supply and the importance of sustainable food supply more visible. At this point, companies and public institutions in the food sector have important responsibilities in order to ensure food safety. As Aromsa, we act with the awareness of our

responsibilities to ensure that future generations have continuous food security and access to healthy and safe food; we shape our processes in line with this approach by integrating economic, environmental and social sustainability with our corporate governance principles.

Last but not least, I am very pleased and proud to share our second sustainability report which includes our economic, social and environmental performance, with you, our distinguished stakeholders. I would like to thank all of our stakeholders, especially our colleagues who contributed to our sustainability efforts with devotion selfless work during this challenging period.

Best regards,

Murat Yasa
 Chairman of the Board and
 General Manager



Dear Stakeholders,

This reporting period covers a time in which our world went through major and radical changes. Institutions, which consider this process as a change management paradigm instead of crisis management, have turned the pandemic process in their favor after going through a rapid adaptation. Thanks to our corporate priorities and activities, we, as Aromsa, successfully completed the reporting period by providing uninterrupted service to our industry despite all challenging conditions.

We believe that not only economic dimension but also social and environmental dimensions of the value chain we develop play an important role. On our journey to 'add sustainable flavours to the world', we take into account the needs of our stakeholders and the world we live in. In this direction, we consider sustainability management as a very important part of our business strategy and we implement practices that will contribute to the United Nations Sustainable Development Goals.

We closely follow local and international initiatives in the field

of sustainability. We signed the Sustainability Agreement developed by IOFI (International Organization of the Flavor Industry) and IFRA (International Fragrance Association) and became a Member of the Sustainable Development Association during the reporting period.

In addition, we are aware of our responsibility to provide clean, safe and accessible food to the society and we prioritize quality and food safety. In this context, we adopt the continuous improvement approach and take the EFQM (European Foundation for Quality Management) Model as a guide in our processes. As a result of all these efforts, we received the EFQM 'Turkey Excellence Award' given to institutions who internalized quality.

During the reporting period, we substantially continued our efforts to reduce our environmental impact. While continuing our effort to reduce emission, we implemented strategy and action plan for waste reduction as part of our works for energy efficiency and circular economy. In addition, we aimed to minimize the negative effects we have on the environment by complying with LEED (Leadership in Energy and Environmental Design) criteria in the design and construction of our buildings. As a result, our new building located in the Gebze Organized Industrial Zone (GOSB) received the LEED Platinum Certificate in 2020. Likewise, our other building in GOSB received the LEED Platinum Certificate in 2021. In this way, we are proud to have two buildings that received the LEED Platinum Certificate.

As Aromsa, we are improving our production techniques day by day through our registered R&D Center in order to respond to the changing demands of consumers and increasing food needs under sustainable conditions. In the reporting period, we allocated 6% of our total turnover to R&D studies and proudly ranked second in the R&D 250, 'Companies with the Highest R&D Expenditure in Turkey' research in the food industry.

We attach great importance to gender equality, which is one of the Sustainable Development Goals and we follow policies that encourage women's employment and support women's participation in decision-making mechanisms. In the light of these efforts, the percentage of our female senior managers was 67%, while the percentage of our white-collar female employees was 75%.

We will continue to work with the same determination in the future while focusing on sustainability. I am pleased to present our second sustainability report, which includes the social, economic and environmental dimensions of our activities and I would like to thank all our stakeholders, especially our employees, who have supported our success in such an extraordinary time.

Kind regards,

Melis Yasa Aytaman
 Member of the Board and
 Second Generation Representative

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**ABOUT
AROMSA**

ABOUT AROMSA

Established in Istanbul in 1982 as a family-owned company with 100% Turkish capital, we continue our activities in the Gebze Organized Industrial Zone since 1990. In this journey we embarked on with the goal of being a 'creative flavour partner' to the food industry; we design, produce and deliver extracts, sauces and syrups, caramelized sugar, caramel colorants, fruit powders, enzyme modified dairy ingredients, spice mixes as well as a wide range of flavours. In addition to our activities in Gebze, we continue our flavour production and design processes in Europe, in

the production facility and R&D unit we opened in Emmerich, Germany in 2009. We continue to add flavour to life with our second production facility we opened in the same region in 2021, in order to increase our production capacity. We are currently exporting to more than 70 countries with 7 factories in the Gebze Organized Industrial Zone, R&D Center and 2 factories in Germany. In addition, thanks to our local distributors in many countries, we have the chance to know and analyze the natural flavours of the countries we serve.

As one of the leading flavour producers, we focus on three main points with our purpose of **bringing sustainable tastes to the world**: Creativity, People and Sustainability. While offering creative and value-added solutions, we are inspired by nature and we combine nature with science. With our trusting and valuable human resources, we are offering flavours that create unique feelings in the hearts and add happiness to life. While doing all these, we act in harmony with the ecosystem and respect the environment and aim to contribute to the national economy.



OUR PURPOSE

To bring sustainable tastes to the world
 Our purpose focuses on 3 key areas.



Creativity

Inspired by nature
 Combining science with nature
 Providing creative and value adding solutions



People

Ensuring trust and value
 Bringing happiness to life
 Creating unique feelings in people's hearts



Sustainability

Respectful to the environment
 In harmony with the ecosystem
 Contributing to the national economy

[Click here to watch our video.](#)



CORE COMPETENCIES

Flavour Design

Extraordinary Customer Service

We consider our customers as our business partners. For us, responding to their project and product requests in a timely manner, producing always at the

same standard by using quality raw materials and in compliance with international regulations are the fundamental requirements for being a good flavour producer. We

act with **our values** that we built on Integrity, Rationalism, Continuous Improvement, Responsibility and Customer Orientation in all our processes.

PURPOSE, MISSION AND VISION



OUR PURPOSE

To bring sustainable tastes to the world.



OUR MISSION

To create and produce high technology value-added flavours and sauces that will meet the needs of our customers and to be a sustainable business partner with our competencies of flavour design and extraordinary customer service.



OUR VISION

To be the first solution partner to come to mind in all the regions and countries where we provide our services.

AROMSA IN NUMBERS



100%
domestic capital



Industry leader
in Turkey



Export to more than
70
countries



40%
export



9 Factories



6% share of
R&D spendings in
total turnover



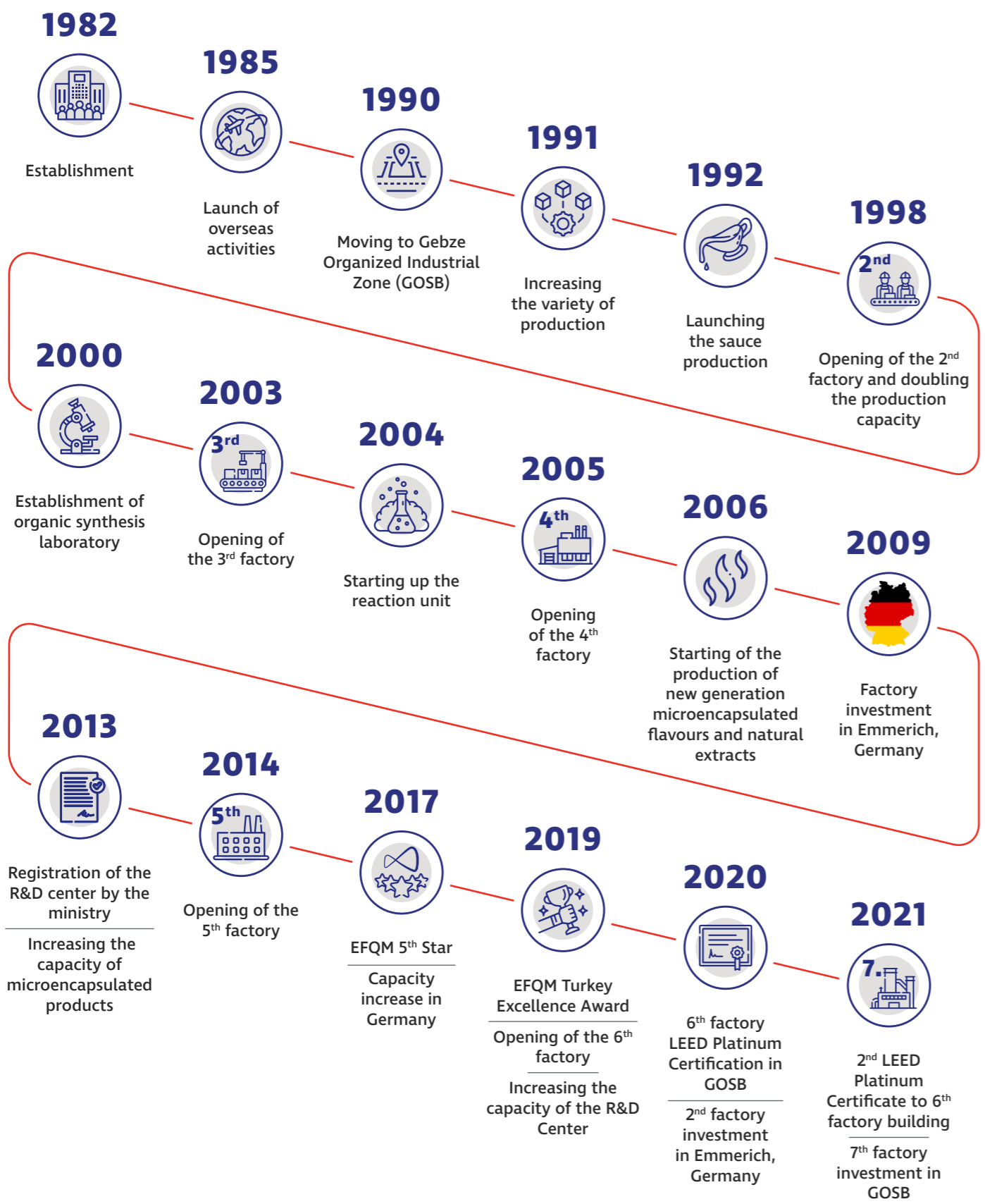
75%
percentage of
female white-collar
employees



67%
percentage of
female senior
managers



MILESTONES



AWARDS AND ACHIEVEMENTS

2019

- We received the **Stars of Export Award**, the Top Exporter Company in IKMIB Food Chemicals Section.
- We obtained the **EFQM Turkey Excellence Award**, a privileged and prestigious position in the business world which is given to institutions that are successfully managed and internalized quality.



2020

- We received the **Stars of Export Award**, the Top Exporter Company in IKMIB Food Chemicals Section.
- According to the research R&D 250, **Companies with the Highest R&D Expenditure in Turkey**, we ranked 2nd in the food industry and ranked 34th among the top 50 according to the number of female employee in the R&D center.
- We were entitled to receive the **26th Şahabettin Bilgisu Environmental Award**, organized by the Kocaeli Chamber of Industry in the Food Category.

2021

- We received the **Stars of Export Award**, the Top Exporter Company in IKMIB Food Chemicals Section.

AROMSA GERMANY



AROMSA IN THE WORLD





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**PREVENTATIVE
MEASURES FOR
COVID-19**

I PREVENTATIVE MEASURES FOR COVID-19

We develop our fight against Covid-19 strategy with the motto of **Predicting the Unknown**. Within the framework of this strategy, we have taken all kinds of measures recommended by national and international health institutions in order to protect the health of our employees, their families and our stakeholders. With these measures, we managed to maintain operational continuity in the production of critical products and services.

We made a Crisis Team consisting of senior managers starting from

the pandemic. We implemented some measures in our working environment, common areas, company and service vehicles, meetings, training and travels. We prepared the 'Covid-19 Infection Prevention, Early Diagnosis, Control and Follow-up Guideline'. In the meantime, we provided information to our employees through various communication channels and shared the decisions taken by the Crisis Team with our employees.

In addition, we established a health team consisting of company nurse, doctor and the Deputy General Manager responsible for Human Resources in order to follow up quickly and closely the Covid-19 cases among our employees and to prevent the risk of transmission. For business continuity, we used the rotation technique between the departments in order to prevent Covid-19 cases that may occur and ensure the continuity of production and other processes uninterrupted. With this cooperation, especially the production and quality control

laboratories were supported by the employees in other departments in case of missing personnel due to the disease and these personnel turned back to their offices. Our employees, who were relocated, were rewarded and appreciated for their goodwill and devoted work during this important and difficult period.

General Measures We Took

Precautions on entry and exit from work

Masks, HES code inquiry, only risk-free and vaccinated people were allowed in the company, subcontractors signed a daily declaration form

Measures regarding the work environment

Planning the ways of working considering the social distance rule (working from home/shift), planning the resting and meal breaks to minimize the interaction of the employees with each other, proper and sufficient ventilation of the working environments, disinfection after overtime in office environments

Precautions regarding the common areas

Frequent disinfection of common equipment such as door handles, lighting switches, dispensers, coffee machines and common areas (toilets, meeting rooms, changing rooms, dining hall), installing UV lamps in possible areas, not using elevators as much as possible, or only single use in cases of necessity

Precautions regarding the cafeteria

Arrangement of the rows and tables (cross-sitting), using disinfectant before eating, removal of the open salad bar and serving of packaged salad, separation of the tables with separators, installing UV lamp in cafeteria, cafeteria staff acting in accordance with personal hygiene rules and using personal protective equipment, disinfection of tables

Measures in shuttles

Arrangement of the seating in the shuttles proper to social distancing rules, asking people to sit in the same seat all the time, wearing masks all the time during the journey, providing ventilation by opening the windows without operating the air conditioner, disinfecting the vehicles

Precautions regarding meetings, trainings and travels

Meetings were held online, compulsory trainings were given online through the "Success Factors" system, social distance rules were followed in face-to-face training.

Precautions for visitors

Asking for the Covid-19 PCR test results in the last 48 hours from international visitors, having full vaccinations from domestic visitors and asking for the HES code, admitting only risk-free and vaccinated people to the company.

Precautions regarding customer visits

Preferring to go to the customer visit by company vehicles, working from home for 2 days after getting off the plane, getting a Covid-19 PCR test 48 hours later, coming to work only if negative

Precautions regarding the tasting areas

Complying with the rule of maximum number of people in the tasting areas and declaring this number with a poster, removing the mask only while tasting, wearing the mask again while speaking/commenting, serving by one person during the tasting, limiting the tasting time to 30 minutes, keeping at least 1.5 metres between people

Precautions regarding subcontractors

Not taking the subcontractor employees to the facilities in cases where it is not compulsory, controlling entrances (HES, Vaccination Card Declaration, temperature measurement), working in accordance with mask-distance-hygiene rules, subcontractor employees eating in a separate area from Aromsa employees

Shipping measures

Sending personal shipping to factories



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**CORPORATE
GOVERNANCE AND
SUSTAINABILITY**



CORPORATE GOVERNANCE AND SUSTAINABILITY

CORPORATE GOVERNANCE

We go beyond complying with legal obligations in all geographies in which we operate and we build our corporate governance model on the basis of high standards, targets and ethical values that we have interiorised.

We adopt a fair, transparent, accountable and risk-oriented business approach that respects human rights, in line with our institutionalization and governance efforts, which we began with the EFQM (The European Foundation for Quality Management) Model.

We aim to make our achievements sustainable by supporting this understanding with our practices and policies.

At Aromsa, we attach importance to observing all the rights of our employees by adopting the international declarations, guidelines, contracts and principles to which our country is a part of while acting in compliance with all laws and regulations. We respect the same rights for our suppliers and subcontractors in our value chain.

