

Wheels into the Future



2017-2018
SUSTAINABILITY REPORT



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INTRODUCTION

PRESIDENT & CEO MESSAGE



Bertuğ Ösen PRESIDENT



Dr. Ünal Kocaman CEO

Distinguished Stakeholders,

Leaving behind almost 40 years in the industry, and in light of the principles which have existed since the establishment of the CMS Group and the principles of our Founding Chairman Tonguç Ösen, we continue to grow and to add value to the society we live in.

As a company with sustainability integrated into our way of business, we are proud to issue our third sustainability report which we have prepared in accordance with the reporting principles of Global Reporting Initiative (GRI) Standards.

Given the level of production capacity reached, we are Turkey's largest wheel manufacturer. We are also among Europe's four largest aluminum wheel

manufacturers. As of the end of 2018, more than 100 million wheels made by CMS are being used the world over. With our goal of continued development, we increased our wheel production capacity by 3.5 % as of 2018 year-end, compared with 2016. In 2017 and 2018, we became the biggest exporting company in our region.

While the Ciğli-2 plant, whose foundations were laid in 2017 and which will be operational in January 2020, will increase our local employment rate, we aim to produce 2.5 million wheels per year at this new facility. We predict that the plant, which is being built on the basis of the latest technological advancements, will achieve significant gains also in environmental terms.

Taking into consideration the importance of innovation in our industry, we achieve remarkable success with the practices we continue to develop in sustainability. As customer interest in personalized and innovative products increases day by day, we, at CMS, expand our product range and improve ourselves according to the needs of the market.

In 2017 and 2018, we were deemed worthy of awards on international platforms for our new designs. In the same period, we have been cited as an example to R&D Centers across Turkey, thanks to our success in university-industry cooperation. Through the programs we have developed at our R&D Centre, we pass our expertise on to the young.

Key regulations for sustainability in the automotive industry apply to fuel efficiency, automobile weight, greenhouse gas emissions, waste management and recycling. Especially with the new trend in lighter vehicles, the goal is to reduce emissions. At CMS, we contribute to reducing the negative effects of global climate change by reducing the carbon emissions of vehicles through our research and development activities that meet customer expectations of lighter wheels. In addition, we reduce our impact on the environment by recycling aluminum, our biggest input material, and by reducing the total raw material used within the scope of resource efficiency.

As we share with you in our 2017-2018 report, as a global company that gives emphasis to local values, we have adopted sustainable development goals to guide us in defining our impact. We believe that we contribute to the sustainability of our company and the world, and we set our minds on achieving more.

To better identify our sustainability priorities, we ask for the opinions of our primary stakeholders. You may submit your opinions about our sustainability-based activities in 2017 and 2018 to surdurulebilirlik@cms.com.tr

Thank you for your interest.

Kind regards,

ABOUT THE REPORT

We are pleased to present to you, our stakeholders, our *CMS 2017-2018 Sustainability Report* in which we review the results of our environmental, social, economic, business and ethical responsibility activities.



CMS 2017-2018 Sustainability Report encompasses the activities carried out between 1 January 2017, and 31 December 2018. This report has been prepared in accordance with the GRI Standards: Core option. The content of this report focuses on those subjects considered significant and primary for CMS companies and our stakeholders. An inclusive stakeholder participation process was carried out in the identification of sustainability priorities of CMS companies. The process associated with the identification of priorities in the report is presented under the heading 'Sustainability Priorities'.

Data disclosed within the CMS 2017-2018 Sustainability Report covers the data and activities of all CMS Jant ve Makina Sanayii A.Ş. and CMS Jant Sanayi A.Ş. companies operating in Turkey, unless otherwise stated.

The consolidation of the reported data was facilitated by the contributions of the relevant units within CMS companies. The report was not audited externally.

CMS 2017-2018 Sustainability Report is available in Turkish and English.

We would be happy to hear your opinions and suggestions as to our sustainability activities and the content of this report. You can send these to our email address surdurulebilirlik@cms.com.tr.



ABOUT CMS

ABOUT CMS

Working with aluminum alloy wheels since 1980, CMS companies are Turkey's largest and Europe's fourth largest light alloy wheel producers in terms of capacity. With its leading position in the sector, the CMS Group contributes to the development of the Turkish industry and economy. More than 100 million wheels produced by CMS companies are carrying their users all around the world.

The CMS Group includes three different companies and four different facilities, three of which are located in Turkey and one in Germany, and its headquarters are located in İzmir, Pınarbaşı. While CMS Jant ve Makina San. A.Ş. and CMS Jant San. A.Ş. undertake the aluminum alloy wheel production, our CMS Automotive Trading GmbH company located in Frankfurt conducts the German sales operations.

GROUP COMPANIES

CMS JANT VE MAKİNA SAN. A.Ş.

CMS JANT SAN. A.Ş.

CMS GmbH

The delivery of our products is made by the distribution companies under the CMS companies umbrella to more than 100 delivery points including Frankfurt, Munich, Paris, Torino, Barcelona, and Moscow. Working with a total of 21 automotive

brands in Turkey and Europe, CMS companies conduct their customer relations management and after-sales support services through their representatives in Germany, France, Italy, Spain and Turkey.

Three separate facilities built in a 204 648 m² area in İzmir, Turkey, are located in Pınarbaşı, Çiğli, and the Gaziemir Ege Free Zone.





STARTING OFF WITH THE MOTTO 'THE CMS GROUP IS AN ESTABLISHMENT OF TRUST' IN 1980, AND ASSUMING THE LEADING POSITION IN THE INDUSTRY, CMS COMPANIES PROVIDE EMPLOYMENT TO MORE THAN 4 000 PEOPLE IN TURKEY.



CMS COMPANIES ARE AMONG THE FEW PRODUCERS THAT MAKE ALUMINIUM ALLOY WHEELS FOR THE AUTOMOTIVE INDUSTRY AND THE RENEWAL MARKET WITH A COMBINED PRODUCTION CAPACITY OF 9 MILLION UNITS.

PRODUCTS



At CMS, we supply 21 select automotive brands, both local and international. Our clients, who are among the largest companies in the automotive industry, cooperate with CMS as their engineering and design partner for wheels and they trust the quality of CMS products.

With its three production centers in Izmir, the CMS Group adds new designs to its portfolio every year in order to expand its product range and meet the demand of the world's leading automobile manufacturers. Thanks to its new designs, the CMS Design Team has been deemed worthy of numerous awards in Turkey and across Europe.

For detailed information about our products:
<https://www.cms.com.tr/tr/urunler/urunlerimiz>



MISSION, VISION, AND PRINCIPLES

VISION

- To be one of the top two wheel manufacturers in Europe.

MISSION

- We aim to be the fastest and most reliable solution partner for our customers.
- We care for our employees.
- We consider all our stakeholders as our partners.
- We believe that our future relies on having educated, knowledgeable and competent human resources and on improving them.
- We maintain honesty in all our relationships with our business partners, customers, employees and shareholders.
- We practice a participatory management approach.
- We apply cutting-edge business processes and technological innovations.
- We respect the law and nature, and are aware of our social responsibilities.
- We acknowledge that CMS Companies are trusted institutions and thus act accordingly.

PRINCIPLES OF OUR FOUNDING PRESIDENT

- CMS Group is an organization of trust.
- We should strive to ensure that Group employees trust one another and their management.
- Our employees; particularly managers and directors; should treat each other amicably and with tolerance.
- We are a group that knows to share. We share our achievements as well as our failures.
- When making contact with customers be gentle and natural. People understand one another better when they talk face to face. Try to come face to face with customers.
- To be a good administrator, you must also know how to follow up. Do not forget to constantly check and follow up on your job.
- Love solves all problems as long as you love people.
- Every human being is good. You just need to find their better side.
- The one who runs fast, wins.
- A Good administrator is the one who feels and sees what's going on around them.
- A virtuous person is who forgives those who wrong them.
- When you deceive, you are the one that's being deceived.
- Every person has the right to win, but not disgracefully.

