

*Building the Future with the  
Power We Draw from the Sun*



**CMS**<sup>®</sup>

**SUSTAINABILITY REPORT 2024**



# Managing Our Carbon Footprint Responsibly

*By placing sustainability at the center of our production philosophy, we focus on reducing our carbon footprint as part of our efforts to combat climate change. We manage our operations through a responsible approach that takes environmental impacts into account, prioritizing resource efficiency and long-term sustainability.*

*Through our Aluminum Stewardship Initiative (ASI) certification, we adopt a holistic management approach based on legal compliance, environmental responsibility, and responsible sourcing across the supply, design, and production processes of aluminum. With our Aluminum Recycling License, we emphasize the efficient use of resources and integrate a circular economy approach into our production processes through recycling practices.*

*In line with this approach, we strengthen our carbon management efforts with measurable and traceable indicators and move forward with determination toward a lower-carbon, future-ready production structure.*





Total Energy Savings  
**7,254,951**  
kwh/year

## ***Strengthening Our Energy Management with Renewable Sources***

*We have an energy structure shaped by the continuity and transformative power of the sun.*

*We regard energy as one of the core pillars of our sustainable growth strategy and manage our efficiency projects and renewable energy investments through an integrated, holistic approach. Through process optimizations, equipment improvements, and efficiency practices implemented across our production processes, we systematically enhance our energy performance.*

*Solar Power Plant (SPP) investments, commissioned in 2024, represent one of our strongest steps in complementing this efficiency-focused approach with renewable energy. By utilizing clean and renewable energy sources, we not only meet our company's energy needs in a more sustainable manner but also contribute to our country's renewable energy capacity.*

*Guided by a management approach centered on energy monitoring, performance assessment, and continuous improvement, we remain firmly committed to advancing an energy management model that is more efficient, lower in carbon, and ready for the future.*





# *We Prioritize Continuity and Efficiency in Production*

*Just as the power of the sun is continuous, we approach our production with a strong focus on efficiency, continuity, and quality. We base our responsible production philosophy on the effective use of resources, waste reduction, and the systematic improvement of our processes. Through optimization initiatives and technology investments implemented across our production processes, we manufacture high-performance, safe products that take environmental impacts into account.*

*With this approach, we increase production efficiency while reducing our environmental footprint. We address sustainable production together with employee safety, the contribution of our products to road safety, and their impact on social well-being, delivering the manufacturing model of the future today without compromising our high quality standards.*



Annual  
Production  
Capacity  
**10,250,000**  
wheels



# Contents

<b>INTRODUCTION</b>	<b>02</b>	<b>OUR SUSTAINABILITY APPROACH AND MANAGEMENT</b>	<b>24</b>	<b>OUR PRIORITIES: R&amp;D, INNOVATION AND DIGITALIZATION</b>	<b>41</b>	<b>OUR ENVIRONMENTAL PERFORMANCE</b>	<b>79</b>
About The Report	06	Corporate Governance Structure and Committees	25	R&D and Innovation	42	Environmental Impact Management	80
Chairman's Message	08	Our Sustainability Governance	28	Industry 4.0	48	Energy and Climate Change Management	84
<b>OUR CORPORATE PROFILE</b>	<b>09</b>	Our Sustainability Strategy	29	<b>OUR PRODUCT RESPONSIBILITY AND SUSTAINABLE SUPPLY CHAIN</b>	<b>50</b>	Energy and Climate Change	87
About CMS	10	Our Prioritization Approach	30	Product Quality and Safety	51	Energy Efficiency	89
Our Vision, Mission and Principles	11	Key Focus Area	31	Our Supply Chain	53	Waste Management	93
Principles of Our Founder Chairman	11	Stakeholder Engagement	34	Our Logistics Operations	58	Water and Wastewater Management	96
Our Journey Toward Sustainable Success	12	Ethics and Compliance	35	<b>OUR SOCIAL PERFORMANCE</b>	<b>59</b>	<b>APPENDICES</b>	<b>97</b>
Our Economic Performance	13	Anti-Bribery and Anti-Corruption	37	Our Human Resources Approach and Practices	60	Appendix-1 Performance Indicators	98
Our Production Facilities	17	Information Security Management	38	Employee Training and Development	65	Appendix-2 GRI Content Index	104
Key Developments During the Reporting Period	18	Risk Management and Business Continuity	40	Occupational Health and Safety	71	Appendix-3 ASI Index	111
Developments in CMS	22			Our Contributions to Society	76		
Our Awards	23						

# About The Report

## For A Sustainable Future We Are Moving Forward With Determination

We are pleased to share our Sustainability Report, which covers our activities and sustainability performance for 2024. Through this report, and in line with our commitment to transparency, we aim to strengthen our progress toward a more sustainable future together with our stakeholders.

Prepared in accordance with the Global Reporting Initiative (GRI) Standards, this report presents our vision, objectives, performance, progress, and alignment with the United Nations Sustainable Development Goals (SDGs).

Throughout this report, the terms “CMS Group” and “the Company” refer collectively to the CMS Group companies, which include:

- CMS Wheel and Machine Industry Inc.
- CMS Wheel Industry Inc.
- CMS Automotive Trading GmbH

Unless otherwise stated, all companies referenced are within the scope of this report. The data disclosed covers the period from January 1, 2024, to December 31, 2024 and reflects usage figures obtained during this timeframe.

To facilitate understanding and enable comparability across reporting periods, CMS Group also discloses selected economic, social, and environmental performance data from prior years.

The CMS Group 2024 Sustainability Report has been prepared in two languages: Turkish and English. The report has not been independently assured. As part of our sustainability management approach, CMS Group conducts a prioritization analysis to update its priorities. The prioritization process, key outputs, and changes compared to the previous reporting period are presented under the section titled “Sustainability Prioritization Process and Stakeholder Engagement.”

Feedback from our stakeholders is critical to the continuous improvement of both our performance and reporting processes. We support our ongoing and sustainable development by carefully considering all stakeholder input.

For any questions or suggestions regarding this report, please contact us at [surdurulebilirlik@cms.com.tr](mailto:surdurulebilirlik@cms.com.tr).

# About The Report

## We are Taking Agile, Resilient, and Transparent Steps Toward a Sustainable Future

### Sustainable Development Goals

In 2015, 193 Member States of the United Nations adopted the Sustainable Development Goals (SDGs) to create a more just, inclusive, and sustainable future for all. These global goals provide a comprehensive roadmap aimed at eradicating poverty, reducing inequalities, and protecting the planet.

The 17 goals, to be achieved by 2030, present a shared global vision for peace, prosperity, environmental responsibility, and sustainable development.

At CMS Group, we have directly integrated nine of the SDGs into our business processes, in alignment with the impacts of our operating sector and our strategic priorities. These goals underpin our efforts in key areas such as energy efficiency, responsible production, climate change mitigation, innovation, and sustainable growth. Through this approach, our sustainability strategy has evolved

(GRI 2-1, 2-2, 2-3, 2-5)

into a holistic model that extends beyond environmental performance to encompass economic development, social responsibility, and responsible business practices across the entire value chain.

### Scope

This report covers our operations with the most significant environmental, social, and economic impacts and is based on data from the 2024 reporting period for CMS Jant Sanayi A.S. and CMS Jant ve Makina Sanayii A.S.

Our stakeholders seek to understand how we identify and manage social, environmental, and economic risks, as well as how these risks are addressed within our long-term strategies. Accordingly, this report aims to transparently present not only our performance indicators but also our sustainability-driven transformation journey.

In 2024, we operated with an agile and resilient organizational structure

in response to evolving business dynamics, regulatory developments, and global expectations. During this period, we strengthened our risk and opportunity management processes and aligned our strategic decisions with stakeholder expectations.

In a rapidly changing world,

- fast and effective decision-making,
- transparent communication,
- accountable governance, and
- a work culture aligned with a shared purpose

### Constitute the cornerstones of CMS Group's sustainability approach.

In this context, we continuously enhance our processes, employ data-driven decision-making mechanisms, and transform our business practices to meet future requirements. While addressing today's needs, we also aim to remain prepared for the conditions of tomorrow.



# Message from the Chairman

## Dear Stakeholders,

In 2024, we further embedded sustainability into our corporate culture and closely monitored the requirements of the rapidly accelerating global transformation, implementing a strong and adaptive transition process.

Prepared in accordance with the GRI Standards, this report transparently presents our performance across environmental, social, and governance dimensions, while also serving as a concrete reflection of our forward-looking commitments. Evolving regulations, escalating climate risks, and the growing need for resource efficiency have made it imperative to take more decisive and pragmatic steps in sustainability. At CMS Group, we have responded proactively, implementing improvement-driven transformations across all areas of our operations.

The year 2024 marked a period of significant investment in energy transition and resource efficiency. With the commissioning of solar power plant (SPP), we increased our share of renewable energy, reinforcing our commitment to reducing the carbon intensity of our

operations. Through our energy efficiency initiatives, we achieved savings of 3.4 million kWh of electricity and 3.8 million kWh of natural gas, preventing the release of a total of 2,209 tons of CO<sub>2e</sub> emissions into the atmosphere. These achievements contributed to our ranking as 2nd in the automotive sector and 8th overall in Türkiye in the Türkiye EN-VERIM 100 (Most-Efficient 100) Survey. We regard this accomplishment not only as a technical success, but also as a sustained step toward a lower-carbon future.

Supply chain management was another key area of focus in 2024. By successfully completing the ASI Performance Standard certification, we formally demonstrated our compliance with ethical, environmental, and social standards throughout the aluminum value chain at an international level. Our initiatives to increase the share of green aluminum and enhance our use of secondary aluminum have further strengthened the strategic role of the circular economy within our organization. In parallel, we upgraded our digital data management infrastructure to align with new European Union regulations such as CBAM, ESPP, and the Digital Product

Passport, as well as developments in global carbon markets. As a result, our risk management mechanisms have become more robust, measurable, and future-oriented.

As always, people remain at the core of our sustainability performance. We consider employee health and safety, competency development, participatory management, and a culture of equal opportunity to be fundamental components of our corporate values. The training programs delivered in 2024, our leadership development initiatives, projects aimed at strengthening occupational health and safety culture, and our social responsibility activities have generated value not only for our company, but also for all our stakeholders. Our belief in the strength of our human capital continues to be the most solid pillar of our sustainability journey.

At this stage, sustainability represents far more than a compliance obligation for CMS Group; it is an integral and defining element of our strategic growth model. In an era characterized by rising climate risks, the need for more conscious resource management, and inevitable

transformation, we are building a more resilient future through innovation, efficiency, responsible production, and strong stakeholder collaboration. While we take pride in the results achieved throughout 2024, we remain motivated to go further. This report presents both the tangible outcomes of our efforts and our roadmap toward long-term objectives.

We extend our sincere thanks to our employees, business partners, customers, and all valued stakeholders who have accompanied us on every step of our journey toward a sustainable future. Together, we remain committed to working with determination to achieve stronger, more responsible, and more impactful outcomes.

Sincerely,  
**Bertuğ Ösen**  
Chairman of the Board



**“ Sustainability is far more than a compliance requirement for CMS; it is an integral and defining element of our strategic growth model. ”**



**CMS** Çiğli Tesisleri

# ***OUR CORPORATE PROFILE***

## About CMS

### Engineering Behind Millions of Vehicles on the Road

Since 1980, CMS Group has been actively engaged in the production of aluminum alloy wheels and has established itself as a leading manufacturer in Türkiye and one of the three largest wheel producers in Europe.

As a pioneering group within its sector, CMS Group makes a significant contribution to Türkiye's industrial development and economic growth. With more than 100 million wheels produced to date, the Group continues its operations with the objective of delivering safe and reliable mobility to millions of users worldwide.

CMS Group is a diversified enterprise, with three group companies—two located in Türkiye and one in Germany. The Group's headquarters are located in Izmir (Pinarbasi). While manufacturing operations are carried out in Izmir through CMS Jant ve Makina Sanayii A.S. and CMS Jant Sanayi A.S., European AFM sales operations are managed via CMS Automotive Trading GmbH, based in Frankfurt.

CMS Group delivers its products to nearly 100 delivery points across Europe, including Munich, Paris, Turin, Barcelona, and Oxford, through its supplier network. Serving automotive brands in both Türkiye and Europe, the Group conducts customer relationship management and after-sales support services through its representatives in Germany, France, Spain, the United Kingdom, and Türkiye.

CMS Group specializes in the production of custom aluminum alloy automotive wheels. At its facilities, wheels are manufactured in diameters ranging from 10 to 22 inches and widths from 4 to 10.5 inches. Advanced engineering and design technologies—such as CAS, CAD, CAE, FEA, and casting simulation—are used in wheel and accessory design, while CAD/CAM and CNC technologies are applied in mold manufacturing. Wheel production processes primarily utilize Low-Pressure Casting and Flow Forming methods.

### Our Geographic Advantage

The close proximity of our production facilities provides significant advantages from both an operational and a sustainability perspective.

This geographical proximity enables strong communication and collaboration among employees, facilitates the rapid implementation of innovative solutions, and enhances efficiency across logistics and procurement processes.



[Click here to watch our CMS Corporate Introduction Film](#)



ÇİĞLİ



ÇİĞLİ-2



GAZİEMİR



PINARBAŞI

# Our Vision, Mission and Principles



## Principles of Our Founder Chairman

- “A wheel is a safety-critical component of a vehicle. At the same time, it should be designed to be visually striking at first glance.”
- Our Founder Chairman, Tonguç Ösen, emphasized the critical importance of our work through these words and particularly highlighted the necessity for all employees to internalize the principles and values that guide the way we manage our business.
- In this context, the core principles established by our Founder Chairman are as follows:
- CMS Group is an organization founded on trust.
- We must make every effort to ensure mutual trust among our employees and between employees and company management.
- All employees, especially managers and leaders, should approach one another with respect, openness, and goodwill.
- We are a group that values sharing; we share not only success, but also failure.
- In customer interactions, we should be courteous and genuine. Direct, face-to-face engagement with customers should always be prioritized.
- To be a good leader, one must also be an excellent follower. Never neglect continuous oversight and follow-up of your work.
- Compassion resolves many challenges, provided that people are approached with care and respect.
- Every individual has positive qualities; it is essential to recognize and bring them forward.
- Those who move quickly and decisively succeed.
- A good leader is one who senses and understands what is happening around them.
- A person who forgives wrongdoing demonstrates moral integrity.
- If you believe you are deceiving others, it is you who are being deceived.
- Everyone has the right to succeed—but never through unethical means.

## Our Sustainability Vision

Our sustainability vision is to place sustainability at the core of our operations and integrate it into the way we conduct business, thereby ensuring environmental, social, and economic sustainability.

## Company Vision

Our company vision is to become one of the top two manufacturers of wheels in Europe.

## Our Mission

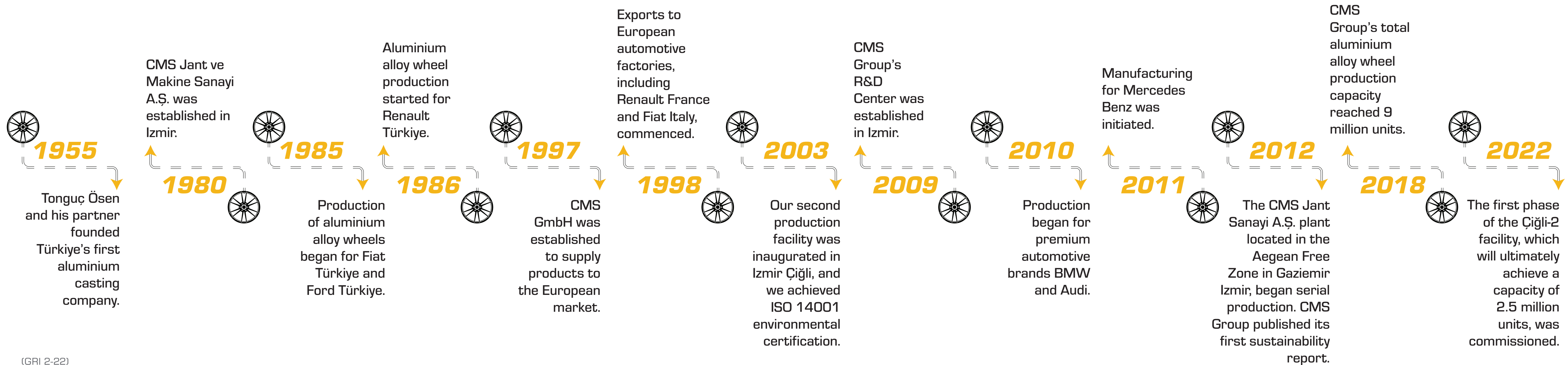
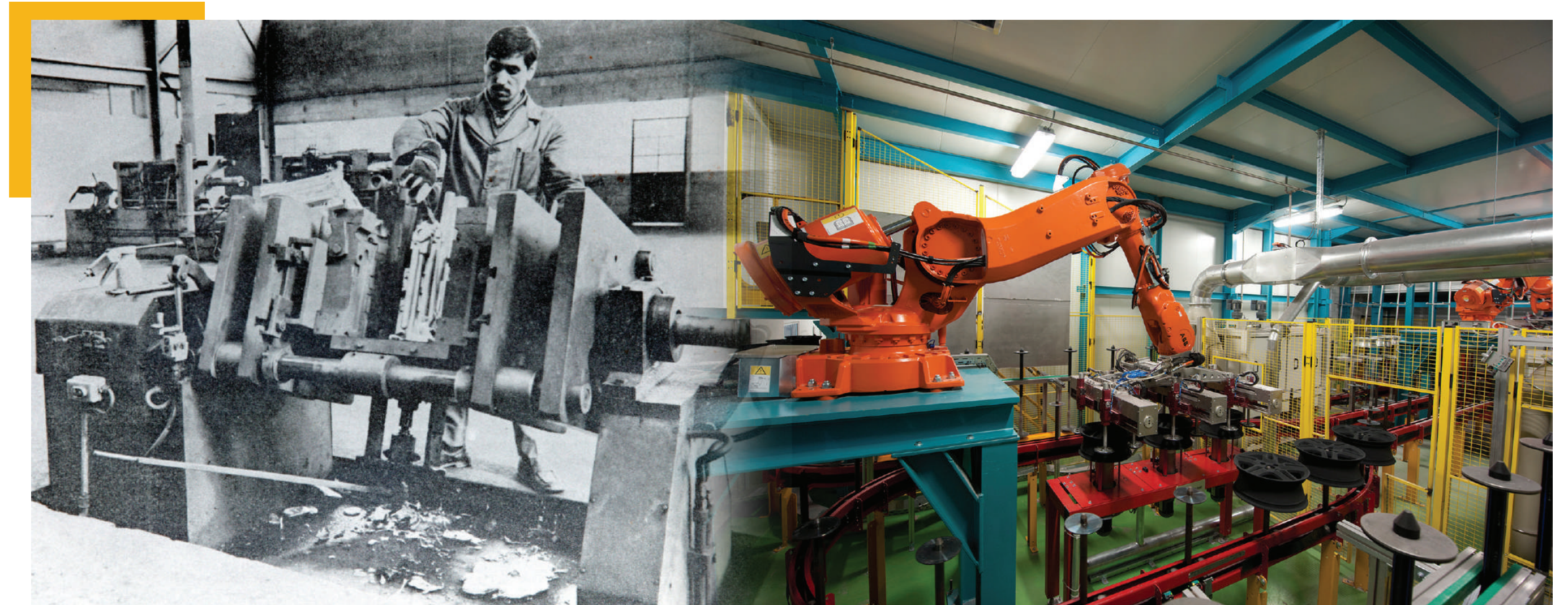
As CMS Group, our mission is to create value for our customers, employees, suppliers, investors, and all other stakeholders, as well as for the social and ecological environments in which we operate.

## At CMS Group, We:

- Aim to be the fastest and most reliable solution partner for our customers.
- Value and invest in our employees.
- View all our stakeholders as long-term partners.
- Believe that our future depends on having a well-educated, knowledgeable, and highly competent workforce and on continuously developing our human capital.
- Prioritize integrity and honesty in all our relationships with business partners, customers, employees, and shareholders.
- Embrace a participatory management approach.
- Implement modern business processes and adopt technological innovations.
- Act in compliance with laws, respect nature, and take ownership of our social responsibilities.
- Recognize that CMS Group Companies are institutions built on trust and act accordingly.

# Our Journey Toward Sustainable Success

## Transforming Our Energy into the Future



## Our Economic Performance

*With the Responsibility of Representing Our Country in Global Markets, We Achieved Strong Financial and Operational Results Again in 2024*

In  
2024  
**552.2**  
million  
revenue

Since our establishment, we have continued our corporate development in line with a vision focused on global markets while creating economic value for our country.

As in previous years, CMS Group Companies were again included in the “Türkiye’s Top 500 Industrial Enterprises” list announced by the Istanbul Chamber of Industry (İSO) in 2024, as well as in the Fortune 500 Türkiye list. CMS Group is subject to various taxes arising from its operations and revenues, including corporate income tax, value-added tax, stamp duty, income tax, Recovery Contribution Share (GEKAP), and other applicable taxes. In this context, all tax obligations are fulfilled with due diligence, and full compliance and transparency are fundamental principles in our tax practices.

Tax legislation is monitored on a regular basis, and all tax-related transactions are reviewed and reported by independent auditors. During the reporting period, no penalties or sanctions were imposed on our Company due to non-compliance with applicable laws and regulations.

With a strong sense of responsibility in representing our country in global markets, we achieved solid financial and operational results in 2024. Through our operations in 15 countries, we expanded our presence in global markets. We maintain long-term and strong partnerships with leading global brands, led by BMW, Mercedes-Benz, Volkswagen Group, Toyota, Ford, and others. In line with our goal of becoming one of Europe’s largest aluminum wheel manufacturers, our stable growth trajectory continues. In 2024, CMS Group achieved a total turnover of EUR 552.2 million, marking a significant milestone.

CMS Group places particular emphasis on risk management, which is a core element of its sustainability strategy. Our risk management function proactively identifies potential risks and opportunities arising from our operations and implements the necessary measures, thereby safeguarding the Group’s economic stability and operational continuity.



## Our Economic Performance

### Moving Climate Risks Beyond the Environmental Lens and Integrating Them into Financial Reporting

#### Financial Implications of Sustainability Policies

Rising environmental awareness and increasing regulatory requirements on a global scale have transformed sustainability strategies from being solely an environmental responsibility into a financial imperative for companies. While initiatives aimed at reducing carbon emissions initially require investment and transformation costs, they generate significant long-term financial benefits, including improved energy efficiency, optimized resource use, and reduced operational costs.

In addition, companies with strong sustainability performance are perceived by investors and financial institutions as having a lower risk profile. As a result, they gain access to more favorable financing conditions, incentives, and sustainable finance instruments.

(GRI3-3,201-1,201-2)

#### Cost and Compliance Impacts of New Regulations

Many countries, particularly the European Union, are introducing new regulations to limit carbon emissions. In this context, mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading Systems (ETS) are creating new cost factors for companies operating in carbon-intensive sectors. Compliance with these regulations requires investments in the restructuring of production processes, the establishment of digital reporting infrastructures, and the traceable management of carbon data. Companies that fail to comply not only face financial penalties, but also risk losing their competitive position in global markets.

#### Integration of Climate Risks into Financial Reporting

Physical and transition risks arising from climate change are no longer addressed solely as environmental issues; they are increasingly incorporated into financial reporting frameworks. International reporting standards require companies to transparently disclose climate-related risks and opportunities.

This development necessitates the integration of climate strategies into financial planning processes and the reassessment of long-term risk management approaches to ensure resilience and sustainable value creation.



# Our Economic Performance

## Building Sustainable Competitive Advantage with Low-Carbon Aluminum

### Sustainability and Financial Impacts of Green Aluminum

Green aluminum refers to aluminum produced with a low carbon footprint through the use of renewable energy sources. While conventional aluminum production is associated with high energy consumption and carbon emissions, green aluminum significantly reduces these environmental impacts, thereby contributing to climate targets and strengthening companies' sustainability performance.

In particular, within the scope of the European Union's Carbon Border Adjustment Mechanism (CBAM), prioritizing raw materials with lower carbon intensity creates a strategic advantage by reducing potential import-related costs.

The adoption of green aluminum encourages the use of low-carbon products throughout the supply chain and offers the potential to mitigate import costs arising under the CBAM framework. Over the long term, this approach provides a meaningful financial advantage by lowering carbon-related costs and ensuring compliance with regulatory requirements. Moreover, manufacturers that utilize green aluminum can strengthen their brand positioning among sustainability-conscious investors and customers, thereby gaining a competitive edge.

In line with our commitment to combating climate change and achieving sustainable production, CMS Group regularly calculates its carbon emissions and subjects them to independent verification processes. As part of our transition to low-carbon production, we are increasingly prioritizing alternative raw materials such as green aluminum. We closely monitor regulatory developments, including the EU CBAM and Emissions Trading System (ETS), and undertake the necessary compliance-related investments. This strategic approach enables us to fulfill our environmental responsibilities while simultaneously reducing carbon-related costs and reinforcing our financial sustainability.

Leveraging our long-standing expertise, CMS Group conducts wheel production at four separate manufacturing facilities, benefiting from government-recognized incentive schemes—such as R&D incentives, investment incentives, and solar power plant (SPP) investments—in full compliance with applicable regulations.

(GRI3-3,201-1,201-2)

### Our Investments by Year

2016	2017	2018	2019	2020	2021	2022	2023	2024
19.9 million euro	20.5 million euro	38.7 million euro	31.2 million euro	11.9 million euro	35.9 million euro	31.3 million euro	17.1 million euro	25.5 million euro

2021 Revenue: **EUR 359 million**

2022 Revenue: **EUR 543 million**

2023 Revenue: **EUR 551 million**



## Our Economic Performance

*Sustaining Leadership in Exports While Maintaining a Balanced Customer Portfolio*

### Customer Distribution



### Regional Customer Distribution



[Click here to watch the "CMS Wheel, With You on Every Journey" video.](#)



## Our Production Facilities

With the goal of solidifying our position among the world's leading wheel manufacturers, we continue our investments without pause. These investments strengthen our technological infrastructure, increase our production capacity, and place sustainability at the center.



**ÇIĞLI 1**

**31,322 m<sup>2</sup>**  
AREA

**2,500,000**  
KAPASİTE



**ÇIĞLI 2**

**38,538 m<sup>2</sup>**  
AREA

**1,250,000\***  
CAPACITY

\* When the Çiğli 2 facility reaches full capacity, the capacity will be 2.5 million units.



**GAZİEMİR**

**103,250 m<sup>2</sup>**  
AREA

**4,000,000**  
CAPACITY



**PINARBAŞI**

**32,175 m<sup>2</sup>**  
AREA

**2,500,000**  
CAPACITY

TOTAL  
**205,285 m<sup>2</sup>**  
AREA

**10,250,000**  
CAPACITY

# Key Developments During the Reporting Period

## The New Economic and Climate-Focused Realities of Global Transformation



### Global Developments

#### Economic Situation

In 2024, the global economy continued to operate in a highly uncertain environment as the lingering effects of previous periods persisted. The tight monetary policies implemented by many countries to address high inflation resulted in interest rates remaining at elevated levels, which, in turn, led to increased financing costs and a subsequent reduction in investment appetite. While there was a partial return to normalcy in energy markets, geopolitical tensions continued to cause price volatility. Global trade volumes remained under pressure due to supply chain fragilities, rising logistics costs, and the introduction of new regulations such as CBAM, digital product passports, and sustainability reporting standards.

The ongoing tensions in the Middle East and the Red Sea have led to delays, particularly in maritime transport, resulting in increased freight costs. While the effects of the Russia-Ukraine war persist, regional conflicts continue to cause fluctuations in global commodity and energy markets. Conversely, green transition investments, increases in renewable energy capacity, and sustainability-focused policies have constituted a substantial part of the economic agenda throughout the year.

(GRI 2-22)

#### Climate Change and Environmental Policies

The 29th Conference of the Parties (COP29), scheduled to take place in Baku from November 11 to November 22, 2024, was extended by two days and became the second largest conference in terms of participation to date, demonstrating the intense global interest in climate change. The conference's primary themes included climate finance, carbon markets, and transparent reporting.

#### Decisions Taken After COP29

##### New Target for Climate Finance

- The annual financing commitment for developing countries was increased from \$100 billion to \$300 billion by 2035.
- Public and private sector investments are targeted to reach \$1.3 trillion in total financing.
- \$750 million in funding was secured for the Loss and Damage Fund.

##### Global Mechanism in Carbon Markets

- Under Article 6 of the Paris Agreement, rules on how carbon credit trading will work between countries were finalized.
- The mechanism will become operational in 2025.

- Transparency and Reporting
- Countries began submitting their Biennial Transparency Reports (BTR) for the first time.
- Thirteen countries, including Türkiye, submitted their reports at COP29.

##### Steps announced by Türkiye at COP29

- The Long-Term Climate Strategy was announced.
- Türkiye reiterated its 2053 Net Zero target.
- It was announced that the ETS (Emissions Trading System) and Climate Law would be enacted in 2024, but the work has been delayed until 2025.
- Türkiye announced its candidacy to host COP31.

##### Meaning for the Business World

- Access to green finance will increase.
- Preparing for the carbon market and transitioning to low-carbon production will become a priority.
- ESG and climate reporting have become mandatory areas of transformation for companies. In summary, COP29 was an "action and finance" summit that expanded financing, clarified the carbon market, and made reporting mandatory.

# Key Developments During the Reporting Period

## Net Zero Emission Targets

2024 has been a year in which countries and companies have supported their net zero emission targets with concrete actions. While many countries have reassessed their carbon neutrality targets, financing mechanisms, carbon markets, and climate policies have become more binding.

- The European Union accelerated the green transition in industry in line with its 2050 Net Zero target and launched the reporting period for the Carbon Border Adjustment Mechanism (CBAM) for carbon-intensive products. In addition, new targets for increasing renewable energy use were confirmed, and low-carbon production requirements were introduced for sectors under the European Green Deal.
- China reiterated its 2060 carbon neutrality commitment, reaching record levels in electrification, solar panel production capacity, and green hydrogen investments. With a new policy set published in 2024, it expanded the scope of regional carbon trading systems to reduce dependence on fossil fuels and increase the share of renewable energy.
- The US has introduced significant incentives for clean energy, battery technologies, and sustainable manufacturing under the Inflation Reduction Act (IRA) in line with its 2050 net-zero target. In 2024, low-carbon production and emissions reporting requirements were clarified for companies seeking to benefit from these funds. In 2024, net-zero targets are no longer just a strategic vision; they have become a financing condition, market regulation, and a competitive factor.

(GRI 2-22)

## Renewable Energy Investments

2024 was a year in which renewable energy investments accelerated on a global scale. Global renewable energy capacity increased by 15.1% in 2024, reaching 4,448 gigawatts (GW), largely due to the contribution of solar energy. In 2024, the focus of energy transformation was not only on reducing emissions but also on economic and strategic independence. This change continued at full speed in Türkiye, with the country's total installed power capacity rising to 115.9 GW by the end of 2024. In 2024, 4,280.9 MW of solar, 1,058 MW of wind, and 240.5 MW of hydroelectric power plant capacity were commissioned.

99% of the new capacity commissioned in 2024 came from renewable energy sources.

By the end of 2024, the share of renewable energy in total installed capacity rose to 59.3%. Electricity production from renewable energy sources increased by 15% compared to 2023.



# Key Developments During the Reporting Period

## Circular Economy

2024 was a year in which critical regulations on the transition to a circular economy and sustainable product approach came into force in the European Union. The EU implemented a comprehensive Sustainable Product Policy Framework to increase resource efficiency, extend the life cycle of products, and support sustainable supply chains.

Notable regulations in this context in 2024 include:

### Ecodesign for Sustainable Products Regulation (ESPR)

- The ESPR, which came into force in July 2024, formed the basis of the EU’s sustainable product strategy.
- It made it mandatory for products to be designed according to criteria such as durability, reparability, recyclability, and the use of recycled content.
- This regulation laid the foundations for the Digital Product Passport (DPP) application.

### Empowering Consumers for the Green Transition Directive

This directive, which came into force in March 2024, provides consumers with more transparent information at the point of purchase.

- Information on the durability and reparability of products must be clearly presented.
- Consumers legal warranty rights have been strengthened.

### Repair of Goods Directive – “Right to Repair”

The directive, which came into force in July 2024, made it mandatory for products to be repairable and for repair options to be offered to consumers.

- The aim is to extend the useful life of products.

### Industrial and Livestock Rearing Emissions Directive (IED 2.0)

IED 2.0, which came into force in August 2024, expanded the scope of the existing Industrial Emissions Directive. Circular economy practices and resource efficiency have been included in the Best Available Techniques (BAT) criteria.

### Green Claims Directive – Verification of Green Claims

Proposed in March 2023 and under negotiation throughout 2024, the directive will require companies to back up their environmental claims with scientific evidence. The aim is to prevent greenwashing practices.

With these regulations, the EU’s goal is “longer-lasting, repairable, recyclable, and environmentally measurable products.”



## Biodiversity Conservation Efforts

In 2024, the global biodiversity agenda gained momentum with the implementation of the Kunming–Montreal Global Biodiversity Framework (GBF) targets adopted in 2022. Throughout the year, countries updated their national roadmaps to protect at least 30% of terrestrial and marine areas by 2030 (the “30x30 target”). The European Union adopted the EU Nature Restoration Law in July 2024, making it legally mandatory to restore at least 20% of degraded ecosystems by 2030. Globally, biodiversity financing has

been increased, mobilizing more than USD 200 billion annually for nature conservation efforts (UNEP Finance Initiative, 2024). The COP16 Biodiversity Conference held in Colombia addressed new implementation mechanisms, particularly for halting deforestation and reducing species loss. 2024 was a year in which biodiversity loss was addressed not only as an environmental issue but also as an economic and social risk.

# Key Developments During the Reporting Period



## Electric Vehicles and the Transformation of Transportation

In 2024, electric vehicles (EVs) continued to be the strongest driving force behind the sustainable transportation transformation. According to data from the International Energy Agency (IEA), global electric vehicle sales exceeded 17 million units in 2024, representing a 21% increase over the previous year. Electric vehicles now account for approximately 20% of global vehicle sales.

The European Union reaffirmed its timeline for completely banning new internal combustion engine vehicles by 2035 and provided additional funding for charging infrastructure investments. China maintained its leadership by accounting for more than 60% of global EV sales, while the US increased its incentives for EV production and battery supply chains under the Inflation Reduction Act (IRA). Major automotive players, Tesla, Volkswagen, BYD, Ford, and Stellantis expanded their production capacities and announced billions of dollars in investments for battery factories. Additionally, e-scooters, e-bikes, and electric public transport fleets became more widespread in line with cities' low-carbon goals, making micro-mobility solutions more accessible.