The Board of Directors is the top organ of our corporate governance structure. Decisions regarding the social, economic and environmental impacts of our operations are taken by the Operations Board, which consists of the Board of Directors, Executive Board, Assistant General Managers and Directors.

[Click here to access our Corporate Policies.](#)



Melis Yasa Aytaman- 28th Quality Congress - 26-27 November 2019

CORPORATE RISK AND OPPORTUNITY MANAGEMENT

Risk and opportunity management is an important issue for the sustainability of our company. We closely monitor global trends and related risks that may cause a risk to the ecosystem in which we operate and try to implement proactive practices to prevent them. In line with this approach, our corporate risks are handled under 4 headings: financial, strategic, external environment and operational risks.

ISO 31000 Risk Management System and EFQM Model are taken as reference in determining risks. Process-based operational risk and opportunity analyses are carried out and are reviewed annually within the scope of ISO 27001 Information Security, ISO 9001 Quality, ISO 10002 Customer Satisfaction, ISO 14001 Environment and ISO 45001 OHS Management systems. In addition to these, detailed risk analyses are

also conducted due to food safety management systems.

As Aromsa, we follow the regulations related to the countries where we operate and the countries where our business partners make sales and we carry out the necessary R&D studies with proactive approaches on issues that will affect our business partners, such as legislative changes.

INTERNAL AUDIT AND CONTROL

Internal audit and control is critical to clearly identify our performance and carry onward. Aromsa's integrated management systems internal audits are planned by the Quality Assurance department through the QDMS audit module at the beginning of each year and are implemented throughout the year.

In this regard, our 50 internal auditors carried out above 40 audits each year.

The management systems within the scope are ISO 9001, ISO 14001, ISO 45001, ISO 10002, ISO 27001 and BRC (British Retail Consortium International Food Safety Standard) and audits are made on a process-based and integrated basis.

Aromsa undergoes third-party audits by government agencies, its customers or impartial certification bodies throughout the year.

All processes are audited whether from the design process to the raw material entry, from the production to the product shipment and the audits are successfully completed without critical or major detections. In 2021 zero non-compliance was detected in ISO 27001 and ISO integrated audits.

BUSINESS ETHICS AND ANTI-CORRUPTION

Ethical values are the most important building blocks of Aromsa's way of doing business. We created Aromsa Ethics Procedure and Ethics Rules for adoption of our ethical understanding by both internal and external stakeholders and share it with all our stakeholders.

The Ethics Procedure and Ethical Rules are shared with the employees through the "Human Resources Shares" meetings held by the Human Resources Directorate and all employees, including newly recruited ones, sign the Declaration of Compliance with the Ethical Rules. In addition, a total of three hours of training per employee is conducted each year regarding the relevant ethical rules, principles and standards.

All potential ethical violations are evaluated by the Aromsa Disciplinary Committee and the committee decides whether to apply the necessary sanctions. The General Manager and Employer Representative are responsible for the operation of the Code of Ethics and the Human Resources Directorate supervises employees' compliance with these rules.

Employees can send emails via gelisim@aromsa.com.tr; ethic@aromsa.com.tr; etikhat@aromsa.com.tr in order to report their concerns about unethical and illegal behaviour and

issues related to corporate integrity. These accounts are actively managed with impartiality. The reports are directly sent to the General Manager and Employer Representative, who forms the Aromsa Disciplinary Board and are evaluated in accordance with the principles of impartiality and confidentiality. There were no confirmed cases of corruption during the reporting period.

Aromsa strictly adheres to the principles of business ethics in its supplier operations as well. The Ethical Trading Initiative (ETI) Core Terms and Conditions are shared with all suppliers and subcontractors and all our stakeholders, who may have a direct or indirect impact, are expected to comply with the ETI Core Terms and Conditions.

Aromsa undergoes a Social Compliance Audit every year, open to the traceability of its global customers. All of the announced and unannounced social compliance audits carried out by two of our global business partners during the reporting period were successfully concluded with zero non-compliance.

Aromsa Ethics Procedure was reviewed in 2017 and Aromsa Code of Ethics was determined in the following 4 main dimensions and was republished with the approval of the Executive Board.

1. Protection of Competition and Compliance
2. Conflicts of Interest
3. Assets Applications
4. Other Code of Business Ethics



SUSTAINABILITY MANAGEMENT

The basis of Aromsa's Sustainability Management approach comes from the management of the material issues that were determined in line with the expectations of our stakeholders, the trends affecting our industry, risks/opportunities and our corporate goals. Through the strategies we have determined for our material issues, not only we keep track of our targets, but also implement projects to meet the expectations of our stakeholders.

Our global operations have a wide sphere of influence. With the awareness of this responsibility, as part of sustainable management,

we monitor the changes in legislation, social, environmental and governance risks and our performance in these areas as well as our financial risks.

We closely follow local and international platforms and take roles and responsibilities at different levels in the field of sustainability.

In 2021, we signed the Sustainability Agreement created by IOFI (International Organization of the Flavor Industry) and IFRA (International Fragrance Association) and became a Member of the Sustainable Development Association.

AROMSA SUSTAINABILITY COMMITTEE

Our Sustainability Committee is responsible of effective management of sustainability studies. The Committee, which is consisting of 5 members representing:

- o Quality
- o Human Resources
- o Corporate Communications and Marketing
- o Environment
- o Legal Affairs

meets regularly and determines actions regarding our priority issues and monitors our actions and our sustainability performance.

Main Duties of the Sustainability Committee

- o Ensuring that 'products, services and solutions' are offered in a way that minimizes negative impacts on society and the environment
- o Researching and understanding the ecosystem, including global trends and their implications for the UN Sustainable Development Goals
- o Encouraging the employees to behave in an environmentally responsible manner by raising awareness among the employees of the organization
- o Identifying, recognizing and appreciating exemplary models in its ecosystem for a more sustainable future
- o Experience sharing with other organizations in the ecosystem
- o Cooperating with public institutions and NGOs
- o Opening communication channels for fundamental social stakeholders
- o Ensuring the adoption of circular economy principles in the organization
- o Preparing the sustainability report

Sustainability Goals

The 2023 Sustainability Goals were determined in the previous reporting period. Our new targets that we set during the reporting period are shared in the 2025 Sustainability Goals table.

	2023 Sustainability Goals	Developments in the Reporting Period
Value Chain 	To create a Supply Chain Policy that includes social and environmental criteria	The Purchasing Policy has been updated to include environmental and social responsibility criteria.
	To achieve the Turkey Excellence Grand Award and making it sustainable	Turkey Excellence Award was received in 2019. With the revision of the EFQM Model, studies continue within the scope of the SAR'22 (Sustainable Aromsa 2022) project.
	To increase the variety of new products in the natural products and extraction department by 30% within the scope of R&D studies	By the end of 2021, an increase of 40% was observed.
R&D and Innovation 	To increase the R&D facility area by 60%	Our R&D facility square meter has increased by 70% by the end of 2021.
	To increase product variety by 50% in milk and dairy products	Variety in milk and dairy products increased by 70%.
	To exceed the average of employee commitment rate in Turkey by a minimum of 20%	Aromsa's score is 86% in the Employee Engagement and Satisfaction Survey held at the end of 2020. This score is 24% above the Turkey average.
Employees 	To ensure 50% female employee ratio	The goal of achieving a 50% female employee ratio continues.
	To provide an average of 16 employee*hours of leadership training per year to each of our leaders in order to develop their leadership competencies.	ISO 45001, EFQM, superior performance and corporate culture leadership trainings were provided.
	To ensure that one of our 4 employees voluntarily takes part in social responsibility projects carried out in cooperation with NGOs.	In 2021, 21% of our employees took part. It could not be reached due to Covid-19 and our related target continues.
	To reduce CO ₂ emissions by 10% in the next 5 years	Emission intensity in 2020 decreased by 3.7% compared to 2018, the base year. The scope of the emission report in 2021 has been expanded due to growth in operational limits. With this change, the base year has been updated to 2021 and the target has been revised.
Environmental Impact 	To achieve LEED Platinum Certificate for Aromsa 6 Building	In 2020 and 2021, LEED Platinum Certificates, the highest level, were obtained for 2 different buildings.
	To reduce energy consumption by 10% in the next 5 years	The growth in operational boundaries has led to an increase in energy consumption.

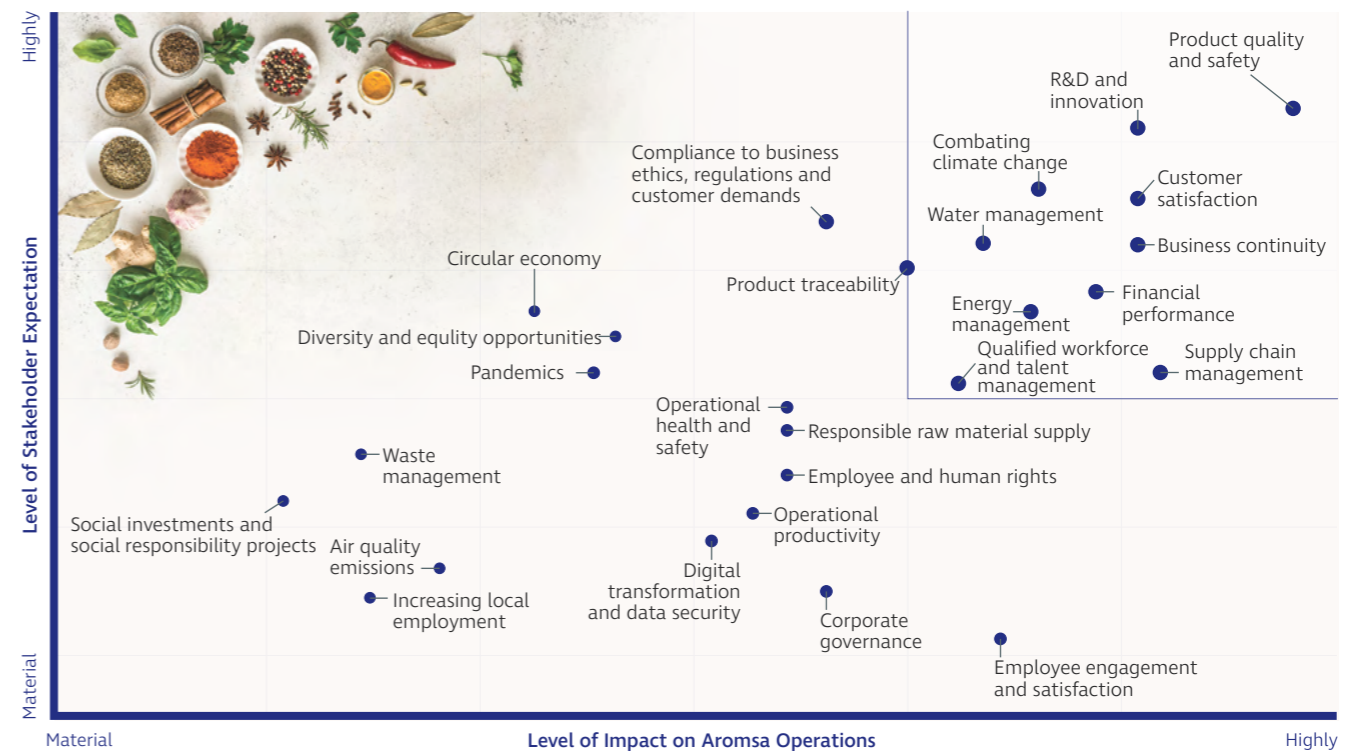
2025 Sustainability Goals

Value Chain 	To receive the Turkey EFQM Continuity in Excellence Award in 2023 and the EFQM European Excellence Award in 2024
	To obtain ISO 17025 Laboratory Accreditation Certificate for Food Analysis Laboratory
	To diversify plant-based meat and dairy products and to enrich the flavour library by 20%
R&D and Innovation 	To put into production 10 types of savoury sauces for which design studies are carried out
	To increase the extract varieties by 20% and the tonnage produced by 30% within the scope of natural products
	To keep the employee satisfaction score at least 20% above the Turkey average in the Employee Engagement and Satisfaction Survey
Employees 	To ensure 50% female employee ratio
	To keep female employee ratio at the managerial level above 60%
	To ensure that one of our 4 employees voluntarily takes part in social responsibility projects carried out in cooperation with NGOs.
Environmental Impact 	To reduce CO ₂ emissions per ton by 15%*
	To reduce energy consumption per ton by 10%*
	To obtain ISO 50001 Energy Management System Certificate
	To establish Energy Tracking System
	To realize energy savings of at least 10% in the area by using renewable energy sources*

*Until 2031

SUSTAINABILITY MATERIAL ISSUES

During the reporting period, we reviewed our priority issues with the participation of the Sustainability Committee and other relevant departments. We collected as well our stakeholder's comments. While reviewing the issues, we evaluated both the sector's and other megatrends.



MANAGEMENT OF THE STAKEHOLDER RELATIONS

As Aromsa, we define our **key stakeholders** as the ones who have the potential to help or hinder the realization of our purpose, mission, vision and strategy. In this regard, our main stakeholder groups are Business and Governance

Stakeholders, Customers, Employees, Suppliers, Collaborations and Society. We review our stakeholder groups annually. Related processes are implemented in accordance with the 'Main Stakeholder Management Procedure'.

We conduct surveys periodically to obtain the expectations, opinions and perceptions of our key stakeholders. Based on the results of the surveys, we take actions for continuous improvement.

We collect evaluations and opinions of our sectoral and industrial stakeholders through meetings. During the reporting period:

We participated in the Sustainable Food Summit, organized by the Sustainability Academy and Turkish Food Industry Employers' Association (TÜGİS) every year as part of the World Food Day events, as the main sponsor and speaker. Our General Manager Murat Yasa was among the speakers at the session titled "Co-creating the Future's Food System with Next Generation Products" of the Summit, which was held for the 5th time in 2019. Current situation of food systems was discussed at the summit which was held online for the last two years due to the

pandemic. In this context, our General Manager Murat Yasa made a speech at the "Parameters of the New Normal for the Food Industry" session of the Summit in 2020. In the Summit, which was held for the 7th time in 2021; Our Quality Director Dilek Özgen Kılıçarslan and Deputy General Manager for Financial Affairs Özgür Demirci were among the speakers.

Aromsa Board Member Melis Yasa Aytaman, Aromsa Corporate Communications and Marketing Manager Ceyda Çelik, Aromsa R&D Manager Aslı Kocakuşakoğlu took part in the webinar on 'Flavour in Milk and Dairy Products' held by the Packaged Milk and Dairy Products Industrialists' Association (ASÜD) on April 22, 2021. The webinar created a platform where

experts in the sector discussed the developments and trends in the world and in the new normal.

The monthly 'Industrialist Talks Meetings' was held in Aromsa on 29 November 2019. In addition to the representatives of companies operating in the Gebze Organized Industrial Zone, Gebze Technical University Rector Prof. Dr. Mustafa Hasan Aslan and academicians were also among the participants.

Our General Manager Murat Yasa took part in the panel on 'Developments in the Food Industry' and our Member of the Board Melis Yasa Aytaman took part as a speaker at the 'Women in Life' event at the 2019 Food&Nutritional Ingredients Fair.