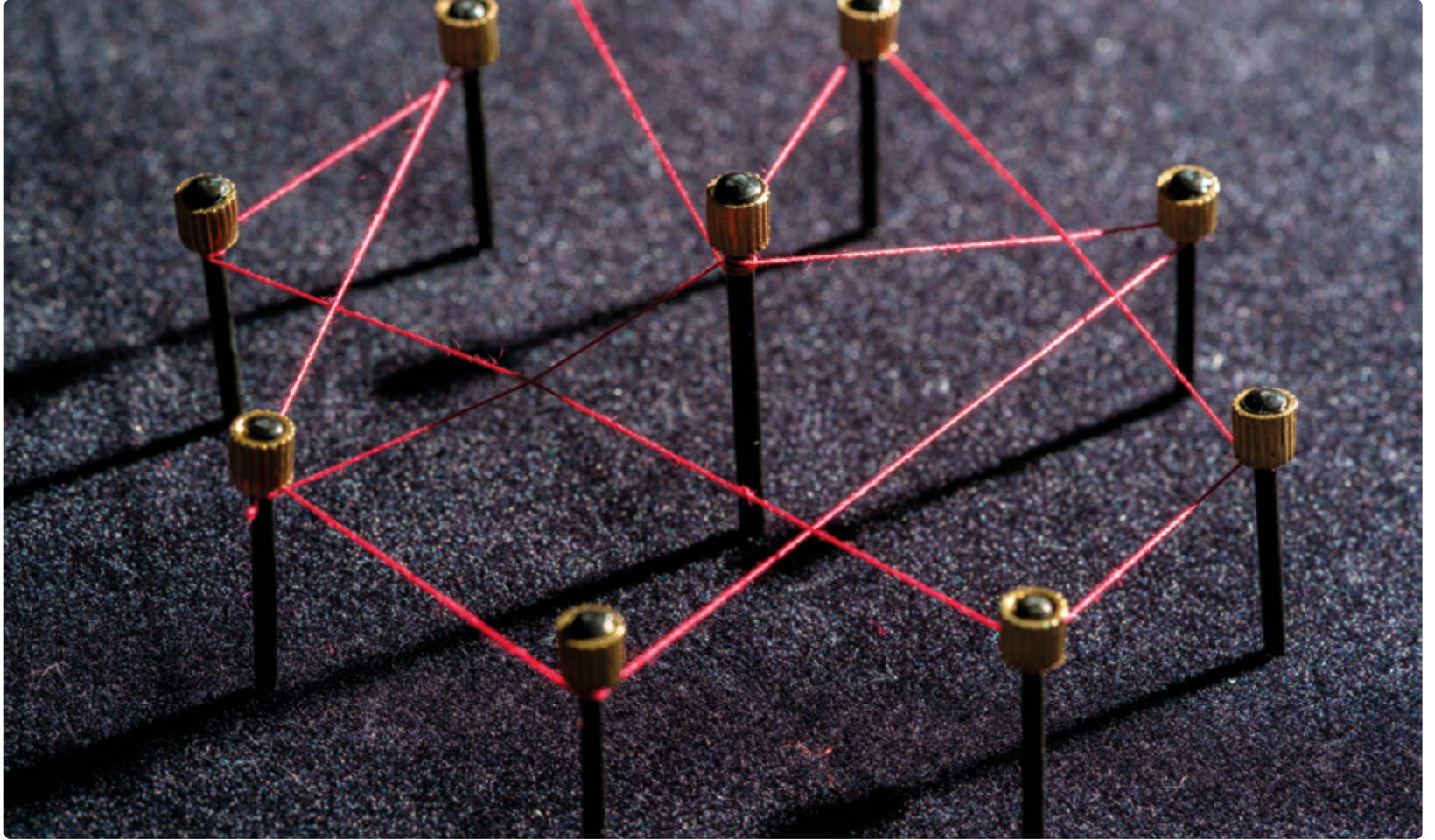


Tonguç Ösen Founding President

A handwritten signature in dark ink, appearing to read 'T. Ösen', with a long horizontal stroke extending to the right.

GOVERNANCE

We believe that adopting an advanced governance model is the first step toward sustainable growth. We aim to profit all the stakeholders in our value chain by shaping our corporate governance approach according to international principles. The CMS Board is the senior decision making and control body of the company, responsible for managing the economic, financial, social, environmental, governance-related, operational, and legal risks and opportunities in line with the principles drawn by our late founding chairman, Tonguç Ösen. Another important role of the Board is determining and executing company strategies. The CMS Management Board consists of seven members.



For detailed information about our Management Board:

<https://www.cms.com.tr/tr/kurumsal/grup-sirketleri/cms-jant-ve-mak-san>

HIGHLIGHTS OF 2017-2018

- To increase our production efficiency, Lodos Teknik A.Ş. merged with CMS Jant ve Makina San. A.Ş in September 2017.
- The construction of the second factory, as investment in Çiğli, began in 2017. The factory that will provide employment opportunities for 600 people is planned to launch operations in January 2020. The aim is to produce 2.5 million wheels a year at the facility, which will be constructed on a 38 385 square-metre area, near the existing wheel production facility of the İzmir Atatürk Organized Industrial Site.



AWARDS

YEAR	AWARDING ORGANIZATION	TOPIC
2017	TIM-OIB	6th Automotive Component Design Competition in the Turkish Automotive Industry (May 4-5)
2017	Turkish Exporters Assembly	Brand Turkey-Turququality
2017	Opra Team - Dragon Festival	Best Team Spirit Award
2017	Fortune Turkey	CMS Jant ve Makina Sanayi Ranks 237 th Among the Top 500 Companies in Turkey
2017	Fortune Turkey	CMS Jant Sanayi Ranks 343 th Among the 500 Companies in Turkey
2017	Ministry Of Customs and Trade	Authorised Economic Operator Certificate
2017	Mediterranean Exporters' Association	First Place in Export Award - CMS Jant ve Makina Sanayi AŞ.
2018	TALSAD	2016 Istanbul Chamber of Industry Top 500 Industry Organisations
2018	Kariyer.net	Respect for Human Award
2018	Oyak Renault	Subsidiary Industry Achievement Award
2018	Design Week Turkey	Design Award
2018	Automotive Brand Contest	Design Award
2018	Mediterranean Exporters' Association	Largest Exporter in the Automotive Industry
2018	RNPO Group	Quality and Customer Satisfaction, Best Performance



ECONOMIC PERFORMANCE

While we have become a leading company in İzmir's local economy with our investments and production capacity, we have also contributed to Turkish industry and economic development and created added value to our stakeholders on the national level. We are reaching our targeted profitability figures every year thanks to our sustainable profitability-oriented economic perspective.

We have increased our net sales by approximately 70 %; from TRY 1.2 billion in 2016, to TRY 2 billion in 2018.

By the end of 2018, we raised our wheel production capacity by 3.5 % when compared with 2016.

**WE HAVE
INVESTED
EUR 202
MILLION
OVER THE LAST
TEN YEARS.**



FROM THE TURKISH EXPORTERS' ASSEMBLY TO CMS: TURQUALITY AWARD

CMS JANT (2017) was the recipient of the Turquality Award at Brand Turkey, an event organised by the Ministry of the Economy for the purpose of accelerating the branding processes of Turkish companies, aiming to reach the Turkish Exporters Assembly's 2023 export targets.

We won the award 'Company with the Most Exports' in the automotive industry from the Aegean Exporters' Association. Our CMS companies became champions of the industry with our export rate in 2017.



We set an example by fulfilling our most important obligations to society, namely paying our taxes and fulfilling other financial obligations in time. At CMS, we contribute to the local economy of İzmir by creating significant employment opportunities. We raised our headcount of 3 339 in 2016 to 3 758 in 2018, which denotes a 12.5 % increase.



RESPONSIBLE MANAGEMENT AND SUSTAINABILITY

SUSTAINABILITY APPROACH



As CMS companies, we see it as our responsibility to spread sustainability practices and approach in the automotive support industry and to lead with a sustainable growth model that will create value for all stakeholders. Our good practices and vision of becoming the largest aluminium alloy wheel manufacturer in Europe are important, not only in terms of improving our company's performance further and representing our country on the international platform, but also in terms of the continuity and development of the industry. Shaped by the principles of Tonguç Ösen, the founding chairman of CMS, our management style places emphasis on honesty, business ethics, stakeholder participation, technology and

training, and is an example to all its stakeholders in its awareness of its economic, social and environmental responsibilities.

We are aware of the fact that sustainability can be internalised by all of our stakeholders and that it will be crucial for our company to include all of our stakeholders in our sustainability strategy. We closely follow the dynamics of our industry and the innovations which are progressing rapidly with each passing day, and we sign off on investments that will contribute to the sustainability performance of our company.

As CMS companies, we see it as our responsibility to spread sustainability practices and approach in the automotive support industry and to lead with a sustainable growth model that will create value for all stakeholders.