## Green Finance and ESG Investments

In 2024, sustainable finance became one of the most powerful agenda items in capital markets. ESG criteria are no longer a preference for investors but a prerequisite for investment decisions. The global sustainable finance market reached \$30 trillion in 2024 (GSIA, 2024). Green bonds and sustainable financing instruments grew rapidly, with green bond issuance alone exceeding \$1 trillion in 2024, the highest volume ever recorded (Climate Bonds Initiative, 2024).

Financial institutions increased their funding for sustainable projects, while regulations in the EU, US, and Asia made ESG reporting mandatory. In the European Union, the Corporate Sustainability Reporting Directive (CSRD) made it mandatory to integrate sustainability performance into financial reporting. Banks and investment funds have strengthened their commitments to limit fossil fuel financing, and new credit/cost models have made projects with low carbon footprints more advantageous.

In parallel, companies have focused on improving their ESG performance, setting sustainability targets, and reporting transparently in order to attract investment and facilitate access to finance.

## Developments in CMS

### We Are Building a Stronger Future Using Less Energy

#### We Successfully Completed Our ASI Certification Process

As CMS Group, In order to continuously improve our sustainability performance, we have successfully completed the ASI certification process in 2024, as a result of our efforts across a wide range of areas, from environmental impacts to working conditions, supply chain management to human rights.

In this regard, CMS Group has achieved compliance by meeting all applicable criteria under Principles 1–4 of the ASI Performance Standard V3 (2022).

#### We Implemented a Land Solar Power Plant Investment

Furthermore, we have implemented the solar power plant (SPP) investment to accelerate our renewable energy transition. This investment not only ensures that our company's energy needs are met from clean sources but also contributes to increasing our country's renewable energy capacity.

Our achievements in energy efficiency have been certified by the Türkiye EN-VERİM 100 Survey. In this survey,

CMS Group:

- Ranked 8th among companies investing the most in energy efficiency across Türkiye,
- Ranked 2nd in the automotive sector.

At the Export Champions Awards ceremony organized by the Automotive Industry Exporters' Association, CMS Group was recognized as one of the top exporting companies in 2024, winning the "Golden Exporter" award.

#### We reduced our greenhouse gas emissions through energy efficiency projects

As a result of the energy efficiency projects we implemented in 2024, we achieved natural gas savings of 3,840,734 kWh/year and electricity savings of 3,414,217 kWh/year. Thanks to these efforts, we prevented a total of 2,209 tons of CO<sub>2e</sub> greenhouse gas emissions from being released into the atmosphere.



## Our Awards

*Moving Forward at Every Step, Building Stronger Success Year After Year*

YEAR	AWARDING INSTITUTION	AWARD CATEGORY	RANKING
2024	İnovaLİG	Innovation Results	3.
2024	TOPTALENT	Most Popular Talent Programs of the Year	-
2024	Global Business Excellence Awards	Best Business Transformation	-
2024	KARİYER.NET	Respect for Humanity Award	-
2024	Ege İhracatçı Birlikleri	Stars of Export	1.
2024	TAYSAD Başarı Ödülleri	Member with the Highest Exports	3.
2024	Türkiye EN-VERİM 100 Araştırması	Among Companies Investing the Most in Energy Efficiency	8th in Türkiye
2024	Otomotiv Endüstrisi İhracatçıları Birliği	Golden Exporter Award	-
2024	PLUS X Award	Excellence in Customer Satisfaction	-





***OUR SUSTAINABILITY  
APPROACH AND MANAGEMENT***

# Corporate Governance Structure and Committees

*Under the Leadership of Our Existing Committees, We Develop Solutions to Identified Issues Through the Active Contributions of Our Employees Within Dedicated Working Groups*

## Governance

The Board of Directors is the highest decision-making and supervisory body responsible for developing strategic responses to economic, financial, social, environmental, managerial, operational, and legal risks and opportunities in line with the principles established by the company's Founding Chairman, Tonguç Ösen. The Board shapes management processes by considering legal regulations, corporate governance principles, the risk-opportunity balance, and all of the company's interests; it also sets its strategic objectives accordingly. Detailed information about the CMS Group Board of Directors is available at <https://www.cms.com.tr/en/corporate/group-companies/cms-jant-ve-makina-san-a-s>

## Committees

Within CMS Group, there are six committees operating under the Board of Directors, as well as a committee supporting the effective implementation of Occupational Health and Safety (OHS) processes. Numerous working groups formed under the leadership of these committees develop solutions to identified problems with the participation of employees from different departments. Detailed information about these committees, which play an active role in decision-making processes regarding economic, environmental, and social impacts within CMS Group Management, is provided below.

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-18)

## Audit Committee:

The purpose of the Audit Committee is to develop recommendations that reveal incidents leading to fraud, non-compliance with laws and regulations, or deficiencies in internal control or similar matters. To this end, it reviews the Company's compliance monitoring system, disciplinary penalties, and the results of investigations and follow-ups initiated by company management on these matters, and makes recommendations to management for the necessary adjustments and actions.

The Committee reviews crisis plans regarding the accountability of management for the security and operation of the Company's computer system and the recording and protection of transactions in the event that the computer system becomes inoperable.

## Risk Management Committee:

The purpose of the Risk Management Committee is to develop the necessary policies for monitoring the risks to which the Company may be exposed and for implementing risk management processes. The duties and responsibilities of the Committee in this regard are as follows:

- Taking into account current and expected financial and macroeconomic conditions, it makes recommendations to the Board of Directors regarding the Company's risk appetite, tolerance, and strategy.



- Reviews the risks faced by the Company and its future risk strategy and makes recommendations to the Board of Directors.
- Reviews the risk assessment processes established to support the decisions of the Board of Directors.
- Reviews and approves the models, qualitative and quantitative variables used in the risk management system.

- Develops the necessary standards for the accurate and timely monitoring of large-scale or critical risks.
- Reviews the Company's ability to identify and manage new types of risks.
- Examines the risks involved in transactions of strategic importance, such as significant acquisitions or divestitures, and assesses their impact on the company's risk appetite/tolerance before they are approved by

# Corporate Governance Structure and Committees

Board of Directors, and, where necessary, obtains independent advisory services on such matters.

- Reviews reports prepared regarding the exceeding of risk limits and the actions taken on the recommendations made in this regard.
- Reviews the effectiveness of internal control and risk management processes and approves the disclosures to be made in the Company's activity report regarding these processes.
- Imported primary aluminum, on which CMS Group's production is entirely dependent, stands out as the most important financial and strategic risk for the Company. CMS Group manages this risk through derivative contracts.
- It analyzes the market situation, aluminum prices, the Company's projections, and stock levels.
- Based on this analysis, it decides what to do for risk management. If necessary, it buys or sells contracts (Future LME: a futures metal trading contract executed through the London Metal Exchange).
- It is responsible for the effective implementation of Company strategies, including climate change risks and their significant impacts. The current, physical, and transition risks of climate change are among these competitive conditions and external environmental dynamics.

## Authorized Economic Operator Committee :

Authorized Economic Operator Committee established to ensure the sustainability of legal requirements within the CMS Group, to cooperate fully with the Ministry of Trade on customs and foreign trade practices, and to manage internal and external audits regarding the identification, reporting, and resolution of potential non-compliance issues, reports to the Chief Executive Officer. The Committee meets every six months to review Authorized Economic Operator Certificate policies, practices, and processes.

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-18)

## Energy Committee:

Energy is one of the main inputs of production. Efficient use of energy and reduction of energy consumption are among the strategic objectives of CMS Group. The Committee's duties and responsibilities in this regard are as follows:

- Establishing, coordinating, and executing Energy Management System (EnYS) activities in accordance with the relevant standard and the CMS Group Energy Policy,
- Ensuring that current operations progress in accordance with EnYS,
- Ensuring the identification of energy risks and opportunities,
- Supporting the continuous improvement of energy management activities,
- Determining energy performance indicators, perform target achievement analysis, and ensure the implementation of action plans for continuous improvement,
- Preparing detailed content specific to the process for EnYS review meetings and ensure participation,
- Ensuring participation in internal/external training plans on energy-related topics to increase staff awareness within the scope of EnYS,
- Ensuring that all staff adopt and implement EnYS with a continuous improvement perspective.

The Energy Committee reports to the Chief Executive Officer.



# Corporate Governance Structure and Committees

## Sustainability Committee:

The purpose of the Sustainability Committee is to assess economic, social, and environmental risks and opportunities that may affect CMS Group assets and commercial activities, monitor and analyze relevant sustainability issues, determine the sustainability strategy, and carry out projects to achieve the objectives.

- Develop and update Company policies and strategies related to sustainability.
- Set long-term sustainability goals and create roadmaps to achieve these goals.
- Monitor sustainability performance indicators and prepare regular reports.
- Identify potential risks related to sustainability and develop strategies to address these risks.
- Continuously update risk analysis results and plan relevant measures.
- Train employees on sustainability issues and organize awareness programs.
- Encourage the adoption of a sustainability culture throughout the company.
- Increase sustainability awareness using various training and communication channels.

The Sustainability Committee reports to the Chief Executive Officer.

## Information Security Management System Committee:

The committee is responsible for developing and effectively implementing information security within the organization.

- Establishing information security awareness, making decisions regarding activities aimed at increasing the level of awareness,
- Directing and reviewing information security strategies and integration efforts,
- Monitoring the support of business units in the CMS Group's information security management system setup and integration process,
- Proposing, creating, reviewing, and submitting policy, procedure, standard, and instruction documents related to information security to the Board of Directors for approval,
- Evaluating and deciding on all infrastructure changes related to information security,
- Tracking records of planned and initiated work, monitoring and audit activities (Perform regular monitoring/auditing and continuous improvement activities)
- Identifying risks that threaten information security,
- Identifying and monitor compliance requirements related to information security issues,

- Performing review activities to ensure that the security infrastructure adequately meets the needs and requirements of business and information system objectives,
- Monitoring that information security activities are appropriately prioritized, budgeted, and adequately supported by organizational units,
- In the event of an emergency, conducting an assessment of issues related to information security and, if necessary, performing a risk analysis to develop an action plan.

The ISMS Committee reports to the Chief Executive Officer.

## Occupational Health and Safety Committee:

In accordance with the Occupational Health and Safety Law No. 6331, all businesses within the CMS Group have an Occupational Health and Safety Committee to assess potential occupational health and safety risks and determine appropriate preventive measures. This committee consists of employer representatives, OHS experts, workplace physicians, human resources experts, administrative affairs officers, employee representatives, and relevant experts depending on the agenda items, and meets every two months.



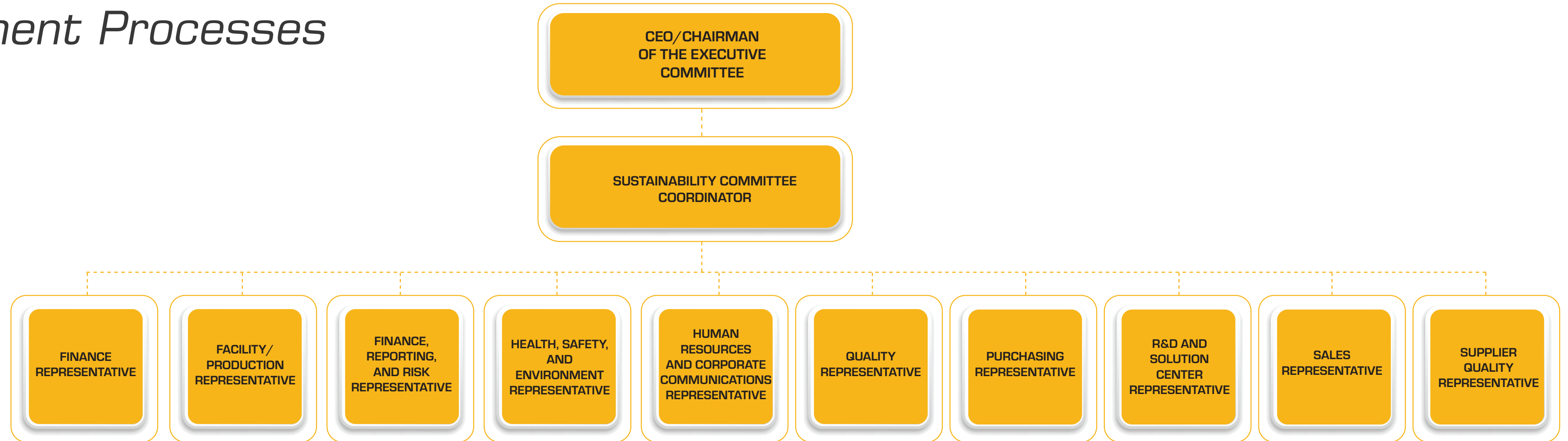
# Our Sustainability Governance

## Sustainability Is at the Heart of CMS Group's Management Processes

The CMS Group Board of Directors, as the Company's highest decision-making body, is responsible for establishing, implementing, and overseeing the performance of the sustainability strategy, which encompasses economic, social, and environmental dimensions. In line with the values and principles established by our late Founding Chairman, the Board ensures the Company's sustainable growth by assessing operational and legal risks, opportunities, and long-term impacts.

Chaired by the Chief Executive Officer, the Sustainability Committee brings together representatives from various functions to foster cross-functional collaboration across the organization. The Committee coordinates the implementation of the sustainability strategy, monitors progress toward defined targets, and regularly reports to the Board of Directors. As CMS Group, we base all our processes on the principles of transparency, equality, diversity, and inclusivity. In this context, the Sustainability Committee monitors the Company's priority sustainability issues and initiatives aligned with the Sustainable Development Goals and ensures that the necessary actions are effectively implemented.

The governance structure of the Sustainability Committee is outlined below.



### Aluminium Stewardship Initiative (ASI)

ASI is an international standard that defines environmental, social, and governance (ESG) principles in the aluminum value chain and sets sustainability requirements in these areas. The ASI Performance Standard aims to ensure responsible production, human rights, ethical business practices, and environmental performance throughout the processes from aluminum production to supply and use.

As the CMS Group Sustainability Committee, we completed our certification process in 2024 with the aim of improving our sustainability performance, ranging from our environmental impacts to working conditions, supply chain management, and human rights.

Our ASI Performance Standard certification includes the following subheadings.

- 1.3 Code of Conduct
- 2.4 Responsible Resource Use
- 2.5 Environmental and Social Impact Assessments
- 2.6 Human Rights Impact Assessment
- 3.1 Sustainability Reporting
- 3.3 Payments to Governments
- 3.4 Stakeholder Complaints, Grievances, and Information Requests

# Our Sustainability Strategy

*We Adopt a Sustainable Approach That Quickly Adapts to the Changing Needs of the World*

In line with the United Nations Sustainable Development Goals, we are moving forward with our sustainability strategy as the foundation for all our processes, based on the prioritization analysis we have conducted.

The need for efficient use of natural resources and improved vehicle performance is driving the development of lighter and more fuel-efficient vehicles in today's world. This transformation is enabling alternative driving technologies to take innovative steps every day.

As CMS Group, thanks to our ability to quickly adapt to the changing needs of the world, we contribute to the global transportation system in a sustainable way with our wheels produced with superior technology.

The foundation of our sustainability strategy is to provide our stakeholders with transparent and real-time information about our activities, to fully comply with the laws and regulations in all regions where we operate, and to prioritize resource efficiency while minimizing our environmental impact.

Our sustainable management approach is effectively implemented in all our activities and decision-making processes, integrated with our corporate vision, mission, and the principles of our Founding Chairman.

The CMS Group Sustainability Strategy, prepared in line with the CMS Group's areas of influence and the Sustainable Development Goals, consists of five key elements:

**The CMS Group Sustainability Strategy**, prepared in line with the CMS Group's areas of influence and the Sustainable Development Goals, consists of **five key elements**:



## Valuing our employees

While continuing to contribute to increasing local employment, we provide a healthier working environment for our employees and strive to increase employee satisfaction. We support our employees' career planning.



## Producing nature-friendly products

As a result of our ongoing R&D activities, particularly to meet our customers' expectations for lighter wheel production, we contribute to reducing the negative effects of global climate change by lowering carbon emissions from vehicles.



## Contributing to society

Creating a healthier work environment for our employees and stakeholders and increasing our economic contribution to the Izmir region are among our priorities.



## Reducing environmental impact

We measure and report on water reduction, aluminum recycling, waste minimization, and energy efficiency to reduce our environmental impact throughout the product life cycle; we set targets and implement the necessary improvements.



## Doing quality and accurate work

We do our work honestly, on time, and with the highest quality. Within the framework of responsible supply chain management, we encourage, train, monitor, and improve our business partners (subcontractors and suppliers). We contribute to sustainable development through innovation and R&D activities.

# Our Prioritization Approach

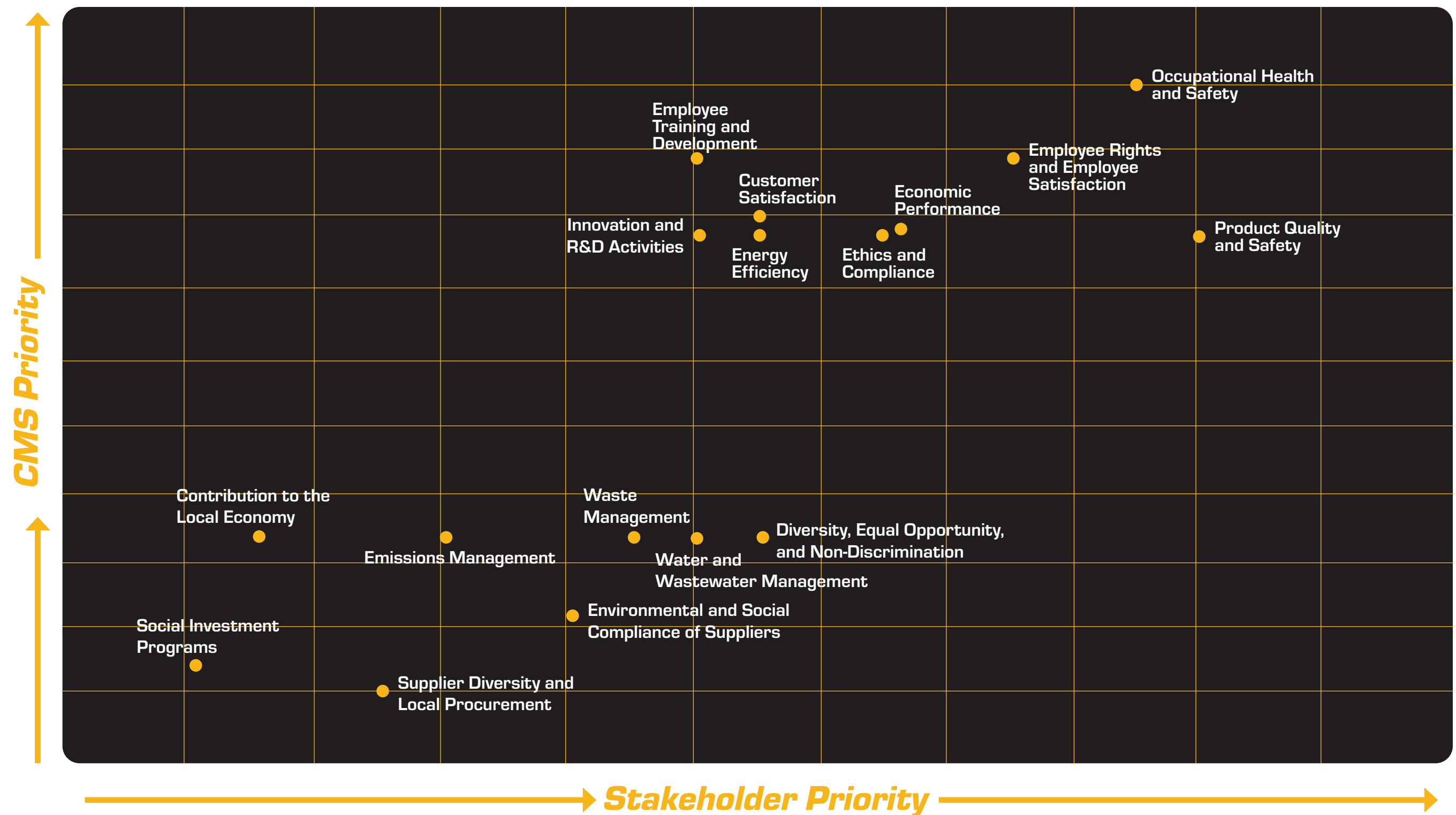
We Determine Our Strategic Priorities in a Dynamic, Transparent, and Stakeholder-Focused Manner in Line with Our Sustainability Vision

As part of our sustainability strategy, identifying and regularly reviewing our priorities is a core principle of our approach. We conduct stakeholder analysis in a systematic manner in line with the GRI Standards and the AA1000 Stakeholder Engagement Standard (AA1000), taking into account the impacts of our activities on both our business and our stakeholders.

Within this framework, stakeholder priorities and expectations are analyzed and prioritized based on the Company's environmental, social, and economic impacts. Data obtained through stakeholder surveys is evaluated together with global developments, industry trends, and our impact analyses to shape our prioritization methodology. Through continuous feedback from business units that maintain regular engagement with each stakeholder group, we keep our list of material topics up to date and integrate emerging risks and opportunity areas into our strategic planning processes.

This approach enables us to determine our strategic priorities in a dynamic, transparent, and stakeholder-focused manner, in alignment with our sustainability vision.






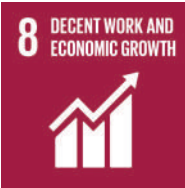


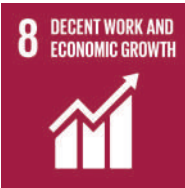


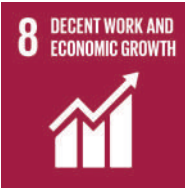




## Prioritization Analysis



# Key Focus Areas

Priority Issue	Target	Affected Stakeholders	Linkage to Sustainable Development Goals (SDGs)
Occupational Health and Safety	Continuously improve the system that eliminates hazards at their source and prevents occupational accidents and diseases with the participation of all employees.	Employees, suppliers	
Employee Rights and Employee Satisfaction	Ensuring inclusive and participatory decision-making at all levels To recruit energetic individuals who are committed to teamwork, competent in their field, and have high potential, and who are compatible with our corporate culture.	Employees	
Product Quality and Safety	To continuously improve our product and service quality, we research and implement new technologies and quality techniques, working with a zero-defect approach in our wheels. Continuously review our compliance with all legal requirements, standard requirements, and customer expectations related to quality, safety, and performance requirements.	Customers	
Economic Performance	Increase economic growth Implement new investments in line with sustainability principles	Employees, suppliers, customers, investors, and the community	
Ethics and Compliance	Develop an action plan to prevent the recurrence of complaints received through the ethics hotline Adopting sustainability practices and reporting on sustainability performance	Employees, suppliers, customers, investors, and the community	
Energy Efficiency	Measure and reduce energy consumption from facilities and operations Continuously improving energy performance To improve energy performance, we will increase the use of energy-efficient products, the procurement of energy services, and related design efforts.	Employees, suppliers, customers, investors, and the community	

# Key Focus Areas

Priority Issue	Target	Affected Stakeholders	Linkage to Sustainable Development Goals (SDGs)
Water and Wastewater Management	Using our technical and financial resources to prevent pollution and protect the environment; separating waste at source, undertaking the necessary work to reduce the use of natural resources, and monitoring and controlling the results of these efforts.	Employees, suppliers, customers, investors, and society	 
Emission Management	Monitoring and complying with local regulations related to greenhouse gas emissions as part of the fight against climate change, tracking the emissions we generate, seeking innovative solutions to reduce them, and establishing long-term action plans for projects aimed at clean energy transition.	Employees, suppliers, customers, investors, and society	 
Waste Management	Our waste management plans aim to reduce waste at its source, recycle and reuse generated waste, and dispose of non-recyclable waste in a manner that ensures health and environmental compliance.	Employees, suppliers, customers, investors, and society	
Supplier Diversity and Local Procurement	Evaluating and improving the occupational health and safety performance, environmental impact management activities, waste management activities, and compliance with legal regulations, ethics, and compliance of our potential business partners.	Suppliers	  
Environmental and Social Compliance of Suppliers	Evaluating and improving the occupational health and safety performance, environmental impact management activities, waste management activities, and compliance with legal regulations, ethics, and compliance of our potential business partners.	Suppliers	  
Social Investment Programs	In addition to the opportunities we create in the economic sphere, we also make our name known through our work in the social and cultural spheres.	Investors and Society	  
Diversity, Equal Opportunity, and Non-Discrimination	Monitoring issues such as diversity, equal opportunity, non-discrimination, and abuse in our corporate risk map, Religion, language, race, age, gender, ethnicity, sexual orientation, belief, civil, social or economic status, disability, pregnancy or military service We offer equal rights to all our employees without discrimination on the basis of any of these factors.	Employees	 

(GRI 3-2)

# Key Focus Areas

Priority Issue	Target	Affected Stakeholders	Linkage to Sustainable Development Goals (SDGs)
Contribution to the Local Economy	Representing TÜRKİYE in the global market, increasing employment Ensuring compliance with deadlines and commitments	Suppliers, investors, and the community	
Customer Satisfaction	With our competent employees, we provide information to our customers in a timely manner based on the principles of transparency, accessibility, responsiveness, accountability, confidentiality, continuous improvement, and objectivity. We offer solutions by providing all necessary resources, implement them, and thereby increase customer satisfaction.	Customers	
Employee Training and Development	With our performance management system, we track our employees' career development, encourage them to work as a team to achieve high productivity, and value them. We create a transparent work environment that is preferred for its fair approach.  Ensuring our employees gain both skills and technical knowledge through continuous development-focused training programs and competitive development opportunities	Employees	
Innovation and R&D Activities	Investing in research and development, artificial intelligence  Increasing economic growth through the use of high-efficiency technology  Advancing with innovative solutions, including partnerships with research institutions and automotive industry leaders  Increasing resource efficiency for sustainable development, implementing environmentally conscious technologies and processes  Completing digitalization processes within the scope of "Digital Transformation"	Employees and customers	

(GRI 3-2)

# Stakeholder Engagement

## Creating Shared Value Through Effective Communication, Strengthening Sustainable Business Collaboration



As CMS Group, we consider strong communication and collaboration with our stakeholders at every stage of our activities to be a fundamental principle of our corporate approach. Our stakeholders comprise individuals, organizations, and communities that are directly or indirectly affected by our operations and also contribute to their execution.

In line with our Stakeholder Engagement Plan, we structure our communication around an effective, transparent, two-way, and participatory framework, which we regard as an integral part of our corporate culture. We view all feedback received from our stakeholders as a valuable opportunity for continuous improvement. Based on stakeholder opinions and suggestions, we continuously enhance our processes and incorporate this feedback into our strategic decision-making, thereby strengthening the efficiency, agility, and sustainability of our business processes.

Providing accurate, reliable, and timely information to our stakeholders is a core corporate responsibility of CMS Group. Accordingly, we ensure continuity of communication by delivering regular and systematic information through communication platforms designed to address the specific needs and expectations of each stakeholder group. In addition, we share knowledge and information through the non-governmental organizations and sectoral partnerships of which we are a member, contributing to social development by expanding our corporate knowledge base. These collaborations support our sustainability objectives while also reinforcing our social responsibility impact.

As CMS Group, we remain committed to creating shared value with our stakeholders, shaping a common future through collaboration, and advancing together on our sustainable transformation journey.

### Our Stakeholders and Communication Methods

#### Customers

- Corporate Research (Once a year)
- Face-to-Face/Online Meetings (Monthly)
- Customer Surveys (Once a year)

#### Employees

- Employee Satisfaction Survey (Once a year)
- Meetings with Employees
- Seniority Award Ceremonies with Employees (Once a year)
- Bizbize Mobile Application
- CMSizinle
- CMSensin
- CMSAktif

#### Suppliers / Subcontractors

- Daily Workflow
- Meetings (As needed)
- Email Communication
- Supplier Satisfaction Survey (Once a year)
- Supplier Satisfaction Perception Survey
- Supply Portal
- Supplier Visits
- Trade Shows, Conferences

#### Community / Sponsors

- Events
- Local Sponsorships Media (Frequency varies depending on the type of initiative)

#### Our Memberships and Initiatives

- Turkish Metal Industry Union (MESS)
- Turkish Metal Workers' Union
- Aegean Region Chamber of Industry (EBSO)
- Turkish Quality Association (KalDer)
- Automotive Suppliers Association (TAYSAD)
- European Wheel Manufacturers Association (EUWA)"

# Ethics and Compliance

## We Build Trust with Ethical Values



The CMS Group Business Ethics booklet has been prepared so that all our employees and stakeholders can access accurate information on ethical issues. This resource is shared on the company website so that it is always accessible. In addition, a printed handbook is included in the welcome package for new employees so that they can also have the same level of awareness and knowledge. Existing employees are regularly informed through online training courses prepared in this area. Our business ethics principles consist of 10 basic items:

- Honesty and Fair Conduct
- Conflict of Interest
- Accuracy of Records and Documents
- Protection of Company Assets and Resources
- Relationships with Customers and Suppliers
- Protection of Information
- Relationships with Government Agencies, Private Institutions/Organizations, Non-Governmental Organizations, and the Media
- Respect and Work Life in the Workplace
- Prevention of Unwanted Behavior in the Workplace
- Relationships with the Environment

You can access the CMS Group Code of Conduct booklet at <https://www.cms.com.tr/en/corporate/our-policies>

Ethical values and compliance principles form the basis of our company's entire operations. We embrace a transparent, fair, and responsible management approach by adhering to legal regulations, international standards, and our internal policies. Building trust-based relationships with all our stakeholders, from our employees to our business partners, and continuously developing our ethical culture are among our primary goals.

(GRI 2-15, 2-16, 2-26, 2-27, 3-3, 205-1, 205-2)

### Ethics Hotline and Ethics Committee

Our company has established an Ethics Hotline so that our employees and stakeholders can report any ethical dilemmas or improprieties they encounter in a secure and confidential manner. Reports made through this hotline are evaluated independently, and necessary actions are taken. An Ethics Committee has also been established to ensure that the process is conducted transparently and fairly.

Our Ethics Committee Members are:

- Ethics and Compliance Officer (ECO): Executive Board General Coordinator
- Coordinator: Internal Audit Manager
- Member: Human Resources Coordinator

The Ethics Committee reviews the reports submitted and makes decisions in line with company values and policies, thereby contributing to the strengthening of the ethical culture at the corporate level.

A total of 226 reports were received through the Ethics Hotline throughout 2024. All reports were evaluated by the Ethics Committee in accordance with confidentiality principles, in line with our company's commitment to ethical principles and transparent management. The necessary investigations were conducted according to the type of report, and corrective and preventive actions were taken for verified issues.

This process demonstrates that:

- Our employees' awareness of ethical issues has increased,
- The Ethics Hotline mechanism is being used effectively,
- The culture of transparent and accountable corporate governance has been strengthened

As CMS Group, we continue to improve our Ethics Hotline processes so that all our stakeholders can safely report any unethical behavior.

### Code of Conduct

It is of great importance to our company that new employees joining the CMS Group embrace our core values, principles, and rules of conduct and carry out their work processes within this framework. In this regard, group training sessions are organized for new employees at regular intervals, and this topic is also included in various training programs.

### Code of Conduct Training Training Hours per Person

WHITE COLLAR	BLUE COLLAR
<b>0.24</b>	<b>0.63</b>

# Ethics and Compliance



## Responsible Sourcing Policy

We have developed a Responsible Sourcing Policy to ensure that all business practices carried out in our supply chain are conducted in accordance with ethical, responsible, and sustainable principles. This policy ensures compliance with national and international laws and regulations and is directly linked to Sustainable Development Goal 12 – Responsible Consumption and Production.

Under this policy, environmental, social, and ethical criteria are considered in supplier selection and performance evaluations. The goal is to promote

responsible sourcing by delivering measurable and tangible improvements throughout the supply chain.

All our suppliers are required to comply with the requirements outlined in this policy. Suppliers' acceptance of the policy and compliance with all relevant provisions is a contractual condition. CMS Group Companies reserve the right to terminate business relationships with suppliers who do not comply with these principles.

### The fundamental principles of our Responsible Sourcing Policy:



#### Legal Compliance:

Full compliance with national and international legislation.



#### Human Rights:

Respect for employee rights and fair working conditions.



#### Environmental Responsibility:

Reduction of environmental impact, resource efficiency.



#### Occupational Health and Safety:

Provision of a safe working environment.



#### Business Integrity and Ethics:

Zero tolerance for bribery, corruption, and unethical practices.



#### Implementation and Improvement:

Regular monitoring and improvement of performance.

You can access our Responsible Sourcing Policy at <https://www.cms.com.tr/en/corporate/our-policies>

#### Ethics Service

Available 24/7 and operated entirely by an independent third party.

Accessible at [cms@etikhat.com](mailto:cms@etikhat.com) or by phone at +90 212 371 07 70.

# Anti-Bribery and Anti-Corruption

## We Are Building a Culture of Compliance Strengthened By Ethical Principles

Our Anti-Bribery and Anti-Corruption Policy aims to ensure full compliance with all applicable anti-bribery and anti-corruption laws and regulations in the countries where CMS Group Companies operate, as well as with universally accepted principles, ethical and professional standards, and the provisions set forth in our Code of Business Conduct.

This Policy constitutes an integral part of the following corporate frameworks and documents:

- The CMS Group Companies Business Ethics Rules, approved by the CMS Group Companies Board of Directors,
- The principles of the Corporate Social Responsibility Policy,
- The Human Resources Implementation Principles and the Collective Bargaining Agreement,
- The Personnel Regulations,
- Regulations and contractual arrangements governing the procurement of support services and the management of procurement and outsourced personnel.

### Bribery and Corruption Risk Analysis

The risk analysis conducted within the scope of anti-bribery and anti-corruption efforts aims to ensure ethical business practices, maintain legal compliance, and safeguard the Company's corporate reputation. This approach supports sustainable growth through a transparent and accountable management framework.

To ensure that our employees maintain a high level of awareness and understanding of anti-bribery and anti-corruption principles, relevant information is provided during the onboarding process, and refresher training programs are conducted on a regular basis.



# Information Security Management

## Adopting the Highest Standards in Information Security, Providing Assurance at Every Step

As CMS Group, we ensure the continuity of the Information Security Management System (ISMS) organization established in 2016 and continue to enhance it through continuous improvement practices in accordance with the ISO 27001 standard.