Periodic surveys that we conduct with our stakeholders are as follows:

- o Customer Satisfaction Survey: **Every 2 years**
- o Community Satisfaction Survey: **Every 2 years**
- o Supplier Satisfaction Survey: **Once a year**
- o Collaborations Satisfaction Survey: **Once a year**
- o Business and Governance Stakeholders Satisfaction Survey: **Once a year**
- o Employee Engagement and Satisfaction Survey: **Every 2 years**

In addition to periodic surveys, we also use the methods of one-to-one meetings, information meetings, conferences where sectoral stakeholders come together, seminars and relevant information e-mails to meet the needs of all stakeholder groups.



Voices of Key Stakeholders and Conversations

These are the interviews held separately throughout the year for all stakeholder groups (For example, "Supplier's voice" for suppliers; "HR is Listening" for Employees).

For our external stakeholders, we hold short interviews with the organizations that are picked among our main stakeholders. We collect the information received on topics such as our stakeholders' discontent, expectations, cooperation issues and sustainability studies and we evaluate the collected information as input in our strategies.



Murat Yasa - Aromsa Founder and Chairman of the Board



Melis Yasa Aytaman - Aromsa Board Member and Second Generation Representative



I ASSOCIATION AND ORGANIZATIONS MEMBERSHIPS

- **ZDS** (Zentralfachschule der Deutschen Süßwarenwirtschaft - Confectionery Industry Training Center)
- **GTO** (Gebze Chamber of Commerce)
- **KSO** (Kocaeli Chamber of Industry)
- **TAİDER** (Family Business Association)
- **AREP** (Association of Food Flavour and Essential Oil Manufacturers)
- **ASÜD** (Packaged Milk and Dairy Products Industrialists' Association)
- **GIDABİL** (Association of Food Ingredients and Improvers Manufacturers)
- **İKMİB** (Istanbul Chemicals and Chemical Products Exporters' Association)
- **MEYED** (Turkish Fruit Juice Industry Association)
- **TMMOB Chamber of Food Engineers** (Union of Chambers of Turkish Engineers and Architects)
- **TÜGİS** (Turkish Food Industry Employers' Association)
- **TUGİP** (Turkey Food Innovation Platform)
- **PERYÖN** (People Management Association of Turkey)
- **KALDER** (Turkish Quality Association)
- **ÖSGD** (Private Sector Volunteers Association)
- **GOSB** (Gebze Organized Industrial Zone)
- **GTHB UGKK** (Ministry of Food, Agriculture, Livestock National Food Codex Commission Sub-Commissions)
- **IOFI** (International Organization of the Flavour Industry)
- **SGP** (Sustainable Food Platform)
- **SKD** (Sustainable Development Association)
- **PLAT** (Private Label Products Manufacturers and Suppliers Association)



TAİDER Aromsa Visit - January 2019

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ENVIROMENTAL MANAGEMENT

13 CLIMATE
ACTION



ENVIRONMENTAL MANAGEMENT

Climate crisis is one of the most crucial threats affecting the sustainability of business activities, primarily sustainability of water resources and raw material supply. Our world is above the critical 1.5 degree threshold set in the Paris Climate Agreement and continues to get warmer. This current situation makes it mandatory for businesses to continue their operations more responsibly than they should always be.

As Aromsa, we evaluate the impact of climate change from raw material supply to production activities and waste processes by considering the life-cycle and we actively review the risks and opportunities related to climate change in all of these processes as well as in projects and investments.

We are aware of the environmental impacts of our activities. We work hard to reduce these effects and to ensure that future generations can use natural resources more

efficiently. For this purpose, we carry our environmental management activities in line with international standards and adapt the relevant developments to our operations as much as possible. We have ISO 14001: Environmental Management System and ISO 14064-1: Corporate Greenhouse Gas Inventory Report Verification Statement Certificate in all of our factories. Under the guidance of our Environmental Policy, we manage our impacts in our operations more effectively and implement remedial and development projects.

[Click here to see our Environmental Policy.](#)



Within our sustainability strategy, we aim to spread the awareness of environmental protection and reduce environmental impacts in our value chain.

We conduct employee training sessions in order to spread environmental awareness within Aromsa. In the last three years, we have provided a total of 5,080 hours of environmental training to our employees.

The primary purpose of ISO 14001 Environmental Management System is to prevent pollution, reduce natural resource consumption and fulfill compliance obligations. [Click here](#) to reach our Environmental Management System Scope, that we have prepared for this purpose.

As of 2016, we evaluate our environmental activities with Ecovadis, an international environmental and social performance evaluation platform, which we are involved in for our continuous improvement efforts.

Climate change affects significantly the sustainability of supply chain. With our sustainable procurement approach, we attach great importance to working with suppliers who practice good agricultural practices, care for the environment and make an effort, within the framework of social responsibility and environmental protection principles. In order to protect the environment and reduce CO₂ emissions, we prefer local and closer suppliers when supplying the same quality of material. We share the "Supplier OHS and Environmental Expectations Document" with our suppliers and reach expectations with the "Supplier Satisfaction and Expectation Survey".

In the reporting period, 92.4% of our environmental investments are collected in Environmental Protection, 5% in certification and 2.6% in consultancy categories.

We continue our activities in a way that meets the requirements of the Environmental Law No. 2872 and other related regulations. During the reporting period, no accidents that may cause environmental pollution have occurred and no environmental penalty has been imposed.



In the reporting period, we received the Kocaeli Chamber of Industry Şahabettin Bilgisu Environment Award in the Food Industry Category.



Dilhan Deniz - Deputy General Manager Kocaeli Chamber of Industry Şahabettin Bilgisu Environment Award Ceremony

EMISSION MANAGEMENT

Limiting global warming to 2°C first and keeping it below 1.5°C compared to the pre-industrial period is among the main objectives of combating climate change in today's world. We need to join forces to adapt to these goals and minimize the damage caused by climate change. As Aromsa, we follow this global struggle aimed

at reducing the environmental footprint by preventing carbon leakage and promoting a circular economy and prioritize it with our climate change strategies.

Our Aromsa Combating Climate Change and Carbon Management approach is the most important

structure that we have developed as part of our environmental policy and that directs the related processes. In this context, since 2013, we have been calculating our greenhouse gas emissions as part of the requirements of the ISO 14064-1 standard in order to improve our greenhouse gas management.

Purpose of establishing ISO 14604-1 Greenhouse Gas Inventory

- o Calculate the impact of our activities on climate change
- o Provide infrastructure for current and future legal regulations
- o Identify risky and problematic parts in carbon management
- o Contribute to the Carbon Management Plan
- o Raise awareness of employees on climate change, energy efficiency and sustainability

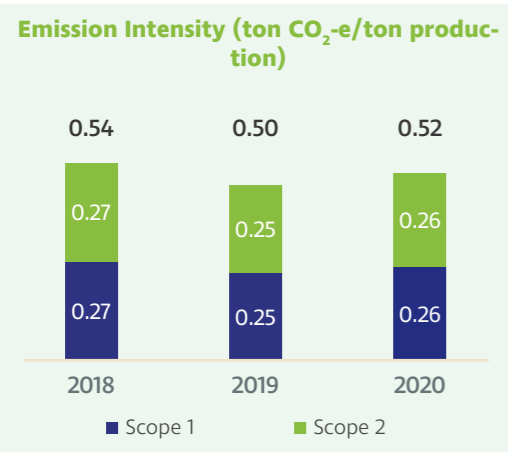
We evaluate our greenhouse gas emissions according to the base year of 2018. Our direct greenhouse gas emissions calculated in Scope 1 (natural gas, vehicle fuels and refrigerants) and energy indirect greenhouse gas emissions calculated in Scope 2 have increased compared to 2018. The most important reason for this increase is

that we continued production without interruption during COVID-19 to meet the increasing demand of the market and our production capacity has expanded.

In 2021, we added a new location to the Aromsa production facilities. Two existing production lines were moved to the new location and

additional production lines were put into operation. Due to the growth in operational limits, the scope of the 2021 emission report has been expanded. With this change, we changed the base year to 2021 and the reduction target was renewed as 15% for 2031. Due to this change, 2021 is not included in the previous year comparisons.

We used the ISO 14064-1 standard in the calculation. All of our reports, including 2020, were verified by BSI (UK National Standards Institution) according to Aromsa 1-2-3-4 location data and IEA (International Energy Agency) was used as the electricity emission factor in the calculations.



Until 2021, greenhouse gas emissions were calculated only for the Aromsa 1-2-3-4 locations. As of 2021, the scope of the greenhouse gas emission report has been expanded and Aromsa 5-6 locations were also included in the calculations. With the scope change, the electricity emission factor used in the calculation has also been changed.

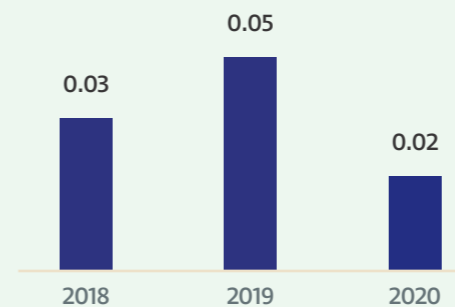
In the calculation of 2021, instead of the IEA (International Energy Agency) electricity emission factor that we have been using since 2013, the electricity emission factor of Ecoinvent version 3.6, which is defined in the infrastructure of the calculation program we are using, has been used. Ecoinvent version 3.6 electrical emission factor is higher than IEA. This change in emission factor is one reason for the increase in scope-2 emissions for 2021.

Carbon emissions for 2021 will be verified in accordance with ISO 14064-1:2018 version. The shared calculation was figured out in accordance with the old version before the transition.

The emission intensity calculated in 2018, the base year, is 0.54 tons of CO₂e/ton of product. Our target is 10% emission reduction in 5 years. Emission intensity in 2020 decreased by 3.7% compared to the base year.

Other indirect greenhouse gas emissions that we calculate as Scope 3 include emissions from personnel transportation, flights, waste water treatment and waste disposal. The data for the year 2021 will be verified based on the 2018 version of the ISO 14064-1 standard and the content of the scope 3 calculation will be expanded.

Scope-3 Emissions Intensity (ton CO₂-e/ton production)



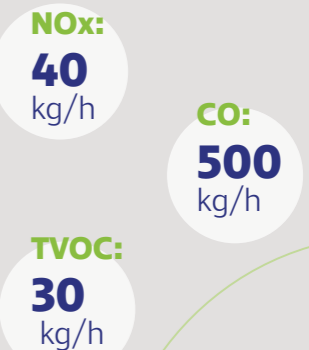
Scope-3 Emissions Intensity (ton CO₂-e/ton production)



The IEA (International Energy Agency) emission factor that we used until 2021 has been changed to ecoinvent version 3.6 in the 2021 calculation. According to the chimney emission measurement report dated 23.02.2021 in the reporting period, the data obtained for other air emissions are as follows:



Our air emissions data are below the limits. Limit values according to the Regulation on Control of Industrial Air Pollution;

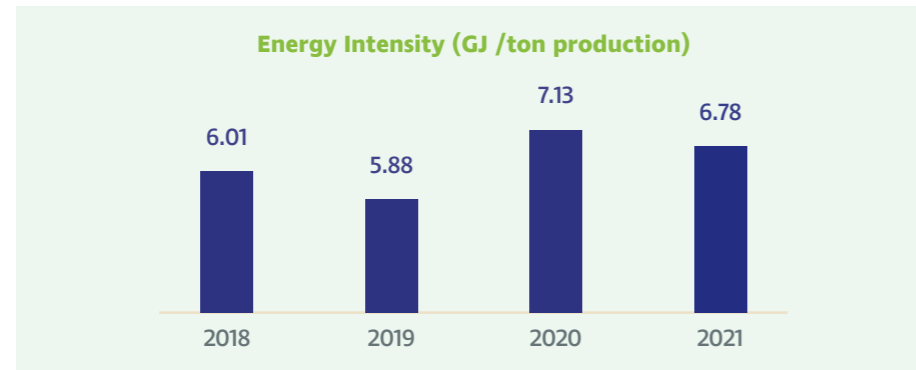


ENERGY MANAGEMENT

Climate change is largely an energy-related crisis. The current situation also indicates that energy use and management should be at the center of the solution. With this awareness, we implement energy efficiency projects in our factories in order to increase and spread the number of energy efficiency practices.

Among our ongoing works are the energy monitoring system that will reduce greenhouse gas, digital transformation projects and our ISO 50001 Energy Management System certification process of which we developed the infrastructure.

We are aware of the fact that choosing renewable energy sources by reducing energy production based on fossil fuels as much as possible, is the most important step to reduce carbon emissions. In addition to our energy consumption reduction projects, we carry out our work on renewable energy supply with this awareness.



Despite energy efficiency studies, maintenance, equipment renewals and revisions, an increase in energy consumption per unit of production was experienced between 2018-2021. The growth in operational boundaries, the increase in non-production areas with high energy consumption, the installation of existing/new

machinery and construction works and the addition of air conditioning systems are the main factors that increase energy density and total energy consumption.

Offices and laboratories were put into use in Aromsa 6 building in 2020 and production activities started in 2021. The energy density

in 2020 has been higher than the next year, as auxiliary facilities, cold rooms, storage areas, R&D laboratories with sensitive air conditioning systems and offices with high energy consumption went into operation, but production has not started in this facility.

LEED (Leadership in Energy & Environmental Design) Platinum Certificates

Our new administrative building, located in the Gebze Organized Industrial Zone (GOSB), earned the LEED (Leadership in Energy and Environmental Design) Platinum Certificate with 83 points in 2020, the world's most prestigious green building certification, developed by the U.S. Green Building Council (USGBC). In 2021, our new building, also located in GOSB, was awarded the highest level of LEED Platinum Certificate with 84 points, making the number of buildings with LEED Platinum certificate two. As Aromsa, we aimed to minimize the negative effects of construction on the environment by complying with LEED criteria in the design and construction of our projects, to reduce the operating costs related to the management of the buildings, to save energy and water and to create a user-friendly and comfortable workspace, by means of the strategies and systems developed.

Improvements during the LEED Certificate process

- We ensured the separation and recycling of wastes in the construction process.
- We preferred local products as much as possible in the materials we supply, in order to reduce carbon emissions.
- In all our supplies, we preferred environmentally friendly products among their counterparts.
- In order to benefit from the daylight at the highest level in the building design, we made adjustments that provide the highest level of light and prevent heat loss on the ceiling and facade.
- All the materials used (lamps, glass, joinery, air conditioners, pumps, boilers, chillers, sink fixtures, sensors, elevators) have been selected from models with high energy efficiency and savings class.
- We filter the rainwater that falls in winter and autumn, also the drainage water of air conditioners in summer and spring time and use them in reservoirs, in irrigation of our gardens on the terrace and in the field.
- We created a parking area for bicycles and electric vehicles in our parking lot. Electric vehicle owners can charge their vehicles in our parking lot.
- Materials and colors that avoid the "heat island effect" were used on the exterior and terrace of the building. In addition, we made a landscape garden, 30% of which consists of edible fruits and vegetables.
- Remotely monitored digital meters were installed in order to track water and energy consumption and to intervene immediately in case of potential negativities.
- Solar Power Plant was installed on the roof of our factory building as a green energy source.
- Lighting and air conditioning automation system was set up in our building.
- We installed circuits that automatically stop the air conditioner when the exterior windows are opened to prevent waste of energy.
- In order to keep the indoor comfort at the highest level, smart and variable flow devices were installed to measure the minimum oxygen rate and intervene when it drops. Heat recovery units were used for energy saving purposes.