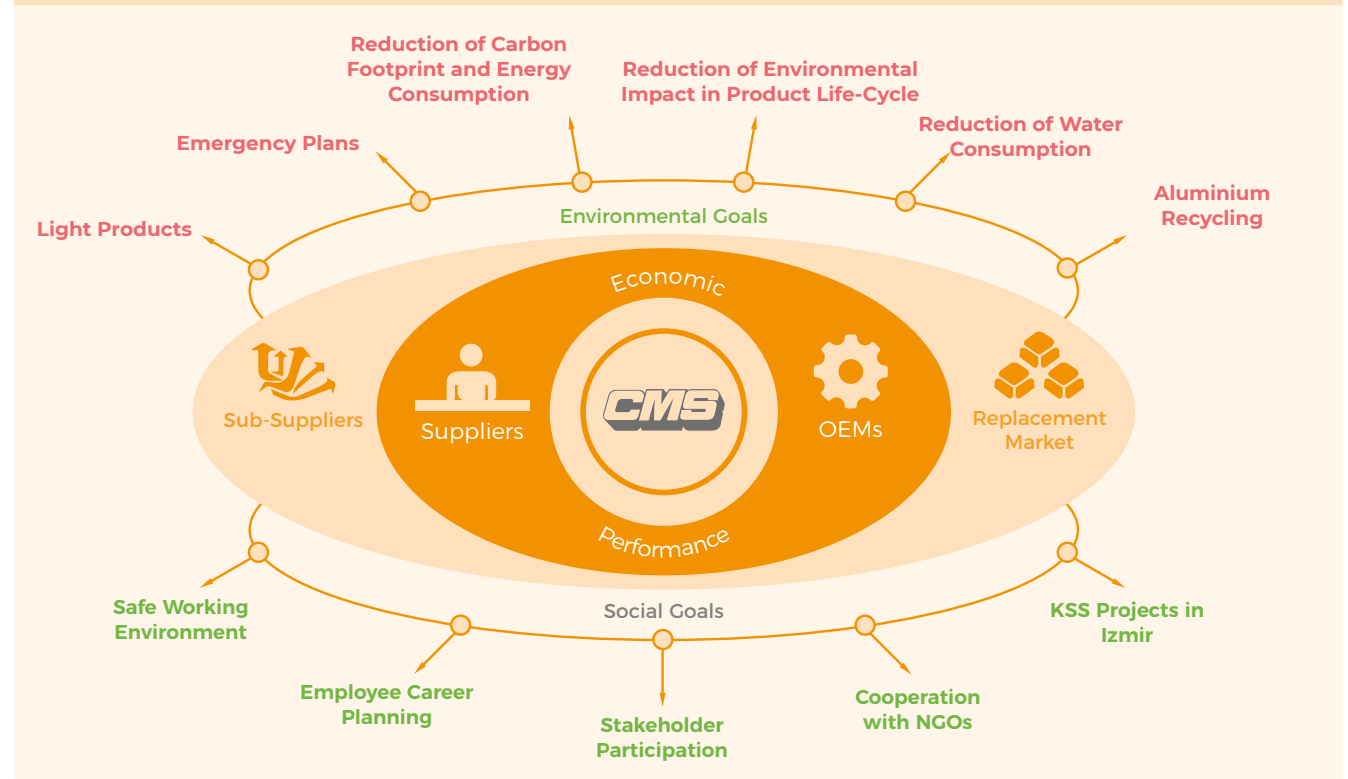




In particular, we contribute to reducing the negative effects of global climate change by reducing carbon emissions of vehicles through our research and development activities, to meet our customers' expectations of lighter wheels. While conducting water management improvement works in our CMS companies, we provide one-

on-one support to our suppliers to monitor their water and chemical consumption and improve their processes. While continuing to contribute to higher local employment, we provide a healthier work environment for our employees and strive to increase employee satisfaction.

SUSTAINABILITY APPROACH IN CMS VALUE CHAIN

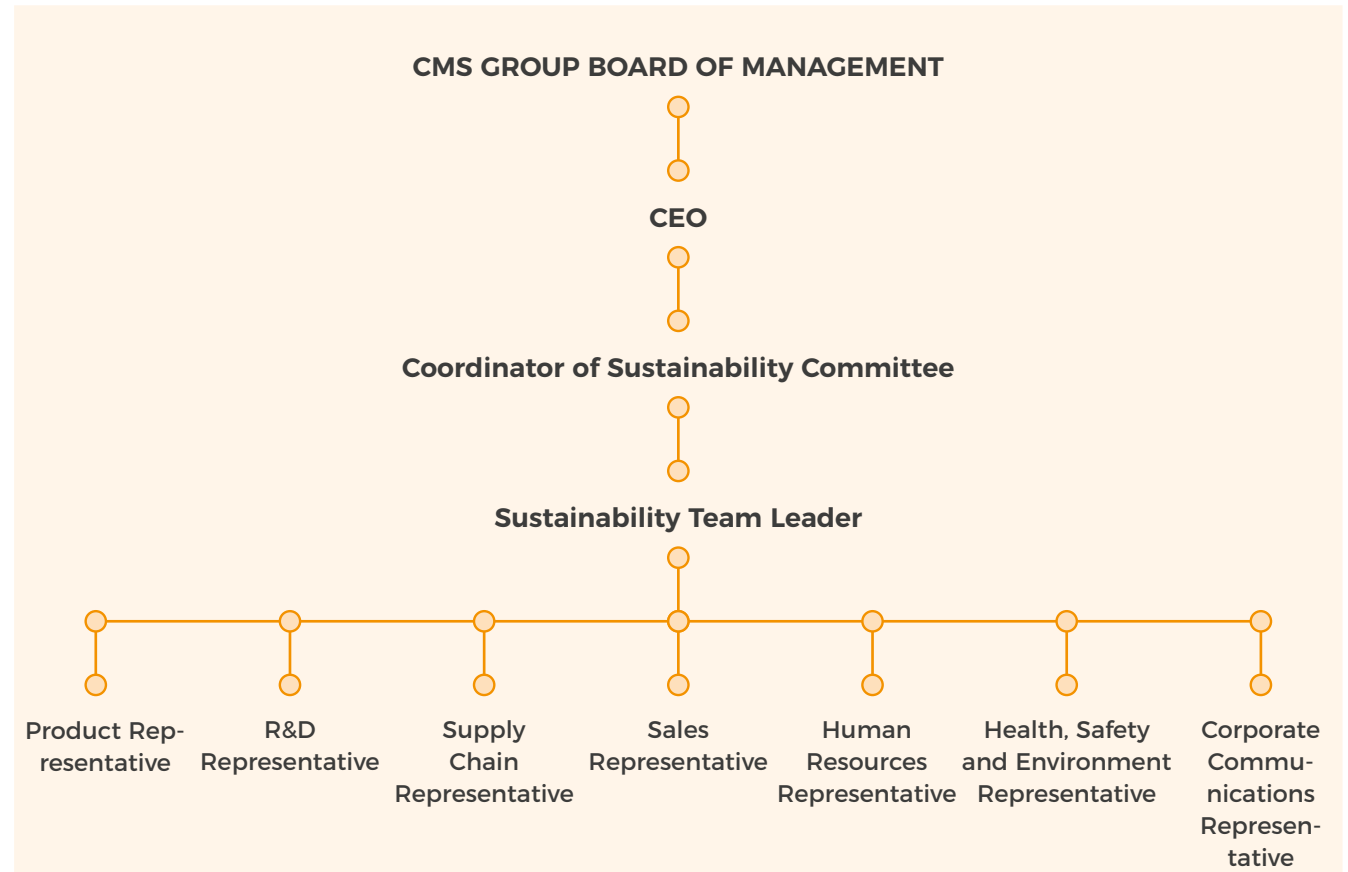




SUSTAINABILITY APPROACH IN CMS

We have set up a Sustainability Committee to determine sustainability strategies, implement practices and effectively manage performance-monitoring processes. The Sustainability Committee

is chaired by the CEO and includes representatives with different functions. The Sustainability Committee gathers every six months to discuss the standard agenda items.



SUSTAINABILITY PRIORITIES

We aim to ensure that setting our sustainability priorities is primarily inclusive of all stakeholder groups. While identifying sustainability issues for the prioritisation studies we conducted in 2017, we benefited from the GRI Standards Guideline for sustainability reporting and from 'Issues for Industries: What Do Stakeholders Want to Know?' published by GRI, as well as looking at the dynamics of our industry and the feedback from our stakeholders via different platforms. Our sustainability materiality process, which we renewed in March 2019, was carried out as follows:



PREPARATION PROCESS

In 2017, the Sustainability Committee reviewed 30 issues which form the basis of our prioritisation efforts. Some headings were revised.

IDENTIFICATION OF PRIORITIES FOR STAKEHOLDERS

Online surveys have been carried out on different stakeholder groups.

IDENTIFICATION OF STRATEGICAL PRIORITIES OF TOP MANAGEMENT

An online survey was conducted to identify the strategical sustainability priorities of top management.

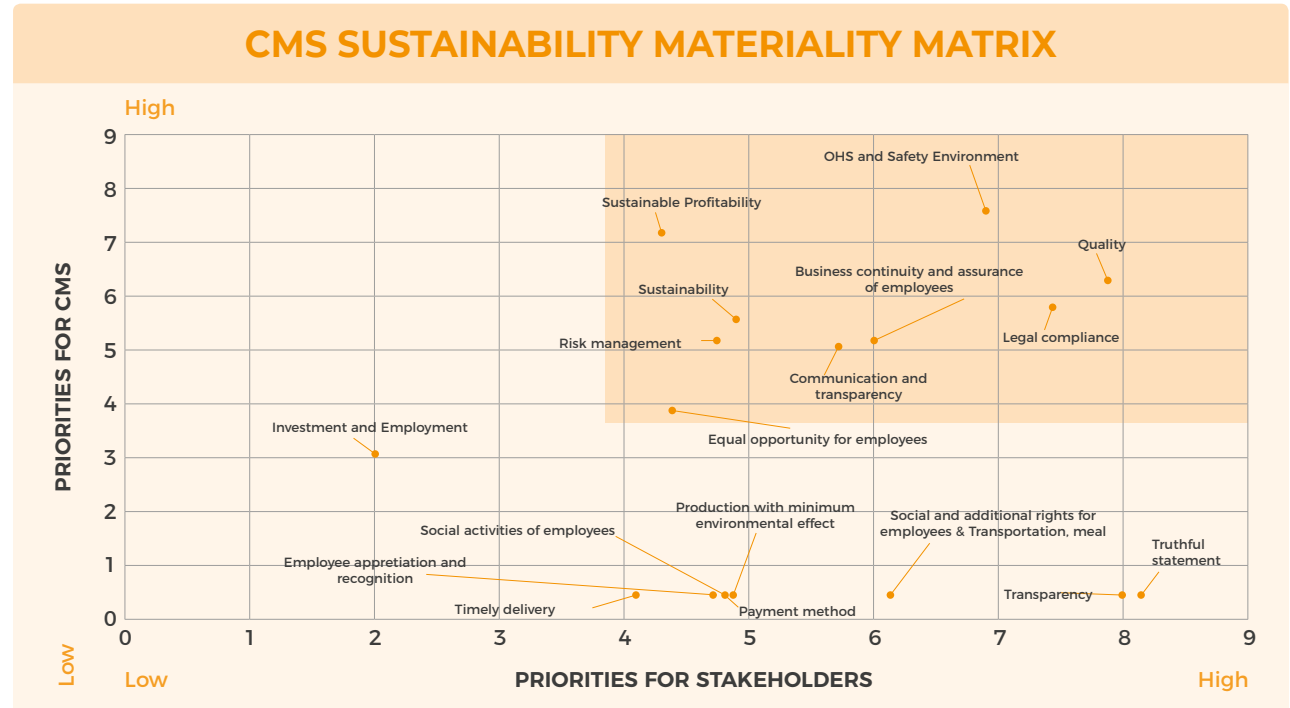
IDENTIFICATION OF CMS SUSTAINABILITY PRIORITIES

CMS Strategical Priorities and Priorities for Stakeholders have been consolidated and a sustainability materiality matrix has been created.