All processes that may pose potential information security risks are periodically reviewed, and a high level of diligence is maintained with regard to the confidentiality, integrity, and availability of CMS Group data.

Our Information Security Policy is publicly disclosed on our website for relevant parties and stakeholders. The policy can be accessed at: <https://www.cms.com.tr/en/corporate/our-policies>

In line with improvement recommendations provided by auditors following our information security activities and accredited audits, we continue to gradually implement cybersecurity products and software solutions. In addition, we ensure the continuity of the TISAX (Trusted Information Security Assessment Exchange) certification obtained in 2020 in order

(GRI 418-1)

to meet customer information security requirements in the automotive sector.

This integrated approach enables us to effectively address customer information security expectations while simultaneously managing the core requirements of ISO 27001, the Turkish Personal Data Protection Law (KVKK), and the General Data Protection Regulation (GDPR).

In 2024, we successfully completed our ISO 27001 surveillance accreditation audit. As of 2025, we will continue to maintain our certification and advance in line with our Information Security Policy through accredited audits conducted in accordance with the ISO 27001:2022 revision.

With regard to the protection of sensitive information, we ensure that not only our own operations but also the consultants and suppliers we engage comply with our information security standards. Accordingly, information security compliance is assessed through forms and questionnaires used during the supplier candidate evaluation process.

Non-Disclosure Agreements (NDAs) are executed with all external stakeholders to clearly define information security responsibilities and to ensure compliance with confidentiality and data protection requirements.

Consultant access to the CMS Group network is provided exclusively through VPN connections, and only devices that meet defined information security requirements are authorized. Through firewall solutions, all devices connected via VPN are systematically assessed for compliance with predefined criteria, and access is denied to devices that do not meet these requirements.

During the reporting period, no complaints or incidents related to the unauthorized disclosure, loss, or leakage of customer information were reported. In 2024, various initiatives and projects were implemented to further strengthen our Information Security Management System and to support the continuity of operational business processes.



# Information Security Management

## Information Security and Business Continuity Projects

### Central Infrastructure and Business Continuity Initiatives

- To centrally position the Çiğli factory within the CMS Group IT infrastructure, the Çiğli-1 system room was renovated, and business continuity was ensured for Çiğli 1 and Çiğli 2.
- Backbone switches at the Çiğli 1 and Çiğli 2 factories were replaced with next-generation devices. Redundant connections were established between the two system rooms, and critical network and system components were physically duplicated in both locations to enhance business continuity.

### Network Infrastructure and Internet Redundancy

The MPLS service was discontinued, and a fully redundant internet infrastructure was implemented across all locations. Load balancing and redundancy are now provided through SD-WAN technology.

### Network Infrastructure and Security Solutions

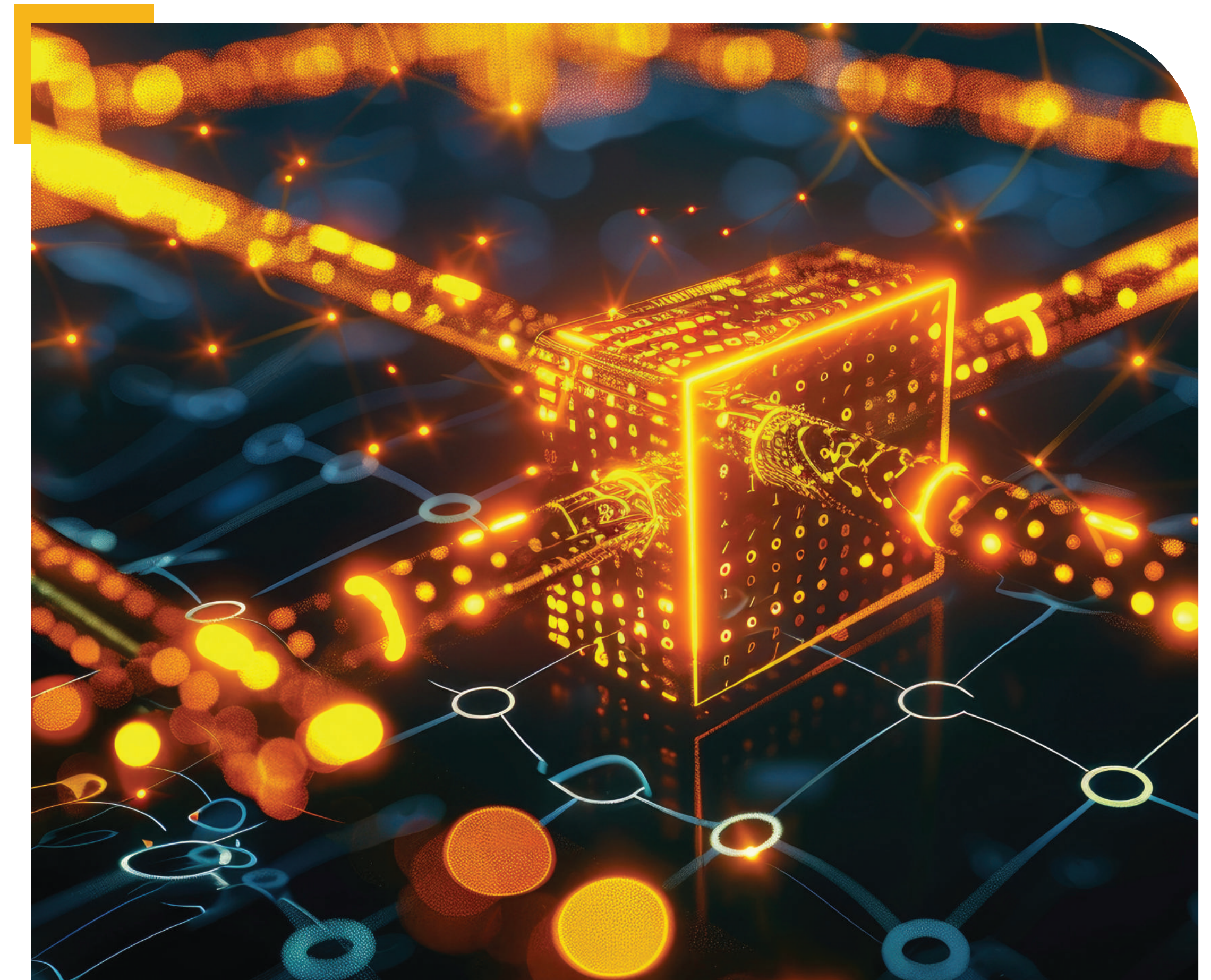
- **Wireless Network Enhancements:** The Cisco WLC device at the Çiğli central location was renewed, and all access points across the factories were brought under centralized management using a flexible architecture. Heat maps were generated to optimize wireless coverage, and access point locations were reorganized following comprehensive site surveys.
- **Network Access Control:** The transition to the 802.1x security standard was completed through Cisco ISE integration, and the project was successfully finalized.

- **Information Security Solutions:** Updates were made to Data Loss Prevention (DLP) and Security Information and Event Management (SIEM) applications, and implementation projects were initiated.

### Infrastructure and Operational Improvements

- **Firewall Modernization Project:** Firewall devices at all locations were upgraded, and security levels were enhanced by segregating internet and internal networks.
- **User Account Management Project:** A helpdesk automation system was implemented to eliminate human error and omissions. User accounts are now created automatically through forms completed by the Human Resources function.
- **CMS Group Directory Project:** This project was implemented to ensure that all employees have access to an up-to-date and reliable CMS Group phone directory on their mobile devices.

In 2024, employee information security awareness initiatives continued. Comprehensive information security training was provided to all new employees, and existing employees were required to complete the online ISO 27001 Information Security Training at least once per year. In addition, department-based risk analyses and information security inventories were updated, and volunteer employees continued to serve as Data Security Officers. In today's digital environment, ensuring secure internet access for all smart devices and computers is of critical importance. Accordingly, safeguarding the security of all devices connected to the internet—without disrupting business operations—constitutes a fundamental requirement of our Information Security Management System.



# Risk Management and Business Continuity

## We Proactively Implement Effective Risk Management for Resilient Business Models

Through our effective corporate risk management practices, we ensure the early identification of risks that may threaten the Company's existence, development, continuity, and ability to achieve its strategic objectives, thereby enabling the timely and effective implementation of risk mitigation measures.

Our Risk Management Committee regularly reviews the risks faced by the Company, as well as its forward-looking risk strategy, and submits recommendations to the Board of Directors. Risks are managed in an integrated manner within our business processes, with a strong focus on early detection and the development of appropriate action plans. In this framework, risks are categorized into five main groups: operational, financial, reputational, strategic, and market risks. All of our management systems incorporate risk analysis procedures developed in accordance with a risk-based approach. In line with our risk management methodology, product- and process-related risk analyses are systematically monitored and updated, and corrective and preventive actions are implemented when deemed necessary to reduce the likelihood and potential impact of risks.

The Risk Management Committee, comprising managers from CMS Group's Finance, Accounting, Sales, Supply Chain, and Information Technologies functions, convenes on a monthly basis. Within the scope of corporate risk management, the Committee assesses not only the financial and operational impacts of risks, but also their environmental, compliance, and social implications. Accordingly, the corporate risk map covers issues such as occupational health and safety, environmental impacts, climate change, employee rights, diversity and equal opportunity, and fraud.

(GRI 2-25)



The Committee utilizes dedicated software tools to measure and monitor financial risks arising from aluminum procurement and the linkage between raw material costs and customer pricing through sensitivity analyses. Given that CMS Group's production processes are highly dependent on aluminum raw materials, this factor is considered a significant financial and strategic risk for the Company. At all levels of our information technology and operational processes, we implement preventive measures against cyber threats and information security risks and develop strategic cybersecurity partnerships. We conduct regular information security awareness training sessions and perform periodic and continuous monitoring and assessments.

In addition, our information security risk analyses are regularly updated, taking into account TISAX (Trusted Information Security Assessment Exchange) requirements. Occupational health and safety risk analysis reports are prepared on a regular basis, and planned actions and continuous improvement activities are proactively managed in a digital environment through dedicated software solutions. Continuous field inspections are carried out by our occupational safety specialists and workplace physician, and all identified risk situations are closely monitored.



***OUR PRIORITIES: R&D,  
INNOVATION AND DIGITALIZATION***

# R&D and Innovation

## We Design Innovative Solutions for a Sustainable Future

2024 R&D Center Number of Employees  
**117** employees

In 2024, Research and Development (R&D) remained one of the key functions supporting our objectives of technological advancement, customer satisfaction, and sustainable production. We continue to pursue our innovative product and process development activities with determination, strengthening our competitive position in the industry and reinforcing our leadership.

The primary focus of our R&D activities is the development of lighter, more durable, safer, and high-performance wheel solutions. Through these efforts, we aim to exceed customer expectations while improving production efficiency and optimizing costs.

2024 R&D Expenditure  
**254.8** million TL

Advancements in material technologies and production methods form a core component of our sustainability approach. Energy-efficient processes, the use of recyclable raw materials, and design initiatives aimed at reducing our carbon footprint are fully integrated into our R&D activities.

This integrated approach enables us to minimize our environmental impact while ensuring compliance with applicable national and international regulations. Our R&D teams closely monitor industry trends and evolving customer needs, providing critical input to long-term strategic planning and enabling the early identification of new market opportunities. Product development and innovation remain key drivers of corporate growth, customer satisfaction, and overall sustainability performance.

As CMS Group, we continue to regard R&D as a strategic pillar of our development and remain committed to delivering value to the sector through innovative solutions.

In 2024, our R&D Department employed 117 professionals, playing a significant role in differentiating CMS Group within a highly competitive market and in preparing the Company for future challenges.

Established in 2009 with a team of 66 employees, the CMS Group R&D Center currently operates with approximately 117 specialized professionals across two R&D Centers located in two different regions. This workforce includes 3 PhD holders, 4 PhD candidates, 25 employees with master's degrees, 12 master's students, 37 bachelor's degree holders, and 9 associate degree

holders. While the two R&D Centers focus on different areas of expertise, both are fundamentally dedicated to developing superior and competitive products and concepts, enhancing energy and resource efficiency, and advancing continuous improvement initiatives and innovative production methods.

Rapid technological transformation in the automotive industry and rising customer expectations have elevated wheel innovation to a strategic priority. The development of lighter and more durable wheels with lower environmental impact contributes to reduced fuel consumption and emissions while enhancing vehicle performance.

Accordingly, the integration of advanced technologies and innovative materials into production processes is of critical importance. In 2024, CMS Group continued to invest in R&D activities to further strengthen its innovation capabilities. While benefiting from various public incentive programs, a significant portion of R&D projects was financed through the Company's own resources. This approach reflects our strong commitment to innovation and our long-term strategic perspective. Public incentives help alleviate financial pressures, while internally funded investments enable projects to be completed more rapidly and efficiently. Leveraging advanced analytical methods, computer-aided simulations, and a robust testing infrastructure, we continuously enhance our product development and durability verification processes. Through these efforts, we remain focused on delivering safe, high-performance, and increasingly sustainable wheel solutions.



## R&D and Innovation

### We Integrate Our R&D Efforts into Our Sustainable Production Goals

#### Conformal Water Cooling in Aluminum Alloy Wheel Casting: Contributing to Sustainable Production

Today, environmental sustainability in energy-intensive production processes requires reducing the carbon footprint while increasing industrial efficiency. Traditional air cooling systems used in aluminum alloy wheel casting extend cycle times and increase energy consumption. Therefore, the transition to conformal water cooling systems stands out as an important innovative approach in line with sustainability goals.

As CMS Group, within the scope of the TÜBİTAK (The Scientific and Technological Research Council of Türkiye) 1707 – Green Transformation in Industry Program, we have integrated conformal cooling channels into casting molds using additive manufacturing technologies. This method enables the rapid and cost-effective implementation of designs that are not possible with traditional manufacturing.

As a result of the work carried out:

- Cycle times have been reduced by approximately 20%.
- Energy consumption and associated carbon emissions have been reduced.
- A more stable and balanced process has been achieved on the production line.

In addition, various channel designs, including spiral and lattice (TPMS) configurations, were rapidly tested to identify optimal cooling geometries. This approach provided experimental flexibility while reducing mold surface deformations and maintenance requirements.

#### Future Gains

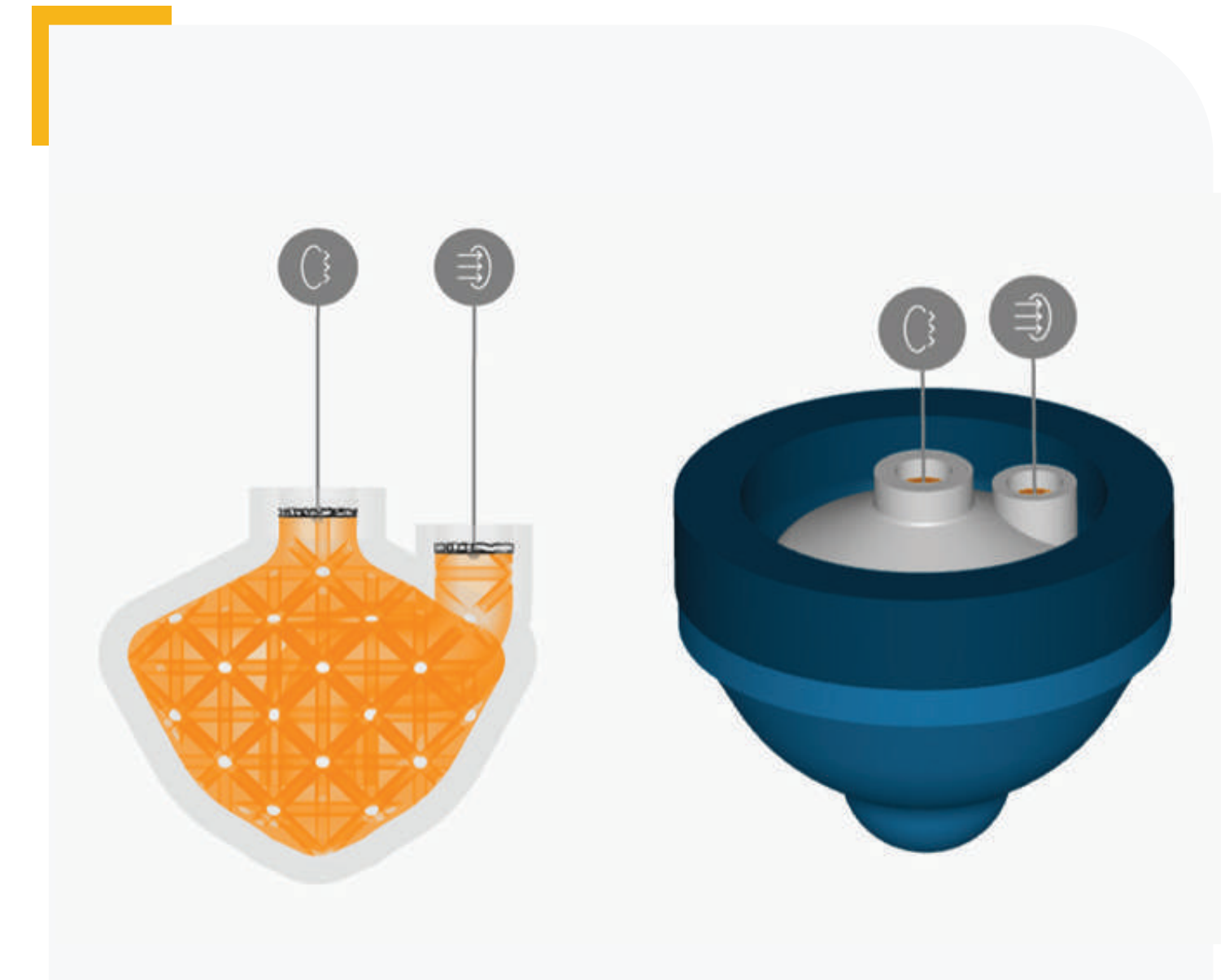
At this stage, the project has evolved beyond a purely technical improvement and has become a catalyst for transforming our approach to innovation across the organization.

- Mold surface deformations have been reduced, and maintenance intervals have been extended.
- Equipment downtime has decreased, leading to lower production costs.
- Higher production capacity has been achieved with reduced energy consumption.

Beyond these technical improvements, the project has provided our teams with a broader strategic perspective. Mold design processes now consider not only current operational requirements but also future production standards. Through this forward-looking approach, CMS Group has progressed beyond its role as a manufacturer to become an innovation-driven organization contributing to transformation across the industry.

#### Short-Term Strategies (1 – 3 Years)

Our short-term strategic priorities focus on responding swiftly to the ongoing automotive projects of our domestic and international customers, particularly in terms of engineering and design capabilities. Within this scope, our objectives include completing wheel design processes in alignment with project timelines and bringing projects into operation rapidly and with high efficiency. To support these objectives, R&D activities related to product development processes, advanced analysis and testing methods, and computer-aided simulation applications are continuously strengthened.



One of the key emission reduction targets of vehicle manufacturers is increasing the use of recycled materials in production. Accordingly, there is growing demand to increase the share of secondary aluminum recycled from scrap in aluminum alloy wheel production and to raise the proportion of secondary aluminum in molten metal to 70%.

In response to this customer demand, the quality of aluminum alloys derived from secondary sources will be enhanced through metal quality improvement initiatives carried out within the scope of R&D projects. The objective is to maintain prototype product quality within the statistical confidence limits of CMS Group's production standards and, in the medium term, to achieve a production structure based entirely on secondary raw material sources.

## R&D and Innovation

# Shaping the Future with Lightweight, Strong, and Innovative Solutions

### Medium-Term Strategies

To address the growing demand for 18-inch and larger wheel models observed in recent years, simulation development and validation studies are being conducted to replicate real-life testing conditions within a digital environment. In parallel, the increasing emphasis on aerodynamic features in newly manufactured vehicles indicates that demand for aerodynamically optimized or covered wheel designs will continue to rise in the coming years. Accordingly, our medium-term strategy focuses on expanding our expertise in aerodynamically optimized wheel development, while simultaneously researching and developing not only covered wheel designs but also new production and assembly methods and integrating them into our operations. As electric vehicle activities intensify among major automotive manufacturers, expectations and design requirements for aluminum alloy wheels are also evolving. Design criteria are increasingly shifting toward more enclosed structures to enhance aerodynamic performance, while aiming to achieve the lightest possible geometry without compromising product strength and performance. To this end, advanced design activities and numerical methods, including finite element analysis (FEA), are being applied to optimize wheel designs.

### Long-Term Strategies

The majority of wheel manufacturers currently rely on the Low Pressure Die Casting (LPDC) method. However, limitations in the applicability of LPDC, combined with the need for intensive process development to meet changing design and dimensional requirements for new wheel models, are driving the industry to seek alternative manufacturing technologies. In this context, one of our long-term strategic objectives is to develop production methods that can serve as viable alternatives to low-pressure casting technology. To achieve this goal, we aim to pursue collaborative R&D initiatives with international partners. In parallel, automotive manufacturers are increasingly focused on reducing total vehicle weight in line with international protocols aimed at mitigating greenhouse gas emissions. As a result, electric vehicles have emerged—and continue to evolve—as a key alternative to fossil fuel-powered vehicles. This transformation has also led to new wheel design requirements. In particular, the batteries used in electric vehicles significantly increase overall vehicle weight, creating a need for wheel solutions that minimize additional weight while providing sufficient strength to withstand higher loads. Accordingly, identifying, developing, and implementing

innovative production technologies within our operations is a fundamental component of our corporate strategy. This approach ensures our preparedness for increasingly competitive market conditions, particularly those driven by the expansion of electric vehicles and the growing importance of aerodynamic design.

Furthermore, automotive manufacturers' "Zero Carbon Emissions" targets require their main suppliers to actively reduce carbon emissions, a criterion that is increasingly evaluated within sales and procurement processes. The production of aluminum alloy wheels—encompassing aluminum melting, casting, and heat treatment to enhance mechanical properties—is inherently energy-intensive. To balance high energy consumption with carbon emission reduction targets, our Company is investing in the use of green energy. In this context, initiatives have been launched to source energy from renewable resources and to progressively reduce energy losses across our production processes.



## R&D and Innovation

### Developing the Wheel Technology of the Future, Today

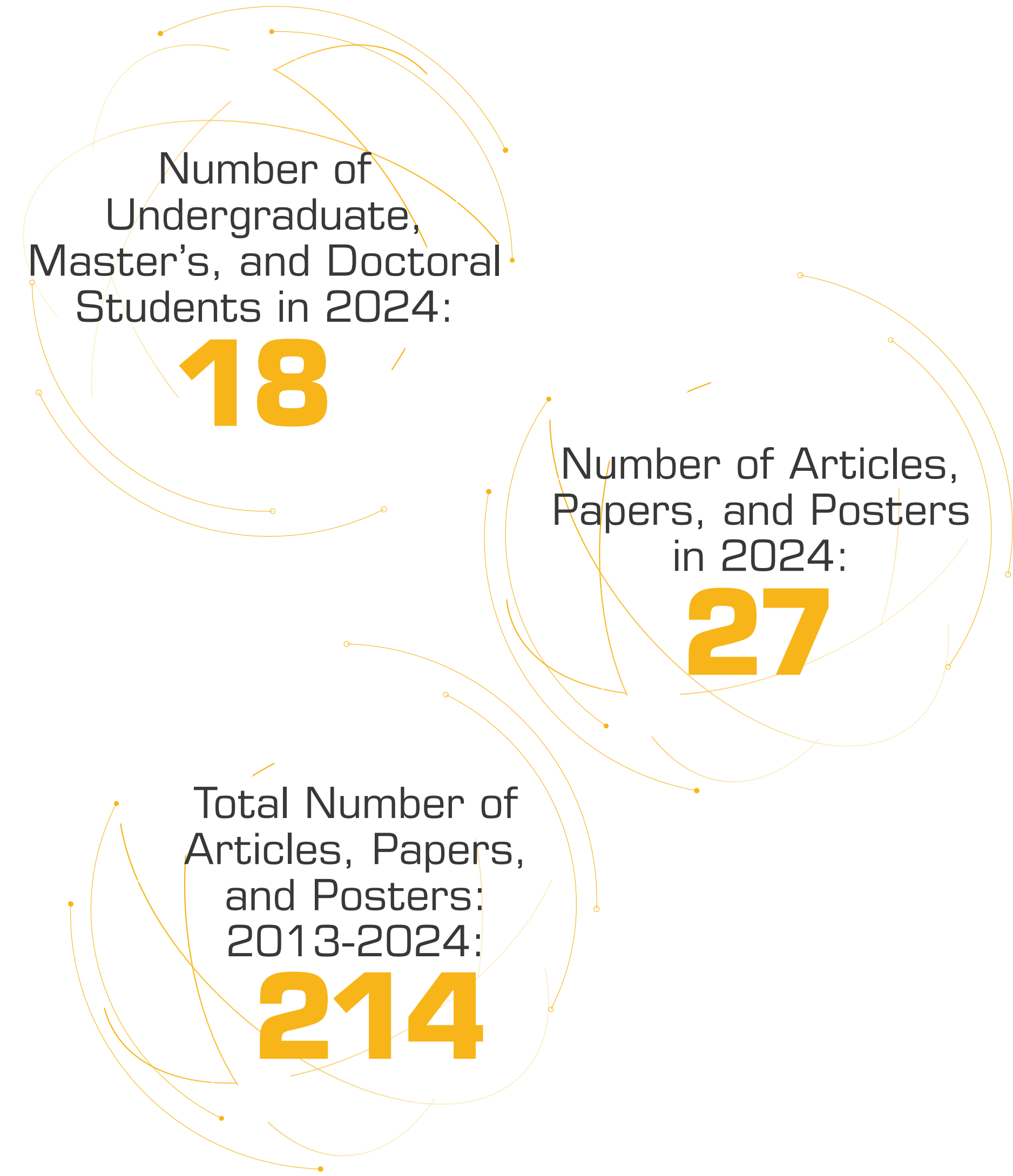
The key R&D activities to be carried out within this framework can be summarized as follows:

- Development of radial impact simulation capabilities (2021–2025)
- Development of misuse simulation methodologies (2022–2025)
- Mapping internal structural properties using electron microscopy (2021–2025)
- Enhancement of the mechanical and metallurgical properties of A356 alloy through the use of rare earth elements (2021–2024)
- Development of aerodynamically optimized wheel designs (2021–2027)
- Improvement of the service life of refractory materials used in melting furnaces, holding furnaces, and transfer ladles (2022–2025)
- Evaluation of degassing systems and development of appropriate flux and degassing process parameters for A356 alloy (2022–2025)
- Investigation of the reusability and performance of secondary aluminum (2021–2025)
- Identification of oxide-related issues adversely affecting the mechanical properties of A356

alloy and development of mitigation methods (2021–2025)

- Expansion of ZWARP test applicability through development in a virtual simulation environment (2021–2025)
- Encouragement and support of R&D personnel in pursuing master’s and doctoral degrees (2021–2025)
- Preparation of national and international scientific publications, articles, and conference papers (2021–2025)
- Development of intellectual property rights, including patents, utility models, and industrial design registrations (2021–2025)
- Alloy development using the CALPHAD methodology (2022–2025)
- Investigation of the applicability of particle-reinforced aluminum matrix composites (2021–2027)
- Advancement of university–industry collaborations through joint R&D projects (2021–2027)
- Investigation of innovative casting technologies as alternatives to low-pressure die casting and assessment of their applicability (2021–2028)

- Development of wheel rim designs (2021–2027)
- Development and simulation of wheel rim designs specifically for electric vehicles (2021–2027)
- Development of knowledge infrastructure, simulation, and design tools for the production of 18-inch and larger wheels (2021–2027)
- Paint and varnish process studies
- Hybrid (mix) furnace studies utilizing hydrogen and natural gas (2023–2030)
- Identification and development of alternative production methods to low-pressure casting (2023–2030)
- Application of image processing technologies in sample and wheel inspection processes (2023–2030)
- Development of wheel solutions for electric vehicles
- Establishment of a structured innovation management system
- Submission of applications for internationally funded and supported R&D projects



(GRI 3-3)

# R&D and Innovation

## R&D's Scientific Footprint: Our National and International Publications

### Academic Publication List

- Effects of Chemicals Used in Surface Preparation Baths Prior to Painting on the Finished Surface, 5th International Mediterranean Scientific Research Congress
- Parametric Wheel Design and Determination of the Effects of Parameters on the Fatigue Strength of the Wheel, 3rd International Congress on Materials Engineering and Advanced Manufacturing Technologies (IMEAMTC'24)
- Statistical Analysis and Evaluation of Tensile Test Results of Primary and Secondary A356 Ingots Subjected to an Equivalent Metal Treatment Process, 3rd International Conference on Materials Engineering and Advanced Manufacturing Technologies (IMEAMTC'24)
- Comparison of Metal Cleaning Efficiencies of Two Fluxes with the Same Application Temperatures in A356 Alloy, 3rd International Conference on Materials Engineering and Advanced Manufacturing Technologies (IMEAMTC'24)
- The Effect of Wheel Cover on Rolling Resistance and Fuel Consumption, 3rd International Conference on Materials Engineering and Advanced Manufacturing Technologies (IMEAMTC'24)
- Effect of Multi-Ball Forging Process on Mechanical Properties of A336 Aluminum Alloy, 13th International Scientific Research Congress
- Optimization of Tire Cross-Section Profile for Pre-Deformation Testing of Aluminum Alloy Passenger Car Wheels, 13th International Scientific Research Congress
- Effect of T6 Heat Treatment on Quality Index Results in Primary and Secondary A356 Aluminum Alloy, 13th International Scientific Studies Congress
- Investigation of the Effect of Different Flux Usage in the Degassing Process on the Strength Values of A356 Alloy, 13th International Scientific Studies Congress
- The Effect of Aluminum Alloy Wheels and Steel Alloy Wheels on Fuel Consumption, 13th International Scientific Studies Congress
- Optimization for Torsional Rigidity Analysis of Aluminum Alloy Passenger Vehicle Wheels, AICHEAS 2nd International Conference on Health, Engineering and Applied Sciences
- Statistical Evaluation of D<sub>α</sub> Values Before and After the Degassing Process in A356 Alloy Using Two Fluxes with the Same Activation Temperatures, AICMES 5th International Scientific Research Congress
- Dynamic Cornering Fatigue Test and Reliability Prediction of Aluminum Alloy Passenger Car Wheels, 5th International Applied Statistics Congress
- The Impact of Tire Pressure and Impact Angle on Wheel Strength, 18th International Istanbul Congress on Scientific Research in Science, Engineering, Architecture, and Mathematics
- Estimation of Iron Element Content in Production Using Primary and Secondary A356 Aluminum Ingots, 18th International Istanbul Congress on Scientific Research in Science, Engineering, Architecture, and Mathematics
- A Study on Macrosegregation in A356 Aluminum Casting Alloy Using Raman Microscopy, 18th International Istanbul Congress on Scientific Research in Science, Engineering, Architecture, and Mathematics
- A Comparison Study, Flux Injection Application On Chip And Ingot Melting Furnaces To Enhance Al-Si Melt Quality, 18th International Istanbul Congress on Scientific Research in Science, Engineering, Architecture and Mathematics
- The Effect of Flux Type on Regression Output in the Relationship Between Bifilm, IMMC 2024 22nd International Metallurgy and Materials Congress
- Effects on the Mechanical and Corrosion Properties of La, Ti, and Zr Addition on the Modification of Secondary A356 Alloy, ICENS, 10th International Conference on Engineering and Natural Science
- Heat Transfer Coefficient Study with R&D Mould in Casting and Casting Simulation, 18 th
- Production of Mold Cores, in Low Pressure Die Casting Molds by Casting Method, 18th International Istanbul Congress on Scientific Research in Science, Engineering, Architecture, and Mathematics
- Prediction and Optimization of Cracks Caused by Thermal Stresses in Low Pressure Die Casting Molds in Wheel Production Through Simulation, 18th International Istanbul Conference on Scientific Research in Science, Engineering, Architecture, and Mathematics
- Optimization of Process Parameters for Machining of Steel Molds used for Aluminum Casting in Wheel Industry, 21st International Conference on Manufacturing Research (ICMR2024)
- Reducing Preparation Times in Wheel Mold Production Using Simulation-Supported Smed (Single Minute Exchange of Dies) Application: A Case Study, 43rd National Congress on Operations Research and Industrial Engineering
- Occupational Health and Safety Risk Assessment in Low-Pressure Die Casting Mold Manufacturing: An Application in the Light Metal Wheel Sector, 30th National Ergonomics Congress
- Surface Hardening in Low-Pressure Die Casting Molds Using the Boronizing Method, 15th International Scientific Studies Congress
- Optimization of Cooling in Low-Pressure Wheel Casting Molds, 15th International Scientific Studies Congress

# R&D and Innovation

## We Are Among Türkiye's Top Three in Sustainable Innovation

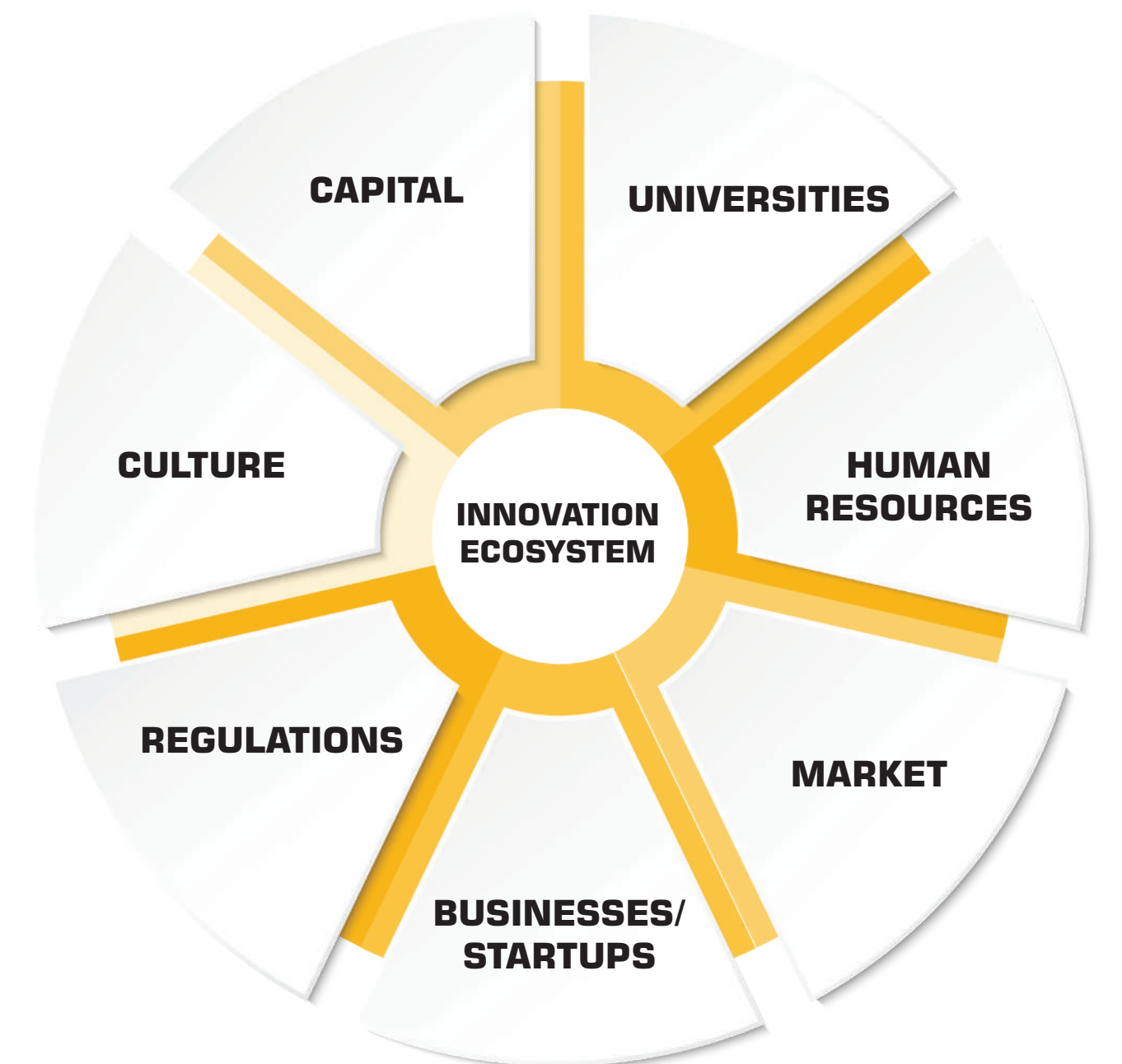


CMS Group Jant ranked third in Türkiye in the “Innovation Results” category at InovaLIG 2024, one of the country’s most comprehensive innovation competitions. This achievement represents more than an award for CMS Group; it serves as strong validation that the Company’s long-standing investments in R&D, its culture of continuous improvement, and its innovation-driven vision are delivering tangible and measurable results.