Solar Power Plant (SPP)

Some of the electricity consumption of Aromsa-6 factory building is met by Solar Power Plants. The usage capacity of the system is 102 kWe. In 2020 and 2021, a total of 796 GJ of energy was produced with the solar power plants in our factories.

With the SPP, which was commissioned at Aromsa-6 in May 2020, 366 GJ/year energy savings were achieved in the last 7 months of 2020 and 430 GJ/year energy savings in 2021. The total amount of energy produced by SPP in a 19-month period corresponds to 11.5% of the total electricity consumption. The amount of CO₂ that was prevented from being released in this process with the project is 120 tons.

Installment of the Solar Power Plant (SPP) project continues in Aromsa-1 factory building. The usage capacity of the project is 166 kWe. The targeted energy saving is 22% of the total consumption.

SPP feasibility studies were started for our other existing buildings and our new building. Our SPP instalments are designed as systems with high efficiency and safe against fire risk.



Energy Efficiency Projects in the Reporting Period

Energy Study: In 2019, an Energy Study was carried out to analyze the current situation and see possible improvement opportunities.

LED luminaires installments: With the replacement of 2,890 LED luminaires, 415 GJ/year energy savings were achieved and 67,121 kg CO₂ emission was prevented.

Operational efficiency studies

- o Aromsa-2 steam generator automation application provided total 148 GJ/year* energy gain and 20,172 kg CO₂ emission prevention.
- o By keeping the combustion efficiency between 3-4% in steam generators and hot water boilers, an annual energy gain of 576 GJ/year* was achieved and 78,720 kg of CO₂ emission was prevented.
- o After reducing the pressure set value of the compressed air compressor by 1 bar, 166 GJ/year* energy was obtained. With regular hourly periodic maintenance, 22,632 kg of CO₂ emission is prevented.
- o Annual controls and maintenance are carried out in natural gas pressure reducing stations and internal installations.
- o With automatic LED fixtures, redundant energy consumption was prevented and lighting energy savings were achieved by using daylight panels in all convenient buildings.
- o Energy efficient equipment is preferred in new purchases.
- o Since the air conditioners have automation control and heat recovery systems, unneeded energy consumption is prevented.
- o Steam trap controls of steam systems are carried out together with professional companies. With these controls, uncontrolled energy consumption is prevented.
- o Thanks to the periodic maintenance/controls, we ensure the efficient operation of the systems working with electricity and natural gas energy.
- o 10% energy recovery is achieved by utilizing the high flue gas heat of our SD production machine.
- o We prevent uncontrolled energy consumption with the automation work carried out in our odor removal systems.

* The results are taken from the 2019 Energy Audit calculations.



WATER MANAGEMENT

Considering the devastating effects of climate change, efficient use of natural resources is getting more and more important every day. The gradual decrease in fresh water resources due to global warming is one of the most crucial risks for food safety and sustainability. With this awareness, we evaluate the optimum use of water resources, ecology and protection of water quality and water supply risks. We develop projects on access to alternative water resources and sustainability of resources. While meticulously managing our activities in water management, we use our Aromsa Water and Energy Policy on related matters as the basis.

Please click here for our Water and Energy Policy.



As part of our Sustainable Water Management practices, we carried out Water Resources Risk Analysis and Hydrogeological Survey and Technical Evaluation studies in the region in 2021 and created a road map for access to alternative water resources.

After evaluating the feasibility studies on access to alternative water resources, we first implemented the groundwater access project.

As a result of the studies carried out in our factory areas operating in the Gebze Organized Industrial Zone, groundwater resources were reached and we aim to reach the desired water quality with treatment systems. Our primary goal is to protect underground and surface water ecosystems and to contribute to the sustainable use of water resources. For this reason, we planned the next stage of our project and designed the regeneration (feeding) and protection of our groundwater resources. The rainwater project, which will feed our groundwater resources, is aimed to be completed in 2023.

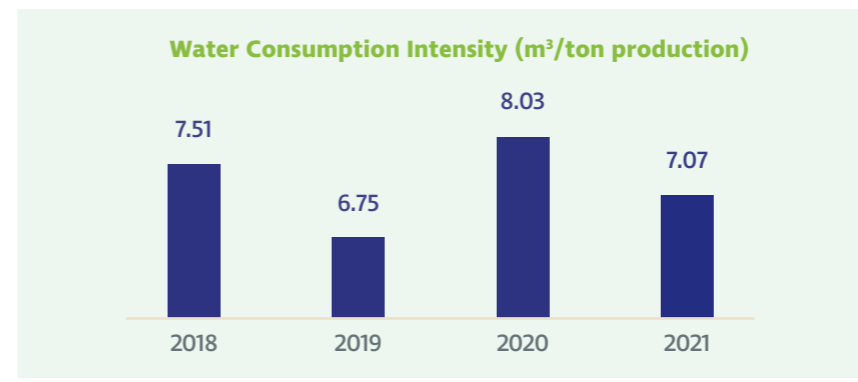
Alternative Water Source Project Stages	
Stage 1	Hydrogeological Survey and Technical Evaluation Report
	Aromsa Water Resources Risk Analysis
Stage 2	Groundwater source location selection (Aromsa 4 and 6), drilling work, piping, gravel
Stage 3	Pump installation and line laying
Stage 4	Sampling, ensuring quality water supply requirements in accordance with drinking water standards
Stage 5	Installing meters, rainwater supply connections and coarse filter

Our Underground Water Resources	Piped Depth	Capacity
Aromsa 4	365 m	300 m ³ /day
Aromsa 6-1	202 m	50 m ³ /day
Aromsa 6-2	232 m	50 m ³ /day



We continue the analysis and trial studies of the water treatment systems of underground water resources. After the potable water treatment plant is commissioned, which is planned to be completed by the second quarter of 2022, underground water resources will be active for use. The only water source used in our operations during the reporting period is the GOSB network line.

Our water consumption is increasing in line with our production amount. The reason for the high increase in 2020 is the new production areas created by our investments and the increase in our production amount. We aim to reach the optimum consumption level with the saving efforts of our project teams to reduce water consumption.



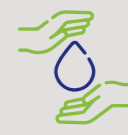
Our factories operate in the Gebze Organized Industrial Zone in the Marmara Basin. Our rainwater drains are free from wastewater. The wastewater generated as a result of our activities is first pre-treated at our company's wastewater treatment plant before it is discharged to the GOSB wastewater treatment plant. The average amount of wastewater coming to the treatment plant is 150 m³ per day. Wastewater is not discharged to the environment.

use of daylight with the renewed roof design.

Waste water generated during the disassembly and assembly process of the wastewater treatment facility was directed to licensed wastewater disposal facilities and the process was managed in a way that would not harm the environment and affect the production process. With the revision of the wastewater treatment plant, the efficiency of chemical wastewater treatment was increased by approximately 20%.

The efficiency of the GOSB wastewater treatment plant, which consists of physical, chemical, biological treatment, sludge drying and odor removal units, is monitored daily and confirmed by analyzes made every 15 days as part of environmental permit.

Our existing wastewater treatment plant was revised in 2021. Treatment efficiency was increased, energy losses were eliminated and energy savings were achieved by making



Our rainwater drains are free from wastewater. In order to prevent pollution of the receiving environment, we developed emergency plans against any risk of spillage and leakage and we conduct routine spill exercises. In our LEED certified building, the water stored with the rainwater collection system is purified and used in reservoirs and garden irrigation. We aim to realize rainwater collection projects in our other business buildings as well by the end of 2023.



Renovated Treatment Plant - 2021

WASTE MANAGEMENT

'Zero Waste' approach forms the basis of our company's waste management approach. We operate with this principle in all our activities from production to supply, from quality management to R&D and other office activities. Our environmental goals include reducing waste at its source, cooperation with licensed recycling and disposal facilities, implementing good practice examples in accordance with legal regulations and practices towards these goals. In this context, we prefer packaging made from recycled materials at the highest rate and send industrial organic wastes to biogas facilities instead of landfills and use them for energy recovery.

Waste/Production (ton waste/ton production)

	2019	2020	2021
Total Hazardous Waste	0.0102	0.0108	0.0098
Incineration	0.0024	0.0025	0.0024
Recycling	0.0078	0.0083	0.0074
Total Non-Hazardous Waste	0.0466	0.0580	0.0519
Landfill (other, household waste)	0.0072	0.0093	0.0089
Biogas Plant (industrial quality)	0.0086	0.0145	0.0089
Recycling (packaging waste)	0.0308	0.0342	0.0341

Our amount of sieves has decreased by 44% as a result of the project of reducing the sieve tops remaining in production in 2019-2020-2021.

We achieved 80% recovery with the recycling of the orange and lemon oils, which are separated as waste in production.

With the project of recycling the plant pulp produced as a result of the extract production, the pulps were used in the production again and the process water was reused.

Thanks to the effective cleaning practice we implemented as part of the improvement of the cleaning process, we reduced the water and energy consumption as a result of reducing repetitive washings (~50%) and the amount of raw materials (~6,000 kg/year).

At Aromsa, waste management is a part of the company culture. All wastes generated as a result of our activities are separated according to their types (electronic waste, plastic, organic, glass, hazardous). Since 2019, we have been supporting the project by donating all electronic waste to the I Have a Wish project.



Since 2018, we are a member of the "Circular Economy Platform of Turkey", a cloud-based platform that allows inter-industry materials to be exchanged and established under the umbrella of the Sustainable Development Association. Our R&D and Environmental units participate in interaction meetings organized by the platform and evaluate the circular economy opportunities in this context.

This platform aims to;

- o Raise awareness of good practices in waste reduction and establish a strong digital platform for the reuse of waste materials,
- o Reuse the waste materials in production and thus gain economic value,
- o Reduce the need for new raw materials by reusing materials and indirectly reduce CO₂-equivalent emissions.

During the reporting period, we carried out 3 raw material processing studies with various companies within the scope of the circular economy and established a cooperation with a company operating in the food sector on the development of a biogas facility. We came together and cooperated with a company that aims to find alternative organic waste that produces energy by using organic wastes in its biogas facility. With this purchase, the company used approximately 20 tons of Aromsa's organic waste in energy production. In line with the results of the studies, 32 tons more of Aromsa waste was converted into biogas and the company started to receive its wastes from Aromsa regularly to achieve the highest efficiency in energy production. The exchange showed that in convenient formulations, the organic waste of Aromsa increased the biological performance of the processes, thus enabling more electricity and heat energy to be produced.

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OPERATIONAL SUSTAINABILITY



OPERATIONAL SUSTAINABILITY

Our goal is to spread our sustainability understanding in the value chain and to increase the added value we create with our stakeholders. In this regard, we improve our supply chain, increase our customer satisfaction and make our extensive product portfolio sustainable with our quality and food safety practices.

SUPPLY CHAIN MANAGEMENT

Sustainable raw material supply and supply chain management are among our priorities for the sustainability of our high quality products. Effective management of these issues, which have a direct impact on product safety and quality, is of particular importance for Aromsa. We carry out the supply chain management in line with the international standards. In addition, our purchasing, production, quality and food safety policies in supply chain management directly influence the relevant processes.

In order to ensure supply continuity, Aromsa makes adjustments to purchase from more than one supplier and this process is followed up with key performance indicators. Our suppliers are selected after being evaluated in terms of their quality processes, production processes and critical control points, the certificates they hold, the continuity of quality in their products and their environmental and social responsibility approaches. As a



result of the studies carried out, the total number of approved suppliers increased by 35% in the reporting period.

Local procurement constitutes 87% of our total procurement budget on quantity basis and 52% on amount basis. The ratio of local companies, which made up 72% of our supplier number in 2018, reached 78% in 2021. With the work we have done in the last three years, an increase of 6% has been achieved in the ratio of local companies. Parallel to this, the number of materials purchased locally increased by 5%.

Aromsa, where 95% of its raw materials are imported, has been successfully and safely carrying out its import operations on the Blue Line for years; this success received the Authorized Liability Certificate (ALC) issued by the Turkish Ministry of Commerce in 2017. Due to the status we have obtained with this certificate, we are considered as a 'Safe and Reliable Company' in our overseas goods purchases.

We take care of supply chain security at the highest level and include clauses in our contracts that will protect our current status. Every year, we receive trainings and audits on Customs, Foreign Trade Legislation, Safety and Security Measures in International Trade as required by ALC.

In all stages of our activities in the food sector, we are committed to carry out works that are respectful to the environment and compatible with the ecosystem, giving trust and value to our employees and the whole society, with a human-oriented and sustainable environmental perspective. In

addition, we also ask our suppliers to share our commitment to carry out harmonious, responsible and sustainable activities.

In this context, all our suppliers are requested to sign the ETI (Ethical Trade Initiative) Basic Terms and Conditions contract. In addition, the "OHS, Environment and Social Compliance Supplier Information Form" was put into use and shared with all our suppliers. During the new supplier commissioning process, we collect information through this form so we do not work with noncompliant suppliers. In addition to these, we also share "Supplier Health, Safety and Environment Agreement" and ask our suppliers to comply with this agreement.

Within the scope of Environment and OHS Management Systems, we share the 'Supplier OHS and Environmental Expectations Document' with our suppliers, we collect the supplier expectations through the 'Supplier Satisfaction and Expectation Survey' and the OHS and Environment Departments evaluate the results. We expect our subcontractors and service suppliers to meet the requirements of the Environment and Occupational Safety Agreement.

Our Quality Assurance, Quality Control and Procurement Departments carry out audits as part of the annual supplier audit plan. Social and environmental compliance is also taken into account in the Supplier Audit Form, which is used in supplier audits. The audits carried out in the last three years show that we did not experience any negative issues with a supplier with regards to social and environmental issues.



Supplier Day Event

We organized a 'Supplier Day' event in order to foster our cooperation with our suppliers. Within the scope of the "Supplier Day", which was held for the first time in June 2021, we discussed issues such as our expectations in quality, OHS, environment, social benefits and the development of joint projects.

Supply Chain Strengthening Program

Creating value in the long term by providing quality as a whole with our understanding of continuous development and improvement depends on the interaction with our stakeholders and the effective use of resources. Our end-to-end managed strong supply chain is strategically important for growth and realizing our vision. One of our strategies is 'to strengthen the food industry's supply chain and to be the neutral driving force ensuring that everyone speaks the same language'. Our main purpose is sustainable responsible procurement. In this regard, as Aromsa, our target for the next two years is to initiate a 'Supply Chain Strengthening Program', which includes a series of training and development projects aimed at increasing product and service quality by developing cooperation with our suppliers. Among the goals of the program are improving local resources, reducing foreign dependency in procurement, reducing supply risk and supporting domestic production by increasing production technology knowledge in Turkey.

In this context, we announced via social media and e-mail that we are ready to carry out transformation and development projects in cooperation with our suppliers so that many imported products are produced in Turkey to meet or even exceed customer expectations. With the 'Supply Chain Strengthening Program', we aimed for our suppliers to maintain their competitiveness, to create a sustainable production approach, to operate by focusing on quality and efficiency and to achieve success both in exports and in the country. In this accordingly, we planned to analyze the needs of our suppliers, to create resources that support their development at necessary points, to facilitate their access to these resources and to contribute to their acquaintance with new production technologies that will strengthen their infrastructure and technical competencies. In this direction, our project steps are as follows:

- o Announcement of the project by introducing 20 different topics under the headings of 'Process Technologies' and 'Standards and Continuous Improvement in the Food Industry' within the 'Supply Chain Strengthening Program'
- o Planning the development program with the feedback from our suppliers who are willing to participate in the project
- o Providing trainings on these topics with our expert technical staff

In 2021, we organized two trainings as part of the program with the participation of approximately 60 people. We will conduct training sessions on 20 topics every month.