Our online survey was conducted with the participation of top management to determine the sustainability issues of strategic importance for our company. Online surveys were conducted with various stakeholder groups to identify sustainability priorities for our stakeholders and to receive stakeholder feedback. To ensure all stakeholder groups were represented and included in the prioritisation efforts, our employees, CMS suppliers, public institutions and organisations and non-governmental organisations contributed to determining our sustainability priorities.

In the surveys conducted, our stakeholders highlighted the relevant CMS sustainability issues they considered important for their own stakeholder groups and prioritised them. These studies have been extremely useful in understanding stakeholder expectations and in strengthening our dialogue.

The CMS Sustainability Materiality Matrix, based on consolidating priority issues identified by CMS's top management and stakeholders, is as follows:



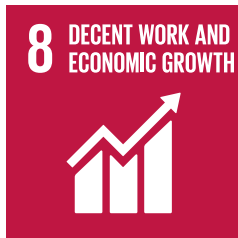
CMS MOST MATERIAL SUSTAINABILITY TOPICS	SCOPE
Quality	CMS OPERATIONS IN TURKEY
OHS and Safe Environment	
Legal Compliance	
Business Continuity and Assurance	
Communication and Transparency	
Continuity	
Sustainable Profitability	
Risk Management	
Equal Opportunity for Employees	

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND CMS

Sustainable Development Goals or, in other words, Global Goals have been set by the United Nations to eliminate poverty, protect our planet, and ensure peace and well-being among all humans. With 17 identified global goals (SDGs) and 169 subgoals, the aim is to create a set of universal goals which address the urgent environmental, social and economic problems facing our world.

At CMS, we aim to contribute to the UN Global Goals agenda, in line with our corporate priorities and the industry our company operates in.

Taking into consideration our responsible management approach, our position in the industry and our operations, we have directly aligned the following seven global goals with our business processes.



STAKEHOLDER DIALOGUE

At CMS, we consider a transparent and accountable management approach as one of the prerequisites of a perfect service. In this context, we are in constant dialogue with our stakeholders, we consider their feedback and do our best to manage our processes in full interaction with them. In this way, we ensure a sustainable and ongoing dialogue with all of our stakeholders through different communication channels. Feedback from stakeholders directs and guides us in many ways, from the establishment of our policies to our business model and the development of our social responsibility projects. We strive to create and implement sustainable business solutions by analysing the recommendations and requests of our stakeholders.

Our primary stakeholders are employees, customers, public institutions and organisations, society/sponsors, suppliers/subcontractors and investors/lenders. We have identified communication channels and processes for each of our stakeholder groups to inform them and receive their feedback on a variety of platforms.

The platforms used to communicate with our stakeholders and the communication frequency are shown in the table below.



STAKEHOLDERS COMMUNICATION PLATFORMS

STAKEHOLDER GROUPS	APPROACH	COMMUNICATION PLATFORM/CHANNELS	COMMUNICATION FREQUENCY
Employees	CMS plans to raise the standard of living of its employees and their families while attracting a qualified workforce. The increased prestige of the company is gained by the increase in employee motivation and better survey results. Employee opinions are received through one-on-one communication without any intermediaries.	Employee Satisfaction Survey Interviews with Employees	Annually The frequency varies according to participation type
Customers	CMS aims to be the fastest and most reliable solution partner in the eyes of all its customers. The development of products and services are of primary importance for customer satisfaction. The company maintains mutual relationships based on the principle of honesty, keeping customer satisfaction at the forefront. Thanks to robust customer relations experience, CMS understands the needs of its customers without needing feedback and takes the necessary precautions.	Corporate Research Face-to-face interviews	Annually/Once a year Monthly
Public Institutions & Organisations	CMS considers compliance with the law, legislation and regulations as the preliminary obligation in every activity.	Audits Meetings	Monthly / Annual When requested
Society/ Sponsors	CMS is a people-oriented company and takes into account the needs of all segments of the society, especially the people in regions where it operates, and tries to develop the societal conditions with social responsibility activities.	Events Local sponsorships Media	Frequency varies according to the type of initiative
Suppliers/ Subcontractors	Being a supplier of leading automotive manufacturers, CMS creates relationships with all of its suppliers based on the principle of transparency and has adopted the principle of acting in compliance with the relevant legislation and laws. Companies are selected and evaluated on their environmental, social and human rights-related applications in supplier selection. In addition, in order to ensure high quality of the products offered to customers, suppliers and subcontractors are required to produce according to certain standards. CMS also supports its suppliers and subcontractors in their own development.	Daily Work-Flow Meetings Email communications Supplier satisfaction research	When needed Annually, once a year
Investors/ Lenders	CMS works to take relationships with investors/lenders one step further and to increase business opportunities with new investors. Developments in the Company are immediately notified to the investors/lenders in detail.	General Assembly Meeting	Disclosure of financial results every year

CORPORATE MEMBERSHIPS

**Turkish
Aluminium
Industrialists
Association
(TALSAD)**

**Turkish
Employers'
Association of Metal
Industries
(MESS)**

**Turkish Metal
Union**

**Izmir Chamber of
Commerce
(İZTO)**

**Aegean Young
Businessmen
Association
(EGİAD)**

**Aegean
Industry
and Business
Association
(ESIAD)**

**Aegean Region
Chamber of
Industry
(EBSO)**

**Turkish Quality
Association
(KalDer)**

**Turkish
Industry
and Business
Association
(TUSIAD)**

**Association
of Automotive
Parts and
Components
Manufacturers
(TAYSAD)**

**The Turkish
Foundry
Association
(TUDOKSAD)**

**Association
of Vehicle
Industrialists and
Businessmen
(TAISAD)**

**Family Business
Association
(TAIDER)**

**Association of
European Wheel
Manufacturers
(EUWA)**

**The European
Tyre and
Rim Technical
Organisation
(ETRTO)**

**General
Secretariat of
Uludag Exporters'
Association
(UIB)**

ETHICS AND COMPLIANCE

'CMS Group is an establishment of trust' is the first principle of our founding chairman. As CMS companies, we act in full compliance with the law, respect our stakeholders, and ensure that our way of doing business is in line with international principles. All of our employees and company partners act with an awareness of their responsibilities toward society, the environment, customers and business partners, and these responsibilities form the basic principles of CMS's business ethics. In this context, we have prepared and written the 'CMS Companies Code of Business Ethics' guiding all of our employees. Within these rules, we have defined ten basic business ethic principles in detail.

Code of Business Ethics;

1. Honesty and Fair Treatment
2. Conflict of Interests
3. Accuracy of Records and Documents
4. Use of Company Assets and Resources
5. Relations with Customers and Suppliers
6. Protection of Information
7. Relations with State Organisations, Private Institutions and Organisations, Non-Governmental Organisations and the Media
8. Respect in the Work Place and Work Life
9. Prevention of Unwanted Behaviours in the Work Place
10. Relations with the Environment

To maintain the success and reputation of CMS companies, our employees should understand,

accept and comply with these rules in fulfilling their responsibilities. We have an Ethics Line where our employees can report violations or actions that they believe are unlawful or illegal. Ethical issues are resolved by the Ethical Committee within our company, and all notifications made to the Ethics Line are scrupulously investigated by the Ethical Committee.

The Ethical Committee was formed to evaluate notifications and recommendations regarding compliance with the principles of conduct defined in company documents, such as the corporate code of business and conduct, code of business ethics, the anti-bribery and anti-corruption policy, among others, with which the employees of CMS Group companies should comply.

The Ethical Committee's organisational structure is as follows:

- Ethics and Compliance Manager (ECO) – CMS Group Company General Manager
- Coordinator: Internal Audit Manager
- Member: Human Resources Director
- Member: Corporate Communications Manager
- Member: General Manager of other CMS companies

The Ethical Committee regularly holds monthly meetings. The Committee's agenda includes evaluating current notifications, which are explicit and communicated via the Ethics Line, and taking the required action.