InovaLIG is organized by the Turkish Exporters Assembly (TİM), with evaluations conducted by the TİM High Innovation Council. Thousands of participating companies are assessed through a comprehensive and rigorous methodology covering innovation strategy, organizational structure, resource management, processes, and achieved results. Within this demanding evaluation framework, CMS Group distinguished itself through its product development projects, sustainability-focused investments, and efficiency-enhancing improvement initiatives.

This achievement serves as tangible evidence that innovation is not merely a concept, but has become an integral part of the DNA of CMS Group. With continuous advancements in production technologies and innovative applications in materials engineering, this award confirms CMS Group’s ongoing improvements in wheel manufacturing technologies and its ability to deliver solutions that go beyond customer expectations. Most importantly, this success is the result of a collective effort across the entire CMS Group organization. The creativity, dedication, and contributions of all employees represent the most valuable foundation of this achievement and have become

a source of pride and motivation for the CMS Group family. With the InovaLIG 2024 award, CMS Group has gained further momentum in pursuing its future objectives. The Company will continue to move forward with determination to strengthen its position in global markets, invest in advanced technology-driven projects, and further elevate innovation standards within the Turkish automotive industry.



# Industry 4.0

## We Approach Industry 4.0 Transformation as One of Our Strategic Development Areas

### Industry 4.0 and Digital Transformation

Industry 4.0 is an industrial revolution that refers to the integration of digital technologies into production processes and is one of the cornerstones of digital transformation. Thanks to technologies such as artificial intelligence, the Internet of Things (IoT), big data analytics, cyber-physical systems, and cloud computing, factories are expected to become smarter, more flexible, and more efficient. Digital transformation encompasses not only technological innovations but also the adaptation of business processes, organizational structure, and corporate culture to the digital age. With Industry 4.0, digital transformation gives businesses a competitive advantage, reduces costs, and enables them to respond more quickly to customer expectations. This transformation process has a profound impact not only on the manufacturing sector but on the entire business world.

### Industry 4.0 Applications

As CMS Jant ve Makina Sanayii A.Ş., we are integrating the Industry 4.0 philosophy into our production processes and carrying out a comprehensive transformation in our four factories. In this direction, manual production lines are being converted to fully automated robotic systems. With these efforts initiated in our Machining unit, we aim to increase production efficiency and minimize human-caused errors.

### Data Collection and Machine Monitoring Systems

As an integral part of our automation systems, critical information such as production process parameters, measurement values, and machine data is continuously monitored. Various projects are being implemented to collect this data and convert it into meaningful information. The ultimate goal is to enable seamless data exchange between systems and allow processes to continuously optimize themselves through feedback mechanisms. This data-driven approach contributes significantly to the continuous improvement of our production processes.

At CMS Group, we consider Industry 4.0 transformation as one of our strategic development areas. With the investments we make in this context, we aim to make our production processes more efficient, safer, and digitally traceable. The implementation of fully automatic and semi-automatic production systems contributes to increasing efficiency, reducing occupational safety risks, and minimizing human errors.

Industry 4.0 applications enable our processes to become smarter, data-driven, and controllable in real time, while also allowing us to approach our operational excellence goals. This transformation strengthens our production capabilities, increases our competitive advantage, and supports our adaptation to future industry standards.



## Industry 4.0

### *We Make Our Processes Smarter with Digital and Robotic Solutions*

#### Our Automation and Digital Transformation Projects

##### CNC Machine Tool Data Accuracy Automation

To prevent operator-related errors, spindle data is transferred from the NC unit to the PMC software. The PMC software analyzes spindle load values and automatically evaluates whether the part is being processed correctly.

##### Robotic Cell Automation for Machining

Manual machining lines are being converted into fully automated robotic production lines. Within the scope of the project, the robotic cells are equipped to recognize and automatically direct raw rims via barcodes. In addition, lathes and milling machines are made compatible with the robotic system, and camera-based rim recognition and automatic measurement systems are integrated into the cell. All these systems are managed through central software and operate as a fully automated processing station without the need for human intervention.

##### CNC Machine Measurement Automation

A specially designed piston measurement system has been implemented on manual lathe machines. Wheel cover measurements are taken using a scale on the piston, and the results are automatically transmitted to the machine. This prevents incorrect measurements and associated production errors, as well as machine malfunctions.

##### Casting Machine Robotic Automation

Increasing market demands for larger and heavier wheel production pose occupational health and safety risks in manual systems. Therefore, casting machines are being automated with robotic systems. Thanks to 6-axis robots, the cooled wheel after the casting process is transferred to the exit conveyor. This creates a safer, more ergonomic, and efficient production environment.





# ***OUR PRODUCT RESPONSIBILITY AND SUSTAINABLE SUPPLY CHAIN***

## Product Quality and Safety

### We Adopt a Reliable, High-Quality, and Sustainable Production Approach at Every Stage of the Product Life Cycle

Our sustainability approach is guided by policies and strategies that shape all of our business practices. At every stage of our operations, we base our decisions on full compliance with applicable legal requirements and international standards, while creating value by taking customer expectations and stakeholder perspectives into account.

We regard customer satisfaction not merely as a performance indicator, but as the central driver of continuous improvement. Through open communication and close collaboration with our customers, we seek to gain a deep understanding of their needs and to deliver solutions that are best aligned with their expectations. Product safety, environmental responsibility, employee health, and energy efficiency constitute key priorities across our operations. We embrace a reliable, high-quality, and sustainable production approach throughout every stage of the product life cycle.

As stated in the principles of our Founding President Tonguç Ösen, we aim to continuously increase customer satisfaction with our competent teams who understand the importance of customer relations. We improve the effectiveness of our relevant management systems by monitoring the compatibility between our customers and CMS Group teams. To continuously improve customer satisfaction, we ensure that our complaint management processes are

regularly evaluated and verified by an independent party. In this context, our ISO 10002 Customer Complaint Management System certification, which we have held since 2012, is maintained to cover all our production facilities.

The ISO 10002 standard ensures that customer feedback is handled effectively, transparent communication is established, and the complaint management process is continuously improved. In this regard, we systematically record, evaluate, and resolve the opinions, suggestions, notifications, and complaints received from our customers and end users. With a zero-defect approach, ensuring the highest customer satisfaction is the primary focus of our quality management. In this process, we aim to further advance our quality standards each year while strengthening open communication with our stakeholders. We set all our quality targets with a clear understanding of the critical role of the wheel on the vehicle and the high precision required in the production process. Our knowledge and experience in product safety and performance form the basis of these goals. All product and service categories offered are systematically evaluated in terms of health and safety impacts, and opportunities for improvement are prioritized. In this way, we aim to continuously improve both user safety and the sustainability of our production processes.

During the reporting year, there were no cases of non-compliance related to the health and safety impacts of products and services. There were no recall cases. All other reported complaints were resolved by our team. In line with our principle that “the wheel is a safety component of vital importance,” product safety standards and customer expectations are adopted as an integral part of our business practices and reflected in all our processes. By ensuring the continuity of our certifications, we act with the awareness that the wheel is not just a product, but also a safety equipment that requires safety and regulation. At every stage of design and production, we prioritize product safety awareness and ensure compliance with all legal regulations and standards applicable to the markets where the product will be used. This ensures safety, quality, and compliance at every step of the wheel’s life cycle. Testing processes, which begin with simulation applications during the design phase, continue with internal and external tests that meet customer specification expectations after the final product is manufactured. Product safety is ensured through sampling and testing/controls carried out by our competent quality and laboratory teams with a total quality perspective, according to their control plans.

We adopt a holistic approach in sustainable wheel design, taking into account the entire life cycle. You can access our quality policy at <https://www.cms.com.tr/en/corporate/our-policies>



# Our Quality Certificates



**ISO 50001:2018**  
Energy Management System



**ISO 14001:2015**  
Environmental Management System



**TSE TS 8987:2013**  
Road vehicles- Cast Light Alloy Rims for Cars



**TISAX**  
Trusted Information Security Assessment Exchange



**ISO/IEC 27001:2022**  
Information Security Management System



**ISO 10002:2018**  
Customer Satisfaction Management System



**ISO 9001:2015**  
Quality Management System



**IATF 16949:2016**  
Automotive Quality Management System



**ISO 45001:2018**  
Occupational Health and Safety Management System

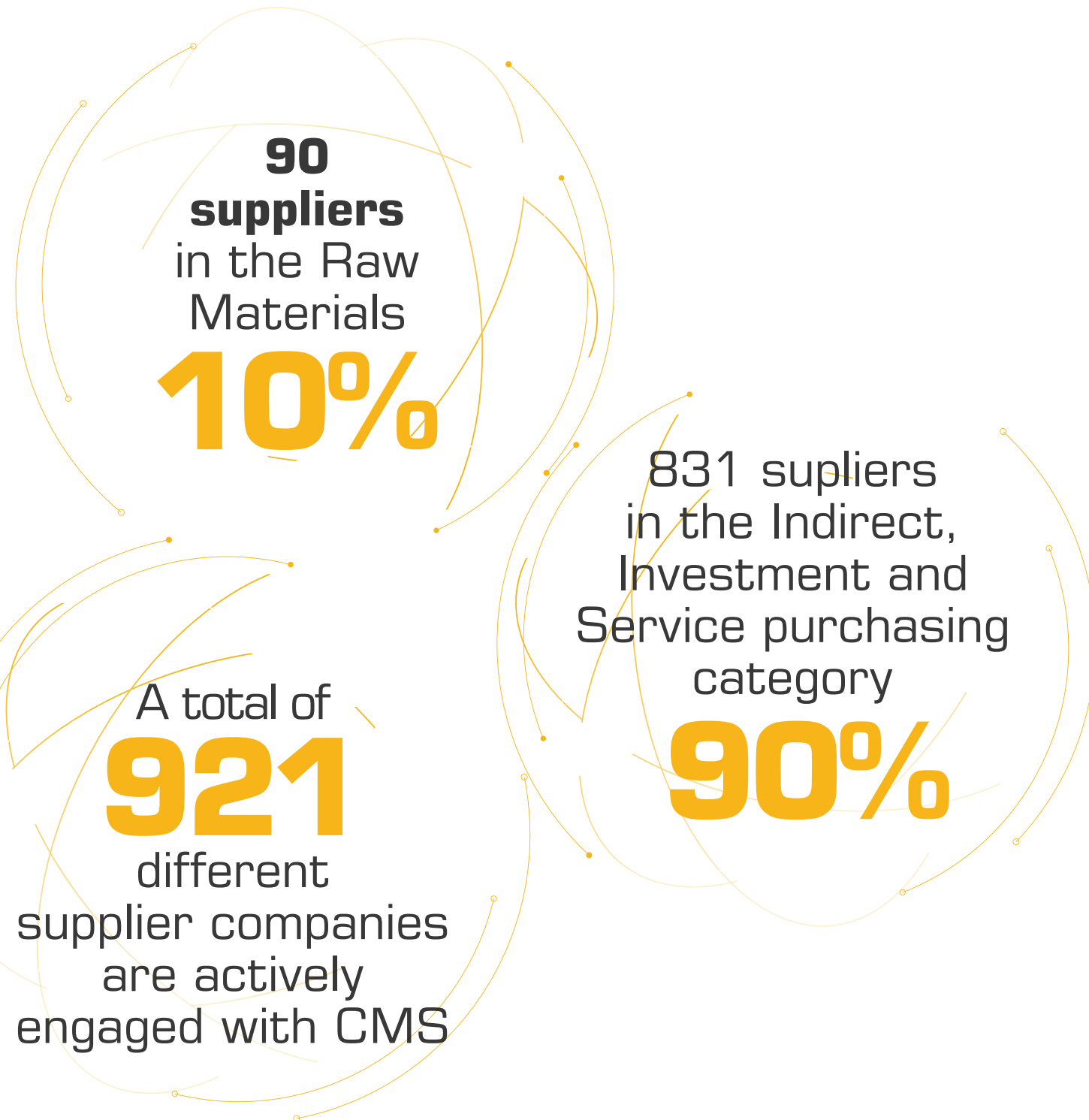
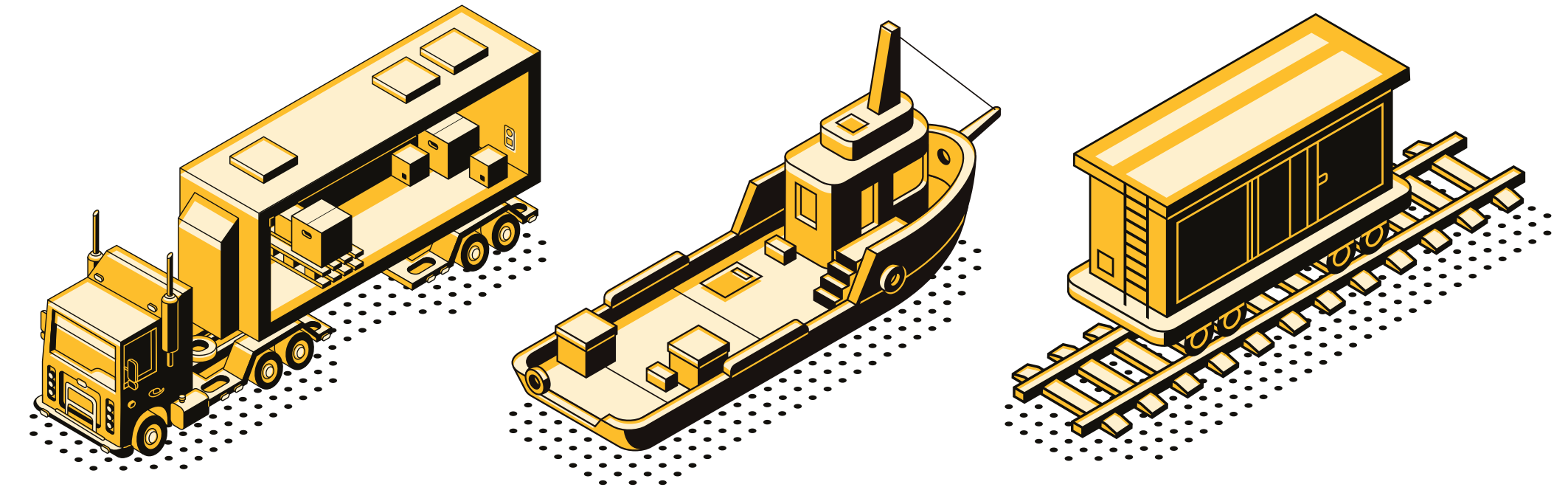


**ASI**  
Aluminium Stewardship Initiative



# Our Supply Chain

We Are Building a Sustainable Supply Ecosystem That Creates Shared Value



Corporate ethics and sustainability values form the foundation of how we do business. We actively work to ensure that this approach is embraced not only within the CMS Group but throughout our entire supply chain. We build our relationships with our business partners on the principles of trust, transparency, and mutual responsibility. In this way, we aim to create a value-adding supply ecosystem with long-term and sustainable partnerships while reducing our environmental and social impacts. Our supply chain organization consists of three main processes: planning, logistics, and purchasing. Our purchasing operations, carried out in an integrated manner between CMS Wheel Industry and CMS Wheel and Machine Industry, aim to increase inter-company synergy and improve operational efficiency. CMS Group Procurement consists of a team of 20 experts working in 4 different locations. Our organizational structure operates in a broad area of responsibility covering direct procurement (raw materials, semi-finished products, etc.), indirect procurement (consumables, office supplies, maintenance products,

etc.), service procurement, and investment procurement. CMS Group aims to contribute to the local economy through its extensive supplier network. In this regard, local sourcing practices are prioritized. As of 2024, 89% of our total 921 suppliers are local companies. The sustainability of our supply chain, not only economically but also ethically, socially, and environmentally, is among our top priorities. In this context:

- We establish long-term and trust-based business partnerships.
- With our joint purchasing structure, we prioritize suppliers that offer energy-efficient, high-tech, and environmentally friendly products/services.
- We conduct all our supplier relationships in line with corporate ethical principles and sustainability criteria.

We attach importance to ensuring that our collaborations with suppliers are safe and compliant in terms of environmental, social, and legal risks. In this regard, we conduct risk assessment studies for all suppliers. The assessment process takes into account

criteria such as legal compliance, environmental impacts, respect for human rights, and occupational health and safety conditions. We expect our suppliers to be able to demonstrate their compliance with relevant legal regulations and requirements. Certification processes are examined in detail within this framework. As a result of the 2024 assessments, no suppliers were identified as falling into the “critical category” in terms of environmental or social impacts. No new suppliers requiring additional audits were identified during the same year. Thanks to this robust supply chain structure, CMS Group creates economic value while also fulfilling its environmental and social responsibilities, conducting its operations in line with sustainability principles. The CMS Group Business Partner Handbook has been prepared to support acting within a framework of shared culture and values with our business partners. The handbook clearly defines the rules to be followed in business processes, quality standards, and expectations regarding environmental and social responsibilities.

# Our Supply Chain

## Digitization of Internal Processes

Thanks to the digitization and implementation of purchasing processes, labor-intensive operational steps have been significantly reduced, resulting in considerable efficiency gains. Digitization not only eliminates operational errors but also contributes to the creation of a sustainable environment of trust within the framework of accountability.

Routine tasks that are low in added value, repetitive, and reduce employee efficiency over time can be performed by software robots that operate 24/7, 365 days a year, with consistent efficiency and without requiring human labor. This innovative technology offers significant gains, particularly through the automation of rule-based and repetitive processes.

With this transformation carried out in 2023 and 2024, both labor savings and accelerated operational processes have been achieved thanks to digital systems operating seamlessly, with zero errors, and cost advantages.

Furthermore, the completion of processes digitally via software has reduced paper usage, thereby contributing to the conservation of natural resources.

The processes we worked on in this context are as follows:

- **Supplier Selection and Evaluation Process:** The scoring of candidate suppliers and the archiving of all evaluation documents were transferred to a digital environment, making the process more traceable and manageable.
- **Sample Approval and Evaluation:** Sample product trials, performance, and efficiency reports were systematically recorded, and the approval process began to be carried out in a digital environment.

(GRI 3-3, 308-1, 308-2, 414-1, 416-2)

- **Sample Component Code Definition Process:** Sample products were coded, increasing traceability in the production and quality control stages.
- **Approval and System Records of Material Unit Price and Term Changes:** Price change processes and related document management began to be carried out through a digital system, enabling faster and more accurate record updates.
- **Payment Processes:** Approval and tracking of payments made outside of specified periods began to be carried out digitally.
- **Supply Portal - Current Record Development:** The portal was transformed into an interactive structure where suppliers can enter their own information into the system to create records, share documents, and track statuses.
- **Cost Prediction with AI/Machine Learning :** Infrastructure work has been initiated to make cost predictions using artificial intelligence by establishing a structure that aims to make proactive decisions rather than reactive management. This has increased the predictability of market price movements and strengthened the decision support mechanism.

## Business Ethics and Compliance

CMS Group's approach to Business Ethics and Compliance is founded on ensuring that all relationships with business partners are conducted in accordance with the principles of integrity, transparency, and accountability. Throughout



its history, the Group has consistently upheld a strong reputation for corporate governance, commitment to core values, adherence to ethical standards, and fair business conduct.

Within this framework, the CMS Group Ethics Committee has established a Business Ethics Handbook, which is publicly available on the Company's corporate website. This handbook addresses a broad range of topics, including human rights, compliance with laws and regulations, occupational health and safety, environmental protection, prevention of discrimination, conflicts of interest, principles of efficiency and economy, product and service quality and continuous improvement, competition, community engagement and social responsibility, anti-corruption practices, stakeholder principles, corporate communications, information confidentiality, and the protection of personal data. All employees of the Group are responsible for complying

with these principles and for ensuring their effective implementation.

The handbook defines CMS Group's working principles, ethical standards, and the rights and responsibilities of employees, business partners, and all stakeholders in line with applicable local and international laws, standards, and generally accepted best practices.

As emphasized in the principles articulated by our Founding President, Mr. Tonguç Ösen, "CMS Group is an institution built on trust."

In line with this principle, CMS Group Companies strive to be a symbol of reliability, to treat all stakeholders with respect, and to act in full compliance with applicable laws and regulations under all circumstances.

# Our Supply Chain

## We Are Creating a Sustainable and Digital Supply Chain with Responsible Partnerships

### Our Communication with Our Business Partners

We consider any person, organization, or community affected by our communication activities and influencing our operations and the achievement of our goals as our stakeholders. In this context, we build our communication and interaction processes with our business partners on a structure based on mutual trust, transparency, and continuous development.

We have adopted three basic approaches in our communication with our business partners.

**Active and Transparent Communication:** Ensuring open and accurate information in all communication processes.

**Stakeholder Classification:** Correctly identifying different stakeholder groups and determining the communication method and frequency accordingly.

**Digital-First Communication:** Prioritizing digital channels, especially during periods when remote access is critical.

We communicate with our business partners and other stakeholders about our sustainability-focused activities through:

- Our sustainability reports,
- Our corporate website,
- Regularly published newsletters,
- Our social media accounts,
- Internal and external information reports,
- Events and evaluation meetings,
- Supply portals, and other platforms.

Thanks to this multi-channel communication approach, we not only share information, but also systematically evaluate feedback from our stakeholders, aiming to integrate our sustainability strategy into the entire value chain.

### Relationship Management with Business Partners

In line with our understanding of corporate responsibility, we adopt the principle of providing accurate, complete, and timely information to all our Business Partners as one of our fundamental principles. In this context, we develop specific communication strategies for different Business Partner groups and maintain our communication in a multifaceted manner through various platforms. At the same time, we exchange information and continuously develop our corporate knowledge base through the numerous non-governmental organizations we are members of and support.

Our main communication channels with our business partners are:

- **Daily Workflow:** Continuous communication and coordination in operational processes.
- **Meetings (As Needed):** Face-to-face or online meetings held when necessary for process evaluation and planning.
- **Email Communication:** The main communication channel used for documentation, information sharing, and current announcements.
- **Supplier Portal:** A platform where order management, document sharing, and all other transactions are conducted digitally.
- **Supplier Visits:** On-site visits for evaluation, inspection, and business development purposes.

- **Trade Shows and Conferences:** Events attended to follow industry developments and strengthen business networks.

This multi-channel communication approach is critical to ensuring the sustainability of our supply chain and making our relationships with our business partners transparent, efficient, and trust-based.

### Supplier Selection Criteria

Supplier management plays a critical role not only in meeting operational requirements but also in achieving our long-term sustainability goals. Choosing the right suppliers is one of the cornerstones of our company's sustainability strategy in terms of efficient use of resources, reduction of environmental impact, and fulfillment of social responsibility.

At CMS Group, we make our supplier selections within the framework of the "CMS Group Business Partner Handbook," taking our sustainability goals into account. We are committed to establishing long-term partnerships with suppliers who have environmentally friendly production processes, efficient resource management, and adhere to social responsibility principles. In this context, we are developing communication methods to track our suppliers' environmental performance, carbon footprint reduction efforts, and energy efficiency.

The CMS Group Business Partner Handbook defines the necessary workflows to ensure our suppliers comply with sustainability-focused working principles and to minimize the environmental impact of our business processes. It is a priority for us that our suppliers meet these criteria and comply with our sustainability principles for long-term cooperation. In this way, we aim to create sustainable value based on mutual trust in our business processes while ensuring both environmental and social sustainability in our supply chain.

## Our Supply Chain

### We Adopt a Transparent and Responsible Approach to Value-Creating Supply

When selecting our business partners, we use a broad set of sustainability criteria covering environmental, social, and economic dimensions. In particular, their possession of quality certificates such as IATF 16949, ISO 14001, ISO 9001, ISO 45001, and ISO 27001 is of fundamental importance in ensuring our business partners' compliance with quality, environmental management, and safety standards.

These certifications cover not only quality but also the environmental and social responsibilities required to meet our sustainability goals. It is mandatory for our business partners supplying materials for original equipment wheel production to automotive companies to hold ISO 9001 quality certification, and they are expected to gradually align their processes with the IATF 16949 quality system. To increase environmental awareness, we also consider it an important evaluation criterion that our business partners hold ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certificates. These certificates demonstrate the steps our business partners

take to minimize their environmental impact. During the selection process, we carefully evaluate our business partners' environmental performance, waste management practices, energy efficiency, and the importance they place on sustainability strategies. We encourage suppliers who collaborate with us to align with our environmental sustainability goals and contribute to environmentally friendly production processes.

As CMS Group, we work with 90 suppliers on the raw material side and 831 suppliers in the indirect, investment, and service procurement categories. In 2024, we began working with 201 new suppliers. When evaluating supplier numbers, it is evident that a significant portion of our supply chain consists of business partners in the indirect, investment, and service categories. Factors such as environmental awareness, flexibility, customer support, and financial sustainability are also important criteria in supplier selection. We aim to establish partnerships that contribute to sustainability, taking into account our business partners' technological capabilities, environmentally friendly practices, and long-term collaboration potential.

All these processes are carried out in line with CMS Group's strategy of establishing environmentally conscious, sustainable, and long-term partnerships. In this way, while complying with high quality standards, we also fulfill our environmental responsibilities and contribute to a sustainable future. As CMS Group, we evaluate quality, supply, and production management systems to determine the competence of our suppliers' products, services, and production processes. Our measurement and evaluation system includes methods for monitoring the performance of our business partners and identifying opportunities for improvement. We also examine how our business partners manage customer relationships and ensure customer satisfaction through our customer management system.

We place great importance on ensuring that the products and services procured in our supply chain comply with environmental protection standards. In this way, we aim for sustainable cooperation while fulfilling our environmental responsibilities.



# Our Supply Chain

## We Strengthen Our Value Chain Through Supplier Development

### Supplier Selection Criteria

We consider the following criteria when selecting suppliers:

- References and experience,
- Flexibility and support capacity,
- Quality assurance,
- Financial structure,
- Licenses and authorization certificates,
- Technological competence,
- Environmental awareness,
- Partnership structure and other sector-specific factors.

### Supplier Development Program

The performance of our suppliers, selected according to the rules set out in the CMS Group Business Partner Handbook, is evaluated on a quarterly basis. Suppliers are classified into A, B, C, and D levels based on their performance.

While engagement with D-level suppliers is terminated, B- and C-level suppliers are included in the Supplier Development Program and supported to reach the A level. Within the scope of the program, the reasons why the supplier cannot reach the A level are analyzed and solutions are proposed. The results of the actions are monitored monthly, and if the necessary improvement is not achieved, the program is extended for up to 6 months. Working with suppliers that show no improvement is terminated.

(GRI 3-3, 308-1, 308-2, 414-1, 416-2)

### Supplier Audits

Our Supplier Audits are an important part of our Responsible Sourcing Policy. Our Responsible Sourcing Policy covers Legal Compliance, Human Rights, Environmental Responsibility, Occupational Health and Safety, and Business Integrity. (<https://www.cms.com.tr/en/corporate/our-policies>)

We conduct regular audits to verify our suppliers' compliance with business ethics principles.

These audits aim to determine the extent to which our suppliers meet CMS Group expectations in areas such as legal compliance, working conditions, human rights, occupational health and safety, and the environment.

Through our audits, we plan continuous improvements by focusing on non-conformities identified in our suppliers and monitor the effectiveness of these actions in follow-up audits. We work diligently to ensure that our suppliers act in accordance with CMS Group values and standards.

Our Responsible Sourcing Policy aims to ensure that we fulfill our social and environmental responsibilities and create a fair and ethical supply chain in collaboration with all our suppliers. Supplier audits are an important step we take in line with this vision.



At the end of the year, a risk assessment is conducted, and the number of audits carried out for suppliers identified as high-risk is as follows:

Year	2022	2023	2024
Number of Supplier Audits	8	6	13

The number of Business Partner Handbook (Code of Conduct) signed by our new suppliers in 2022, 2023, and 2024 is as shown in the table below:

Year	2022	2023	2024
Number of New Suppliers	55	75	117

# Our Logistics Operations

*We Focus on Traceability, Efficiency, and Sustainability in Logistics*



As CMS Group, we manage our logistics operations with a strong focus on sustainability, digitalization, and high-quality standards. While prioritizing quality and environmental requirements throughout our supply chain, we aim to continuously enhance operational efficiency. In line with IATF 16949 requirements, our logistics team takes fundamental quality criteria into account during supplier selection processes.

To be considered an approved and eligible supplier, our business partners are required to hold ISO 9001 Quality Management System certification and to ensure transparent and real-time information sharing. In addition, suppliers engaged in international transportation are expected to comply with EU emission standards. For transportation between CMS Group's domestic facilities and suppliers, we require the use of vehicles that are less than five years old and compliant with applicable emission standards. To further reduce the environmental impact of our logistics activities, we plan to prioritize suppliers that hold a Green Logistics Certificate or are in the process of obtaining such certification in the coming years.

## Reducing Carbon Footprint Through Sea and Rail Transport

We prioritize sea transportation due to its environmental advantages and cost efficiency. By favoring rail and intermodal

transportation over road transport where feasible, we have significantly reduced carbon emissions since 2022. In 2025, we plan to expand our transition from road transport to intermodal solutions by adding new destinations.

## Efficient Use of Human Resources to Reduce Carbon Footprint

Instead of deploying teams from Türkiye for overseas warehouse inventory counts, we reduce travel distances and associated carbon emissions by utilizing local personnel. In addition, multiple warehouse counts are conducted within a single trip, enabling us to minimize both costs and environmental impact.

## Supplier Performance Management and Sustainability

We regularly monitor supplier performance and evaluate our business partners based on defined key performance indicators (KPIs). Carrier performance is reviewed during weekly meetings, and necessary corrective actions are implemented when required. For recurring issues, sanctions are applied within the scope of 8D corrective action processes. Through this systematic approach, we consistently achieve our 98% delivery performance target while minimizing adverse environmental impacts. As CMS Group, we are committed to reducing the

environmental footprint of our logistics activities, contributing to a sustainable future, and improving operational efficiency.

To support these objectives, we utilize a digital logistics management platform known as ATLAS, which enables end-to-end tracking of all logistics processes. Through this system, all stakeholders involved in the logistics chain—including carriers, customs brokers, warehouses, and customers—can monitor reservations, loading operations, shipment locations, unloading plans, and actual performance through a single platform.

As of 2024, cost management processes—including invoicing, tracking, and analysis—have been integrated into the ATLAS system, and pilot implementations have been initiated. Based on insights gained from these pilots, we continue to further develop the system and expand its scope. In the upcoming period, we aim to complete the full integration of the cost management module, thereby increasing operational transparency, reducing resource consumption, and lowering carbon emissions.

CMS Group ensures that all shipments are carried out in line with customer expectations, contractual obligations, and sustainability principles. Owing to our strong focus on customer satisfaction and sustainable logistics practices, no defects, errors, or regulatory non-compliance incidents were recorded during the 2024 reporting period.



# ***OUR SOCIAL PERFORMANCE***

# Our Human Resources Approach and Practices

*We Create a People-Centered, Sustainable, and Inclusive Work Environment*

## Human Resources and Sustainability

At CMS Group, we recognize that human resources play a central role in the successful implementation of our sustainability strategy. Accordingly, our Human Resources policies are built on the principles of employee health and well-being, equality and inclusivity, talent development, participation, and transparent communication. We regard diversity and an inclusive workforce as key pillars of our corporate sustainability approach, and we strive to create a fair and supportive working environment in which all individuals have equal opportunities. Our Human Resources Policy aims both to support the development of our existing employees and to attract talent that will contribute to the achievement of our sustainability objectives. Through this people-centered and value-creating approach, we contribute to the long-term success of our Company while generating positive social impact. Our Human Resources Policy is publicly available at:

<https://www.cms.com.tr/en/corporate/our-policies>

We manage our Human Resources strategies in a flexible and proactive manner in response to changing economic conditions, technological developments, and the evolving expectations of the new generation workforce. Our

(GRI 2-7, 2-19, 2-20, 2-30,3-3, 405-1, 405-2, 401-1, 401-2, 401-3)

practices are continuously updated with a focus on talent management, the effective use of digital technologies, and strategic business partnerships. Global developments and economic fluctuations since 2020 have necessitated a reassessment of these strategies to enhance their resilience and sustainability.

The adoption of the values that underpin our corporate culture by our employees is a key driver of our business success. We integrate our core values—trust, respect, continuous development, personal leadership, passion, and customer focus—into all Human Resources processes. By embedding these values in our daily practices, we strengthen employee engagement, improve operational efficiency, and reinforce our sustainability performance.