CUSTOMER SATISFACTION

'Extraordinary Customer Service' is one of Aromsa's competencies and we obtained the ISO 10002 Customer Satisfaction Management System in 2020 to make it more sustainable and open to improvement.

We are developing our product range in order to keep our customer satisfaction at the highest level. We measure the satisfaction of our customers periodically and implement improvements in our

processes in line with the feedback we receive. In this direction, we conduct a "Customer Satisfaction Index" study once every two years.

QUALITY AND PRODUCT SAFETY

With the awareness of the responsibilities of our industry, we continue to implement countless practices on quality and food safety for 40 years, without compromising on quality. We take the necessary action after determining our needs in line with periodic internal audits and customer demands. We see food safety culture as a part of our working life and the way we do business and we implement all relevant practices, especially training, in order to spread this awareness.

continuous and regular monitoring and improvement of processes. Process management at Aromsa includes determining the processes, measuring and evaluating the effectiveness of the processes and making the necessary revisions as a result of evaluations, ensuring the improvements and determining the process-based risks and opportunities. Process management is a cycle of continuous evaluation, analysis and improvement to design and maintain processes and better meet customer needs. The process structure is hierarchical in two levels, with the main process and its sub-processes.

In this direction, we determined all main processes and support processes within the Aromsa quality management system. Main processes are Product Development, Sales and Marketing, Procurement Management; while sub-processes are Production Management and Production Planning Processes. Support processes are Strategic Management, Human Resources, Financial Affairs, Laboratory Management, Technical Maintenance, Information Management, Change and Sustainability Management.

Every year, processes which are determined in the first quarter of that year, are evaluated by internal

PROCESS MANAGEMENT

Process management is a set of activities carried out to ensure



customers in terms of the products or services they offer. For this purpose, we conduct the Internal Customer Satisfaction Survey (ICSS) and ensure that the level of satisfaction with the processes is measured and the issues that need improvement are identified.

TOTAL QUALITY MANAGEMENT

As Aromsa, we take the EFQM (European Foundation for Quality Management) Model as our guide, which enables us to reach a holistic perspective and to use the different management systems we have in a complementary way. In this direction, we determine process performances in accordance with the EFQM Model and monitor each parameter with target and comparison data. We carry out all these processes through the Quality Control, Quality Assurance and Quality Systems units under the Quality Directorate.

We took a step towards Turkey's Quality Movement with the EFQM Model, with the "Declaration of Goodwill" we signed in 2012. Our goal when we were stepping into this movement was to

institutionalize Aromsa and achieve a sustainable structure to have a strong management reference to use in institutionalization, to adopt a philosophy of continuous improvement, to increase the happiness of stakeholders and to develop competitiveness. During our journey, we participated in the Turkey Excellence Awards, one of the most prestigious awards in the Turkish business world, in 2013, 2017 and 2019. We won 4 stars in 2013 and 5 stars in 2017. In 2019, we received the Turkey Excellence Award.

Currently, efforts to adapt to the EFQM new model, revised in 2020, continue with the SAR '22 (Sustainable Aromsa 2022) Project. The aim of the SAR'22 project is to adapt and disseminate the new model to our system by the end of 2022 and to receive the European Quality Award, which is Europe's most prestigious award for institutional excellence, in 2024.

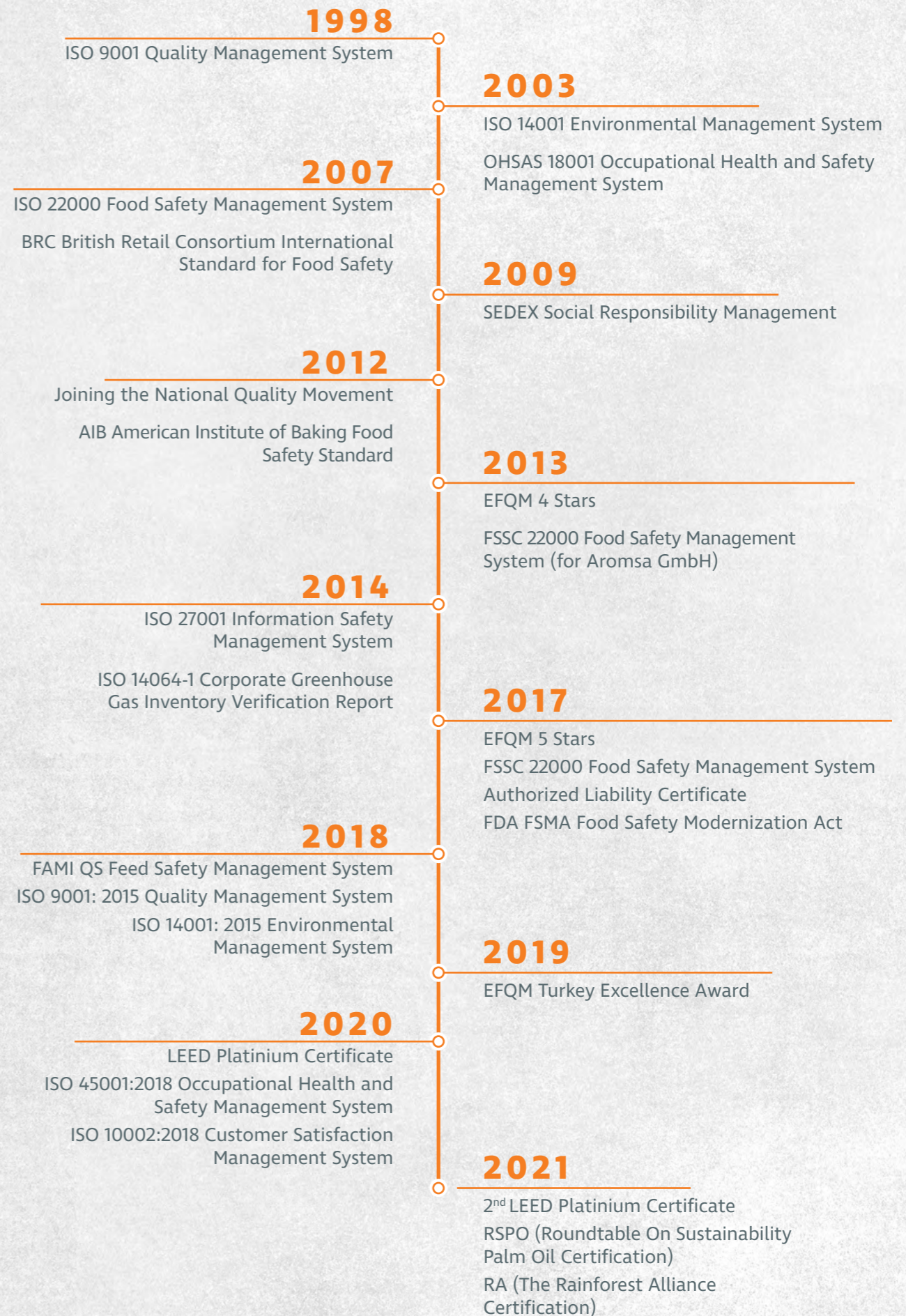


Our General Manager Murat Yasa talked about the earnings, benefits and good practices that Aromsa – winner of The EFQM Model 2019 Turkey Excellence award – acquired, during his speech at the "Winners Conference 2020" organized by KALDER held at the Istanbul Maritime Museum.



Murat Yasa- Aromsa Founder and Chairman of the Board- Kalder Winners Conference

OUR QUALITY JOURNEY



OUR QUALITY CERTIFICATIONS

- ISO 9001:2015**
Quality Management System
- ISO 10002:2018**
Customer Satisfaction Management System
- ISO 14002:2015**
Environmental Management System
- ISO 14064-1:2006**
Corporate Greenhouse Gas Inventory Report Verification Statement Document
- ISO 45001:2018**
Occupational Health and Safety Management System
- ISO 27001:2013**
Information Security Management System
- BRC issue 8**
British Retail Consortium International Standard for Food Safety
- FSSC 22000:2015**
Food Safety Management System
- AIB**
American Institute of Baking Food Safety Standard

QUALITY CONTROL

We carry out the quality control activities of our raw materials and products with our expert quality team under the umbrella of 6 laboratories consisting of input quality control, microbiological control, 4 process and product quality control laboratories. In this context, we successfully complete the expertise tests we attend every year by fulfilling the requirements of GLP (Good Laboratory Practices) and ISO 17025 Laboratory Management System. We know that high quality flavours come from high quality ingredients. Knowing

that, we delicately examine our raw materials by reviewing any chemical, physical and biological hazards for human health. We manage the risk of counterfeiting and adulteration in the raw materials we supply by making risk analysis and determining control measures. We follow legal requirements and continue our verification activities on a regular basis. Periodically, we send our raw materials and products to an accredited laboratory for analysis and strengthen verification. With the GLP audits we conduct on an annual basis, we aim for continuous improvement as part of our internal audit control system.

A successful food safety culture is possible with a holistic understanding of quality. At Aromsa, we have the BRC (British Retail Consortium International Food Safety Standard) certificate as of 2007 and we have maintained the AA Grade level since 2015, which is the highest level.

As Aromsa, we share our strong food safety culture with our employees, suppliers and customers through our many practices in the value chain and increase awareness about safe food production. Food safety trainings and other awareness-raising activities provided periodically at Aromsa ensure that our employees

display the same attitude in this regard and meticulously reflect it on their operations. In addition, we conduct a food safety culture survey every year to trace the developments and take necessary actions. Aromsa's continuous improvement understanding strengthens the food safety culture.

From the procurement stage of raw materials to the distribution

of finished products, you can find detailed information about our **food safety-oriented certificates here**, which include the programs that cover quality, hygiene and product safety control measures and good manufacturing practices.

We attach importance to traceability as well, in order to ensure food safety. In particular, we invest in systems that provide

advantages in terms of tracking and management of recalls in case of allergen-related troubles. We also contribute to customer satisfaction by taking action quickly and effectively with the drills we do over barcodes and our traceability system that provides effective tracking.



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**R&D and
INNOVATION**

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12 RESPONSIBLE CONSUMPTION AND PRODUCTION


R&D AND INNOVATION

Sustainable nutrition refers to accessible, fair, economical nutrition that can contribute to food security. It should also be a way of life that promotes good health for all generations. Reductions in food waste and improvements in food production practices are necessary for sustainable food.

The interest in safe and clean label food has increased with the effects of climate change, increasing food demand and global nutritional trends, which paved the way for innovative practices. As Aromsa, we approach the changing demands of the consumer in an innovative way and improve our production techniques with R&D every day in order to respond to the increasing food demand under sustainable conditions. At this point, we also contribute to the Sustainable Development Goals (SDGs) with our R&D and innovation practices.

R&D AND INNOVATION CULTURE

With the Aromsa Innovation Team, we develop new products and projects by anticipating the future expectations and needs of our business partners through the R&D Center registered by the Turkish Ministry of Industry and Technology in 2013, the R&D implementation unit in Emmerich, Germany. We work on process innovation, as well as product innovation and we organize innovation sessions within this scope.

As much as we attach importance to in-house innovation, we also keep open innovation on our agenda. In 2021, we launched open innovation for the first time with the participation of three universities. As a result of the positive feedback we received, we aim to carry out in-house innovation and open innovation practices on a rotating basis every year. We plan to contribute to product innovation by evaluating the creative ideas and projects produced in all of these processes.

As Aromsa, we care about creating a corporate culture that prioritizes R&D studies. Accordingly, we allocate 6% of our turnover to R&D studies.

We offer fast and desired quality products with our extensive flavour library, which has the capacity to serve all areas of the food industry. The flavour library was created with the knowledge and corporate experience gained as a result of R&D studies for all categories of the food industry. Since the day Aromsa was founded, the library is flourishing and growing day by day from crackers to soups from beverages to confectionery.

We closely follow scientific developments in the food industry and contribute to the literature by publishing in respected international and national refereed journals. During the reporting period, 10 of our articles were

published in international and national scientific journals and a total of 54 articles were published in sectoral and business journals.

In addition to the Camarom® and Kapsarom® brands that we created in the R&D center as part of our brand activities, we created the Natkor® brand in the reporting period.

Furthermore, we obtained the patent rights of 'Natural Red Coloring for the Food Industry' and 'Vanilla Extract without Ethyl Alcohol and the Production Method of the Mentioned Extract'.

Sensory Analysis

Sensory analysis is a discipline that measures, analyzes and interprets the reaction of the senses of sight, smell, taste, touch or hearing to various characteristics of foods. The Sensory Analysis department in our R&D center aims to maintain and improve the sensory quality of the products with its trained panelist staff. In addition, it meets the training and sensory analysis demands of our business partners; besides consumer preference tests, difference tests and descriptive tests, it organizes practical trainings and seminars. TSI (Turkish Standards Institutions) ISO standards are taken as reference in all studies.

R&D Center Departments



The registered brands in Aromsa product portfolio

CAMAROM®

Granule flavours developed with the advanced extrusion technology, can be produced in various shape, size and colour.

KAPSAROM®

Microcapsule flavours with a luminous look, round structure, homogeneous size and controlled flavour release.

NATKOR®

Extract mixtures with antimicrobial effect.



HEALTHY AND SUSTAINABLE NUTRITION SOLUTIONS

In recent years, the demand for healthy, nutritious and accessible food has increased drastically. However, taste is the most fundamental driving force that determines consumer purchasing behavior. Aromsa is positioned at the intersection of taste and healthy nutrition and carries out work on redesigning, improving and diversifying food products in order to reduce the amount of fat, salt and sugar in food production. We carry out studies on the development of new products that do not deprive of great taste.

Today, the negative effects of animal products on the environment are becoming more visible. At this point, it is important to choose vegetable protein sources over animal-origin proteins and to ensure the sustainability of nutrition. Considering this change in nutrition trend, Aromsa produces alternative

flavour solutions for plant-based meat and dairy products. In this regard, we design and carry out studies on the most suitable flavour for plant-based protein products in the Protein Laboratory that we established.

Covid-19 has reminded the world once again how important a healthy immune system is. Health concerns caused by the pandemic have directed consumers to boost their immune system. There has been an increased interest in certain ingredients and products that strengthen the immune system such as products enriched with vitamins and minerals (zinc, selenium, vitamin C, vitamin D, etc.), prebiotics, probiotic products (kefir, yogurt, kombucha, kimchi, etc.) and spices (turmeric, ginger, elderberry, echinacea, etc.).

In addition to products that improve immunity, emotional well-being and

mental health have also become an issue that consumers care about. There has been increased consumer interest in functional foods and beverages that help people focus, reduce stress and relax and protect emotional health (whole grains, nuts, probiotic products, omega-3-rich foods, etc.).

As Aromsa, we carry out special flavour development studies for functional products that support the immune system with our fast and strong R&D structure in response to these demands. In this context, we work on flavours enriched with extracts, vitamins and minerals in beverage and dairy laboratories. In addition, we continue to work on the development of flavours suitable for functional products such as fermented products, beverages with increased protein content and also probiotic, vitamin and mineral fortified beverages.