ETHICAL COMMITTEE ACCESS CHANNELS

Tel: (212) 371 07 70 (7 days 24 hours)

E-Mail: cms@etikhat.com

Web: www.etikhat.com

(User: cmsetik / Password: cms1980)



The number of notifications received for 2017 and 2018 was 67 and 68, respectively.

At CMS, we fully comply with the laws and regulations, ethical principles and universal rules that apply to bribery and corruption in all of the geographical regions in which we operate. We formulated our Bribery and Corruption Policy to clearly demonstrate our expectations to employees.

All employees are informed about the CMS Group Code of Business Conduct, Anti-Bribery and Anti-Corruption Policy, the Ethical Committee and Ethics Line, and are provided with Trainings on the Code of Conduct regularly.

In addition, the CMS Business Ethics online training, made by converting the Code of Conduct and Ethics Line into e-training, is provided to all white-collar employees and is repeated every year.

During the reporting period, there were no ongoing or resolved cases of anti-competitive behaviour or those related to preventing a monopoly.

RISK MANAGEMENT AND BUSINESS CONTINUITY

To create added value for our stakeholders, and to ensure sustainable, stable growth and legal compliance, it is important to analyse and correctly manage the risks facing our industry and our company. For this reason, we primarily deal with risk management and business continuity.

In the scope of the IATF 16949 Automotive Industry Quality Management System, our risk management method has been defined within the Analysis of Risks and Opportunities Procedure. In this context, we perform systematic analyses of products and process risks and ensure they are up-to-date. By conducting Design Failure Mode and Effect Analysis (DFMEA), Process

Failure Mode and Effect Analysis activities, we review all of our risks as to the product and process and take action to eliminate the risks if deemed necessary.

There is an 'Aluminium Risk Management Committee' which includes the managers of finance, financial affairs, sales, TDZ and IT departments of CMS companies. The Committee meets once a month and monitors the financial risks arising anywhere from the purchase and sale of aluminium to customer pricing, using sensitivity analysis software. With Aluminium Risk Management software, it is possible to analyse past data and perform future projections.

This programme not only reveals financial risks but also strengthens CMS's customer relations management.

Another aspect addressed by CMS management is Digital Risk. The CMS Group places great onus on protecting the financial data, intellectual property and sensitive customer information of its company, and manages the risks involved. In this context, since June 2016, CMS has received ISO 27001 Information Security Management Certification which helps organisations manage and keep safe their own and customers' confidential information.



INNOVATION AND R&D

Our company shapes its innovation management approach on long-term strategic planning in offering innovative products and services. Interest in customised and innovative products in our industry is growing day by day.

In 2009, the CMS R&D Centre with its 66-person team became official when it received its R&D Centre certificate and became funded by the government. Currently, the R&D Centre consists of 80 people with 26 postgraduate and 24 graduate professionals working to create superior competitive products and generate ideas in the industry, to increase energy efficiency and resource usage and to pursue continuous improvement and develop new production methods. The R&D Centre has a multidisciplinary staff comprising graduates of metallurgy and materials science, mechanical, computer and chemical engineering and basic sciences. With our existing R&D Centre and expert R&D personnel, we continue with efforts to develop conventionally produced wheels and to provide qualifications that meet consumer expectations and legal requirements. We benefit primarily from our stockholders' equity as well as from government aid. With our R&D projects, we implement projects that create value for our country and our company.

The R&D Centre is currently working on 10 TUBITAK, 5 SAN-TEZ (Industrial Thesis), 1 Erasmus+ and 1 MANUNET (EU Horizon 2020) projects and 13 applications for patents and utility models. The results obtained from these projects are presented in reports or posters or are sent to scientific journals as scientific articles.

Emphasising cooperation between universities and industry, our R&D Centre management carries out various programmes by creating protocols with universities, particularly in the Aegean region. With our 'A Powerful Future' programme, we provide university students with internships and part-time work opportunities, as well as opportunities to improve their technical knowledge, and guide them in their practical work. With support for these undergraduate's graduation projects implemented at our R&D Centre, we not only ensure the further learning and practical experience of the newly graduated engineer candidates but also have the chance to get to know the students who will become part of our work teams in the long term.



Our CMS R&D Centre–University cooperation programme in 2017 was selected as an example of best practices in the category of Public University–Industry cooperation in the scope of 'Private Sector R&D Centres Best Practices' organised by the General Directorate of Science and Technology of the Ministry of Science, Technology and Industry. In this way, we gained a chance to introduce our exemplary practices to the managers of other R&D centres operating around the country.

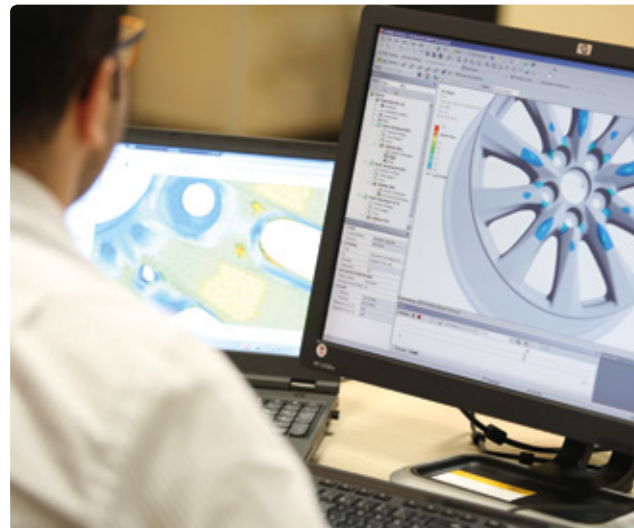
You can find detailed information about 'A Powerful Future' programme at:
<https://www.cms.com.tr/tr/kariyer/cms-guclu-gelecek>

With our R&D projects in 2016, we won first place in Turkey in the Innovation Strategy branch of InovaLIG, the first and only innovation-driven competition in our country. These achievements demonstrate that we are on the right track in terms of the strategies we apply to our R&D activities.

The rise in the use of fossil fuels is in parallel with the number of vehicles on the road. This has a negative impact in terms of environmental pollution and leads to the rapid depletion of fossil fuels. With the protocols they have established, developed countries especially limit the amount of carbon dioxide a vehicle can emit, to prevent such impact. Reducing total vehicle weight is one of the first steps to reduce emissions, and major automotive industrial firms (OEMs) are undertaking multifaceted efforts to reduce total vehicle weight. At CMS, we give priority to projects that reduce the weight of the wheels we produce. In this context, by the end of 2019, we aim to commercialise an invention developed by the CMS R&D Centre to reduce the weight of wheels, the intellectual property rights of which have been applied for.

DESIGN AND PRODUCT DEVELOPMENT

We are a member of ETRTO (European Tyre and Rim Technical Organisation), which has an important role in our industry, and have been working in cooperation with German TUV laboratories. The technical data of almost all vehicles existing in the market has been collected in CMS's database, along with the experience and knowledge of producing original wheels for leading automobile manufacturers, and from cooperating with all international organisations in the field for 35 years. The main principle in the design process of CMS wheels, with the help of the technical data accumulated over the years, is designing aesthetically satisfying models that have quality characteristics equivalent to the original equipped wheels without sacrificing safety.



DESIGN AWARDS

C25 Design, designed by the CMS Design Team, became one of the four new designs entering the portfolio in 2018, and was awarded the Advanced Design Award in the 'Transportation Vehicles and Accessories' category of the Design Turkey evaluation, organised as part of the TURQUALITY Programme with the collaboration of the Ministry of Commerce, Turkey Exporters Assembly (TIM) and Industrial Designers Society of Turkey (ETMK) (2018).



CMS's C25 Design won the grand award in the 'Future, Mobility and Parts' category at the Automotive Brand Contest 2018 Awards organised exclusively for the automotive industry by the German Design Council (Rat für Formgebung). After the grand award, the CMS Design Team was nominated by the German Design Council for the German Design Awards 2019. Following a comprehensive assessment, it was awarded the Special Mention Award in the category of 'Excellent Product Design - Automotive Parts and Accessories' (2018).

RESPONSIBLE SUPPLY CHAIN MANAGEMENT



At CMS, we put the long-term benefits of mutual trust, reliability, transparency, close communication and sustainability at the centre of our cooperation philosophy. Our relations with our business partners are in compliance with the principles of fair competition and equality and are based on mutual trust and benefit, continuous improvement and awareness of social responsibility. Our operations are based on these principles at every stage of our supply chain. Our supply chain includes the main processes of planning, logistics and purchasing. We work with over 550 suppliers in our material, service and industrial purchasing categories. The percentage distribution of these suppliers is as follows:

- (27 %) 150 suppliers in the material purchasing category,
- (11 %) almost 60 different supplier companies in the service procurement category,
- and (62 %) 340 different supplier companies in the industrial procurement category

cooperate with us.

The supplier companies in these categories participate as a ring in the supply chain of production from the beginning of the aluminium alloy wheel manufacturing process of CMS companies to the delivery of the products to the customer. Through our supply chain, we contribute to economic development and growth in all of the domestic and foreign locations we operate in.

SUPPLIER SELECTION AND EVALUATION

In the selection and evaluation of our business partners, we take into consideration multifaceted evaluation criteria. These are mainly analysed in terms of environmental, social and economic dimensions. One of the conditions we look for in the selection process of our business partners is that they have ISO/TS 16949, ISO 14001, OHSAS 18001, ISO 27001, and ISO 9001 certification. In accordance with ISO/TS 16949, it is essential that business partners who supply materials to automotive companies for the production of original equipment wheels have ISO 9001-quality certification. Furthermore, business partners are expected to align their processes with the ISO/TS 16949 quality system over time.