Digital transformation is among our strategic priorities within the Human Resources function. In the period following 2020, we enhanced operational efficiency by rapidly integrating our working methods into digital platforms. Throughout this process, we have continuously improved our applications by incorporating employee feedback and prioritizing innovative solutions that promote employee engagement and participation.

## Flexible and Hybrid Working Models

Our flexible and hybrid working model practices, introduced in 2023, continued throughout 2024 in compliance with applicable legal working hour regulations. Employees in roles eligible for remote work upload their weekly and monthly work schedules via the digital portal. Under the remote working model—which has become an important motivator for employees and candidates, particularly in the post-pandemic period—225 employees worked remotely for a total of 10,522 days in 2024.

## Human Rights Impact Assessment

CMS Group conducts human rights impact assessments to identify and manage the actual and potential human rights impacts of its activities and services in line with the principle of respect for human rights. The assessment covers a wide range of topics, including discrimination, diversity and inclusion, forced labor, human trafficking, child labor, occupational health and safety, equal rights, privacy, freedom of thought, rest and leave entitlements, freedom of association, access to social services, working hours, wage payments, ethical conduct, and gender equality. The scope of the human rights impact assessment extends to



employees, subcontractors, visitors, customers, and local communities, as well as to all areas owned or managed by CMS Group.

Preventing modern slavery risks strengthens the Company's ethical reputation and credibility in international markets while supporting sustainable growth through legal compliance and alignment with customer expectations. Accordingly, modern slavery is addressed within our Corporate Social Responsibility Policy. Modern slavery encompasses all forms of exploitation, including forced labor and child labor. CMS Group applies a zero-tolerance approach toward such practices. We implement fair and transparent recruitment processes, ensure that all employees work voluntarily under safe and equitable conditions, and uphold the highest ethical standards. The Company does not employ any individuals under physical, economic, psychological, or social coercion.

# Our Human Resources Approach and Practices

## Raising Standards in Diversity and Inclusion

“We manage all our Human Resources processes with a people-centered approach that places employees at the core and values human capital. From recruitment and performance management to employee development and compensation policies, we design and implement sustainable and integrated systems that respond to evolving business and workforce needs.

As a Group guided by the principle of social sustainability, we aim to provide all employees with a fair, equitable, and inclusive working environment, thereby fostering a corporate culture that supports both individual development and long-term organizational success.”

### Diversity, Equity, and Inclusion (DEI)

At CMS Group, respect for human rights and the promotion of a fair, equal, and inclusive workplace for all employees are fundamental principles of our corporate approach. We view diversity, equity, and inclusion not merely as a policy framework, but as an integral part of our corporate culture. This perspective is embedded across all Human Resources practices, from recruitment and working conditions to promotion systems and social support programs.

#### 1. Culture of Diversity and Inclusion

Together with our domestic and international affiliates, we employ a diverse and multicultural workforce comprising individuals from different languages, religions, ethnic backgrounds, and age groups. The value generated through this diversity contributes significantly to our innovative capacity and sustainable organizational structure. In candidate evaluation processes, decisions are based solely on competence, performance, and role suitability, without regard to age, gender, disability, ethnic origin, or religious beliefs.

This inclusive approach supports social equity while reinforcing our objective of building a resilient and sustainable workforce.

#### 2. Prevention of Discrimination and Equal Opportunity

We have established a comprehensive framework that ensures equal opportunity, prevents discrimination, and strictly adheres to ethical principles throughout all recruitment and employment processes. All employees are provided with equal rights and opportunities, without discrimination based on religion, language, race, age, gender, ethnic origin, sexual orientation, belief, marital status, social or economic status, disability, pregnancy, or military service. There is no gender-based discrimination in promotion or compensation practices. Female and male employees are evaluated under equal conditions, and career development opportunities are supported on an equal basis.



# Our Human Resources Approach and Practices



### 3. Practices Supporting Female Employment and Gender Equality

We implement targeted initiatives to strengthen the representation of women in the workplace. In 2024, we launched a dedicated project aimed at increasing the employment of women in operator roles in production areas. As part of a pilot program, 12 female operators were recruited through fair and equal evaluation processes. In line with our principle of “equal pay for equal work,” female employees benefit from the same rights and remuneration structures as their male counterparts.

### 4. Awareness and Training Activities

In recognition of International Women’s Day on March 8, the month of March was dedicated to the theme of “Diversity, Equity, and Inclusion.” Within this scope, we implemented the following initiatives:

- Shared the stories of inspiring female leaders through internal communication platforms,
- Supported female employment initiatives through collaboration with the Nahil (Women’s Labor Evaluation Foundation),
- Partnered with universities and non-governmental organizations to deliver training on CV preparation and interview techniques,

- Organized webinars on sustainability and equality to offer diverse perspectives to employees,
- Integrated Diversity, Equity, and Inclusion content into the CMS Life magazine and the employee orientation program.

These initiatives aim to raise awareness and generate social impact not only within the organization but also at the broader societal level.



### 5. Continuous Improvement and Monitoring

Our Human Resources system operates in full compliance with applicable legal regulations and is subject to regular audits. All HR processes—from workforce planning to working conditions—are structured to ensure a safe, fair, and respectful working environment. Employee feedback is systematically incorporated into our practices, enabling continuous improvement and supporting higher levels of employee satisfaction and engagement.

In line with the principles of diversity, equity, and inclusion, CMS Group is committed to:

- Providing all employees with a fair, equal, and safe working environment,
- Strengthening gender equality,
- Integrating social justice into business processes, and
- Maintaining long-term commitment to social responsibility objectives.

Our Diversity, Equity, and Inclusion Policy is publicly available at:

<https://www.cms.com.tr/en/corporate/our-policies>

# Our Human Resources Approach and Practices

## The Well-Being of Our Employees Is the Foundation of Our Success

### Compensation and Benefits Management

At CMS Group, 81% of our employees are covered by collective bargaining agreements, and their compensation and benefits packages are aligned with market salary benchmarks. In accordance with the provisions of the collective bargaining agreement, salary increases for covered employees exceed general market increases. In addition to our blue-collar workforce, our white-collar employees also benefit from a comprehensive and competitive compensation and benefits structure.

### Collective Bargaining Agreement and Benefits

In addition to base wages, our employees receive a broad range of benefits in line with the collective bargaining agreement and prevailing market conditions. These benefits include holiday allowances, heating allowances, marriage allowances, childbirth allowances, bereavement allowances, military service allowances, child allowances, education allowances, as well as food and clothing allowances. Education support is provided at the beginning of each academic year for the children of employees attending preschool, primary school, secondary school, high school,

and university. In 2024, 1,399 employees benefited from education assistance, with a total amount of TRY 7,677,428.46 allocated to support the education of school-age children of our workforce.

### Social Leave

We place strong emphasis on supporting work-life balance by offering paid leave that does not count toward annual leave entitlements. Our employees are granted leave rights exceeding the statutory minimum of 14 days following the completion of each one-year employment period.

In addition to annual leave:

- Male employees are entitled to 5 days of paid paternity leave; in 2024, 193 employees utilized a total of 931 days of paternity leave.
- Employees are granted 7 days of marriage leave upon marriage.
- Employees are entitled to 4 days of bereavement leave in the event of the loss of a first-degree relative, and 3 days of paid leave for the loss of other close relatives, such as parents-in-law.
- Employees may also use 2 days of paid leave for circumcision; in 2024, 54 employees benefited from a total of 102 days of circumcision leave.

### Health Insurance

All CMS Group employees benefit from additional health coverage beyond the public health insurance provided by the Social Security Institution. 81% of our employees are covered by supplementary health insurance, while 19% benefit from private health insurance. Depending on position, these insurance plans also extend to family members. Employees covered by supplementary health insurance are able to include their families in their policies under favorable terms secured through collective bargaining, enabling access to private healthcare services at advantageous rates.

### Appreciation and Recognition

The “Employee Piggy Bank” system is one of the tools used to support appreciation, recognition, and motivation among operational employees. Within this system, employees are evaluated monthly based on criteria such as technical skills, career level, target achievement, behavioral competencies, learning progress, and shift patterns. Employees earn additional income based on the points accumulated through this evaluation process. In addition, “Employee of the Month” award ceremonies are organized to recognize outstanding performance.



These initiatives not only highlight individual achievements but also foster teamwork and a culture of shared success, reinforcing CMS Group’s fair, inclusive, and supportive workplace culture.

# Our Human Resources Approach and Practices



## CMSensin

Our communication ambassadors, who are part of the CMSensin project we launched in 2023, are individuals who regularly listen to employees' expectations, suggestions, and reports and share the issues with the relevant team. This system ensures that employees' voices are reflected in corporate decisions, problems are resolved quickly, and transparent communication is strengthened. It also contributes to the development of a participatory and inclusive work culture by increasing employee engagement.

(GRI 2-7, 2-19, 2-20, 2-30,3-3, 405-1, 405-2, 401-1, 401-2, 401-3)

## Social Security and Retirement Plan

As part of our social sustainability approach, we prioritize initiatives that support the long-term financial security of our employees. In this context, we offer a company-contributed individual pension plan to white-collar employees who have completed at least one year of service. This system enables employees to build long-term savings and continue their pension contributions with CMS Group support, even after leaving the Company. Our objective is to contribute to a sustainable workforce by supporting not only the current well-being of our employees, but also their future financial security.

## CMS DigiTalent Management Software: HR Portal and CMS Academy

Digitalization is a strategic priority in our Human Resources processes. Through the HR Portal and CMS Academy, developed in collaboration with our IT department, we manage HR operations using integrated and modern digital solutions. This platform consolidates a wide range of processes—from recruitment to behavioral, professional, technical, and foreign language training requests—within a single system.

Training approvals, budget planning, annual training calendars, and training records are all managed digitally. In addition, the performance management module enables digital tracking of employee development and performance, enhancing efficiency, transparency, and alignment with our social sustainability objectives.

## Digital Communication: Staying Connected Everywhere

With operations across multiple locations, effective and timely communication is essential for CMS Group. In line with our digitalization efforts, we continuously enhance and diversify our internal communication channels. Through Bizbize, our intranet-based mobile application launched in 2020, announcements and messages are delivered rapidly to employees. Digital information boards are also actively used to strengthen internal communication. In 2024:

- 1,250 notifications received via Bizbize were responded to, ensuring continuity of communication,
- 28 surveys were conducted, receiving a total of 40,939 responses, with results reported digitally,
- 10,562 private messages were exchanged, facilitating direct communication with employees on various topics.

## CMSAktif

Launched in 2024, CMSActive is a flexibility application provided completely free of charge to our employees by Wellbess. The application offers a holistic approach to well-being through physical, financial, intellectual, environmental, social, emotional, spiritual, and professional content, while enabling colleagues from different departments to socialize and engage in mutually supportive exchanges.

Our CMSAktif application consists of four main sections: Content Module, Expert Module, Social Module, and Wellmarket.

**Content Module:** Our employees can access video and audio content on topics such as personal development, sports, time management, family relationships, and many more, allowing them to benefit from it whenever they wish.

**Expert Module:** The application provides support from 12 sports trainers, 8 dietitians, and 6 psychologists. Thanks to this module, our employees can schedule one-on-one consultations with experts whenever they need them.

**Social Module:** With features such as duels, challenges, event creation, and clubs, our employees can interact with colleagues from different departments and strengthen their social connections.

**Wellmarket:** Employees who earn points from activities in the application can use these points to take advantage of discounts and benefits from different brands in the Wellmarket section.

# Employee Training and Development

## From Talent Acquisition to Development, We Strengthen the Employee Journey



### Selection, Placement, and Orientation

#### Talent Acquisition

As CMS Group, we take full advantage of the opportunities offered by digitalization and continuously improve our talent acquisition processes. We conduct candidate interviews and all evaluation steps online, in a fair and transparent manner. This allows us to reach more candidates in less time for managerial positions, we conduct in-depth analyses through assessment centers.

Our digital recruitment processes not only ensure efficiency but also support an environmentally friendly approach, contributing to our sustainability goals. By reducing physical meetings and travel, we lower our carbon footprint, and our paperless recruitment policy helps conserve natural resources.

In line with our principles of equality and inclusivity, we treat all candidates equally. Our assessment processes are conducted based solely on candidates' competencies, experience, and suitability for the position, without regard to gender, age, disability, ethnicity, religion, or belief.

We sign protocols with universities to support young talent and build strong partnerships. We engage with students and recent graduates through numerous activities such as CV preparation, interview simulations, case studies, and technical tours. With our Strong Future Management Trainee Program, we bring young talent into the automotive industry. While enabling them to gain experience in our dynamic work environment, we develop them with training and mentoring support. By placing individuals with disabilities in positions suitable for their qualifications and disability status, we support an inclusive workforce while contributing to local employment and social benefit.

#### Digital Onboarding and Orientation Process

By digitizing our onboarding and orientation processes, we increase efficiency and enhance the employee experience. We offer a structured integration process to help new employees adapt to the organization quickly and effectively. In this context:

- “We’re Waiting for You!” information document,
- “Welcome to Our Team!” welcome message,
- “Coffee Photo” social integration task,
- Day 5, Month 2, and Month 6 employee experience surveys,
- Orientation Process Evaluation Form

are automatically sent to our new employees' email addresses via the Peoplise system.

Through this digital process, we actively receive feedback from our employees we listen to their suggestions and expectations, and when necessary, we create solution-oriented action plans. Throughout the process, we closely monitor employee satisfaction levels and thus aim to increase their loyalty and facilitate their adaptation to the job.

# Employee Training and Development

## Orientation Program

Our orientation program not only ensures the rapid integration of new employees into the organization, but also creates a positive first impression by reinforcing a sense of belonging. Thanks to this program, our corporate culture, values, and working principles are communicated correctly and effectively from day one. For employees, it offers a safe and conscious transition process to their new work environment.

With this understanding, we have redesigned our orientation process into a two-stage structure:

**Basic Orientation:** In this first stage, which lasts two days, both white-collar and blue-collar employees come together to participate in basic information sessions and legal training. This format allows communication between employees from day one, supporting inter-team understanding and cooperation.

**Department-Based Orientation:** For our white-collar employees who have completed the basic orientation program, department-based orientation programs begin during the following 90-day period. Within this process, the topics that individuals need to learn and obtain information about, as well as the people they need to communicate with, are determined based on the departments they will be working in. The goal is for new hires to create their own programs based on this information, communicate with the relevant people, and get to know the departments they will be working with.

## CMSPartner Program

The CMSPartner Program, a complementary part of our orientation process, is a buddy system that supports new employees during their first 90 days. CMSPartners, who volunteer from different departments, receive internal training beforehand to prepare them for this role.

CMSPartner responsibilities include:

- Contacting the new employee before they start work,
- Helping them complete technical preparations,
- Accompanying the employee in social settings such as on their first day and at lunch,
- Giving a tour of the facility,
- Answering frequently asked questions, and
- Conveying the corporate culture.

The effectiveness of the program is regularly measured through surveys completed by both CMSPartner and new employees.

We never leave our candidates and new employees alone at any stage we adopt a people-centered approach supported by digital tools. We continuously improve the process with active feedback, quickly address any concerns, and maximize our employees' adaptation to the organization.

With this approach, we remain committed to the principles of sustainability, diversity, and inclusivity; we make our recruitment and orientation processes fair, accessible, and effective for everyone by effectively utilizing the opportunities offered by digitalization.



# Employee Training and Development

## Empowering the Future Through Continuous Learning

### CMS Academy

At CMS Group, we create equal development opportunities for our employees by implementing training and development programs simultaneously across all our locations. While ensuring compliance with legal requirements and customer expectations, we support our employees in improving efficiency and productivity in their work processes. At the same time, we adopt a sustainable approach by introducing innovative practices and positioning ourselves as a development partner throughout our employees' career journeys.

We regard each employee as a valued stakeholder shaping the future of our organization and believe that sustainable corporate success can only be achieved through the success of our people. Accordingly, we invest in both technical and behavioral development areas, offering diverse learning opportunities to unlock the full potential of our workforce. Recognizing intellectual capital as our most critical strategic asset, we continuously transform our business processes to enrich this capital and convert it into lasting value to be passed on to future generations.

Our Training and Development activities are implemented in line with established procedures. Corporate strategic plans, policies, and customer expectations constitute the primary inputs to our training processes. In addition, requirements arising from management systems affecting quality, legal regulations, and emerging technological developments play

(GRI 3-3, 404-1, 404-2)

an active role in our planning. We systematically manage and maintain our processes in response to these evolving needs.

Continuous learning is a core element of our corporate culture. To embed a culture of lifelong learning across the organization, we have integrated training opportunities—covering both professional competencies and personal interests—into our OKR framework. Through our online learning platform, designed to develop future-ready competencies, we support our employees' development journeys with a broad range of content and learning pathways presented through diverse concepts and formats.

### Corporate Culture and Values

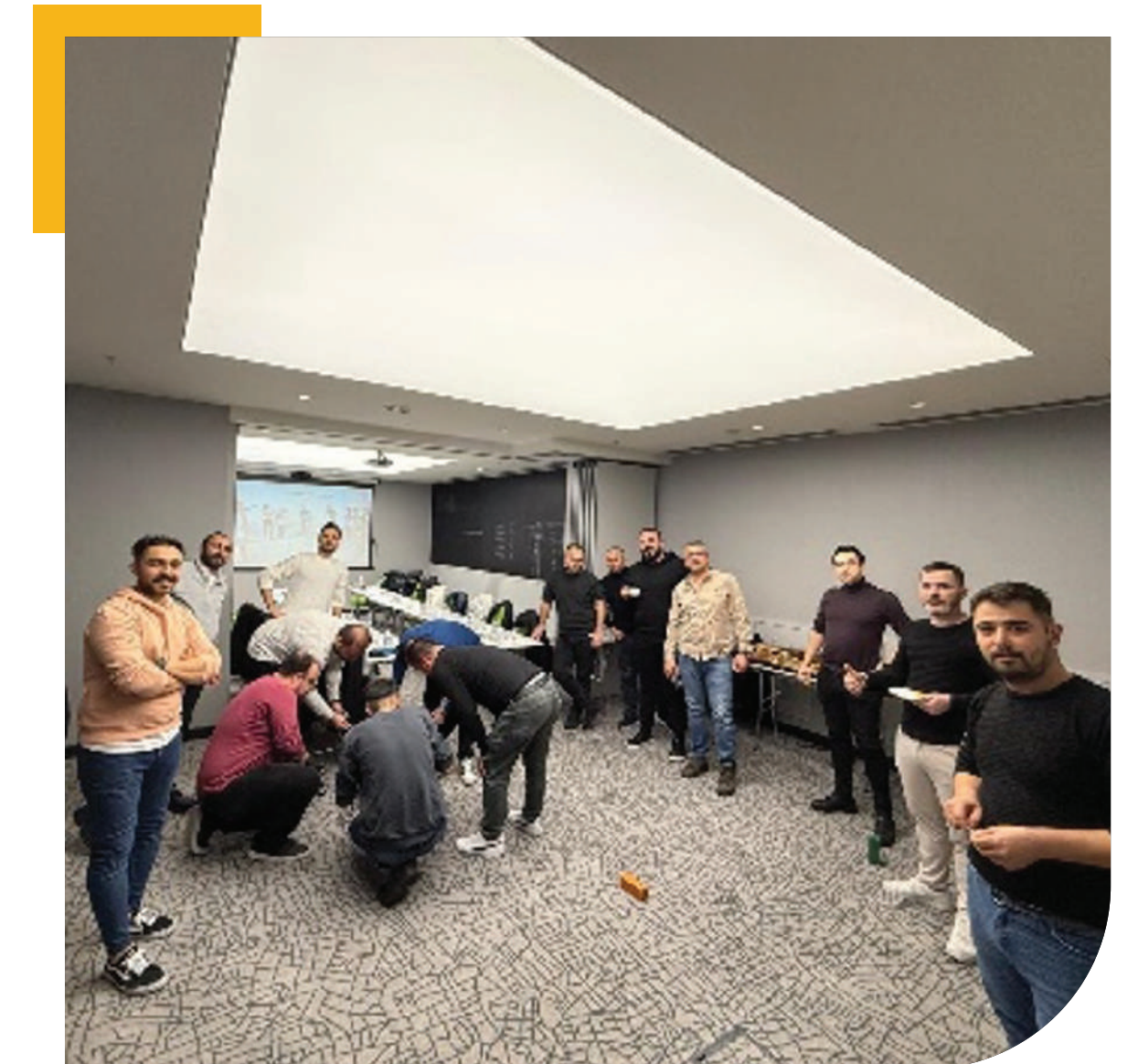
At CMS Group, our strong corporate culture and values are rooted in the principles established by our Founding President, Mr. Tonguç Ösen. These values are embraced consistently across the organization and are deeply embedded in our core processes. Corporate Culture and Values training is provided to all new employees at defined intervals, and related content is also incorporated into various training programs. Our corporate values—trust, respect, customer focus, continuous improvement, personal leadership, and passion—serve as guiding principles that shape our behaviors, decision-making processes, and long-term sustainability approach.

### Internal Trainer Program

Through our Internal Trainer Program, we encourage employees to share their knowledge and experience, thereby strengthening our organizational learning culture. This program accelerates knowledge transfer and supports sustainable competency development, while also enabling participants to enhance their leadership, communication, and mentoring skills. By fostering an environment in which learning grows through sharing, we create an internal ecosystem that promotes continuous development and builds a lasting knowledge legacy that adds long-term value to the organization.

### Leadership Development Program

We implement the Group Leadership Program to support the career development of our blue-collar employees. Group Leaders are positioned as strategic role models who go beyond the traditional role of first-line supervisors, serving as a strong link between management and shop-floor employees while fostering communication, collaboration, and sustainable development. Participants who successfully complete the assessment stages of the program receive comprehensive training that combines technical and behavioral competencies. Their development is further supported through structured feedback sessions, project assignments, and on-the-job responsibilities, contributing to both individual growth and organizational capability building.



# Employee Training and Development

## Foreign Language Training

The demands of today's business world and the fact that our customer portfolio consists largely of foreign companies make foreign language training a strategic priority. Our employees show dedication by devoting time outside of work to their development in this area, and the progress made within the program is regularly monitored through various reports. In these training sessions, conducted via an online platform, our employees practice using different tools, have the opportunity to chat with people from different cultures, and gain a global perspective.

## Quality Management System Training

One of our primary goals is to develop the competence of our employees in the field of Quality Management Systems, which is one of the fundamental requirements of our industry, to raise their awareness of this subject to the highest level, and to keep up with the latest developments in these systems. In this context, we support continuous development in this area by organizing basic information, internal auditor, and awareness training on all Quality Management Systems throughout the year, both in person and via online platforms.

## Customer Expectations Training

Customer expectations are at the forefront of our company's every department and are also the focus of our training processes. Within this scope, needs are first addressed during the budget period, and quick and effective actions are taken throughout the year according to changing needs. Through training on customer expectations, we aim to make customer satisfaction sustainable by providing our employees with the necessary competencies and qualifications.

## Training on Technical and Behavioral Competencies

The sustainable development of our employees' technical and behavioral competencies forms the basis of our long-term success goals. Competency sets created according to job descriptions, position expectations, and job families reveal the differences between current and future required skills, and gap analyses are conducted accordingly. Planned training based on the analysis results supports the continuous development of our employees; the gains achieved are monitored through regular follow-up mechanisms to ensure the continuity of the corporate learning culture.

## CMS Academy Online Training Platform

All our employees can access the CMS Academy online training platform both via the internet and through the mobile application. In today's digital business environment, the fact that employees can access training courses with a wide range of content through a single platform greatly contributes to our development activities. In addition to legal and mandatory training, the platform also offers numerous personal development courses. Catalogs created on various topics according to changing needs are made available to employees.

## Continuous Learning Culture

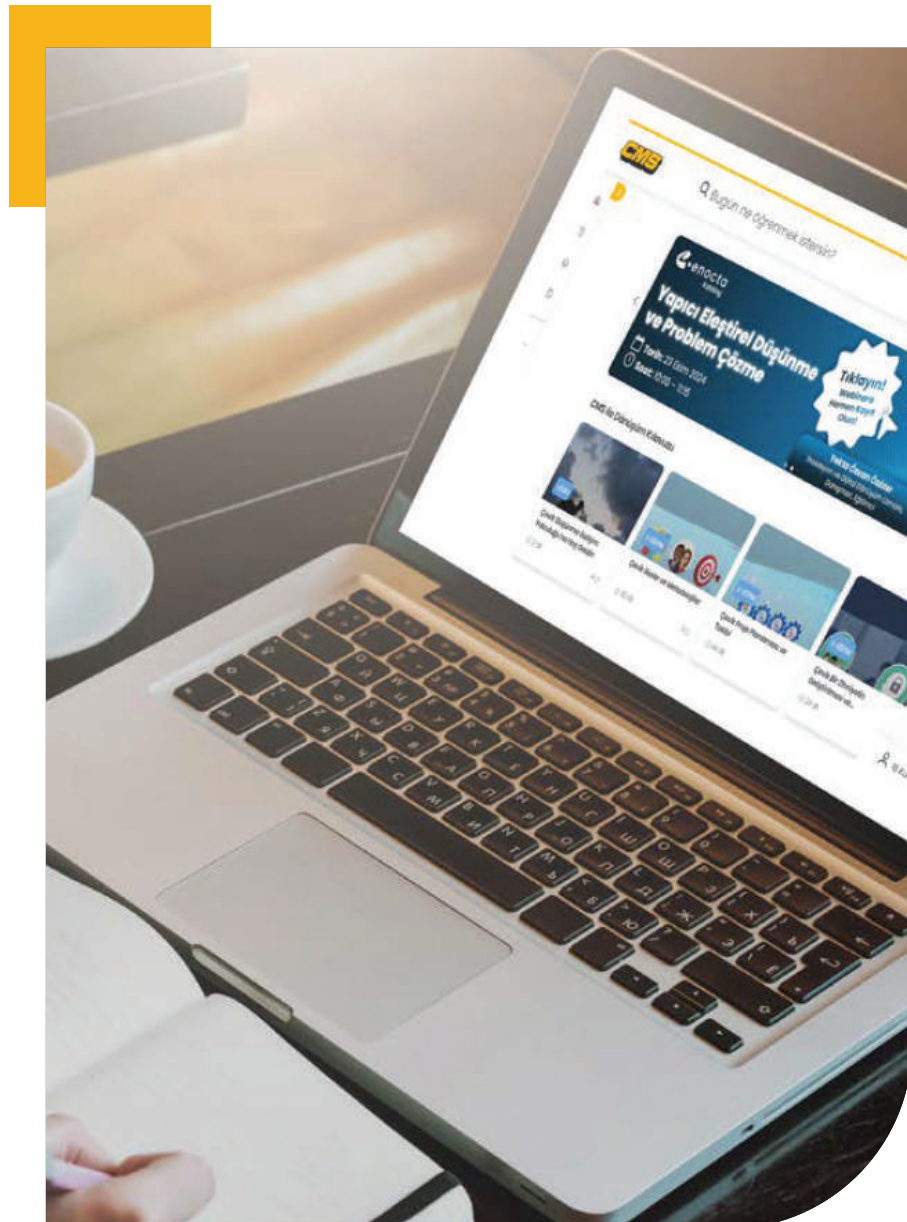
CMSahaf : For our company, continuous learning culture means not only 'providing training' but also adapting to change, fostering innovation, and strengthening employee engagement. Based on the idea that 'knowledge grows when shared', this application supports our employees in learning from each other, contributes to their personal development, and helps them learn about current practices within the company. We have covered many topics in online meetings held once a month on a specific topic.

## Training of the Month & Book of the Month Program

One of our efforts to make continuous learning a part of our culture is the monthly 'Book of the Month & Training of the Month' program. The training sessions and books selected by our Talent Development team are shared with our employees via email every month.



# Employee Training and Development



## Technical Training Center Programs

Within the scope of the technical training center:

- Searching for candidates for operator positions,
- Interview organization and evaluation processes,
- The process of making offers to successful candidates
- Technical training for new hires,
- Blue-collar operational competency tracking,
- Work is carried out within the scope of legally required certification processes (professional competence and mastery).

As part of the evaluation processes, candidates are referred to the Ergo Center for assessments following Human Resources and Technical interviews. The purpose of this evaluation stage is to test the physical abilities of individuals for the departments they are expected to work in and to determine their operational suitability.

## Technical Training Center Training

Individuals are assigned to relevant departments based on workforce needs. New employees are enrolled in a training program consisting of various training topics so that they can familiarize themselves with the processes and begin working in their departments, and receive detailed information about wheel production. Training program durations can be flexible based on workforce needs. Employees who successfully complete this program, which includes exams after each training session, continue to work in their departments.

## Certification Processes

Certifications are of great importance for our institutions in terms of the sustainable development of a qualified workforce. Certifying our employees' professional knowledge and skills in accordance with national standards ensures compliance with legal requirements and guarantees service and product quality. This reduces risks in occupational health and safety, strengthens our organization's credibility in the sector, and provides a long-term competitive advantage. At the same time, this approach, which supports the continuous development of employees, forms one of the cornerstones of our corporate sustainability goals.

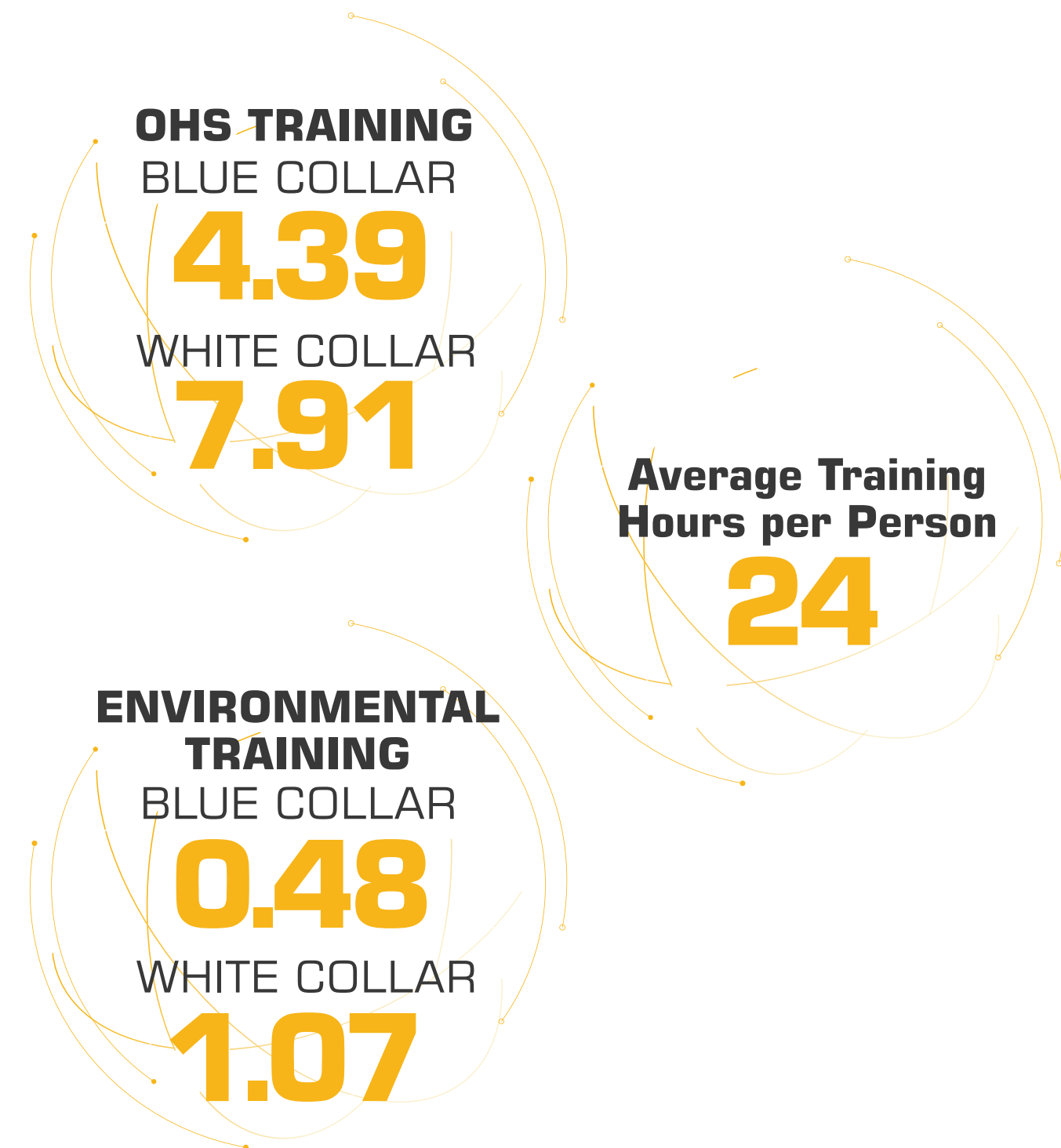
## OKR Process

The OKR process clarifies companies' strategic goals and ensures that all employees are aligned around a common vision. In addition, regular monitoring of progress supports transparency, prioritization, and sustainable growth. The OKR process contributes to:

- Understanding the company's priority goals,
- Ensuring transparency and clarity between departments and employees,
- Directing resources to the right areas,
- Increasing employee engagement,
- Strengthening collaboration between teams.

This process, which is also fueled by feedback meetings, supports the development of both employees and the organization..

## Training Hours per Person



# Employee Training and Development

## OUR AWARDS

- The Global Business Excellence Awards, affiliated with Awards Intelligence, is an award program that celebrates leading organizations in their field. We received an award in the **'Best Business Transformation' category at the Global Excellence Awards program.**
- In 2024, we were once again honored with the **kariyer.net Respect for Humanity Award.**
- **We won first place in the Automotive (Subcontracting) category at the TOP 100 Talent Program 2024,** determined by the votes of thousands of professionals and students, with our Strong Future program.
- The HR Brilliance Awards, presented by **BOC Global Events & Training Group**, celebrate the contribution of innovative and well-executed Human Resources strategies to business performance. We were recognized as a finalist in the **"Excellence in Recruitment and Retention" category for this prestigious award, which is presented in a total of 8 categories in the field of Human Resources.**



# Occupational Health and Safety

*We Put Safety at the Core of Our Culture and Our Employees at the Center of Our Safety Approach*

## OHS Management System and Risk Assessments

At CMS Group, occupational health and safety risks are identified and managed using a systematic and comprehensive approach.

Our Risk Assessment Team, consisting of occupational safety experts, workplace physicians, relevant department managers, employee representatives, and employees knowledgeable about the process, is responsible for identifying and assessing risks.

Our Occupational Health and Safety Management System ensures that potential hazards are proactively identified through a risk-based approach.