GREEN R&D

Minimizing the negative effects of our R&D processes on the environment is among our primary goals. Therefore, we try to integrate principles focusing on water and energy efficiency, reduction of waste generation, use of renewable raw materials and by-products into our R&D practices.

As a member of the Circular Economy Platform and with the aim of achieving the "Zero Waste" goal, we support the natural flavour production by using osmotic distillation method of evaporation water formed as a result of extract production, as an outcome of the Waste Evaluation Project, which we have been carrying out for 3 years. In addition, we use fibrous pistachio pulp, which has a high protein content (28.5%) resulting from supercritical carbon dioxide extraction (without solvent residue), in different application areas. In addition to all these, we are currently working on encapsulated flavour coating in tea pulp and vanilla pulp. Vanilla by-product, which we obtained as

a result of this project, has taken its place among our varieties. Projects on cocoa and coffee pulp products are still going on and we aim to obtain productive results from these studies in the future.

By developing alternative natural ingredients with extract production, we reduce the procurement of natural flavour ingredients from abroad and offer innovative extracts to the market. In extract production, our primary goals with our high value-added production technologies are to save energy and labor by working with high efficiency with short process times and to ensure the recovery of by-products resulting from the process with minimal solvent usage. Thus, we aim to contribute to the circular economy by supporting environmental sustainability.

We produce sauces suitable for healthy and sustainable nutrition by making improvements in sauce formulations and processes in the Sauce Department located in the R&D Center. In this context, in

the reporting period, we reduced the negative impact of palm oil and cocoa cultivation on the environment and society by using raw materials such as RSPO (Roundtable on Sustainable Palm Oil) certified palm oil and UTZ (Sustainable Farming) certified cocoa varieties in order to support sustainable food.

In the reporting period, we made revisions to the existing sauce formulas with the investment in advanced technology machinery in the sauce line. In this way, process losses and the amount of food waste are reduced by removing some of the steps in production such as frequent sampling in each batch of production and pouring the product before filling. We also cancelled machine washing operations performed during the transitions between production batches to save water and energy. Thus, both our formulas and process investments contributed to nature and sustainable food production.



Aromsa R&D Center Entrance- Flavour World and Aromsa History

Our Practices and Projects in the Reporting Period

Innovative Flavour Days

In 2017, we formed the "Innovation Team" consisting of our R&D and Sales Employees in order to develop innovative and trend-based new products and flavours. By means of the "Innovative Flavour Days" organized by the Aromsa Innovation Team, we follow current trends and offer innovative products to our customers and make trend presentations specific to customers. In these innovation days, we presented approximately 200 end-user products related to 10 concept presentations since 2019.



Innovative Flavour Days

'Flavour Journey of Life' Experience Workshop

Life is a journey that changes and develops every day, it is full of surprises, bitter and sweet. On this journey, what makes us who we are is what we learn, feel and experience with our five senses. Taste and smell, in particular, are the senses that evoke different feelings, emotions and memories in each individual, they are the most memorable and they enable us to connect with our memories. As Aromsa, we created a story that appeals to all these senses and consists of five different themes with the 'Flavour Journey of Life' experience workshop. As we go on a journey to different periods of life, we personalize visual and musical themes with smell and taste. Thus, while traveling to the most beautiful periods of life and sweet memories accompanied by unique tastes and scents, we offer the opportunity to experience the important place of taste in our lives by activating the senses with a holistic perspective.



'Flavour Journey of Life' Experience Workshop



'Flavour Journey of Life' Experience Workshop

Remzet Hanım's Kitchen

Remzet Hanım's Kitchen, our Culinary Arts Atelier named after the mother of our Founder and General Manager Murat Yasa, was established in 2019. Remzet Hanım's Kitchen brings together taste and R&D experience, we develop new recipes with our business partners, apply the

products and then take them to production. In Remzet Hanım's Kitchen, we implement projects on re-prescribing the flavour parameters of all kinds of cooked food, comparing flavours and adapting newly developed flavours to these recipes. After tasting the meals cooked in Remzet Hanım's Kitchen with our business partners, we develop

the flavours of popular tastes, in other words we formulate the food in our laboratories and this is what makes Aromsa stand out in its industry. At the same time, we organize trainings for our business partners and employees on different concepts such as global food trends, world cuisines and special days.



Workshops at Remzet Hanım's Kitchen

Food Analysis Laboratory

Pesticides pose a great danger to both the environment and human health. As a result of the uncontrolled use of these chemicals by the producers, the pesticide can also penetrate into the food. To support the food industry in this regard, we established a Food Analysis Laboratory within the Aromsa R&D Center in 2021 in order to conduct pesticide analysis on products that may come from associations and organizations. For the Food Analysis Laboratory,

Aromsa first aimed to obtain accreditation in the aforementioned analyzes in the short term in order to perform pesticide, patulin, acrylamide, ethylene oxide and density analyzes of its own products and raw materials in a reliable and sustainable manner. The long-term aim of Aromsa is to analyze pesticides, patulin, acrylamide, ethylene oxide, which are the general problems of the industry and to evaluate the analysis results collectively with an impartial perspective and confidentiality and

to be a reliable data source for the solution of these problems.

In the Food Analysis Laboratory, we established Quality Management System (QMS) procedures in order to meet all the requirements specified in the TS EN ISO/IEC 17025 standard for the purposes of applying internationally valid methods in analysis, ensuring the reliability of analysis services and increasing the performance. We aim to obtain ISO/IEC 17025 Accredited Laboratory Certification.

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DIGITALIZATION



DIGITALIZATION

Digitalization emerges as one of the most important transformation areas of institutions all over the world. Digitalization is a corporate priority for Aromsa, which makes innovative investments that require intensive R&D activities and constantly develops its products according to the needs of its customers. In this regard, we carry out studies on Industry 4.0 and new technologies, operational efficiency, technological infrastructure, cyber security and system continuity in our digitalization projects. In

addition, we started moving Office applications to the cloud structure in order to ensure safe and effective access to data and thus to provide access to applications from all devices in a secure and corporate framework.

Automatic Weighing System

We optimize our production with the "automatic weighing system" that we use in our factories in Turkey and Germany. With the digitalization of the weighing system, the production flow continues without

interruption, in accordance with the plan and is securely controlled by the Batch Management Software. With this technology, the weighing process is carried out without any problems during night shifts. Liquids are weighed precisely according to their use and quality requirements are fully met. Thus, weighing errors and waste of raw materials are minimized. In addition to all these; since the weighing is carried out in a completely closed area, the risk of problems such as odor, spillage and spatter is prevented.

The main objectives of the Industry 4.0 project

- ✦ Ensuring instant, full-time, transparent and digital traceability, analysis and reporting of all parameters of production
- ✦ Making the necessary interventions just in time with the data obtained from the digital environment
- ✦ Ensuring the transition of all possible documents in production to digital media
- ✦ Minimizing losses in production and increasing efficiency
- ✦ Measuring and examining the performance of machines and operators
- ✦ Calculation of production costs at the last point as actual

DIGITAL TRANSFORMATION

We took a step in the Industry 4.0 system in production with our Aromsa Digital Transformation Project. The aim of this project is to make correct and fast decisions by transforming data into information and to increase competitiveness and customer satisfaction.

Water Saving Project

In order to contribute to environmental sustainability, the Aromsa Water Saving Project aims to optimize the amount of water consumed in general cleaning and machine cleaning by using digital methods.

"Lead Time" Project

With the Aromsa "Lead Time" Project, we aim to reduce the preparation time in production and as a result increase competitiveness and customer satisfaction, by analyzing the time elapsed from the moment the order is received to the delivery time including reasons for deviation.



TECHNOLOGICAL INFRASTRUCTURE AND DATA MANAGEMENT

We aim to save energy and maintenance from old data storage areas by collecting data in various data storages in new data storage areas. All server inventory and data storage systems have been reconfigured for these processes. We continue to work to remove the remaining old data storage areas from the system.

With the server and infrastructure monitoring system, we are able to monitor all systems instantly and can prevent the system problems that may occur from the first warning. In this way, we prevent production and time losses arising from errors that may occur. For example, we can detect a disk occupancy that may occur in the SAP system at the very beginning and take action immediately. Thus, we gained the

ability to detect malfunctions and downtimes that may occur early, while they are in the warning stage.

PRODUCTION AUTOMATION SYSTEM

We enabled the integrated operation of the production automatic weighing system and the ERP (Enterprise Resource Planning) system. Thus, we prevented human errors that may occur in weighing and obtained time and labor advantages.

VARIOUS SOFTWARE PROJECTS

In the reporting period;

- o BW (Business Warehouse) / BI (Business Intelligence) and ERP management reports received from different places over the system were consolidated and received from a single point.

o Sampling process of raw materials has been transferred to the digital environment. With this application, vendor and manufacturer information is effectively controlled and a systematic notification is sent to the relevant manager in case of vendor material number disputes. In addition, if the supplier is not defined in the approved supplier list, the system sends a notification to the relevant manager.

o The raw material documentation system and the RMS documentation tracking system were transferred to digital media. Thus, the validity of the documents and the tracking of missing documents can be systematically reported.

o With the e-Agreement software, we carry out the reconciliation process with the vendors and customers with less resources and in a shorter time.

Digitization of raw material sampling process: We transferred the records, which were previously kept as printed documents, in a digital platform through a program that contains information integrated with the ERP system (Enterprise Resource Planning) during the raw material sampling process. In this way, we ensured the facilitation of accessing current and correct data in the ERP system, analyzed data and sent systematic e-mails to department heads in case of possible non-conformances. We started the process in May 2021 and plan to complete the improvements and developments in 2022.

Switching the raw material document tracking system to the eBA program and ensuring up-to-date document tracking: As of January 2020, raw material documents and supplier quality documents are followed up with the eBA program. Documentation up-to-date, easy accessibility and up-to-dateness of supplier quality documents are effectively followed. We plan to complete process improvements and developments besides to update the missing and expired documents in 2022.

Ensuring the Alternative Supplier and Raw Material Development process with electronic information flow (eBA): Pursuant to the nationally and internationally valid Food Safety and Quality standards of the process, we uploaded the procurement and quality documents to the electronic information flow program and track them through this system. As of March 2021, we started using the electronic information flow program and we expect to complete the amendments and improvements of the process in 2022.

CRM PROJECT

At Aromsa, all business processes are recorded on ERP (Enterprise Resource Planning) systems. We also use the CRM (Customer Relationship Management) system

in customer relations, proposal, order and project processes. Sample requests of dealers are provided through the portal.

We are starting SAP S4 HANA Migration Project for the transition

of the existing SAP ERP system to the new version. With this project, we plan to adapt to new technologies and improve system performance.

INFORMATION SECURITY

With the digitalization era, information security has also become a critical issue for companies. In this direction, as Aromsa, we carry out information security activities such as protecting information and information assets, assessing risks by identifying threats to confidentiality, integrity and accessibility and keeping an inventory of assets (top secret, confidential, internal, general). In addition, we implement practices that will increase the awareness of our employees and third parties against cyber attacks. We carry out all these processes within the scope of ISO 27001 Information Security Management System. We apply all of the Annex-A control measures of the ISO 27001 standard and we take the ISO 27002 guide standard as a basis.

Moreover, we established the Aromsa Information Security Committee in order to evaluate the performance of the information security system by analyzing the status of information

security targets, breaches and emergencies, risks and opportunities. The Committee, led by the Information Security Manager, meets every 6 months.

In order to continuously improve the Information Security Management System, we carry out leaking and social engineering tests at certain intervals every year. In addition, we put into use various applications during the reporting period such as the Disaster Recovery center which was established in Izmir. The installation of the security software program SIEM (Security Information and Event Management) has been completed, which collects data generated by all users, servers, network devices and firewalls in order to monitor and analyze security-related events in the infrastructure. In addition to these, we installed a DDoS (Distributed denial of service) attack prevention system.

In the reporting period, we conducted a total of 260 hours of information security awareness training to all of our employees in order to spread information security awareness at the corporate level.

In 2021, our ISO 27001 internal auditor team consisting of 15 people, carried out an internal audit of 25 processes as part of information security. With the transition to the 2022 version of the standard, we aim to increase the number of internal auditors by receiving standard information and internal auditor training. Again, the third party audit we passed in 2021 was completed with zero non-compliance.

[Click here to access our information security and third-party information security policies.](#)



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WORK LIFE IN AROMSA



WORK LIFE IN AROMSA

As Aromsa, we believe that we are a successful company thanks to the strength and support of our employees. We believe our most important value is our human resources. At Aromsa, we conduct all human resources processes in accordance with our Aromsa Human Resources and Social Compliance Policies and Code of Ethics, we take on an objective, simple, honest and transparent approach.

We aim to have an equal and peaceful corporate culture respecting human rights, where our employees can reveal their individual differences and realize their potential in the best way. From recruitment to retirement, we protect the health and safety of our employees, support their personal and professional development and strive to provide a peaceful working environment where work and human rights are protected.

[Click here to access the Aromsa Human Resources Policy.](#)



DIVERSITY AND INCLUSION

We care about equal opportunity in all our human resources processes and aim to spread an inclusive corporate culture that respects differences in all our operations and in the areas we influence.

In accordance with the Human Resources policy, we implement approaches that are fair and consistent our strategies and that offer equal opportunities. We do not allow any discrimination based on ethnic origin, religion, language, age, gender, physical

disability or other reasons. We believe that our global perspective has been strengthened with foreign employees who have been working for many years and/or newly joined Aromsa. We offer disabled employees the opportunity to work with equal rights and we adopt equal pay for equal work in remuneration practices. There were no cases of discrimination in the reporting period.

We attach great importance to creating a working environment

where human rights are prioritized. We share human rights policies and procedures with our employees through our 'HR Shares' meetings that we hold at least twice a year. There were no cases of human rights violations during the reporting period.

In addition to providing a fair working environment for our employees when recruiting and planning their careers, we also offer workplace health services, private health insurance and life insurance.

FEMALE EMPLOYEES AT AROMSA

One of the most fundamental conditions for ensuring equal opportunity is to act to eliminate gender inequalities. As Aromsa, we pay special attention to increase the active representation of female employees in business life. With this understanding, we are an implementer of the Women's Empowerment

Principles Platform since 2016, which is established in partnership with the United Nations Gender Equality and Women's Empowerment Unit and the United Nations Global Compact and we have been promoting women's employment and working to support women employees. We are proud that 46% of our employees and 67% of senior management are women. We have been working constantly with

the aim of maintaining and increasing this ratio since our establishment. We set targets to increase the rate of female employees working at the production stages. In 2021, we employed women at the operator level in production for the first time. We observed that this gave successful results and we decided to gradually increase this ratio to our targets.

Female Employees in Number:

- Our female employees constitute 46% of our total workforce.
- 75% of our white-collar employees are women.
- 70% of our managers are female managers.
- The percentage of women in senior management positions is 67%.



Melis Yasa Aytaman, Member of the Board of Aromsa, took part as a speaker in the session titled "Gender Equality and Inclusion" at the 28th Quality Congress, sponsored by Aromsa and held in Lutfi Kırdar on 26-27 November 2019.