In the selection of business partners, we also consider it crucial that candidates have the ISO 14001 Environmental Management System Certificate. In addition, the occupational health and safety performance of the candidate company, its environmental impact management activities, waste management activities and compliance with legal regulations are among our criteria during the selection process of business partner candidates. To improve the environmental performance of our business partners, we evaluate the environmental elements in their production processes and contribute to their improvement activities. At CMS, we emphasise compliance of the services and products provided by our entire supply chain with the environmental protection standards of the industries in which they are offered.

As of the end of 2018, all of our aluminium and paint suppliers had the ISO 14001 Environmental Management System Certification.

At CMS, we evaluate the human aspects in each link of our supply chain and aim to build a sustainable structure guided by an awareness of social responsibility. We expect our supplier business partners primarily to comply with the international human rights and employee rights, disallow child labour and forced labour, act in accordance with legal norms and environmental protection guidelines, encourage behaviours which are in compliance with business ethics and meet the requirements, and ensure social security, social rights, the right to free work and occupational health and safety. At CMS, we defined the social criteria we expect from our suppliers in our 'Business Partners Guide', and requested that all of our business partners with whom we have established business relations sign this document. All of our business partner candidates are evaluated based on the aforementioned social and ethical criteria.

We evaluated 100 % of our new suppliers, who were included in our supply chain in 2017-2018, based on environmental, social and ethical criteria.

As a result of our belief in shared development with our business partners, we carry out audits and review activities with all of our business partners in certain periods. Quality management, competence in product development, human resources management



systems, logistics, customer management systems and environmental management systems are the main subjects of our audits. CMS companies also give maximum importance to their business partners' compliance with the relevant laws and legislation, code of ethics, social responsibilities, and the rules of occupational health and safety in the workplace.

We regularly audit our major suppliers. During these audits, suppliers are evaluated on various aspects ranging from their quality systems to product traceability, and from OHS management practices to employee trainings. Specific action plans are requested from suppliers who are below a certain

score as a result of the evaluations, and these plans are followed up.

An 'Internal customer satisfaction survey' is given to our service suppliers once a year. At the end of each year, these surveys are evaluated by our purchasing units.

Our 'Business partner meetings', where we gather with our suppliers, are held once a year. All of our suppliers attend these meetings. The current situation of CMS companies, future projects and the overall course of the industry are discussed during the meetings. In addition, the previous year is evaluated, and the suppliers with the highest performance are evaluated and awarded at a ceremony.

QUALITY AND SAFETY OF PRODUCTS



At CMS, we aim to strengthen our recognition in the industry with each passing day by offering world-class, high-quality products and services to our customers. We make the satisfaction of our

customers our foremost responsibility and we include this in all of our business strategies.

To ensure consistent quality throughout the life of the wheel, which is a piece of safety equipment for automobiles, we strictly apply all of our quality principles in all of our production operations in line with our quality policy. We follow the same quality criteria for all our products and apply all the procedures and practices to each of our products in a way that prevents vulnerability. With our philosophy of continuous improvement, we regularly review and revise our quality processes, and when required, in accordance with the IATF 16949 Automotive Industry Quality Management System Standard, in order to fully comply with the expectations of our customers and industry standards. Our quality department of competent experts applies quality control methods in accordance with requirements at all stages, from the entry of the raw material to the delivery of the product to the end user.

The wheel is a safety component. This is why CMS scrupulously procures and tests all materials used in production in accordance with quality standards. Since the wheel is a safety and regulation part, the country's regulatory requirements are also of great importance.

While ensuring compliance with the IATF 16949 standard, which is a requirement in the automotive industry, special requests of different customers are also considered, given the extensive customer portfolio.

Raising quality performance and customer satisfaction is taken into consideration when determining company goals and strategies, and quality development is encouraged along with all the other practices.

The performance indicators monitored in Quality and Management processes are:

- General OEM PPM: Customer PPM data
- Critical Problem (A-Level) Avoidance: Number of A-Level Complaints from Customers
- Customer complaint index: Number of Complaints/Total Number of Wheels Sold

We review our quality performance indicators in specified periods and implement improvement plans where necessary.

QUALITY CERTIFICATES

- IATF 16949 Automotive Industry Quality Management System
- ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction Quality System
- ISO 14001 Environmental Management System
- OHSAS 18001 Occupational Health and Safety Management System
- ISO/IEC 27001 Information Security Management System

QUALITY POLICY

QUALITY

Becoming a leader in our activities with the participation of all our employees, providing services and products that fully satisfies our customers under quality, norm and competition conditions of the world.

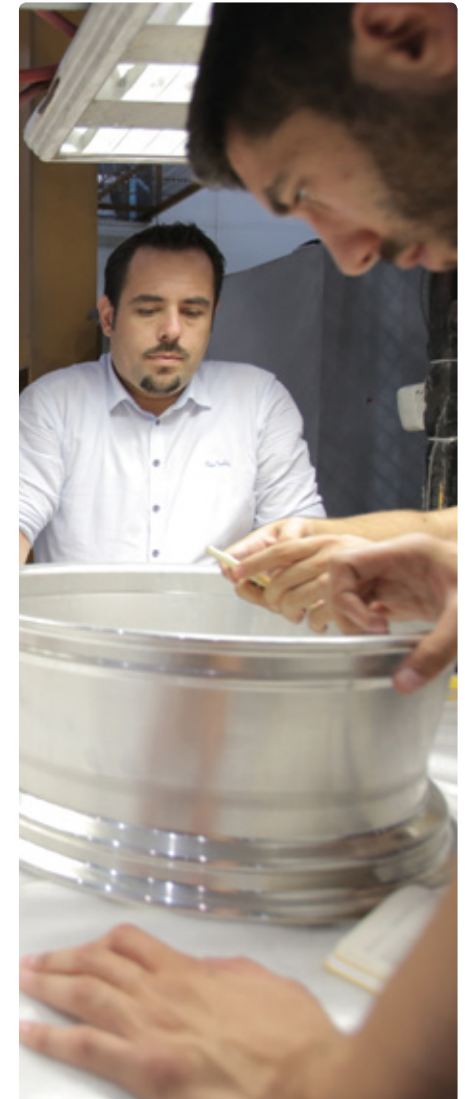
For this purpose, CMS;

1. Prioritizes motivation and continuous development of its most valuable asset; employees.
2. Aims to exceed customer's expectations when offering its products and services.
3. Sets modern management systems and puts them into practice in order to increase technical and financial performance of the organization.
4. Implements the latest technologies and aims to be the innovative leader of its sector.
5. Aims for reliability, continuity and respectability with just in time production principle.
6. Aims the best sectoral profitability in order to create resource for competition, development and investment,
7. Aims to minimize any negative effects of its products on its employees, customers, consumers and environment.
8. Aims for the management with processes in its activities within the scope of quality management system.

Best Regards,

Bertuğ ÖSEN
President







The main projects to improve our quality systems in 2017-2018 are:

- Within the scope of digitalization, CMS Information Processing initiated the use of a portal created for internal quality activities and laboratory test database management in accordance with needs. In this way, internal quality activities are managed more systematically through the portal, access to past data and reporting is facilitated, and action entries are managed more systematically.
- WCM (World Class Manufacturing) quality control practices initiated in our Pınarbaşı plant are also being extended to our Çiğli and Gaziemir plants.
- Quality assurance matrix systematic already in use at our Pınarbaşı plant has been put to use in our Çiğli and Gaziemir plants. Quality assurance matrix allows for the prioritisation of quality-related problems based on such criteria as frequency, cost, severity and location of detection.

OYAK-RENAULT 'BEST SUPPLIER' AWARD

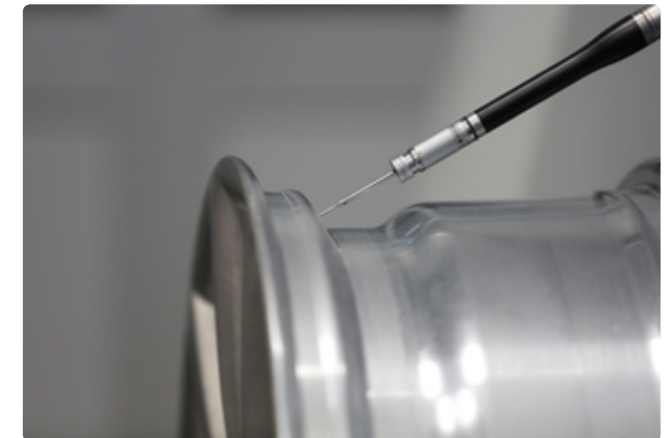
IN 2018, WE RECEIVED THE 'BEST SUPPLIER' AWARD FROM OYAK-RENAULT WHO EVALUATED ALL OF ITS SUPPLIERS BASED ON THE CRITERIA OF 'FINANCIAL STRUCTURE, QUALITY, SHIPMENT, PRODUCT DEVELOPMENT AND COMMERCIAL PERFORMANCE'.