Thanks to this structure, precautions can be taken at an early stage of the processes, minimizing the effects of possible risks before they occur.

Risk assessment activities are carried out by the team first at the department level and then across the organization.

Hazards and risks identified in the field are recorded, scored, and prioritized through OHS software.



This ensures that the necessary actions are tracked in a systematic and traceable manner. For each risk, the risk control hierarchy is applied in the following order: elimination of the hazard, substitution method, engineering controls,

administrative controls, and use of personal protective equipment. The goal is to reduce risks to an “acceptable” level through the measures taken; action plans are kept open for risks that do not reach this level.

Identified risks, measures taken, and results are regularly shared with employees, thereby strengthening transparency and a culture of shared responsibility.

As part of risk analysis efforts, routine and non-routine activities, as well as predictable and unpredictable emergency scenarios, are evaluated holistically. This proactive approach aims to minimize the impact of unexpected risks and strengthen a preventive safety culture.

We encourage employee participation in order to embed risk awareness into the foundation of our corporate culture. In this regard, we use an online “Risk Reporting” screen to ensure the active participation of all our employees in the risk management process. Thanks to this system, our employees can easily report hazards and risks they identify in the field. The reports received are integrated into risk analyses by occupational safety experts and evaluated together with the relevant department managers. The measures and actions determined are decided upon and solutions are provided at the source. In addition, our monthly Environmental and

Occupational Health and Safety performance reports, which are shared with all employees, support our awareness-raising efforts and strengthen our culture of continuous improvement.



# Occupational Health and Safety

## Occupational Health and Safety Training

As CMS Group, we conduct our training processes with a planned, sustainable, and participatory approach to continuously improve our employees' awareness and competence in the field of occupational health and safety (OHS). At the beginning of each year, an OHS training plan is prepared based on the needs identified with the participation of employees; throughout the year, training conducted in accordance with this plan ensures that our safety culture is continuously strengthened. In addition, individual training requests from employees during the year are evaluated, and topics deemed appropriate are included in additional training plans.

The purpose of our occupational health and safety training is not only to provide our employees with theoretical knowledge, but also to guide them in transforming this knowledge into safe behaviors in their daily work and social lives.

Through the Basic Training Center (TEM) we have established within our company, we provide professional and technical training to our new employees.

This center contributes to establishing OHS awareness from day one by ensuring that employees are equipped with the necessary knowledge and skills before starting their work processes. The follow-up of planned training is carried out digitally through our mobile application. Training assignments are made through this system; participation and completion rates are monitored, and the effectiveness of training is measured regularly.

(GRI 2-27, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9)

## Basic Occupational Health and Safety (OHS) Training:

This 12-hour program covers occupational safety for 8 hours and occupational health for 4 hours. We ensure that our employees acquire safe behavior habits by conveying basic OHS principles, legal requirements, and safe working rules.

**Risk Analysis and Assessment Training:** We provide comprehensive training to enable our employees to recognize and assess the risks they may encounter in their work processes and take the necessary precautions.

**Workplace Accident and Root Cause Analysis Training:** We develop our employees' ability to analyze the causes of past accidents, anticipate potential risks, and determine the correct actions in similar situations, thereby preventing potential accidents.

**Emergency and Fire Training:** We ensure that our employees are prepared for emergencies and can respond correctly and safely when incidents occur.

**Chemical Management Training:** We ensure that our employees recognize the properties of chemicals and are aware of safe working methods.

**Personal Protective Equipment (PPE) Training:** We ensure the correct and effective use of personal protective equipment.

**Ergonomics Training:** By making work environments ergonomic, we aim to protect employee health and create



an efficient work routine. Ergonomics training contributes to the prevention of workplace accidents and musculoskeletal disorders by increasing our employees' awareness of correct posture, equipment use, and workstation layout. These trainings are conducted by our in-house experts; when necessary, external experts contribute to provide a broader perspective. This strengthens our employees' ergonomic awareness and supports both work performance and well-being by creating safe and comfortable working environments.

**Working at Height Training:** We ensure that our employees acquire the necessary knowledge and skills to work safely on high platforms or equipment.

**Single-point training:** These are short, direct, topic-specific training sessions aimed at informing personnel after a specific action has been taken. They are generally conducted by group leaders or department managers in the form of toolbox talks.

# Occupational Health and Safety

## Our Daily Safety Ritual: **Security in 5 Minutes**



### Embedding Safety into Every Shift: 5-Minute Kickoff Meetings

At CMS Group, workplace safety is treated as an integral part of the production process.

At the beginning of each shift, short meetings are held with the participation of all production personnel, where occupational safety issues are prioritized on the agenda;

(GRI 2-27, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9)

basic safety rules to be followed during the shift and risks to be aware of are reiterated. This practice not only ensures that our employees act with a sense of safety awareness during each shift, but also contributes to making occupational safety a natural part of production planning.

In addition, regular OHS field inspections are carried out in our factories with the participation of authorized experts from different departments.

These inspections enable different units to observe the risks in each other's work areas and develop preventive recommendations, thereby strengthening risk-based thinking and continuous improvement culture throughout the organization.

Risks identified during inspections, preventive approaches, or areas for improvement are recorded through our OHS software system, and relevant actions are systematically tracked.

Each action remains open in the system until completed; during the closure phase, approval is obtained from both the Occupational Safety Team and the responsible manager of the relevant department.

Thanks to this digital tracking mechanism, the traceability of risks is increased, transparency is ensured, and continuous improvement of OHS performance becomes possible.

### Emergency Drills and Training

To strengthen our level of preparedness for potential emergencies, we create Emergency Plans for all our facilities and update these plans regularly.

These plans, prepared taking into account the activity area and potential risks of each facility, cover scenarios such as

fire, explosion, chemical spill, earthquake, flood, and natural gas leak.

Our emergency plans are implemented within the scope of Occupational Health and Safety and Environmental Management Systems and are continuously developed to ensure a rapid, effective, and coordinated response to potential risks.

To evaluate the effectiveness of these plans and strengthen our employees' response skills, we conduct Emergency Drills at regular intervals each year.

During drills, our employees learn how to respond to emergencies, apply the correct intervention methods, and act in coordination during incidents.

Drills also contribute to developing the competencies of emergency teams (first aid, firefighting, protection, and rescue).

Emergency training and drill results are regularly evaluated, and the findings are integrated into continuous improvement efforts.

This strengthens our employees' preparedness level and ensures an effective, safe, and institutionalized response culture to emergencies.

# Occupational Health and Safety

## We Build a Strong Organization with Healthy Employees

All our facilities have workplace health units that operate 24/7 and are equipped with the necessary resources. The primary duty of these units is to provide rapid and effective intervention in the event of potential workplace accidents or health emergencies.

This ensures that the health and safety of our employees is protected at all times and that medical support is provided without delay in emergencies. To ensure the sustainability of business continuity and employee well-being, all our employees undergo regular health check-ups.

Due to our hazard classification, periodic examinations are conducted every two years for all our employees, and the results are evaluated by workplace physicians. In addition, the first aid and health awareness training provided by our workplace health units continuously strengthens our employees' preparedness and awareness for potential situations.

As CMS Group, we attach great importance to preventing occupational diseases as well as work accidents. In this context, the health data of all our employees is regularly monitored, and preventive activities are carried out for risk groups. During the reporting period, no occupational diseases were detected at CMS Group facilities.

### Occupational Safety Information System at CMS Group

In order to make occupational health and safety accessible, traceable, and sustainable for all our employees, the digital Occupational Safety Information System is actively used within CMS Group.

This system enables all our employees to actively participate in occupational safety processes, allowing risks to be reported instantly from the field and managed systematically.

Thanks to the software system:

- Our employees can report risks they identify in the field online.
- Root cause analysis is performed for work accidents, and the necessary actions are entered into the system by the relevant departments.
- Those assigned responsibility for the identified actions complete the process by tracking the results through the system.
- Field inspections and identified risks can be effectively monitored, and the measures taken are recorded digitally.
- The necessary work permits for hazardous work and subcontractor activities are created through the system, ensuring the process is managed safely.



- The activity areas and job details of subcontractors working in the field can be monitored through the system.
- Training, drills, periodic checks, and legal obligations are automatically tracked, preventing potential delays.

Thanks to this digital system, CMS Group ensures transparency, traceability, and continuity in occupational safety practices, strengthening a proactive occupational safety culture throughout the entire organization.

### Occupational Health and Safety Week at CMS Group

Occupational Health and Safety Week, celebrated annually between May 4 and 10, is marked with various activities at all our facilities to raise safety awareness among our employees and strengthen the occupational safety culture at CMS Group.

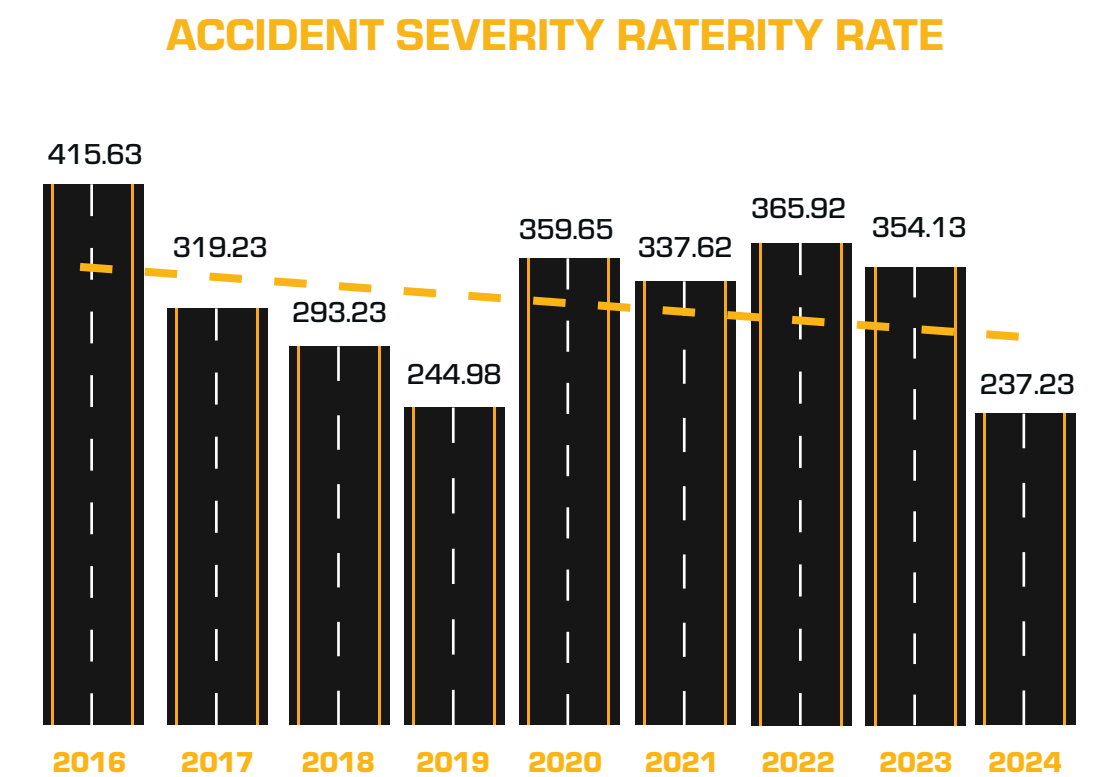
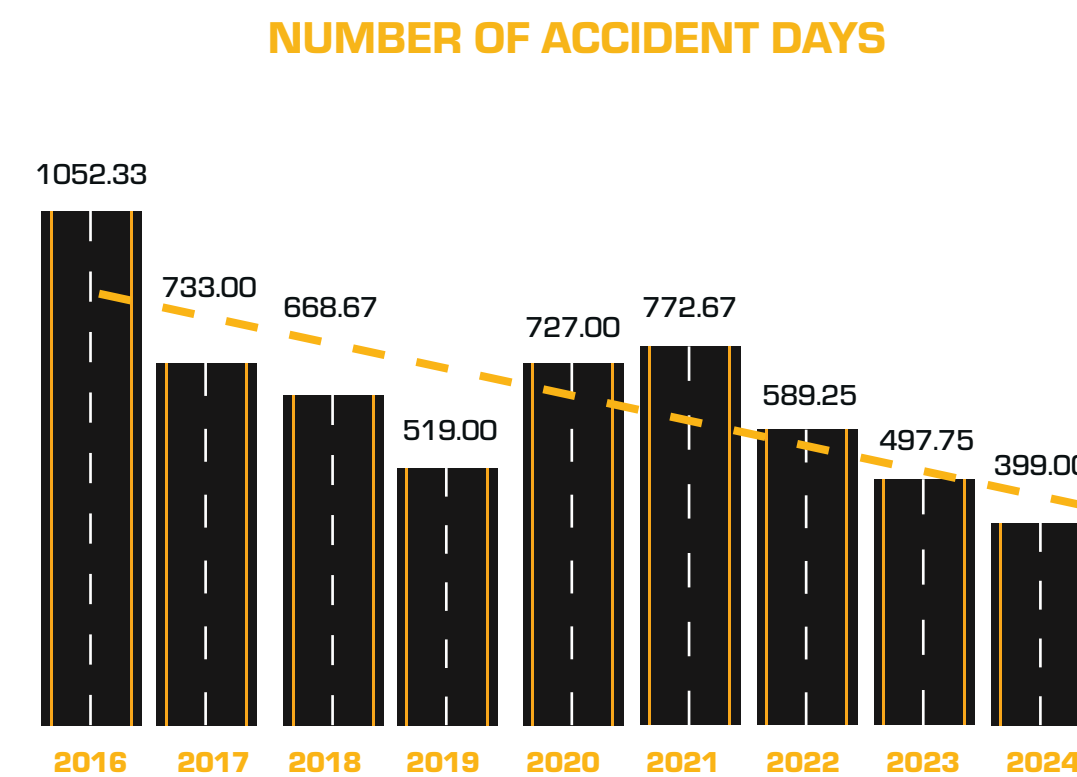
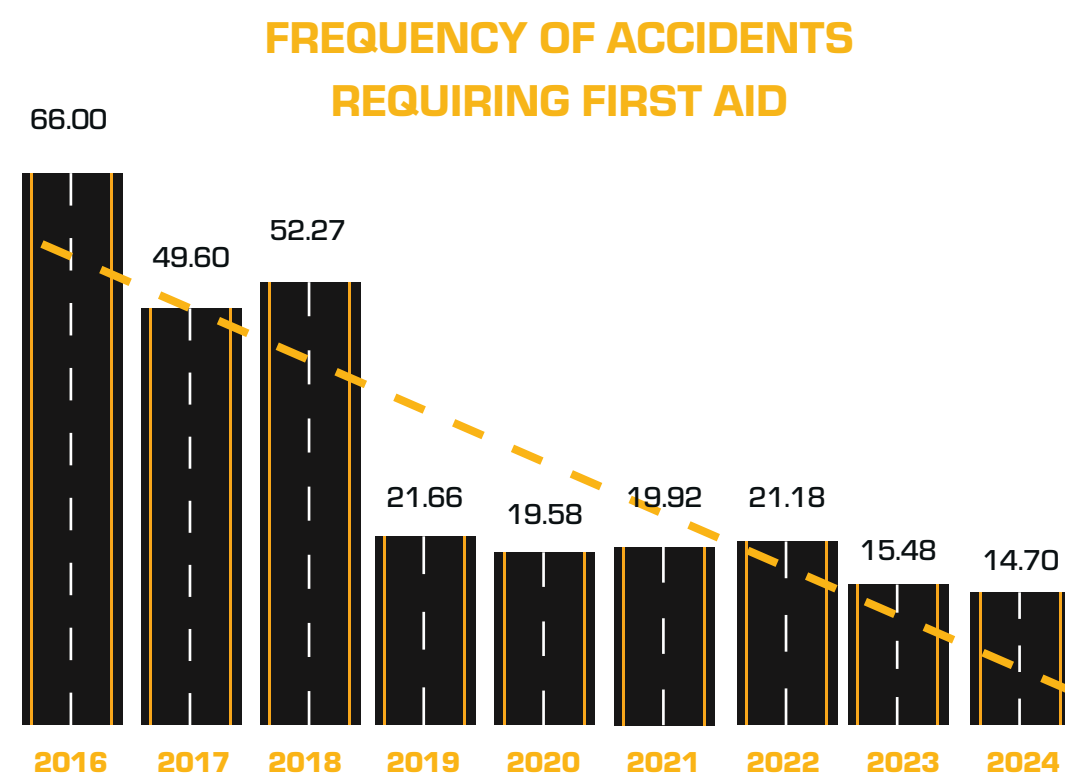
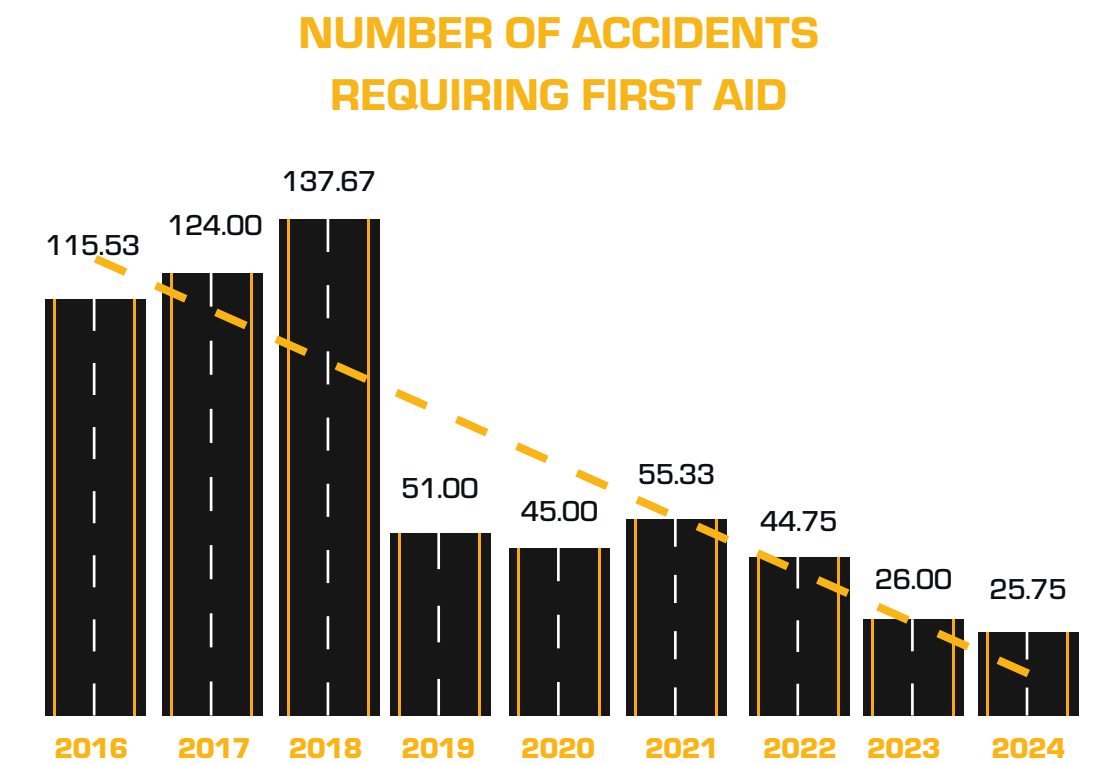
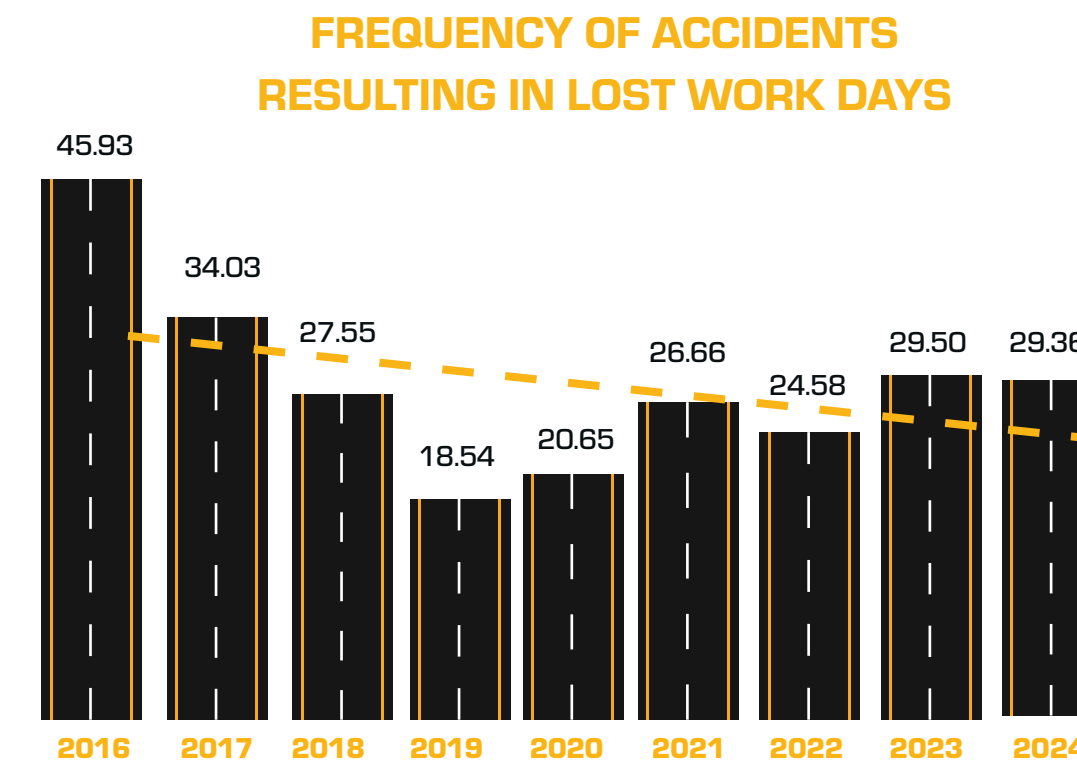
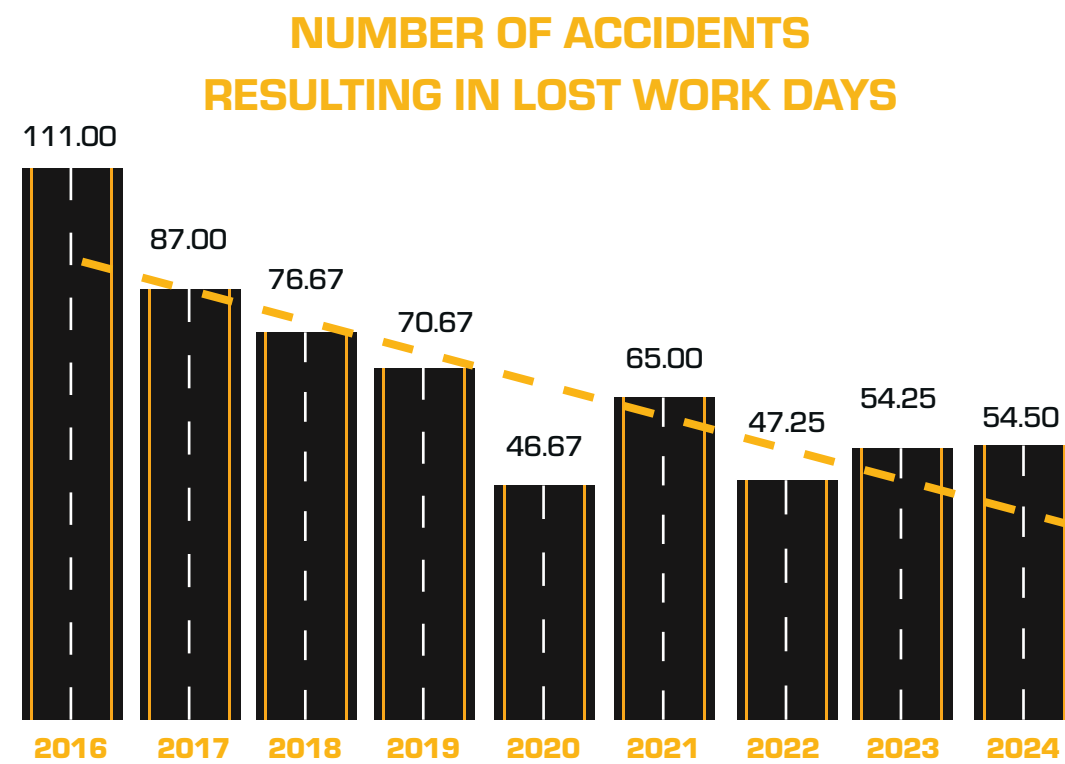
Throughout this special week, we organize events in different formats to emphasize the importance we place on occupational safety and encourage the active participation of our employees in the process.

We reinforce our employees' safe working habits through fun and interactive activities, competitions, knowledge sharing, and awareness sessions. Events attended by 800 people included an OSH knowledge competition via a digital application and risk hunting applications modeled in CMS Group work areas using VR.

OSH Week not only allows our employees to take a short break from their busy work schedule and enjoy themselves in a safe working culture, but also reminds them that safety is not just a requirement at CMS Group, but also a shared value.

# Occupational Health and Safety

*We Ensure Continuous Improvement in Occupational Health and Safety Through a Proactive Approach*



(GRI 2-27, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9)

# Our Contribution to Society

## Generating Social Benefit as a Core Corporate Value

Since our founding, our people-centered approach has been at the heart of our growth. With this understanding, we carry out work aimed at empowering not only our employees but also the community we are part of. We consider generating social benefit through projects we implement in various fields such as education, health, environment, and culture-arts to be among our primary corporate values.

We aim to contribute to regional development not only economically but also socially. In addition to the employment we have created, we continue to develop projects that contribute to the development of society.

As of 2023, we have brought together all the projects we have developed within the scope of social responsibility under the CMSizinle brand.

In addition to the universities, associations, and foundations we support regularly every year, we establish partnerships with new non-governmental organizations through CMSizinle; we aim to reach wider audiences through sponsorships and social aid activities. The core mission of the projects we carry out under CMSizinle is to offer participation opportunities to our employees who wish to volunteer in social responsibility initiatives but cannot find the time due to the demands of daily life. At the same time, it is to raise social responsibility awareness and create people-centered awareness by bringing our employees together with disadvantaged groups.

(GRI 3-3)



# Our Contribution to Society



## Education:

- After the garden renovation project we carried out last year with the TEGV Gümüşpala Learning Unit, we came together with TEGV again for the April 23 celebrations in 2024. On April 23, National Sovereignty and Children's Day, we created an environment where TEGV children could celebrate the holiday with enthusiasm. Our employees volunteered at the events we organized and contributed to the celebrations.

- We launched a campaign within the company during World Book and Library Week, April 19-25. We donated over 300 children's books collected from our employees to the newly established library at TOKİ Kemalpaşa Primary School.
- Through our CMS Group Active Employee Wellness program, we accepted the company's step challenge and donated the Entrepreneurial Youth Package to Unicef after completing our target of 19,500,000 steps.

## Health:

- As part of our long-standing collaboration with LÖSEV, we came together for various activities in 2024. We supported the mandarin harvest at the Natural Life Farm in Seferihisar for two days with the participation of a total of 80 employees. We delivered the harvested products to schools in need and also purchased some of the products to provide financial support. In addition, our employees had the opportunity to support LÖSEV through the LÖSEV Stand set up at our facilities. At the end of the year, we gathered with our employees around the Christmas tree we set up in our cafeterias for the Wish Tree project. We delivered over 200 Christmas gifts to 75 children.

- As part of our International Women's Day activities on March 8, we held a seminar on cervical cancer to raise awareness among our employees.
- On World Autism Day on April 2, we held a webinar with the Tohum Autism Foundation to raise awareness among our employees. We also invited our employees to wear red that day to support the #otizmebirşıktyak (light a candle for autism) campaign.
- As part of International Day of Persons with Disabilities, we visited the Awareness Center with our volunteer employees to better understand people with disabilities. By experiencing together the difficulties that different disability groups face in their daily lives, we learned how we can support people with disabilities.

# Our Contribution to Society



## Other:

- In line with our mission to support street animals, we visited the Pako Street Animals Social Life Campus, which we have supported with donations in previous years, together with our employees in 2024. During this meaningful visit, we not only continued our support by donating food, but also had the opportunity to observe the living conditions of street animals firsthand.
- Shortly before our visit, many animals rescued from a fire in our region were brought to the campus for treatment, allowing us to witness their recovery process firsthand and see the impact of disasters on animals. This experience helped us gain a deeper understanding of the needs of street animals.

In addition, we continue to contribute to the development of our community in the fields of culture, arts, and sports by sponsoring the KSK Sports Club and the Izmir State Symphony Orchestra every year.

## Our Motivation Activities

“Happy Employees for Sustainable Success.”

At CMS Group, we believe that success is only possible with a people-centered approach, not just business processes.

With this understanding, we see employee happiness and motivation as one of the cornerstones of our corporate culture.

Throughout the year, we organize many events that go beyond work life and strengthen our team spirit. We participate in

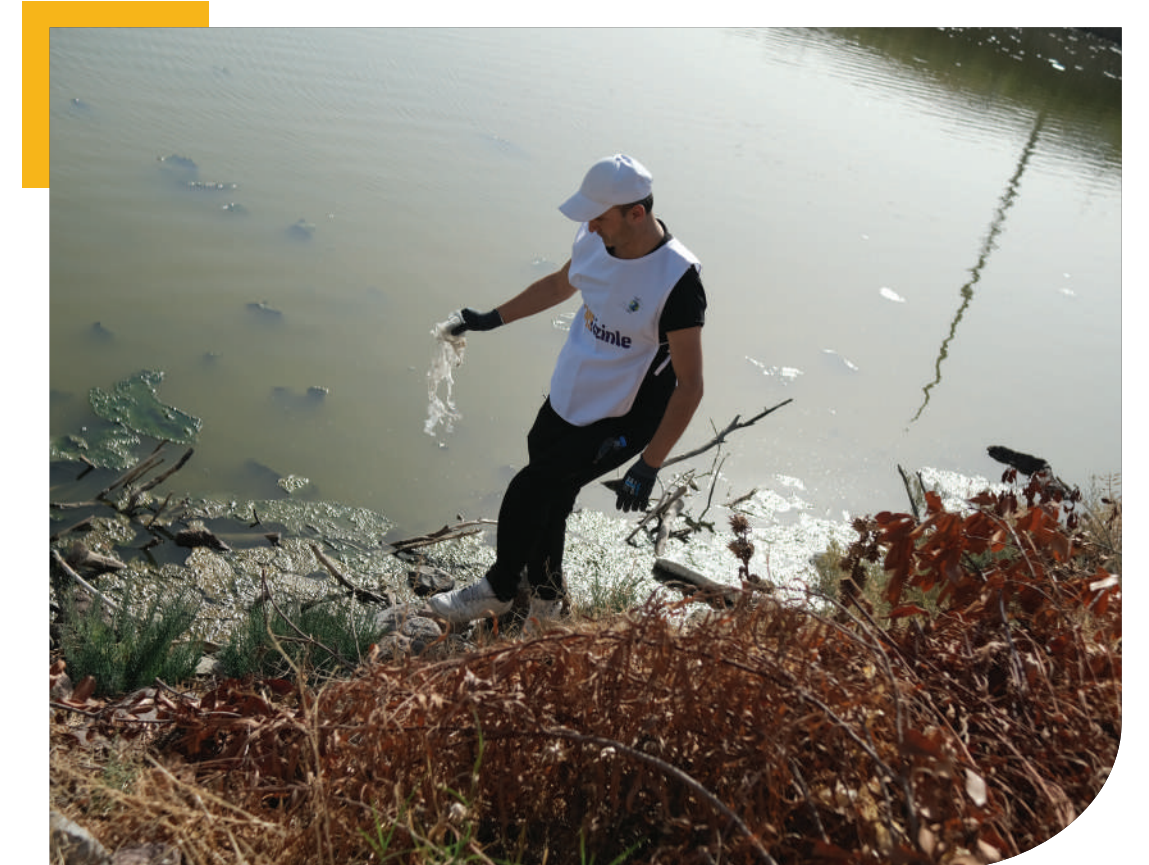
inter-company tournaments with our running, soccer, and basketball teams; we bring all our employees together with tournaments such as table tennis and backgammon within the company.

We involve our employees’ families in this process as well. We increase the time spent together by offering the opportunity to attend concerts by the Izmir State Symphony Orchestra. In addition, we celebrate a fun and meaningful day with our employees and their families at our traditional April 23 National Sovereignty and Children’s Day event, which includes a painting competition for our children.

We reward our team members selected as “Employee of the Month” each month and create pleasant memories with department-specific dinners organized at the end of the year. We honor our colleagues who have worked for our company for many years with our Seniority Awards Ceremony, celebrating their 10th, 15th, 20th, 25th, 30th, and 35th years of service; we celebrate this strong loyalty together.

As of 2024, we have taken an important step by adopting a more holistic approach to employee well-being. We have launched a digital wellbeing application that all our employees can access free of charge. Through this application, our employees can receive professional support in areas such as psychological counseling, sports counseling, and dietitian support. At the same time, the application also serves as a platform that strengthens our social bonds. Our employees can create social clubs according to their interests, share content, and socialize around common interests. All our team members working at our four facilities in Pınarbaşı,

Çiğli, and Gaziemir feel much closer to each other thanks to this app; they can even interact with each other through fun activities like walking challenges that eliminate location differences. Personal development topics are another strong feature of the app. Thanks to content covering different areas, anyone who wants to can seize the opportunity to develop themselves in their chosen subjects. Not only individually, but also through webinars on topics such as Stress Management with Breathing and Meditation, Building Healthy Relationships, Coping with Emotions, and Raising Confident Children, which we hold as part of our company-wide wellbeing program, our employees can take a productive break from work. Because we know that the well-being of our employees, in terms of their mental, physical, and social health, directly affects not only their individual happiness but also the sustainability of the successes we achieve together.





# ***OUR ENVIRONMENTAL PERFORMANCE***

# Environmental Impact Management

## Building a Sustainable Future Through Responsible Production

In line with our sustainability strategies, we are conducting comprehensive studies to minimize the environmental impacts arising from our activities.

Our Environmental Policy, established based on the ISO 14001 Environmental Management System, ensures that our operations are managed with an environmentally conscious approach. This approach contributes to advancing our environmental performance each year in line with the principle of continuous improvement.