The Power of Women in Business



Dilek Yahşi - Assistant Operator

"Although it is very difficult to be a woman employee in Turkey, the value, respect and "can-do" attitude that Aromsa gives us makes me very happy and motivates me to succeed. Women are successful in their jobs with their responsible and detail-oriented nature that can handle many tasks at the same time. Aromsa is aware that there is no job that a woman cannot handle if she wants to and it is always our biggest supporter."

Filiz Eyidoğan - Production Chief, Aromsa Factory 4

Being a woman at Aromsa makes me feel strong and extremely safe. It's nice to know that I always have another home in my struggle to survive in difficult conditions. A strong hand reaching out to all our family and loved ones, not just in our business life, is always with us. In particular, wanting to include women in every project and trying to create a space for women workers in production are also indicators of the value given."

Kadriye Tepe - Production Office Senior Specialist, Aromsa Factory 4

"Aromsa is a company that stands by us at every stage of our life, not just in our work life. Here I can stand strong and teach as I learn. Aromsa believes in women when they say there is no obstacle that they can't achieve, it encourages women to step in, rather than pushing them away and it is a company that offers job opportunities to women without discrimination in every field and where women are cared about."

Aysu Dalgıç Esen - Turkey Sales Group Manager

"I have never felt the need to define working at Aromsa through the concept of gender. Aromsa is a place where I can exist both with my mind and my emotions, where I can be valued for my efforts and where empowering women in business life is prioritized in a world where mind is represented by masculinity and emotion by femininity. One of the points I am proud of at Aromsa is the equal opportunity it offers to women in order to realize themselves in their career journeys. In addition to the high percentage of female employees at all levels, Aromsa is a company that can set an example in the sector and in our country under the leadership of women."

Nil Okyar - Production Manager, Aromsa Factory 1 and 4

"We know that there is discrimination on behalf of "male" employees in many businesses. Especially seeing a middle/high level woman manager is not very common in Turkey. You can see the opposite of all this at Aromsa. As women, we have the upper hand at Aromsa, even in male-dominant jobs that are not "women's business". Perhaps this is where Aromsa's success comes from. It makes me proud that women are partners in the decision-making mechanism and senior management at Aromsa. For these reasons, I am proud to work and be a part of Aromsa. While it is considered impossible for women to work in many business lines, Aromsa claims and supports the idea that women are successful in every field. Knowing and feeling this support gives me confidence and increases my motivation."

Canan Çamdalı Karan - Production Manager, Aromsa Factory 2 and 3

"For me, being a female employee at Aromsa means being free, self-confident, able to stand upright and express views clearly, to be able to work comfortably in an environment where no personal or physical characteristics are disturbed and to feel that she is never alone when she feels bad, difficult or ill. If Aromsa had a gender, I think it would be a woman; a woman who is fast, determined, does not give up, can multitask, can go beyond and above, improves while improving others, teaches while learning. Aromsa is a 'Women-friendly' company with a working environment providing equal opportunities and even positive discrimination against women, where we as female employees can always be a part in development, training and management, where we say 'I'm glad I am a woman' despite the many negativities of the male-dominant society."



I TALENT MANAGEMENT

Within the framework of talent management, we act with the principle of 'the right job for the right person' and aim to reveal the potentials of existing talents. In this context, we monitor the career and performance developments of our employees, review their succession plans every 6 months and update their organizational development plans accordingly.

At Aromsa, performance management is carefully embraced in order to spread a culture of success and target-oriented performance within the organization. In this context, as of 2016, we moved our performance management system to the Performance Management System Software, making the success of the company and its strategies a part of the performance evaluation process and thus we started to reward the overall success.

In the reporting period, we also put into use the additional performance management system we created for our colleagues whose jobs

require physical strength. With the "Motivation and Loyalty Increase Process for Employees whose Jobs Require Physical Strength", a new evaluation process that includes criteria regarding error-free production, continuity, self-discipline and Aromsa values, all employees are given feedback and successful employees are given financial rewards at the end of every 3 months.

In the performance evaluation process, we first prepare an annual Individual Target Card for each of our employees. Subsequently, the performances of our employees are measured twice a year with objective criteria, based on goals and competencies, in line with the principles of transparency and equality. In face-to-face meetings held at the end of every year, we review performance results in detail with effective feedback and forward-feeding methods and highest performances are rewarded with various mechanisms. The results obtained are also considered

as inputs in our Development and Strategic Human Resources Planning processes.

At Aromsa, we review Consecutive Planning annually in line with the strategies and make the norm staff planning. In accordance with this planning, the organizational structure is determined by the feedback from the bottom up and the one-to-one meetings of the HR with all Senior Managers and it is developed in line with the needs.

Organizational changes are carried out in accordance with the HR Policy and equal opportunity principles and the changes are announced to all employees. The job description, job family and level of each employee affected by the change are updated and their progress with the goals and competencies suitable for their new role is provided. During the reporting period, organizational changes were made and announced and the effectiveness of these changes was measured with surveys every year.

Every year, we offer internship opportunities to vocational high school and university students in summer and winter periods and the number of internship opportunities we provide corresponds to 5% of the number of our total employees. We employ an average of 10% of our interns and we believe that this is the most important part in our recruitment process.

In addition to new talents, we ensure that our colleagues, who

have contributed to Aromsa for many years, can continue to work at Aromsa after retirement.

Furthermore, we provide rotation for our employees who would like to continue their career in our Germany factories and support their settlement abroad with their families. During the reporting period, 2 of our employees from Aromsa Turkey were assigned to Aromsa GmbH and settled there with their families.



Aromsa's Young People Training Program

With our program that was launched in 2021, we bring together our young employees with the experienced employees who are at Aromsa for more than 15 years in order to foster development and transfer their know-how to Aromsa.

I EMPLOYEE DEVELOPMENT

Creating a work environment with a continuous learning culture by attaching great importance to the personal and professional development of our employees is one of the most important elements of sustainability. In this regard, all our employees are included in training and development programs without discrimination to gain the necessary knowledge and skills.

Our training and development activities are developed in line with our company strategies, purpose and vision and in the light of the feedback received from face-to-face development planning meetings held together by employees and managers.

As part of the employee development, we organize certificate programs for the relevant units on priority issues in our sector in cooperation with R&D. With the Education Management System Software, we provide online and technical training, certificate programs and English learning trainings to our employees. Thanks to this program, we can systematically manage and measure our training activities.

Our Aromsa Information Document Center, which was established to increase knowledge about the food industry and aroma, serves as a library for our employees with articles, peiodicals and books related to the industry. In this way, we ensure the dissemination of scientific and technological developments that are closely related to our industry, increasing the access to the relevant literature and enabling employees to meet their needs for information in the shortest and most convenient way.

Through the platform we call "30 Minutes for Development", we offer our employees an interactive environment where we share knowledge, information and experiences that support their development.

We create nurturing environments for our employees to pass down their knowledge and experience, to talk about their projects and make presentations that can contribute to their social and individual development and improve their competencies.



Aromsa Strategy Meeting 2020



Aromsa Strategy Meeting 2021



Aromsa Aromatician Training Program

Aromsa adopted a structural approach for the in-house training of aromaticians, who have a critical role in the flavour and are difficult to outsource. Through this program, we have defined the trainings that a newly hired aromatician candidate should take within 1 year, the experiences that they should gain and the internal rotation program that they should follow. The program also defines the road map that each aromatician will follow in order to specialize. 'Aromsa Academy' founded in 2019, aim to train young aromaticians in a more systematic way.

Aromsa Leadership Effectiveness and Leadership Types Survey

In order to improve the leadership competencies of our employees, a Leadership Effectiveness and Leadership Types Survey has been conducted every two years since 2016. In the surveys conducted to the subordinates and superiors of our managers, the sub-behaviors of these competencies of the relevant leaders are evaluated over 10 different leadership competencies. Subsequently, we present the results obtained to the relevant leaders as individual results reports and make training and development plans for the competencies that need improvement.

We create nurturing environments for our employees to transfer down their knowledge and experience, to talk about their projects and make presentations that can contribute to their social and individual development and improve their competencies. We hold periodic meetings and briefings in order to increase the sensitivity of production employees towards customer expectations. We come together with our business partners and exchange ideas.

At Aromsa, we provide training support to our employees (with a maximum of 4 hours per week) if they meet one of the following conditions:

1. As for the requests for master's or doctoral programs, the subject should be related to Aromsa's fields of study
2. Supporting professional and career development
3. Being a program that supports the role that the employee will back up in the short or medium term within the successor planning

In addition, we support our employees to continue their master's or doctoral theses using the Aromsa laboratory infrastructure and our employees with academic titles and technical expertise to give lectures at universities or write academic publications.

EMPLOYEE SATISFACTION

Employee satisfaction has a very significant role in the formation and consolidation of employee loyalty. As Aromsa, we implement practices that increase the happiness and motivation of our employees and we sensitively address the issue of maintaining the work-life balance.

As part of the "Aromsa Recognition and Reward" process, we attached great importance to reward and appreciate employee motivation and we aim to increase the sense of belonging of our employees.

Within the scope of the recognition and reward system, the practices we follow are; Standard Recognition and Rewarding, Recognition and Rewarding for Improvement Practices, Recognition and Rewarding for Sales Achievements and Thank You Cards.

Furthermore, we add and develop new criteria to our recognition and reward system every period in line with the development and expectations of our employees. In this direction, we reward the exemplary behavior of our employees, who are role models, with our Corporate Values Recognition and Honor Card, which we launched in 2021.

We announce the awarded employees on Aromsa TV and reward successful ASIT (Aromsa

Continuous Improvement Teams) and Project Teams at the foundation anniversary dinner.

The ratio of employees awarded as part of the recognition and reward process and the resources allocated to recognition-rewarding increase every year. In parallel with this, we have seen performance scores of employees have also increased.

Another part of employee satisfaction is the participatory management approach that is open to communication. We use communication channels such as suggestion boxes, ASITs (Aromsa Continuous Improvement Teams) and Project Teams, HR Shares and Listens Meetings, Orientation Evaluation Meetings, Happy Employees Club, Aromsa TV and surveys in order to incorporate the creative and innovative ideas of employees into the development of our business processes. We monitor and evaluate all feedbacks with effective reporting systems and we continuously improve them by including these inputs to our action plans.

Every two years we conduct an Employee Engagement and Satisfaction Survey in order to improve the processes by taking the opinions and suggestions of our employees in the company. According to the

results of the Employee Engagement and Satisfaction Survey we conducted in 2020, our overall satisfaction rate increased to 85.7% with a 16% increase compared to the previous years. Our strengths are our corporate culture, strategic management style, internal communication, OHS practices, working environment, wages and fringe benefits.

At Aromsa, we care about the work-life balance and we consider employee feedback on this issue as an opportunity to improve. Work-Life Balance is among the parameters measured in Employee Engagement and Satisfaction Survey with the highest results.

As part of the annual activity plans of our self-managed social clubs, developed by the Happy Employees Club in order to support the development of employees in social terms, many events are organized such as theatres, exhibitions, trips, etc.

The impact of our employees' suggestions on the sustainability of our business is undeniable. At Aromsa, employee suggestions are collected through the suggestion system and we have an award system for the owners of the suggestions we implement. During the reporting period, 770 suggestions were submitted to our system by our employees.



OCCUPATIONAL HEALTH AND SAFETY

As Aromsa, creating a healthy and safe work environment for our employees is among our primary goals. In this context, we implement occupational health and safety practices in accordance with the relevant legislation, obligations and standards. We carry out practices to identify and prevent possible risks in our processes with a proactive approach. We implement various projects in order to increase the awareness of our employees on occupational health and safety. We conduct extended health screenings for all our employees that go beyond the legally obliged. During the reporting period, no occupational illnesses were detected and no fatal accidents occurred thanks to our proactive practices and increased employee awareness.

We implemented the ISO 45001 Occupational Health and Safety

Management System in 2020 and followed BS OHSAS 18001, an international standard that defines the best practices in the field of occupational health and safety. We completed the relevant version transition with "0" non-conformance and 3 strengths. In addition to the standards we implement, we determined the basic safety principles that our employees must comply with in the workplace and in their work areas, with the "10 Golden Rules" that we developed.

Our OHS Board is the head of our OHS management structure. All of our employees are represented in the OHS Board through elected Employee Representatives. The Board meets every 2 months and consists of 28 members and the number of employee representatives is 6.

3 Strengths in Occupational Safety

1. Occupational health and safety performance monitoring, process breakdown and performance analysis.
2. Ensuring the training and meetings, consultation and participation of the employees and following up with the meeting records.
3. In the maintenance process, controls and change management related to machine purchase within the scope of OHS life cycle.

Click here to access Aromsa's Occupational Health and Safety Policy.



10 GOLDEN RULES

1. We do not take RISKS, we take precautions. We comply with all occupational health and safety rules.
2. STOP-THINK-EXECUTE. We stop all unsafe situations and behaviours.
3. We use our Personal Protective Equipment. We do not use jewelry or accessories.
4. We use the right tools/equipment. We do not use damaged equipment.
5. We use the machine safety equipments correctly. We do not cancel it.
6. We do not touch the moving parts, we stay away from the pinch points.
7. We get a special work permit for hazardous tasks.
8. We control the hazardous energy. We implement the steps of Tag, Lock, Secure and Try.
9. We use our vehicles/work equipment safely. We wear our seat belts, obey the speed limits and do not use mobile phones while driving.
10. We are prepared for emergencies.

OUR OHS PRACTICES

2019

Based on the idea that the active participation of our employees has an important role in the construction of a safe working environment, we implemented a project called 'Hazard and Near Miss Notification'. Within the scope of the project, we placed Hazard and Near Miss Notification cards and boxes at certain points that our employees can easily access. We awarded our employees who reported hazardous situations.

We organized the Occupational Health and Safety Slogan Competition in order to raise awareness among our employees. We printed the slogan 'Occupational Safety Before Adding Taste to Life', which was top selected among 330 other slogans, on the back of the work clothes and rewarded the top three slogan holders with a gift certificate.

We organized the 'One Day with Children' event in order to raise the awareness of occupational health and safety not only of our employees but also of children. Throughout the event, we opened a space for interactive communication, questions and answers, use of personal protective equipment (PPE) and discussion of true/false practices. At the end of the event, we gave our children coloring and puzzle books on health and safety.

2021

Based on the idea of emphasizing the use of PPE and providing sensory learning, we organized the '5 Senses' event. Before the



event, we asked our employees the question "What is the thing you value most in life?" and asked them to write their answers on the posters we hung. We also took some videos to raise curiosity about the event. On the day of the event, we made our employees lose their senses on the specially prepared track and asked them to complete the track with voice instructions. We conveyed the crucial message of 'the most important thing in life should be our health and for this, we must follow the OHS rules with utmost care during work'. At the end of the event, we conducted an exam and awarded our 3 most successful employees.

We commissioned our "Single Working Device" project with the aim of providing fast communication in case of emergency that may happen to our employees who have to work alone and to respond in a timely manner. We have provided mobile devices that warn by making a sound in cases of being inactive as a result of falling or loss of consciousness and that enable communication with messages and calls.

We organized an award-winning competition called "Danger Hunt" to measure and increase the awareness of our employees. We depicted 20 fictional dangers in our field to 10 photographs and

asked our employees to identify the hazards by participating in the game with their mobile devices or computers. We rewarded our 3 employees who found the hazards first.

In order to inform and raise awareness on Occupational Health and Safety, we hung Occupational Health and Safety bulletin boards in production and common areas. Our employees can access statistics, the action status of their reports, information and precautions regarding the last accident, announcements and warnings via these boards.