QUALITY TESTS

Since the wheel is a safety component, it is important to CMS that the final user is protected and the wheel is used in a way that does not pose safety risks for the vehicle. Although the implementation of modern technologies across the company increases the complexity of products and production, increased automation enables the continuous realisation of standardised production and quality control. Thus, potential errors, which could occur during the

production phase, are avoided and possible accidents arising from such errors are minimised. All products are put through different tests and analysis processes which fall under five main headings, starting from design. In this way, the quality and safety of the wheel, which is an important part of automobile and driving safety, are guaranteed. The five main test groups include mechanical tests, metallurgical tests, dimensional measurement, paint performance tests and visual control.



CUSTOMER SATISFACTION

The automotive industry has the highest customer quality expectations and the most sensitive customer tolerance. Due to growing customer needs, the necessity for quick action, harsh competitive conditions in the industry and fluctuations required by the automotive industry, the concept of the customer has become paramount to CMS.

Customer satisfaction and systematic management of customer complaints are guaranteed as per the rules defined in IATF 16949 Automotive Industry Quality Management and internal procedures. Since 2012, we have been applying the standards of ISO 10002 Customer Satisfaction – Customer Complaints Handling Management System.

To guarantee the impartiality and validity of evaluations from customers, CMS primarily uses data received from our customers in the assessment of customer satisfaction.

We consider the following parameters in the evaluation of Customer Satisfaction:

- Results of the customer quality evaluations or audits
- Return PPM results sent by the customer
- Guarantee return, site return results
- Shipment performance results sent by the customer
- Excessive number of freights
- Quality accidents

Customer satisfaction evaluation results are scrupulously reviewed, and if any areas that are open to improvement are identified in relation to the feedback received, the necessary actions are determined and implemented.



CUSTOMER COMPLAINTS MANAGEMENT POLICY

- It is essential that any complaint from our customers is handled effectively and efficiently and that customer satisfaction is ensured by giving feedback to the customer as soon as possible.
- We are undertaking to be completely objective and impartial in our evaluation of complaints, to comply with all legal requirements, to accept all costs to customers and to comply with customer requirements.
- All complaints received will be kept by the CMS Group in accordance with the 100 % privacy policy.
- All required resources including training will be ensured in order to maintain the highest level of customer satisfaction.



**SOCIAL
PERFORMANCE**

CMS'S HUMAN RESOURCES APPROACH

We strive to recognize and improve the individual talents and potential of all of our human resources with our 'Reaching for the stars...' approach.

We expect our employees to internalize and act in accordance with the values we have adopted as a company.

REACHING FOR THE STARS...

- To recruit energetic and competent people with great potential who are aligned with our corporate culture and who believe in teamwork;
- To enable our employees to acquire skills and technical know-how with continuous development-oriented training applications and competitive development opportunities;
- To create a transparent work environment that keeps the career development of our employees in focus with our performance management system, encourages them to be part of a team targeting high efficiency, and cares about them in line with our fair approach; These are our primary goals.
- That is why we value the contributions of each team member and share their success.

Our Values

- Trust
- Respect
- Continuous development
- Customer focus
- Personal leadership and passion

We have adopted the principles of the International Labour Organization. Led by the principles of trust, respect, accountability, performance and humanity, we have built a continuously self-improving organizational structure with our people, customers, society, suppliers and manufacturers. In all of our human resources processes, including remuneration, employee rights and recruitment, we provide equal rights for all employees without discrimination based on religion, language, race, gender, ethnic origin, sexual orientation, beliefs, civil, social or economic status, disability, pregnancy or military service.

For the purpose of continuous development, we aim for operational excellence in all of our human resources processes.

In 2017-2018, 'Aligning with the human resources required by digitalization and digital transformation', which was one of CMS Human Resources' goals, came into prominence.

In this context, we had the opportunity to reach more candidates and speed up our recruitment process by using the PEOPLEISE video platform. Apart from

Peopleise, we have integrated SAP, BARDES, LITYUM and ENOCTA programs into our human resources management processes, making them more efficient.

CMS's employee organization is the Turkish Metal Union. Blue-collar workers fall within the scope of the Collective Bargaining Agreement entered into between the Turkish Metal Union and the Turkish Employers' Association of Metal Industries (MESS).

The Turkish Metal Union, affiliated with Türk-İş is the authorised workers' union in our workplace, and our employer's union is MESS. Within the scope of Labour Law No. 4857 and the Collective Bargaining Agreement, the business continuity and assurance of our employees are legally guaranteed.

EMPLOYEE RIGHTS

We see our employees as the most important value in our company and strive to demonstrate our care for them materially and morally. We plan and implement processes in compliance with all legislation on work life and conditions. We provide a good and secure workplace for our employees to ensure the continuity of our success.

In line with the principle of equal pay for equal work, we implement internationally recognized methodologies and apply fair remuneration practices by which employees are rewarded for their performance. Fees are paid in full and on time at the end of the month on the last working day (the previous working day, if it is

a holiday). White-collar wage growth rates which are not in the scope of unions are determined in line with individual performance results, wage market research, market conditions, economic indicators, the company's solvency and internal balance. Remunerations and fringe benefits for employees who are union members are determined based on the collective bargaining agreement entered into with the authorized labour union in our company. Wages for employees who are out of the collective bargaining agreement are assessed once a year and the wage and fringe benefits strategy for the next term is reviewed.

Each December, according to the company's performance, the department's performance and individual performance results, employees at the managerial level and star employees with high performance levels are paid premium payments as a result of performance evaluations.

In accordance with the Collective Bargaining Agreement, all of our employees are provided with social assistance such as holiday allowance, fuel allowance, marriage allowance, birth allowance, death allowance, military allowance, child allowance and education allowance. Our company provides an individual pension plan for all employees. For white-collar employees, benefits such as private health insurance, language allowance, sports club membership, vehicle and petrol assistance are offered.

CMS's MONEY BOX ACCOUNT: We also offer our blue-collar employees the opportunity to receive monetary rewards with our 'Money Box Account' practice based on evaluations of such things as monthly work accidents, attendance, discipline, suggestion proposals and shift work.

TEAM STAR: With this practice, we offer a reward, worth ten small gold coins, to employees who have no absences, no work accidents or no disciplinary reprimands for a year.

Temporary/part-time employees benefit from social benefits and all the rights required by labour law.

RECRUITMENT AND ORIENTATION

With our recruitment processes, we aim to attract energetic, competent and high-potential talent that believes in teamwork, in line with our company culture. Our priority is to meet the needs of the position by considering the long-term goals of the company along with applying impartiality and equal opportunity in the recruitment process. Candidates who apply with our company are evaluated according to their talents, abilities and performance regardless of culture, age, gender and disability, and accepted if deemed appropriate.

Recruitment and orientation processes comprise the following steps;

- Annual labour force budgeting
- Personnel request and approval process
- Identification of appropriate employment resources for positions
- Determining the appropriate candidate selection method for the position
- Orientation process
 - Onboarding
 - Body sistem
 - Collective orientation trainings

- Technical Training Center trainings: Blue-collar employees go through a two-month technical training process once employed and receive training in production, quality, HR practices, continuous improvement, OHS & Environment and other technical issues.

KARIYER.NET 2017-2018 RESPECT FOR THE HUMAN BEING AWARD

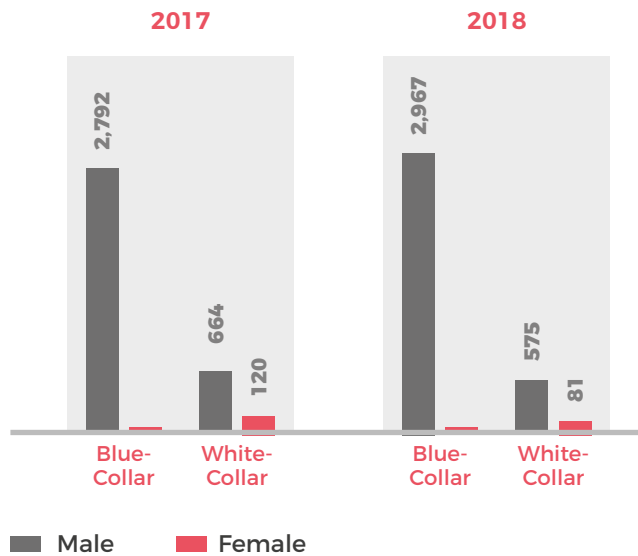
Serving tens of thousands of businesses, Turkey's largest human resources platform Kariyer.net gives the Respect for the Human Being Award every year based on such criteria as the speed of response to candidate applications, generating highest employment and being the firm most commonly applied to. At CMS, we received the Respect for the Human Being Award in 2017 with the highest rate of rapid response to all applicants. CMS won this award for the first time, reflecting the respect shown to candidates in the job application process.



EMPLOYEE PROFILE

Eighty percent of our employees are blue-collar while the remaining 20 percent are white-collar. Those employees who are covered by the Turkish Metal Union are blue-collar and they are all union members. All CMS employees are contracted and work full time. All of our facilities outsource such services as pertain to the infirmary, fire-fighting, security and cleaning.

EMPLOYEE PROFILE



During the reporting year, no incidents of discrimination were reported within the company, and no incidents were encountered.