You can access our Environmental Policy at <https://www.cms.com.tr/en/corporate/our-policies>

With the goal of reducing our environmental impact, we are working on reducing water consumption, increasing aluminum recycling rates, waste management within the framework of the 5R principles (Refuse, Reduce, Reuse, Recycle, Recover), energy efficiency, and reducing emissions. We carry out regular measurement, monitoring, and reporting activities throughout all these processes. With our defined goals and actions, we aim to continuously improve our environmental sustainability performance; we focus on minimizing our impact on the environment by contributing to the conservation of natural resources. We regularly monitor the environmental impacts arising from our activities and continuously improve our performance in line with short-, medium-, and long-term strategies. In this regard, we implement environmentally friendly practices in our business processes and invest in sustainable projects.

### Environmental Impact, Risk, and Opportunity Management

We systematically identify the environmental aspects that may arise from our activities and assess their potential impact on the environment.

We develop action plans to reduce the identified impacts to an acceptable risk level and regularly monitor the implementation and effectiveness of these plans. In addition, we separately identify and monitor new environmental risks and opportunities that may arise in line with changes in legal and other requirements, stakeholder feedback, and the expectations of relevant parties.

Thanks to this comprehensive risk and opportunity management approach, we anticipate environmental impacts in advance and make our business processes more resilient and sustainable.”

### Environmental Impact Assessment Updates

In cases where significant changes in our environmental impacts may occur, such as process or equipment changes, capacity increases, or the introduction of new products or equipment, we review our environmental impact assessments and make the necessary revisions. In addition, assessments are updated in line with emergencies, external and internal audit findings, stakeholder requests,

and changes in legal requirements. Even if there are no changes, we systematically review our environmental impact assessments at least once a year.

This approach ensures that our environmental management system is always up-to-date, effective, and fully compliant with regulations.

### Change Management

As part of our Change Management approach, we systematically manage planned or unplanned changes that could affect the performance of our environmental, occupational health and safety, and energy management systems. Before each change, we assess the potential environmental, social, and operational impacts, determine responsibilities, and implement the necessary control measures. We carry out our change management process in an integrated manner with risk and opportunity assessments. In this way, we contribute to achieving our sustainability goals while increasing operational efficiency.

Thanks to this approach, we proactively manage the impacts that may arise from changes and strengthen a sustainable operational culture across the organization.



# Environmental Impact Management

## We Take Responsibility to Protect Nature

### Our Environmental Policy

As the first light alloy wheel manufacturer in Turkey and one of the leading firms around the globe in this industry, CMS aims to continuously develop with an efficient Environmental Management System by providing all resources necessary for achieving environmental principles and goals at all stages of its manufacturing and service activities starting from raw material selection.

In order to reach this goal we commit;

- To meet all the expectations of all associated parties related to work processes affecting environmental management system and all legal requirements regarding environment
- To assess the environmental impacts directly or indirectly affected by our organisation with a risk oriented approach
- By analyzing our ecological impacts throughout the value chain; To reduce our environmental impacts on water, soil, air, land use, biodiversity and raw materials, and to turn our impact on the environment into a positive one by developing policies against deforestation.
- Along the our all process to carry out our activities by respecting animal welfare,
- To take responsibility for consequences related to waste management and environmental impacts in the context of our environmental management system
- To achieve the goals regarding environmental management system that we planned and to provide the funds for the encouragement of continuous development of it,
- To reduce our Carbon Footprint with the awareness that

climate change can have direct and indirect long-term effects on our production activities and supply chain, we determine our Greenhouse Gas Reduction strategies in line with our greenhouse gas calculations and reduce our carbon footprint,

- Aware of our responsibility for the health of people and ours natural life, we aim to reduce VOC (Volatile Organic Compounds) emissions and environmental noise.
- To work within the scope of energy efficiency and to consider renewable energy opportunities,
- To reduce water consumption by using water resources effectively,
- To produce in a way which has a minimal effect in the air and water quality during our activities.
- Conduct studies to decrease the use of natural resources and to monitor and control results of such measurement efforts in order to prevent pollution and protect the environment;
- To make production with least harm to the environment with the processes of selection, usage and waste of chemicals with awareness of chemical management responsibility,
- To provide all necessary resources like trainings, information, etc. to ensure participation of all interested parties in our Environmental Management System and to incentivise such interested parties by rewarding their participation;
- To focus on the usage of recyclable materials in scope of life-long cycle approach and to prioritise the usage of materials that are not harmful to the environment,

We acknowledge and declare.



# Environmental Impact Management

## Energy and Climate Change Management

As part of our efforts to combat climate change, energy efficiency and conservation form key elements of our sustainability strategy, contributing significantly to reducing our environmental impact.

We conduct our energy efficiency activities in accordance with our Energy Policy, which we have developed in line with the ISO 50001 Energy Management System Standard. CMS Group fulfills energy management requirements at all stages, from supplier selection to production and service processes, aiming for continuous improvement and efficient resource use.

In order to reach this aim we commit;

- To set policy-compliant targets with the participation of our employees, to create actions to achieve these goals, to provide the necessary information and resources by our management,
- To ensure by the senior management that all information and resources, integrity, availability, accessibility, review and updating of information in order to achieve energy-related goals and objectives,

- To follow the applicable laws, regulations and other requirements related to energy efficiency, energy use and energy consumption,
- To ensure the efficient use of natural resources and energy,
- To use energy-efficient products for the improvement of energy performance, to consider energy efficiency in the purchase of energy services and related design works,
- To improve the energy performance continuously.

We are turning to clean and renewable energy sources in order to increase our energy performance and combat climate change more effectively.

In this context, we plan our environmental investments with the aim of increasing our renewable energy consumption rate and reducing our carbon footprint.

You can access our Energy Policy at <https://www.cms.com.tr/en/corporate/our-policies>



# Environmental Impact Management

## We Are Resolutely Moving Towards Climate-Friendly Production



Within the scope of the Greenhouse Gas Management System we conduct in accordance with the ISO 14064-1 standard, we regularly measure, report, and monitor our greenhouse gas emissions arising from our operations through verification processes. These data form the basis of our reduction-focused strategies. We aim to reduce our emissions through energy efficiency practices, process improvements, and transition projects to low-carbon technologies. With our investments in increasing the use of clean energy, we are making our production processes more sustainable and moving away from carbon-intensive activities.

To manage the potential impacts of climate change, we analyze physical and transition risks that could affect both our direct operations and our supply chain. In this context, we develop plans aimed at turning climate risks into opportunities and protecting our business continuity. With the short-, medium-, and long-term action steps we have prepared, we assess potential impacts in advance and implement practices that will reduce our energy consumption and optimize resource use. Thanks to this approach, we are creating a more resilient organizational structure against climate change, reducing our environmental impact, and supporting our sustainable growth goal.

### Water Management

We are aware that clean water resources are decreasing day by day due to climate change.

We know that water is vital for both the continuity of life and our production processes, and we therefore consider water management to be one of the priority areas of our sustainability strategy.

We develop our water management strategies in line with national and international agreements, conferences, regulations, and the characteristics of the geographical region in which we operate.

In order to leave a livable world and clean water resources for future generations, we carry out comprehensive studies on water efficiency and effective wastewater management.

Through these efforts, we continuously improve our environmental performance and contribute to the protection of water resources.

### Waste Management

We implement our waste management approach within the framework of the Zero Waste Principles, the 5R (Refuse, Reduce, Reuse, Recycle, Recover) Principle, and the circular economy concept.

In this context, we focus on preventing waste generation at the source and increasing recycling rates in our production processes.

Thanks to our resource efficiency-enhancing practices, we treat waste not merely as an element to be disposed of, but as a valuable resource that can be reintroduced into the economy.

We consider disposal as a last resort; in mandatory situations, we carry out these processes using environmentally sensitive methods.

# Energy and Climate Change Management

## We Deliver Measurable Environmental Responsibility in Every Kilogram of the Wheel

In 2024, we reduced our greenhouse gas emissions by **28%** compared to 2023.

Our CMS Group Board of Directors regularly assesses the risks and opportunities associated with climate change through the Sustainability Committee. Our Board of Directors addresses climate risks and opportunities as a strategic issue and takes proactive steps to mitigate the effects of these risks in line with our sustainable growth objectives.

In this regard, in line with the Paris Climate Agreement, we consider reducing the climate impact of our activities, accelerating the transition to low-carbon production models, and contributing to global emission reduction targets to be among our top priorities.

(GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5)

Physical risks associated with climate change (e.g., extreme weather events, water stress, temperature increases) and transition risks (e.g., regulatory changes, carbon pricing, shifts in customer demands) are important areas of assessment for our company. To mitigate the effects of these risks, we prioritize energy efficiency, renewable energy use, and low-carbon production in our operational processes.

Our renewable energy investments and emission reduction projects are at the forefront of our fight against climate change. In this context, we carry out various projects every year to increase our renewable energy usage rate and reduce our carbon footprint.

Our short-, medium-, and long-term strategies, developed based on risks and opportunities, support the increase in clean energy use, the achievement of our emission targets, and the creation of competitive advantages.

As part of our strategic management of climate risks and opportunities and our transparent reporting approach, we regularly carry out CDP (Carbon Disclosure Project) disclosure processes. In this context, as a result of our 2024 disclosure, we have achieved a B-score in the areas of climate change and water security. The CDP assessment allows external stakeholders to evaluate our approach to addressing climate risks and opportunities, as well as our level of environmental transparency.

As CMS Group, measuring, monitoring, and reducing greenhouse gas emissions from our activities forms the basis of our environmental sustainability strategy. Therefore, in line with the ISO 14064-1 Corporate Carbon Footprint Standard and our Greenhouse Gas Procedure, we review our greenhouse gas inventory annually for Scope 1, 2, and 3 emissions, revise it when necessary, and perform our calculations accordingly.

**CDP** B- Climate change B- Water security



# Energy and Climate Change Management

We ensure our results by conducting independent third-party verification processes for our calculations. Through these efforts, we identify our significant direct and indirect greenhouse gas sources and develop our reduction strategies based on these analyses.

In previous periods, we conducted corporate carbon footprint calculations at the CMS Group level. In 2024, we carried out these calculations by evaluating each commercial title and affiliated facility as a separate unit in order to increase the effectiveness of the processes. In this context, separate emission inventories were prepared for CMS Jant ve Makina Sanayii A.Ş. and CMS Jant Sanayi A.Ş., and third-party verification audits were successfully completed.

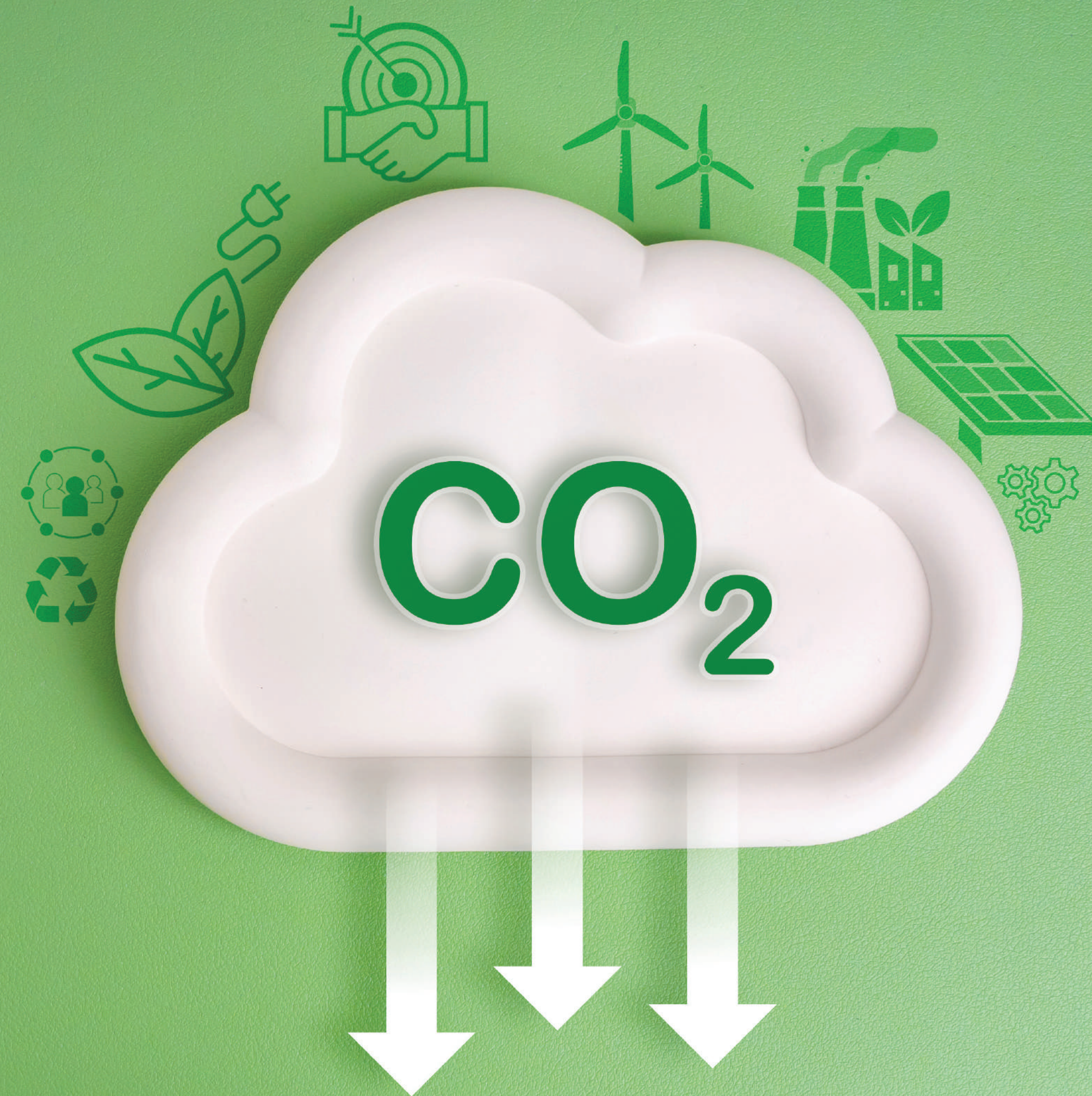
In addition, air emissions from the chimneys at our facilities are regularly monitored, and the hourly mass flow (kg/h) values obtained from the measurements are checked for compliance with the limit values specified in the Industrial Air Pollution Control Regulation.

We carry out our product designs from a life cycle perspective within the scope of the ISO 14001 Environmental Management System. This allows us to promote environmentally friendly production

processes while ensuring resource efficiency and process optimization through our efforts to increase the use of renewable energy, green aluminum (low-carbon primary aluminum), and secondary aluminum (recycled aluminum). This allows us to contribute to our environmental sustainability goals while strengthening our competitive advantage.

In line with our Carbon Emission Reduction Roadmap, we plan to reduce our total carbon emissions by approximately 75% by 2030. Within the scope of the Carbon Emission Reduction Review Meetings we organize with the participation of different department managers, we regularly evaluate the roadmaps we have created, our compliance with the set targets, and our planned actions.

To reduce our carbon emissions, our priority actions include gradually increasing the purchase of Renewable Energy Certificates (I-REC) by 2030 and increasing the use of both green aluminum (primary aluminum produced with renewable energy) and secondary aluminum.



# Energy and Climate Change Management



## Life Cycle Assessment

The Life Cycle Assessment (LCA) study covers the extraction of raw materials required for the production of a wheel, their processing, transportation to the factory, the supply of energy required for production, the consumption of energy and raw materials, production processes, the delivery of the product to the customer, its use, and the end-of-life stage.

As CMS GROUP, we conducted a life cycle analysis (LCA) study for 1 kg of wheel, covering all our product groups, within the cradle-to-gate scope. This analysis evaluates all environmental impacts from raw material sourcing to the product leaving the factory and was conducted using SimaPro software. Based on the results obtained from the life cycle analysis, we have determined our actions to reduce our environmental impact through our Carbon Reduction Roadmap. In this context, we aim to reduce our environmental impact per 1 kg of wheel through continuous improvement efforts.

Furthermore, the data obtained from life cycle assessments provides our company with a significant advantage in terms of complying with new environmental regulations, proactively responding to customer expectations, and meeting supply chain sustainability criteria.

### Our Life Cycle Assessment (LCA) value per 1 kg of wheel;

Source	(kgCO <sub>2</sub> eq)
Raw Material-Related	9.54
Production-Related	1.85
Transportation-related	0.96
<b>Total</b>	<b>12.35</b>

# Energy and Climate Change Management

## 2024 Greenhouse Gas Verification Data

Carbon Footprint Intensity – Revenue: 0.0029 tons CO<sub>2e</sub>/revenue

CATEGORY	CATEGORY	EMISSION TYPE	EMISSION SOURCE	CMS JANT VE MAKİNA	CMS JANT SANAYİ	TOTAL (TONS CO <sub>2e</sub> )
1	1.1 Direct Emissions from Stationary Combustion	Stationary Combustion	Natural Gas	43,735.19	37,140.97	80,876.16
	1.1 Direct Emissions from Stationary Combustion	Stationary Combustion-Generator	Diesel	47.61	2.91	50.53
	1.1 Direct Emissions from Stationary Combustion	Stationary Combustion-Fire Pump	Diesel	-	0.57	0.57
	1.1 Direct Emissions from Stationary Combustion	Welding Gases	Arco-Propane	0.59	2.02	2.62
	1.2 Direct Emissions from Mobile Combustion	Mobile Combustion - On Road	Diesel	120.08	25.05	145.13
	1.2 Direct Emissions from Mobile Combustion	Mobile Combustion - On Road	Gasoline	226.17	54.13	280.30
	1.4 Direct Fugitive Emissions arise from the release of Greenhouse Gases in Anthropogenic Systems	Fugitive Emissions	Refrigerant Gas Fugitives	45.54	34.68	80.22
	1.4 Direct Fugitive Emissions arise from the release of Greenhouse Gases in Anthropogenic Systems	Fugitive Emissions	Fire Suppression System Gas Fugitives	85.56	662.14	747.71
2	1.4 Direct Fugitive Emissions arise from the release of Greenhouse Gases in Anthropogenic Systems	Anthropogenic System Emissions	Dry Ice Consumption	27.50	3.80	31.30
	2.1 Indirect Emissions from Purchased Electricity	Purchased Electricity		57,954.68	26,174.31	84,129.00
3	3.1 Emissions from Upstream Transport and Distribution for Goods	Raw Material Transportation-Related Emissions		18,368.94	9,358.87	27,727.82
	3.2 Emissions from Downstream Transport and Distribution for Goods	Product Transportation-Related Emissions		10,081.78	9,921.29	20,003.07
	3.2 Emissions from Downstream Transport and Distribution for Goods	Emissions from Waste Transportation		198.99	204.39	403.39
	3.3 Emissions from Employee Commuting	Employee Commuting Indirect Emissions		449.50	259.09	708.60
	3.5 Emissions from Business Travels	Business Travel Emissions		39.16	10.17	49.34
	3.6 Emissions from Well-to-Tank (WTT)	WTT-All Fuels		7,012.80	5,873.48	12,886.28

(GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5)



# Energy and Climate Change Management

## 2024 Greenhouse Gas Verification Data

CATEGORY	CATEGORY	EMISSION TYPE	EMISSION SOURCE	CMS JANT VE MAKİNA	CMS JANT SANAYİ	TOTAL (TONS CO2e)
4	4.1 Emissions from Purchased Goods	Emissions from Raw Material Procurement		601,462.56	314,758.22	916,220.78
	4.1 Emissions from Purchased Goods	Electricity Transmission & Distribution		4,720.29	2,131.84	6,852.13
	4.2 Emissions from Capital Goods	Indirect Emissions from Capital Goods		4,196.42	903.75	5,100.18
	4.3 Emissions from the Disposal of Solid and Liquid Waste	Emissions from Waste Disposal		247.10	287.04	534.15
	4.5 Emissions from the Use of Services That Are Not Described in the Above Subcategories	Indirect Emissions from Water Supply and Wastewater Treatment		140.85	151.70	292.60
	4.5 Emissions from the Use of Services That Are Not Described in the Above Subcategories	Indirect Emissions from Other Service Purchases		2,487.20	1,901.56	4,338.77
5	5.3 End-of-Life Emissions from Products	End-of-Life Indirect Emissions of Products		209.68	189.69	399.38
		<b>TOTAL</b>		<b>751,858.29</b>	<b>410,051.84</b>	<b>1,161,910.13</b>

(GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5)

# Energy Efficiency

## Energy Efficiency: The Cornerstone of Our Growth

Natural Gas Savings  
in 2024  
**3,840,734 kWh/year**  
**700 tons CO<sub>2e</sub>**  
emissions reduction

Electricity Savings  
in 2024  
**3,414,217 kWh/year**  
**1,509 tons CO<sub>2e</sub>**  
emissions reduction

In line with our goal of leaving a more livable world for future generations, we view energy as a strategic resource and place energy management at the heart of our sustainability approach. Energy is not only one of the key inputs in our production processes, but also a critical factor that directly impacts our carbon emissions. Therefore, using energy efficiently and reducing our energy consumption is an integral part of our environmental responsibility.

As part of our efforts to combat climate change, we approach energy efficiency not as a project, but as a corporate culture. We optimize our production processes, reduce energy losses, prioritize efficiency in our process designs, and carry out projects to continuously improve our energy performance.

We are turning to renewable energy investments to increase the sustainability of our energy performance. With our Solar Power Plant (SPP) projects, we aim to meet an increasingly larger portion of our energy needs from clean and renewable sources, thereby reducing our carbon emissions while contributing to our energy transition.

In line with our company's Energy Policy, we are strengthening our ISO 50001 Energy Management System practices to comply with international standards in energy management. ISO 50001 provides a framework for systematically monitoring, evaluating, and continuously improving energy performance, making the efficient use of energy resources a corporate goal.

Thanks to our energy monitoring and measurement system, we identify points that could cause inefficiency in consumption at an early stage and take the necessary actions. This approach contributes to keeping energy performance under control as well as ensuring continuous improvement. Periodic maintenance and optimization work carried out at all our facilities ensures the efficient operation of equipment and reduces unnecessary energy consumption.

In line with the requirements of the ISO 50001 standard, we perform life cycle costing for equipment and investments that affect energy efficiency. We manage procurement processes not only based on initial investment costs, but also on parameters such as energy consumption, operating and maintenance costs, efficiency potential, and environmental impacts. This allows us to prioritize projects that deliver long-term energy savings and carbon reduction.

To foster an energy management culture across the company, we regularly provide our employees with training and awareness programs covering ISO 50001. These trainings cover topics such as energy efficiency, proper equipment use, performance monitoring, and identifying improvement opportunities, thereby strengthening employee engagement. Furthermore, we share our energy efficiency approach with our suppliers and business partners, encouraging our stakeholders to participate in this process and aiming to spread sustainable energy management throughout our entire value chain.



# Energy Efficiency

## Our Renewable Energy Investments

In line with our sustainability vision, we prioritized renewable energy investments in addition to energy efficiency applications in 2024. Solar power plant (SPP) projects, in particular, are a key focus of our strategic energy transition. With these investments, we aim to meet a significant portion of our total energy needs directly from solar energy. Ground-mounted SPP projects reduce energy costs and lower our carbon emissions thanks to their high production capacity and scalable structure. Following the rooftop SPP investment we launched in 2023, our ground-mounted SPP project commissioned in 2024 aims to contribute not only to our company's energy transition but also to our country's renewable energy capacity.

With these projects, we aim to:

- Increase our annual renewable energy production capacity,
- Meet a large portion of our energy consumption from sustainable sources,
- Develop large-scale clean energy investments that will set an example in our sector,
- Contribute to our carbon neutral goals in our supply chain and production processes.

We are continuing our determination to leave a more livable world for future generations by maintaining our renewable energy investments uninterrupted in the coming years.

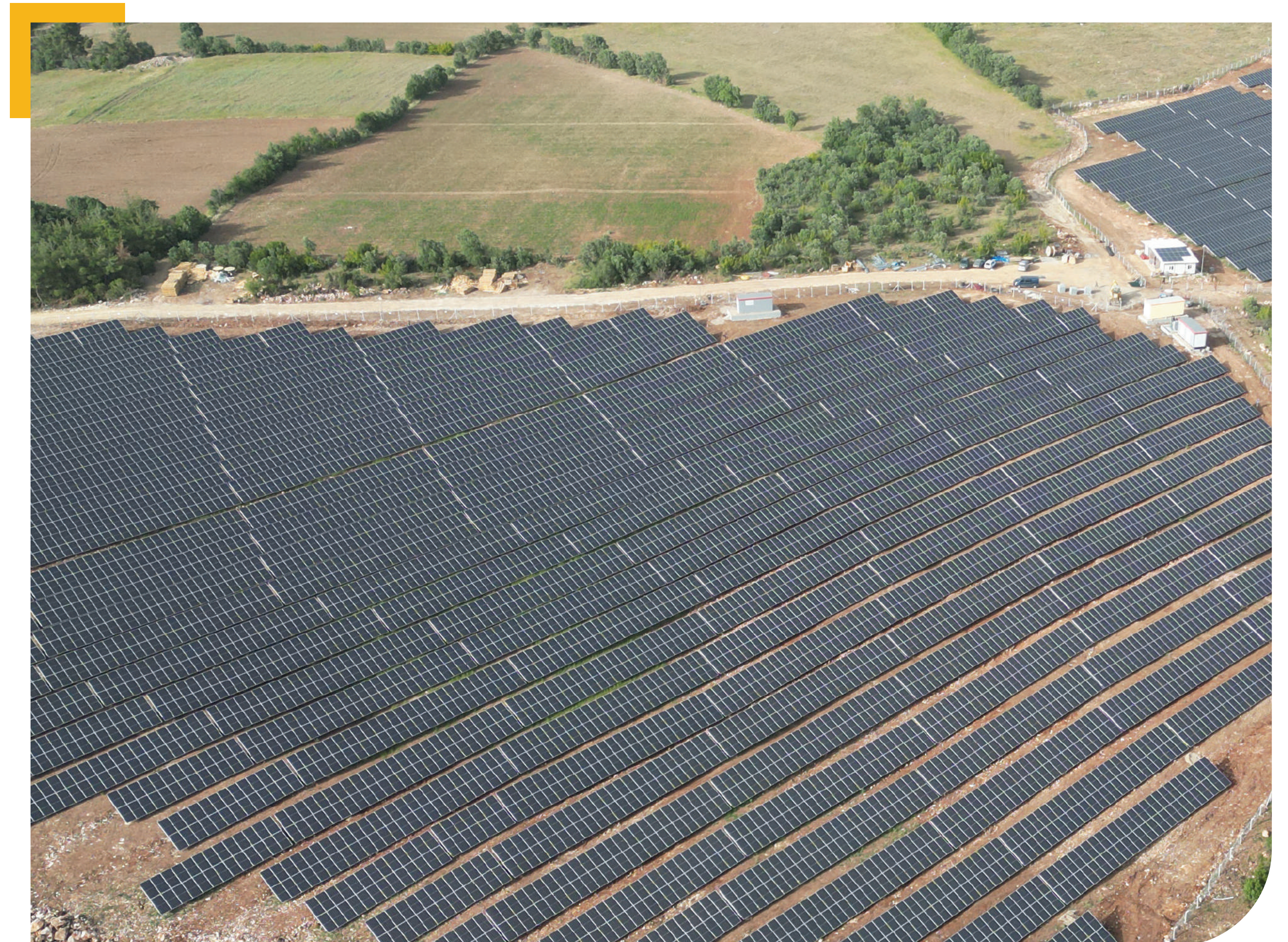
## 2024 Energy Efficiency Investment Success

The effectiveness of our investments in energy efficiency and our ISO 50001 applications has been certified by the 2024 Türkiye EN-VERİM 100 Survey.

In this survey, CMS Group:

- Ranked 8th among companies investing the most in energy efficiency in Türkiye,
- Ranked 2nd in the automotive sector.

This success demonstrates that we treat energy management as a strategic priority and that our investments translate into tangible performance results. We are committed to continuing our investments in energy efficiency projects, technology, and infrastructure in the coming periods, maintaining our determination to be a pioneer in sustainable energy management.



# Energy Efficiency

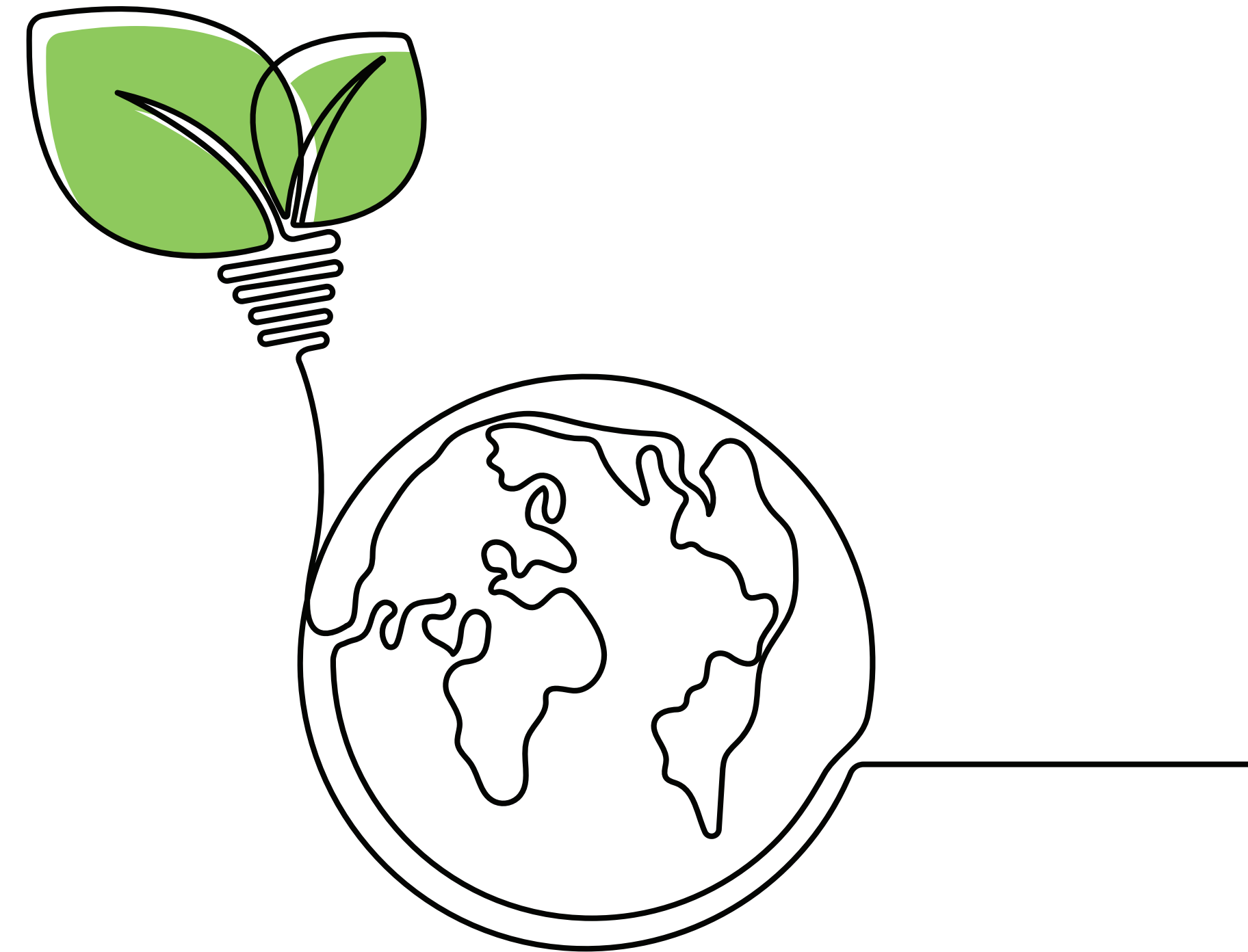
The distribution of energy sources across our four production facilities in 2024;

Pınarbaşı			
Energy Type	2024 Energy Source Distribution		
	kWh/Year	TEP	TJ
Electricity	48,850,908	4,201	176
Natural Gas	98,481,757	7,636	320
<b>Total</b>	<b>147,332,665</b>	<b>11,837</b>	<b>496</b>

Çiğli-1			
Energy Type	2024 Energy Source Distribution		
	kWh/Year	TEP	TJ
Electricity	52,370,089	4,504	189
Natural Gas	102,637,387	7,958	333
<b>Total</b>	<b>155,007,477</b>	<b>12,462</b>	<b>522</b>

Çiğli-2			
Energy Type	2024 Energy Source Distribution		
	kWh/Year	TEP	TJ
Electricity	28,378,375	2,441	102
Natural Gas	48,302,143	3,745	157
<b>Total</b>	<b>76,680,518</b>	<b>6,186</b>	<b>259</b>

Gaziemir			
Energy Type	2024 Energy Source Distribution		
	kWh/Year	TEP	TJ
Electricity	105,659,337	9,087	380
Natural Gas	211,688,900	16,414	687
<b>Total</b>	<b>317,348,237</b>	<b>25,501</b>	<b>1,068</b>



# Energy Efficiency

Year	Facility	Implementation Date	Project Name	Energy	Scope	Annual Revenue Achieved (kWh)
2024	Çiğli-1	Jan. 24	Compressor optimization based on production variability	Electricity	Do It Now	53,079
2024	Gaziemir	Jan. 24	Compressor optimization based on production variability	Electricity	Do It Now	62,188
2024	Gaziemir	Jan. 24	Installation of on-off valves on compressor cooling water lines	Electricity	Agile	86,400
2024	Gaziemir	Jan. 24	Agile project (Compressed Air)	Electricity	Project	2,428,236
2024	Pınarbaşı	Jan. 24	Compressor optimization based on production variability	Electricity	Do It Now	50,114
2024	Gaziemir	Feb. 24	Installation of a ventilation system in the compressor room	Electricity	Do it now	136,000
2024	Çiğli-1	Feb. 24	Andreas-2 Waste Heat Recovery (Economizer)	Natural Gas	Project	461,298
2024	Çiğli-1	Feb. 24	Andreas-2 Refractory renewal	Natural Gas	Project	121,800
2024	Gaziemir	Feb. 24	Compressor cooling circuit overhaul	Electricity	Project	41,880
2024	Pınarbaşı	Jun.24	Replacement of continuously operating pump motors in the paint shop with IE3/IE4 high-efficiency motors	Electricity	Project	43,200
2024	Çiğli-1	Jun.24	Renewal of Thermal Treatment-2 insulation	Natural gas	Project	437,400
2024	Gaziemir	Jun. 24	Replacement of suitable electric motors with high-efficiency IE3/IE4 motors	Electricity	Project	120,000
2024	Çiğli-1	Jun.24	Replacement of inefficient chillers	Electricity	Project	393,120
2024	Çiğli-1	July 24	Use of heat treatment-quenching pool temperatures	Natural gas	Project	690,030
2024	Gaziemir	July 24	Refractory renewal in the SEO-2 holding area	Natural Gas	Project	89,886

Year	Facility	Implementation Date	Project Name	Energy	Scope	Annual Revenue Achieved (kWh)
2024	Gaziemir	Jan. 24	Rolling out the natural gas meter monitoring system to all counters	Natural Gas	Project	780,000
2024	Çiğli-1	Every Shutdown	SEO-1, 2, and 3 January burner maintenance	Natural Gas	Periodic	227,510
2024	Çiğli-1	Every Shutdown	Thermal processing burner maintenance	Natural gas	Periodic	178,544
2024	Pınarbaşı	Every Shutdown	SEO-1, 2, and 3 January burner maintenance	Natural Gas	Periodic	159,238
2024	Pınarbaşı	Every Shutdown	Paint shop burner maintenance	Natural Gas	Periodic	110,582
2024	Pınarbaşı	Every Shutdown	Thermal Processing burner maintenance	Natural Gas	Periodic	101,735
2024	Çiğli-1	Every Shutdown	Paint shop burner maintenance	Natural Gas	Periodic	92,571
2024	Çiğli-1	Every Shutdown	AAT Furnace burner maintenance	Natural Gas	Periodic	88,663
2024	Çiğli-1	Every Shutdown	Maintenance of Andres furnace burners	Natural Gas	Periodic	82,272
2024	Çiğli-1	Every Shutdown	Paint shop burner maintenance	Natural Gas	Periodic	62,598
2024	Çiğli-1	Every Shutdown	Thermal processing burner maintenance	Natural gas	Periodic	54,052
2024	Gaziemir	Every Shutdown	PAINT SHOP A-B-C Burner maintenance	Natural Gas	Periodic	48,332
2024	Gaziemir	Every Shutdown	TALAŞ MELTING FACILITIES AAT 1-2 Burner maintenance	Natural Gas	Periodic	42,758
2024	Gaziemir	Every Shutdown	HOT WATER BOILERS 1-2-Burner maintenance	Natural Gas	Periodic	11,465

(GRI 3-3, 302-1, 302-2, 302-4)

# Waste Management

## We Embrace Waste Management That Protects Resources and Strengthens the Cycle



We integrate our work, carried out in accordance with the requirements of the ISO 14001 Environmental Management System, with the Zero Waste principles and the 5R (Refuse, Reduce, Reuse, Recycle, Recover) approach.