Furthermore, we implement innovative practices in which we integrate technology with OHS. We continue to invest in new generation work equipment to improve the ergonomics of our employees and to ensure a high level of safety. Accordingly, we provided separate work equipment for pallet changing and barrel overturning. Thus, by making use of machine power instead of human power, we eliminated the risk of contracting musculoskeletal diseases as a result of these works. In addition, we have commissioned the "Forklift Collision Prevention and Deceleration System" in order to increase forklift-forklift and forklift-pedestrian safety.

- 1. Forklift- Forklift Collision Avoidance System:** The forklift collision avoidance system detects the proximity of other forklifts with high precision UWB (Ultra Wide Band) technology. When the forklifts are closer than the predefined distances, the system limits the forklifts to a safe speed in 2 stages. Audio and visual signals help forklift operators notice other equipment nearby and act accordingly. Using edge processing technology powered by artificial intelligence, "Forklift Gateway" calculates the collision risk in real time and provides best-in-class safety performance.
- 2. Forklift-Pedestrian Accident Prevention System:** The forklift-pedestrian safety system detects the proximity of pedestrians equipped with wearable tags with high-sensitivity UWB technology. When pedestrians are closer than the predefined distances, the system limits forklifts to a safe speed in two stages. Audio and visual signals help forklift operators notice nearby pedestrians and act accordingly, even in blind spots. Wearable tags alert pedestrians with a vibration level proportional to their proximity. The system provides a safe working environment even for hearing impaired employees.
- 3. Zone Based Forklift Deceleration System:** Automatic speed control rules are activated on a zone basis in indoor and outdoor areas, narrow corridors, intersections and areas with high pedestrian density. Forklift speeds automatically decrease according to the area.

OHS TRAININGS

In addition to the mandatory OHS trainings, we provide our employees, sub-employers and subcontractors OHS and awareness raising person*hours. We organize face-to-face OHS training for our sub-employers and subcontractors on the first day they start and in annual periods. In addition, we inform our sub-employers and subcontractors about our current

rules, prevention of possible accidents and what to do in case of emergency with the Subcontractor Brochure we have prepared.

During the reporting period, Basic OHS trainings were organized online within the scope of Covid-19 measures. Applied trainings (Fire Fighting Training, Light Search and Rescue Training, Working at Height Training, Explosion Protection Training) were organized on the

field by taking Covid-19 precautions.

During the reporting period, we provided over 9,732 person*hours of OHS training to our employees and 3,290 person*hours to employees of our subcontractors. In addition, we carried out a 2-session 'Online Safe Driving and Winter Tire Training' in cooperation with Brisa Academy, in which our employees and their families participated, aimed at safe driving in winter conditions.



OHS Training for the Children of Our Employees

DISASTERS AND EMERGENCY PREPAREDNESS AND MANAGEMENT

As Aromsa, protecting the health of our employees and ensuring the continuity of operations by reducing the risks that may arise is our fundamental responsibility. Therefore, we carry out preparatory work against natural disasters, pandemic and emergencies.

In the disaster and emergency management process, which we approach with great sensitivity, we conduct risk analysis studies and training and drills periodically. Moreover, we always keep emergency plans up-to-date and ensure that emergency equipment is checked at regular intervals.

During the reporting period, we had a static analysis of our factory

buildings against earthquakes. As a result of the analysis, our building passed the earthquake resistance test. With this positive result, we started the Earthquake Strengthening Project in order to increase our combat and response capabilities. Knowing that 'we cannot prevent earthquakes from occurring, but we can prevent them from being disasters', we prepared a brochure to inform our employees about the family disaster preparedness plan and what to do during and after the earthquake. In parallel with this, we organized 2 sessions of 'Online Earthquake Awareness Training' in cooperation with Akut, attended by our employees and their families.

We updated the Fire Sufficiency Certificates of all our factories. In addition, we launched the Automatic Fire Extinguishing System project throughout our factories. In this project, we started the system of Factory 5 and 6 in 2020. We aim to launch the systems of Factory 1-2-3-4 in the first quarter of 2022.

As a result of the work carried out with professional companies and consultants for the modernization of existing fire systems, we installed new fire systems in compliance with NFPA (National Fire Protection Association) standards and regulations in all our buildings.



Disaster and Emergency Practices at Aromsa

Gas Extinguishing

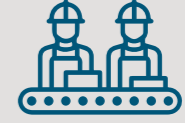
- o It is an extinguishing system configured as 48 main and 48 spare tubes, control unit and detectors. The design and planning of the system was carried out according to TS EN 14520-01 and TS EN 15004-7 standards.
- o The system is configured at 200 or 300 bar pressure at 15°C in compliance with the standards.
- o There is a separate extinguishing control panel for each area. Detectors work according to the 'cross area' principle in each location. Flame and air sampling smoke detectors are used.
- o Fire detection system, extinguishing system equipments and hydraulic calculation program comply with international standards such as UL/FM, Vds.
- o There are Argon and Nitrogen gases inside the rollers. Rollers comply with 84/525/CEE and TPED 1999/36/CE standards.
- o Discharge dampers are used to evacuate the high pressure that may occur in the tank.



With the aim of reinforcing the employees' reactions in emergencies, we conducted unannounced disaster drills in 2020 throughout Factory 1-2-3-4, including evacuation, fire, search and rescue, first aid, flooding and chemical spillage. While measuring the knowledge, adequacy and coordination of the emergency teams during the drill, we also observed the emergency evacuation time and behaviors of our employees and subcontractors.

After determining our strengths and areas that need improvement, we took the necessary actions to improve those areas.

As part of our Covid-19 measures, although we did not carry out other emergency drills we planned, we conducted a total of 4 scenario desk exercises with radios in order to strengthen the coordination and communication of our emergency teams both within the team and with other teams.



At least 1 person*hour of emergency training is provided to Aromsa employees, subcontractors and sub-employers each year. **760.5 hours** in total for our employees in the last 3 years; a total of **536.5 hours** of emergency training was provided to our subcontractors and sub-employers.

DRILLS IN NUMBERS

2019

Unannounced Evacuation and Assembly Drill

2020

Evacuation, Earthquake, Fire, Flood, Chemical Spread and First Aid Drill

1 Unannounced Evacuation and Assembly Drill

4 Desk Coordination and Scenario Exercise

2021

1 Unannounced Evacuation and Assembly Drill



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SOCIAL DEVELOPMENT

SOCIAL DEVELOPMENT

Creating value for our society is among our primary goals and we aim to contribute to the Sustainable Development Goals with the studies we carry out in the fields of education, environment, sports, science and culture-arts. In line with this goal, we transferred various resources to donations, projects and sponsorship activities

in the field of social development during the reporting periods.

Starting from 2015, the Community Satisfaction Survey (CSS) is conducted in the last quarter of each year. Within the scope of CSS, we measure issues such as brand image and reputation, impact on society, prevention of inconvenience

and damage and protection of resources, subsequently determine the priority improvement areas and carry out improvement studies on these issues. The "Social Activity Plan", which is prepared every year, is shaped by taking into account the results of these measurements and we monitor social activity expenditures as well.

VOLUNTEERING

Aromsa Happy Employees Club, which consists of our volunteer employees, aims to increase motivation and strengthen communication between employees; it also aims to produce projects that will create added value for the society and are compatible with strategic

development plans. All volunteer team activities are implemented within the scope of the internal communication plan and are planned annually.

Each Aromsa Happy Employee Club member team's own budget

is approved at the beginning of the year and is managed by the management team formed by the teams themselves. These teams receive feedback with mini-surveys in order to measure the effect of their activities and to join the next working period with opinions and suggestions.



Aromsa Photography Club Exhibition



AromaTİK- Aromsa Theater Club

Even though it was suspended for a while during the pandemic, our active clubs are the Theater Club, Book Club, Travel Club, Photography Club, Pilates Group and Vocational High School Coaches.

Aromsa Happy Employees Club participates in the Istanbul Marathon

for the benefit of Koruncuk or Darüşşafaka Foundations every year and collects donations for both foundations in these races to support the school and shelter needs of children in need.

During the reporting period, our Theater Club, AromaTİK, donated

all its revenue of Shakespeare's 'A Midsummer Night's Dream' and the musical comedy play "Kadı" written by Müsahipzade Celal, to the Koruncuk Foundation and also announced to its stakeholders and collected additional donations from volunteers.



Istanbul Marathon



SOCIAL RESPONSIBILITY

EDUCATION

We support civil society organizations that carry out projects in the field of education, provide scholarships to students, provide educational materials to improve opportunities at schools in our region of operation and host technical trips to universities.

We started the Vocational High School Coaches Program, which is a volunteer-based program, with the Private Sector Volunteers Association (PSVA). Within the scope of the program, which aims to create permanent cooperation models between companies and vocational high schools, we provide "Voluntary Coaching" to 10th and 11th grade students.

We care about equal opportunity in education and as the donor of Koç University Anatolian Scholars Program, we contribute to the access of successful and students in need to quality education. In

addition, we provide educational scholarships to a Viola Artist student at the Berlin Music School and to the children of our employees who are in the top 10,000 in the university exam.

Through the Village Teachers' Aid and Solidarity Association, we donate boots and coats to schools in need every year. Every year, our employees bring books to make a New Year's tree, then these books are donated to the libraries in the village schools with the support of the same association.

Furthermore, we donate tablets and computers to schools to support the needs of distance education, along with the pandemic and regularly provide cleaning materials and stationery to Gebze Kirazpınar Primary School. In addition to these, during the reporting period we continued to support the training of the teachers and students of Tadımlı Vocational High School,

where we established a laboratory and organized training on the use of devices and technical issues in the last period.

ENVIRONMENT

Turkey experienced several wildfires in 2021 which saddened us deeply. Therefore, we collaborated with Tema Foundation with a donation to reforestation. We also supported Animal Rights Federation (HAYTAP) for the healing of living animals who were harmed in these fires. Furthermore, with Akut Foundation, we provided fire extinguishing devices, personal protection equipment and first aid materials needed in the extinguishing of fires through the Needs Map Organization in the region.

SPORTS

As Aromsa, we met with the successful cyclists we supported in 2021.



Cyclists That We Support

CULTURE-ARTS

Within the scope of the 49th Istanbul Music Festival, organized by İKSV (Istanbul Foundation for Culture and Arts) with the contributions of the Turkish Ministry of Culture and Tourism, we sponsored the 100th anniversary special concert of İlhan Usmanbaş, who brings contemporary features to Turkish music with his innovative approach in his compositions and the 75th anniversary celebration concert of the Istanbul Philharmonic Association.

SCIENCE AND TECHNOLOGY

In 2019, we sponsored the R&D Ideas competition organized by the ITU Food Engineering Club and open to all food engineering undergraduate students in Turkey and we gave financial awards to the top 3 project teams in the competition, as one of the juries.

CONTRIBUTION TO WOMEN'S EMPLOYMENT

Last but not least, we support initiatives and collaborations aimed at empowering women in society. In this regard, on Women's Day and Mother's Day, we purchase gift sets from the Foundation for the Support of Women's Work (KEDV) and Turquoise Tassel for all our female employees and their families, supporting low-income producer women's economic initiatives, thus contributing to the empowerment of women.

On Father's Day 2021, we selected gifts for our male employees from LSV Store, which was established with the aim of promoting healthy life and contributing to women's employment with environmentally and health-friendly products made by mothers of children with leukemia.

Regularly, we donate clothing and toys to the Sevgi Store Aid and Solidarity Association. We do not forget our animal friends, we donate food to GOSB dog feeding points and to the Animal Rights Groups of Büyükada and Heybeliada.



Cyclists Visit Aromsa

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**PERFORMANCE
INDICATORS**



PERFORMANCE INDICATORS

Social Performance Indicators

Employees by Categorie (%)	2019	2020	2021
White-collar			
Female	37	36	33
Male	11	11	11
Blue-collar			
Female	11	11	13
Male	41	42	43
Female Employees			
White-collar female employees / All female employees	77	77	72
Blue-collar female employees / All female employees	23	23	28
Employees by Education Level (%)			
Primary school	4	4	4
High school/Vocational high school	26	26	31
Associate degree	26	27	26
University	31	31	28
Master's degree	12	11	10
Doctorate	1	1	1
Ratio of Hired Employees to All Hired Employees (%)			
Female	41	31	45
Male	59	69	55
Aged 30 and under	69	50	57
Aged 30-50	31	50	40
Aged 50 and over	0	0	3
Ratio of Leaving Employees to All Leaving Employees (%)			
Female	43	43	50
Male	57	57	50
Aged 30 and under	29	29	50
Aged 30-50	64	71	46
Aged 50 and over	7	0	4

Social Performance Indicators

	2019	2020	2021
Ratio of Employees Given Regular Performance Evaluation Feedback (%)	100	100	100
Senior Management (% of All Senior Management)			
% of Female senior managers	67	67	67
% of Local senior managers	87	87	87
% Senior managers aged 30-50	60	60	60
% Senior managers aged 50 and over	40	40	40
Employee Trainings - Total Hours (person*hour)			
White-collar	5,578	4,428	6,624
Blue-collar	4,431	2,796	4,318
Female	4,959	3,262	4,346
Male	5,050	3,962	6,596
Contractor Employee Trainings - Total Hours (person*hour)			
Total	1,727	1,490	951
Female	195	63	30
Male	1,532	1,427	921
OHS Trainings - Total Hours (person*hour)			
Direct employees	2,195	2,373	5,164
Subcontractor employees	1,301	1,082	907

Social Performance Indicators

OHS Indicators	2019	2020	2021
Accident Frequency Rate*			
Direct employees	0.23	0.89	0.86
Absentee Rate (%)			
Direct employees	4.69	5.17	5.75
Subcontractor employees	2.49	1.74	0.90
Occupational Disease Rate			
Direct employees	0	0	0
Subcontractor employees	0	0	0
Lost Day Rate**			
Direct employees	2.29	11.13	65.82
Number of Work-Related Deaths			
Direct employees	0	0	0
Subcontractor employees	0	0	0
OHS Committees			
Number of OHS Committees	1	1	1
Total Number of OHS Committee Members	29	29	28
Number of Employee Representatives in OHS Committees	6	6	6

*Calculated as the number of accidents with lost days/yearly worked hours*200,000.

**Calculated as the number of lost days/yearly worked hours*200,000.

Environmental Performance Indicators

	2019	2020	2021
Energy Intensity (GJ/ton production)	5.88	7.13	6.78
Emission Intensity (tons CO₂e/ton production)			
Scope 1 Emissions	0.25	0.26	0.29
Scope 2 Emissions	0.25	0.26	0.43
Scope 3 Emissions	0.05	0.02	0.02
Water Intensity (m³/ton production)	6.75	8.03	7.07
Total Hazardous Waste (ton waste/ton production)			
Total	0.0102	0.0108	0.0098
Incineration	0.0024	0.0025	0.0024
Recycling	0.0078	0.0083	0.0074
Total Non-Hazardous Waste (ton waste/ton production)			
Total	0.0466	0.0580	0.0519
Landfill (Other, Domestic Waste)	0.0072	0.0093	0.0093
Biogas Plant (Industrial Qualified)	0.0086	0.0145	0.0089
Recycling (Packaging Waste)	0.0308	0.0342	0.0341
Environmental Trainings - Total Hours (person*hour)	1,012	1,163	2,905

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40 years

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