Waste generated at all our facilities is classified by type, recorded, and managed through licensed companies based on recovery priority. Disposal is considered only as a last resort.

This systematic approach allows us to reduce our environmental impact while strengthening the raw material cycle and reinforcing our sustainable production model.

### Recycling and Resource Efficiency

We return waste generated from our production activities to the economy according to their recyclable potential.

Aluminum shavings, slag, and other production waste are separated within the facility, converted into raw materials, and used for high-efficiency secondary aluminum production.

These practices reduce both energy consumption and carbon emissions, supporting our goal of low-emission wheel production.

Our Non-Hazardous Waste Recovery License is a concrete demonstration of our commitment to recycling and the circular economy. With this license, we treat the waste

generated in our production processes not only as items that need to be disposed of, but also as reusable resources, thereby strengthening material circularity and reinforcing our sustainable production model.

Our resource efficiency approach is not limited to production but is also supported by packaging optimization and reuse practices in the supply chain.

### Waste Reduction in Packaging and Logistics Processes

In packaging and logistics processes, we develop environmentally friendly solutions to minimize the environmental impact of our supply chain operations.

Using SNP (Supply Distribution Planning) software, we optimize order and shipment processes to keep both packaging material usage and waste quantities to a minimum.

This approach focuses on preventing waste before it is generated (upstream reduction) during production and distribution stages.

Furthermore, we continue to explore alternative materials to increase the proportion of recyclable content in our packaging materials and reduce single-use plastics.

### Waste Classification and Disposal

All waste generated at CMS Group is separated according to type in line with the source separation principle, regularly recorded, and managed in a traceable manner.

Waste management processes are carried out in accordance with the procedures within the scope of the Environmental Management System and the Waste Management Plan; legal requirements are meticulously applied at every stage.

Collected waste is sent to licensed companies authorized by the Ministry of Environment, Urbanization, and Climate Change, based on the priority of recovery.

Waste that cannot be recycled is managed using environmentally sensitive disposal methods, and this step is considered only as a last resort.

Our primary goal in waste management is not only to manage the waste generated but also to minimize waste generation through a culture of continuous improvement and to promote a preventive environmental approach throughout the organization.

In this regard, we are steadfastly continuing our efforts to reduce waste at source, increase recycling rates, and minimize the need for disposal in all our processes.

### Resource Efficiency and Circular Economy-Focused Approach

In line with our vision of “Leave a future, not waste,” we approach waste management not only as an environmental responsibility but also as a fundamental element of our resource efficiency and circular economy strategy.

(GRI 3-3, 306-1, 306-2, 306-3)

# Waste Management

## Training, Awareness, and Sensitization

The sustainability of waste management performance is possible not only through systems but also through the awareness of human resources.

With this understanding, we run a comprehensive environmental and waste management training program that ensures the participation of all our employees.

In the training sessions we organized for blue-collar and white-collar employees in 2024, we focused on:

- Zero Waste approach,
- Waste separation and reduction at source,
- Hazardous waste management and safe storage,
- Personal environmental responsibility awareness.

In addition, monthly waste performance reports prepared by our Senior Health, Safety, and Environment Department are shared with all employees, thus ensuring that awareness is constantly maintained. Thanks to this culture of awareness, we have achieved a 100% compliance rate with the waste management system.

In addition, monthly waste performance reports prepared by our Senior Health, Safety, and Environment Department are shared with all employees, ensuring that awareness is constantly maintained. Thanks to this culture of awareness, our employees contribute to our waste management processes not only within the scope of their job descriptions but also as environmental ambassadors on a voluntary basis.

## Chemical and Hazardous Waste Management

Hazardous and chemical waste management is a fundamental component of CMS Group's proactive environmental risk management approach. As a result of environmental dimension and impact assessments conducted at our facilities, processes and areas posing a spill risk are identified; leak-proof flooring applications in these areas prevent potential contamination. Chemical storage, transfer, and usage areas are continuously monitored through regular maintenance programs and periodic inspections, thereby preventing spill or leakage risks before they occur. Spill response kits located in hazardous areas ensure that any spill is contained immediately and prevented from reaching soil or water in the event of a potential emergency. Spill response drills are conducted at specific intervals to enhance the effectiveness of the system. Through these drills, our employees learn how to respond quickly and in a coordinated manner to chemical spills, use appropriate personal protective equipment, and take practical steps to minimize environmental impacts. These practices strengthen our proactive environmental management culture while increasing our capacity for effective response in the event of potential incidents. Hazardous waste is temporarily stored safely within the facility, labeled, and sent to licensed disposal or recovery companies in accordance with regulations. All these processes are carried out within the framework of the ISO 14001 Environmental Management System, ensuring that environmental impacts are managed before they occur. In 2024, there were no incidents of environmental spills reaching the receiving environment at any of our facilities.

Our waste quantities for 2024 are as follows:



# Water and Wastewater Management

*We Follow a Strategic Roadmap for the Efficient Use of Water, Risk Reduction, and the Evaluation of Opportunities*



Water is an integral part of our production activities and a fundamental element of our sustainability. Izmir is a city with high water stress, which further increases our responsibility to use water efficiently, reuse it, and protect it. With this awareness, CMS Group approaches water management not only as an operational necessity but also as a fundamental element of our natural resource conservation and climate change adaptation strategy. Within the framework of the ISO 14001 Environmental Management System, we regularly monitor and report on water consumption, reuse, discharge quality, and efficiency indicators.

## Water Consumption and Management

Water consumption is systematically measured and analyzed at all our facilities, including production, processes, auxiliary facilities, and employee usage.

The data obtained is used to identify areas of highest water use and opportunities for improvement.

Risk analyses are conducted to cover external factors such as physical water scarcity, water stress, and operational water interruptions, and preventive action plans are developed based on the results of these analyses.

Thus, water management is not limited to controlling consumption but becomes a strategic management process through risk reduction and opportunity assessment.

Considering Izmir's high water stress geographical conditions, preventing water losses, evaluating alternative water sources, and increasing reuse capacity form the core focus areas of CMS Group's water management strategy.

## Water Treatment and Discharge

Through the wastewater treatment systems at our facilities, the water used in our operations is treated to meet the discharge standards defined in local regulations.

Parameters such as pH, Chemical Oxygen Demand (COD), and Suspended Solids (SS) in the discharged wastewater are regularly monitored, ensuring that all values remain below legal limits.

This approach both reduces our environmental impact and contributes to the preservation of water quality.

# Water and Wastewater Management

## Efficiency and Reuse

We carry out recycling and reuse projects to ensure more efficient use of water in our facilities, thereby aiming to minimize our impact on existing water resources.

Our Gaziemir factory has a Rainwater Recycling System with a storage capacity of 500 m<sup>3</sup> and a treatment capacity of 36 m<sup>3</sup>/hour, while our Çiğli-2 facility has a system with a rainwater collection and treatment capacity of 10,200 m<sup>3</sup>. Thanks to these systems, part of our water needs is met from non-traditional sources, thereby contributing to both the conservation of water resources and the sustainability of our production processes.

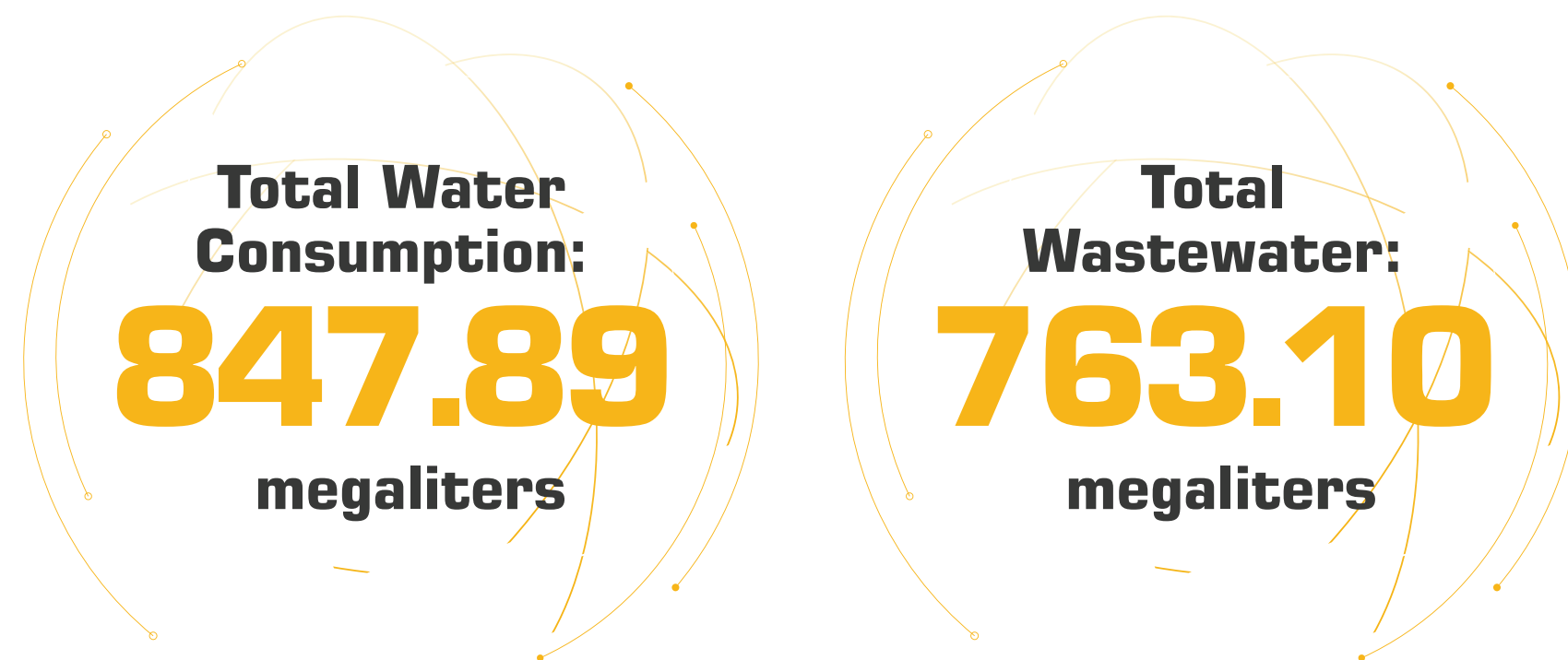
The “Water Efficiency Regulation,” which came into effect in December 2024, makes the efficient use of water and the establishment of a Water Efficiency Management System (WEMS) mandatory in industrial facilities.

In this context, CMS Group will begin preparations for the installation of SVYS in our facilities. In line with the regulation, in addition to our existing practices, improvement efforts will be carried out to map water usage points, strengthen the measurement infrastructure, determine water efficiency indicators, and increase the efficiency of existing systems. Furthermore, in order to support the conscious and economical use of water, awareness and behavior change training will be provided, and applications based on technical improvements will be implemented.

In parallel with our water efficiency efforts, calculations will be made under the ISO 14046 Water Footprint Standard to determine our water footprint performance.

This will ensure compliance with legal requirements and establish a robust water management model aligned with CMS Group’s resource efficiency and water circularity objectives.

Water Consumption and Wastewater Values (2024)





# APPENDICES

# Appendix-1 Performance Indicators

## HR Training and Development

Employees (By Gender)							
GENDER	2022	2023			2024		
	Total	Blue-collar	White-collar	Total	Blue-collar	White-collar	Total
Female	162	0	165	165	0	167	167
Male	3,678	2,902	516	3,418	2,916	508	3,424
<b>Total</b>	<b>3,840</b>	<b>2,902</b>	<b>681</b>	<b>3,583</b>	<b>2,916</b>	<b>675</b>	<b>3,591</b>

Employees (By Age)							
AGE RANGE	2022	2023			2024		
	Total	Blue-collar	White-collar	Total	Blue-collar	White-collar	Total
< 30	1,115	856	164	1,020	913	159	1,072
30 - 50	2,647	2,033	451	2,484	1,959	478	2,437
> 50	78	46	33	79	44	38	82

Breakdown of Employees by Region							
REGIONS	2022	2023			2024		
	Total	Blue-collar	White-collar	Total	Blue-collar	White-collar	Total
Mediterranean Region	8	5	3	8	10	6	16
Eastern Anatolia Region	65	77	5	82	122	21	143
Aegean Region	193	163	33	196	210	54	264
Southeastern Anatolia Region	35	62	5	67	54	4	58
Central Anatolia Region	42	63	7	70	62	10	72
Black Sea Region	59	70	11	81	33	11	44
Marmara Region	26	8	9	17	21	8	29
<b>Total</b>	<b>428</b>	<b>448</b>	<b>73</b>	<b>521</b>	<b>512</b>	<b>114</b>	<b>626</b>

Employees in Management Bodies (By Gender)					
GENDER	2022	2023		2024	
	Senior Supervisor	Senior Supervisor	Ratio	Senior Supervisor	Ratio
Female	18	30	28%	27	24%
Male	72	79	72%	86	76%

Employees in Management Bodies (By Age)			
AGE RANGE	2022	2023	2024
	Senior Supervisor	Senior Supervisor	Senior Supervisor
< 30	1	6	2
30 - 50	84	98	105
> 50	5	5	6

# Appendix-1 Performance Indicators

## HR Training and Development

Employees Covered by Collective Bargaining Agreement			
	2022	2023	2024
Employees Percentage	81%	81%	81%

Cinsiyete Göre İşbaşı Yapan Kişi Sayısı			
	2022	2023	2024
Kadın	34	38	47
Erkek	394	483	1.030

Number of Subcontracted Employees			
	2022	2023	2024
Cleaning	233	303	363
Security	44	45	47
Health	21	20	18

Blood Donation			
	2022	2023	2024
Unit	499	259	172

Education Aid			
	2022	2023	2024
People	1,557	1,366	1,399
Amount	2,293,573.73	4,371,695.18	7,677,428.46

Training Hours per Employee			
	2022	2023	2024
Training Hours per Employee	24	22	24

Male Employees on Parental Leave			
	2022	2023	2024
Days	1,068	872	931
People	220	181	193

Breakdown of Employees by Age Groups			
	2022	2023	2024
< 30	417	339	692
30 - 50	228	182	377
> 50	2	0	8

Environmental and OHS Trainings per Employee						
	2022		2023		2024	
	Blue-collar	White-collar	Blue-collar	White-collar	Blue-collar	White-collar
OHS Trainings (Online)	4.67	10.69	3.84	8.55	4.39	7.91
OHS Trainings (In-class)						
Environmental Trainings (Online)	2.94	6.85	0.41	1.15	0.48	1.07
Environmental Trainings (In-class)						

# Appendix-1 Performance Indicators

## Energy

PINARBAŞI									
Energy Type	2022			2023			2024		
	kWh/year	TEP	TJ	kWh/year	TEP	TJ	kWh/year	TEP	TJ
Electricity	43,641,535.08	3,753.17	157.12	44,652,699.68	3,840.13	160.76	48,850,908	4,201	176
Natural gas	90,194,154.99	6,993.44	292.77	93,658,618.35	7,262.06	304.02	98,481,757	7,636	320
<b>Total</b>	<b>133,835,690.07</b>	<b>10,746.61</b>	<b>449.90</b>	<b>138,311,318.03</b>	<b>11,102.20</b>	<b>464.78</b>	<b>147,332,665</b>	<b>11,837</b>	<b>496</b>

ÇİĞLİ-1									
Energy Type	2022			2023			2024		
	kWh/year	TEP	TJ	kWh/year	TEP	TJ	kWh/year	TEP	TJ
Electricity	52,634,604.40	4,526.58	189.50	54,003,184.65	4,644.27	194.43	52,370,089	4,504	189
Natural gas	101,676,166.58	7,883.73	330.04	102,442,718.00	7,943.16	332.53	102,637,387	7,958	333
<b>Total</b>	<b>154,310,770.98</b>	<b>12,410.30</b>	<b>519.54</b>	<b>156,445,902.65</b>	<b>12,587.44</b>	<b>526.96</b>	<b>155,007,477</b>	<b>12,462</b>	<b>522</b>

# Appendix-1 Performance Indicators

## Energy

ÇİĞLİ-2									
Energy Type	2022			2023			2024		
	kWh/year	TEP	TJ	kWh/year	TEP	TJ	kWh/year	TEP	TJ
Electricity	28,046,174.30	2,411.97	100.97	27,144,068.70	2,334.39	97.73	28,378,375	2,441	102
Natural gas	36,967,949.22	2,866.41	120	45,128,038.54	3,499.12	146.49	48,302,143	3,745	157
<b>Total</b>	<b>65,014,123.52</b>	<b>5,278.38</b>	<b>220.97</b>	<b>72272107.24</b>	<b>5,833.51</b>	<b>244.21</b>	<b>76,680,518</b>	<b>6,186</b>	<b>259</b>

GAZİEMİR									
Energy Type	2022			2023			2024		
	kWh/year	TEP	TJ	kWh/year	TEP	TJ	kWh/year	TEP	TJ
Electricity	99,377,764.40	8,546.49	357.79	99,820,561	8,585	359	105,659,337	9,087	380
Natural gas	196,136,471.50	15,207.95	636.67	202,854,013	15,729	658	211,688,900	16,414	687
<b>Total</b>	<b>295,514,235.90</b>	<b>23,754.44</b>	<b>994.46</b>	<b>302,674,574</b>	<b>24,313</b>	<b>1,017</b>	<b>317,348,237</b>	<b>25,501</b>	<b>1,068</b>

# Appendix-1 Performance Indicators

## Environment

AIR EMISSIONS (kg/hour )												
Pollutant Type	2022				2023				2024			
	Gaziemir	Pınarbaşı	Çiğli-1	Çiğli-2	Gaziemir	Pınarbaşı	Çiğli-1	Çiğli-2	Gaziemir	Pınarbaşı	Çiğli-1	Çiğli-2
NOx	1.9103	6.3317	1.9120	2.9367	1.96	5.00	1.27	1.85	0.2500	-	1.2710	1.8477
SOx	0.0000	0.0316	0.0000	0.1640	0.25	0.56	0.64	0.61	-	-	0.6350	0.6087
CO	0.6755	3.3810	1.4450	1.2252	1.48	2.53	0.12	6.95	0.0180	-	0.1180	6.9490
PM	0.4556	0.6598	1.5360	0.0997	1.50	1.19	1.03	0.1	0.1800	-	1.0306	0.0980
TVOC	5.0817	1.5646	3.9610	Not Detected	0.74	0.68	0.7	0.01	-	-	0.7006	0.0055

WATER USE AND WASTEWATER (megaliter)			
	2022	2023	2024
Total Water Consumption	723.36	828.90	847.89
Total Wastewater	649.98	746.20	763.10

NON-HAZARDOUS WASTE (tonnes)			
	2022	2023	2024
Reuse			
Recycle	9,649.40	8,104.00	12,184.28
Composting			
Recovery including energy recovery			
Waste Burning (Collective Burning)			
Deep Well Injection			
Burying	657.22	334.00	803.72
Storing at workplace			
Other			

HAZARDOUS WASTE (tonnes)			
	2022	2023	2024
Reuse	28.02		
Recycle	4,216.50	2,494.00	5,562.31
Composting			
Recovery including energy recovery			
Waste Burning (Collective Burning)			
Deep Well Injection			
Burying	6.43	51.00	62.69
Storing at workplace			
Other			

# Appendix-1 Performance Indicators

Emission Category	Emission Type	2022		2023		2024	
		CMS JANT VE MAKİNA	CMS JANT SANAYİ	CMS JANT VE MAKİNA	CMS JANT SANAYİ	CMS JANT VE MAKİNA	CMS JANT SANAYİ
Category 1 : Direct Greenhouse Gas Emissions	1.1 Stationary Combustion	46,332.15	39,699.87	43,651.26	35,744.83	43,783.39	37,146.47
	1.2 Mobile Combustion - On Road	216.19	121.61	213.31	119.99	346.25	79.18
	1.4 Fugitive Emissions	150.37	1,114.55	90.27	129.51	158.60	700.62
Category 2: Indirect GHG Emissions from Purchased Energy	2. Purchased Electricity	54,328.95	43,274.75	55,848.64	33,589.17	57,954.68	26,174.31
Category 3: Indirect GHG Emissions from Transportation	3.1 Emissions from Upstream Transport and Distribution for Goods	8,010.40	4,505.85	11,332.67	6,374.63	18,368.94	9,358.87
	3.2 Emissions from Downstream Transport and Distribution for Goods	13,283.06	7,471.72	65,607.24	36,904.07	10,280.77	10,125.68
	3.3 Emissions from Employee Commuting	634.37	356.83	480.44	270.25	449.50	259.09
	3.5 Emissions from Business Travels	216.67	121.87	215.56	121.25	39.16	10.17
	3.6 Emissions from Well-to-Tank (WTT)	15,687.84	8,824.41	13,862.00	7,797.37	7,012.80	5,873.48
Category 4: Indirect GHG Emissions from Purchased Products and Services	4.1 Emissions from Purchased Goods	767,862.56	431,922.69	828,362.60	465,954.00	606,182.85	316,890.06
	4.2 Emissions from Capital Goods	872.18	490.60	682.50	383.91	4,196.42	903.75
	4.3 Emissions from the Disposal of Solid and Liquid Waste	947.52	532.98	167.37	94.14	247.10	287.04
	4.5 Emissions from purchased services	4,585.02	2,579.07	3,804.21	2,139.87	2,628.05	2,053.26
Category 5: Indirect GHG Emissions from the Use of Products and End-of-Life Treatment of Sold Products	5.2 Indirect Emissions from the End-of-Life Treatment of Sold Products	1,125.72	633.22	359.74	202.35	209.68	189.69

# Appendix-2 GRI Content Index



2026

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Turkish version of the Report.

<b>Statement of use</b>		CMS has reported in accordance with the GRI Standards for the period January 1 - December 31, 2024.	
<b>GRI 1:</b>		GRI 1: Foundation 2021	
<b>Applicable GRI Sector Standard(s)</b>		Since the sector standard for the automotive industry has not been prepared yet, no sector standard has been used	
GRI Standard	Disclosure	Title	Page Number
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021		About the Report	6-7
	GRI 2-1 Organizational details	About CMS	10
		Our Production Facilities	17
	GRI 2-2 Entities included in the organization’s sustainability reporting	About the Report	6-7
	GRI 2-3 Reporting period, frequency and contact point	About the Report	6-7
	GRI 2-4 Restatements of information	There is no revised statement regarding the information provided in previous reports.	
	GRI 2-5 External assurance	About the Report	6-7
	GRI 2-6 Activities, value chain and other business relationships	About CMS	10
	GRI 2-7 Employees	Our Human Resources Approach and Practices	60-64
		Appendix -1 Performance Indicators	98-103
	GRI 2-8 Workers who are not employees	Appendix -1 Performance Indicators	98-103
	GRI 2-9 Governance structure and composition	Corporate Governance Structure and Committees	25-27
	GRI 2-10 Nomination and selection of the highest governance body	Corporate Governance Structure and Committees	25-27
	GRI 2-11 Chair of the highest governance body	Corporate Governance Structure and Committees	25-27
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure and Committees	25-27
	GRI 2-13 Delegation of responsibility for managing impacts	Corporate Governance Structure and Committees	25-27
GRI 2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Governance	28	
GRI 2-15 Conflicts of interest	Ethics and Compliance	35-36	
GRI 2-16 Communication of critical concerns	Ethics and Compliance	35-36	

# Appendix-2 GRI Content Index

GRI Standard	Disclosure	Title	Page Number
<b>General Disclosures</b>			
GRI 2: Genel Açıklamalar 2021	GRI 2-17 Collective knowledge of the highest governance body	Our Sustainability Governance	28
	GRI 2-18 Evaluation of the performance of the highest governance body	Our Sustainability Strategy	29
	GRI 2-19 Remuneration policies	Our Human Resources Approach and Practices	60-64
	GRI 2-20 Process to determine remuneration	Our Human Resources Approach and Practices	60-64
	GRI 2-21 Annual total compensation ratio	Omission (Confidentiality constraints) : The information is not disclosed due to the confidential nature of internal compensation data	
		Our Journey Toward Sustainable Success	12
	GRI 2-22 Statement on sustainable development strategy	Key Developments During the Reporting Period	18-21
		Our Sustainability Strategy	29
	GRI 2-23 Policy commitments	Our Vision, Mission and Principles	11
	GRI 2-24 Embedding policy commitments	Our Vision, Mission and Principles	11
	GRI 2-25 Processes to remediate negative impacts	Risk Management and Business Continuity	40
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance	35-36
	GRI 2-27 Compliance with laws and regulations	Ethics and Compliance	35-36
		Occupational Health and Safety	71-75
	GRI 2-28 Memberships	Stakeholder Engagement	34
GRI 2-29 Approach to stakeholder engagement	Stakeholder Engagement	34	
GRI 2-30 Collective bargaining agreements	Our Human Resources Approach and Practices	60-64	
<b>Material Topics</b>			
GRI 3: Material Topics 2021	GRI 3-1 Process to determine material topics	Our Prioritization Approach	30
	GRI 3-2 List of material topics	Key Focus Areas	31-33

# Appendix-2 GRI Content Index

GRI Standard	Disclosure	Title	Page Number
<b>Economic Performance</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Our Economic Performance	13-16
GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed	Our Economic Performance	13-16
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	Our Economic Performance	13-16
<b>Ethics and Compliance</b>			
GRI 3: Material Topics 2021	GRI 3-3 Operations assessed for risks related to corruption	Ethics and Compliance	35-36
GRI 205: Anti Corruption 2016	GRI 205-1 Operations assessed for risks related to corruption	Ethics and Compliance	35-36
	GRI 205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance	35-36
<b>Diversity, Equal Opportunity and Non-discrimination</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Anti-Bribery and Anti-Corruption	37
		Our Human Resources Approach and Practices	60-64
GRI 206: Anti competitive Behavior 2016	GRI 206-1 Anti-competitive behavior	Anti-Bribery and Anti-Corruption	37
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	Our Human Resources Approach and Practices	60-64
		Appendix -1 Performance Indicators	98-103
		GRI 405-2 Ratio of basic salary and remuneration of women to men	Our Human Resources Approach and Practices

# Appendix-2 GRI Content Index

GRI Standard	Disclosure	Title	Page Number
<b>Energy Efficiency</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Energy Efficiency	89-92
	GRI 302-1 Energy consumption within the organization	Energy Efficiency	89-92
GRI 302: Energy 2016	GRI 302-2 Energy consumption outside of the organization	Energy Efficiency	89-92
	GRI 302-4 Reduction of energy consumption	Energy Efficiency	89-92
<b>Water and Wastewater Management</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Water and Wastewater Management	95-96
	GRI 303-1 Interactions with water	Water and Wastewater Management	95-96
GRI 303: Water and Effluents 2018	GRI 303-2 Management of water discharge-related impacts	Water and Wastewater Management	95-96
	GRI 303-3 Water withdrawal	Water and Wastewater Management	95-96
	GRI 303-4 Water discharge	Water and Wastewater Management	95-96
	GRI 303-5 Water consumption	Water and Wastewater Management	95-96
<b>Emission Management</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Energy and Climate Change Management	84-88
	GRI 305-1 Direct (Scope 1) GHG emissions	Energy and Climate Change Management	84-88
	GRI 305-2 Direct (Scope 2) GHG emissions	Energy and Climate Change Management	84-88
GRI 305: Emissions 2016	GRI 305-3 Direct (Scope 3) GHG emissions	Energy and Climate Change Management	84-88
	GRI 305-4 GHG emissions intensity	Energy and Climate Change Management	84-88
	GRI 305-5 Reduction of GHG emissions	Energy and Climate Change Management	84-88
	GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) other significant air emissions	Appendix -1 Performance Indicators	98-103



# Appendix-2 GRI Content Index

GRI Standard	Disclosure	Title	Page Number
<b>Waste Management</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Waste Management	93-94
	GRI 306-1 Waste generation and significant waste-related impacts	Waste Management	93-94
GRI 306: Waste 2020	GRI 306-2 Management of significant waste-related impacts	Waste Management	93-94
	GRI 306-3 Waste generated	Waste Management	93-94
<b>Environmental and Social Compliance of Suppliers</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Our Supply Chain	53-57
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1 New suppliers that were screened using environmental criteria	Our Supply Chain	53-57
	GRI 308-2 Negative environmental impacts in the supply chain and actions taken	Our Supply Chain	53-57
GRI 414: Social Assessment of Suppliers 2016	GRI 414-1 New suppliers that were screened using social criteria	Our Supply Chain	53-57
<b>Employee Rights and Employee Satisfaction</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Our Our Human Resources Approach and Practices	60-64
		Our Our Human Resources Approach and Practices	60-64
	GRI 401-1 New employee hires and employee turnover	Appendix -1 Performance Indicators	98-102
GRI 401: Employment 2016	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Our Human Resources Approach and Practices	60-64
	GRI 401-3 Parental leave	Our Our Human Resources Approach and Practices Appendix -1 Performance Indicators	60-64 98-103



# Appendix-2 GRI Content Index

GRI Standard	Disclosure	Title	Page Number
<b>Occupational Health and Safety</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Occupational Health and Safety	71-75
	GRI 403-1 Occupational health and safety management system	Occupational Health and Safety	71-75
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	71-75
	GRI 403-3 Occupational health services	Occupational Health and Safety	71-75
GRI 403: Occupational Health and Safety 2018	GRI 403-4 Worker participation, consultation, and communication	Occupational Health and Safety	71-75
	GRI 403-5 Worker training on occupational health and safety	Occupational Health and Safety	71-75
	GRI 403-6 Promotion of worker health	Occupational Health and Safety	71-75
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	71-75
	GRI 403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	71-75
	GRI 403-9 Work-related injuries	Occupational Health and Safety	71-75
<b>Employee Training and Development</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Employee Training and Development	65-70
GRI 404: Training and Education 2016	GRI 404-1 Average hours of training per year per employee	Employee Training and Development	65-70
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development	65-70



# Appendix-2 GRI Content Index

GRI Standard	Disclosure	Title	Page Number
<b>Product Quality and Safety</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Product Quality and Safety	51
GRI 416: Customer Health and Safety 2016	GRI 416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety	51
	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety	51
		Our Supply Chain	53-57
		Our Logistics Operations	58
GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Management	38-39
<b>Innovation and R&amp;D Activities</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	R&D and Innovation	42-49
<b>Community Investment Programs</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Our Contributions to Society	76-78
<b>Customer Satisfaction</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Product Quality and Safety	51
<b>Contribution to Local Economy</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Our Economic Performance	13-16
<b>Supplier Diversity and Local Procurement</b>			
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Our Supply Chain	53-57



# Appendix-3 ASI Index

Criteria	GRI Reference
1.1 Legal Compliance	GRI 2-12, GRI 2-27, GRI 206-1
1.2 Anti-Corruption	GRI 206-1, GRI 308-1, GRI 308-2, GRI 414-1, GRI 416-2
1.3 Code of Conduct	GRI 2-12, GRI 2-23, GRI 3-3
2.1 Environmental, Social and Governance Policy	GRI 2-9
2.2 Leadership	GRI 2-9, GRI 2-10, GRI 2-13, GRI 2-14
2.3 Environmental and Social Management Systems	GRI 3-2, GRI 3-3
2.4 Responsible Supply	GRI 2-6, GRI 302-1, GRI 302-2, GRI 302-4, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 305-5, GRI 306-2
2.5 Environmental and Social Impact Assessment	GRI 2-23, GRI 3-2, GRI 3-3
2.6 Human Rights Impact Assessment	GRI 401-1, GRI 401-2, GRI 401-3, GRI 405-1, GRI 405-2
2.7 Emergency Response Plan	GRI 403-7
3.1 Sustainability Reporting	GRI 2-2, GRI 2-3, GRI 2-9, GRI 2-10, GRI 2-25, GRI 2-28, GRI 2-29, GRI 3-1, GRI 3-2, GRI 3-3, GRI 405-1, GRI 405-2, GRI 401-3
3.2 Non-Compliance and Liabilities	GRI 2-27, GRI 416-2
3.3 Payments to the Government	GRI 2-28, GRI 2-29, GRI 201-1, GRI 201-2
3.4 Stakeholder Complaints, Grievance Mechanism, and Information Requests	GRI 2-29
4.2 Product Design	GRI 3-3



**Sustainability and Reporting Consultant:**  
Gens Mühendislik ve Uygunluk Değerlendirme Ltd. Şti.  
**Design:**  
Kurgu Medya