EMPLOYEE TRAINING AND DEVELOPMENT

To increase the knowledge and skill level of our employees, we implement various programs as continuous development-oriented training opportunities. In line with our strategic plan and policies, we keep our training practices and content up-to-date, and constantly improve them, keeping in mind customer expectations and developments in the industry and on the agenda. We aim to improve the skills and abilities of our employees through seminars, congresses, summits and symposiums organized in parallel with the trainings, thereby increasing productivity.

In determining the training needs of our employees, we define criteria such as job descriptions, competencies, performance evaluation results, department-specific employee satisfaction results and the performance potential matrix, within the scope of personal goals and quality and management system requirements, which are created in parallel with company goals. Annually, we create training budgets in line with the training needs analysis and evaluate our resources in terms of this issue.

The 'Training Management System' is managed via the 'Pergel Training Portal' developed by the HR and IT departments. With this portal, we manage such processes as receiving training requests, tracking training records, monitoring technical competencies, and evaluating training effectiveness.

TALENT AND PERFORMANCE MANAGEMENT

We subject all of our employees to a regular performance and career development evaluation. Talent management, performance management, and our

training and development processes are managed as an integrated structure. The system applies to all employees.

We have different academic programs for the career development of our employees. Furthermore, our company supports foreign-language training, providing employees with a foreign language allowance and training support.

Performance Management: Our goal is to enable our employees to utilise their strengths fully and to quickly access their performance data. In this way, the continuous development of both our company and our employees, our strategic goals, budgetary goals, long- and short-term goals and development plans, that are in line with each department's goals, can instantly be monitored using feedback management, and to focus on employee development on an individual basis. The 'Performance Development System' 'Pergel' (compass), developed by CMS IT and HR departments, allows managers to follow their individual goals, in addition to their annual performance goals, and at the same time to provide instant feedback to employees.

Performance Potential Matrix: To discover talent and identify our star employees, we evaluate and then put them into development programs using the nine-box method. In this context, on the basis of an annual evaluation, employees with high performance and potential are included in the 'Leadership Academy' held at three levels.

Leadership Development Programs: The development process involves putting our talented employees in

training programmes, including finance, legal and vision development trainings, and especially the development of managerial skills. We implement the program at three levels. Employees who successfully complete the program are evaluated for managerial positions in line with the organization's requirements.

Group Leader Training Program: A six- to seven-month training program where the developmental process, including coaching and feedback on topics such as performance management, team management and communication, is monitored to enhance managerial competencies of our first-level managers selected from our blue-collar employees.

Group Leader Candidate Selection and Training Program: The training program which includes candidates selected on the basis of an interview and evaluation tests conducted to select Group Leader candidates from among our blue-collar employees, aims to develop managerial skills and to evaluate such development in the participants. Employees who successfully complete the seven- to eight-month programme are eligible to become Group Leader candidates and are appointed 'Group Leader' with the first sign of a need in the organization.

Maintenance School: An eight- to 12-month training program designed to increase the technical competencies required of our employees in the maintenance department at all levels and to ensure the continuity of these competencies.

In 2017 and 2018, all employees were evaluated for performance.

EMPLOYEE ENGAGEMENT AND SATISFACTION

We manage our human resource processes, such as selection, placement and organization, wage management, training and career development, to ensure that employees with high potential continue to make long-term contributions to our company. In structuring these processes, we rely on the satisfaction of our employees.

To measure the effectiveness of our practices, we conduct an Employee Satisfaction Survey every year through an independent organisation. Based on survey results, we determine remedial actions on a groupwide or department basis. Our goal is to continue to increase employee loyalty and satisfaction in both the general and the specific criteria year by year.

Our employee satisfaction rate in 2018 increased by 10 % compared with 2016.

YEAR	EMPLOYEE SATISFACTION SURVEY SCORE
2016	3.3796
2017	3.37
2018	3.72



With our suggestion system, we take suggestions from our employees, which helps them to see themselves not as an external element in the production, but to internalise production and embrace the institution. In turn, we make improvements in daily operations from the suggestions of our employees and thus increase employee satisfaction and productivity, while enhancing a sense of belonging.

We believe it is important to plan activities during the year to keep the motivation of our employees high and to create times to be together. We spend time together and enjoy ourselves at such events as the Bowling Tournament, Dragon Festival, Art Competition on April 23, Backgammon Tournament, Table Tennis Tournament, PlayStation Tournament, giving out movie tickets for birthdays, tea visits, dinner with the Board, International Women's Day Dinner and in the football and basketball club.



Tea with Management



Basketball Team



Childrens day, Art Competition



8 March International Women's Day Dinner

EQUAL OPPORTUNITY

The principles of the International Labour Organization have been included in the company's operations. Led by the principles of trust, respect, accountability, performance and humanity, CMS is a continuously improving company along with its people, customers, society, suppliers and manufacturers. In all human resources processes including remuneration, employee rights and recruitment, CMS provides equal rights for all employees without discrimination based on religion, language, race, gender, ethnic origin, sexual orientation, beliefs, civil, social or economic status, disability, pregnancy or military service.

CMS provides its employees with a safe and good working environment for the continuity and development of their success and supports the rapid adaptation of new employees into the CMS family. In this context, CMS includes all newly hired employees in an orientation program covering health, safety, and environmental rules and regulations in line with its sustainability strategy. The participation of all blue- and white-collar employees in trainings organised under similar headings is compulsory.

Gender and age breakdowns of employees are included in the appendices (performance data) of the report.



OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety management is among our leading priorities on which we place great importance and handle professionally. We consider providing the safest and healthiest working conditions for all of our employees to be one of our leading responsibilities. While establishing our occupational health and safety management system, we adopted the principle of 'Zero Work-Related Accidents' as the main objective. We adopted our Occupational Health and Safety Policy, which reflects our perspective on this issue, and perform all of our activities in line with this purpose.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

OHSAS 18001 Occupational Health and Safety Management System is applied to all of our activities. All our plants have this management system certificate. Compliance with legislation is of great importance in occupational safety. For this reason, we have developed a system to monitor compliance with the legal legislation. We follow up on changes in the legislation and adapt our business activities accordingly. We ensure full compliance with the legal legislation in all of our plants. The Ministry of Labour and management systems audits were successfully completed in 2017-2018. We have developed certain control mechanisms to detect the

proper and efficient operation of our occupational health and safety system. With the participation of executives and other employees, we conduct weekly OHS Site Audits and OHS Patrols to identify risks in the site and raise employee awareness. In the morning meetings attended by all departments, the occupational safety goals are primarily reviewed, and actions to be taken to prevent work-related accidents and risks are evaluated. Occupational safety meetings are held weekly with the participation of department managers, and the actions to be taken are planned.

EUR 1.4 MILLION
WAS INVESTED IN
OCCUPATIONAL
SAFETY
IMPROVEMENTS
IN 2017-2018.



**İŞ GÜVENLİĞİ
BU NOKTADAN
İTİBAREN BAŞLAR
SAFETY STARTS HERE**

We conduct risk analyses in our plants with the risk assessment team as per the occupational health and safety Law No. 6331. We prioritise our risks by using the L-type 5*5 risk-assessment matrix. We carry out risk assessments separately for each of the routine and non-routine works and emergencies. We have determined the situations in which a risk assessment will be carried out in accordance with the relevant procedures as per Labour Law No. 4857 and occupational health and safety Law No. 6331. Our risk management control hierarchy application to eliminate risks and hazards is as follows:

- Elimination of the danger
- Replacement of dangerous materials, processes, operations or equipment with less dangerous ones
- Engineering controls and/or reorganisation of the operation; isolating people from danger
- Use of administrative controls (changing the modes of operation, providing training, etc.)
- Protection with personal protective equipment

For the purpose of raising awareness among employees on occupational health and safety, improving our culture of occupational safety, and ensuring employee participation in activities related to occupational health and safety, we organize:

- Risk analysis and evaluation trainings,
- General occupational health and safety trainings,
- Work-related accidents and root cause analyses trainings,
- Emergencies and fire trainings,
- Chemical management trainings,
- Personal protective equipment trainings,
- Internal and external trainings on topics such as ergonomy.

In addition, we plan trainings for working at a height, working in confined spaces, a welder certificate, a forklift driving license, and first-aid training for our employees for subjects requiring special permission.

**IN 2017-2018,
OUR EMPLOYEES
RECEIVED A TOTAL
OF 54.678 HOURS
OF OCCUPATIONAL
SAFETY TRAINING.**

OHS TRAINING HOURS BY TRAINING TOPICS

	2016	2017	2018
EMERGENCIES AND FIRE	3,260	1,263	3,366
AVOIDING ATEX EXPLOSIONS		27	166
HAND AND LIMB INJURIES			3,210
GENERAL OHS TRAINING	18,332	20,444	21,393
CHEMICAL MANAGEMENT		565	1,239
PERSONAL PROTECTIVE EQUIPMENT USE	2,184	215	151
RISK ANALYSIS		45	266
WORKING AT HEIGHT		1,600	728

We perform accident trend analyses of work-related accidents in our plants. As a result of these analyses, we classify work-related accidents according to injury type, affected body area, working hours and the employee's age. In line with our accident trend analyses conducted in 2017-2018, areas of hand and limb injuries were identified. Trainings were provided on the subject. Root causes were determined by accident analyses. Actions were planned based on these root causes and the required activities were completed. Special interviews were conducted with our department managers and related field employees. In this context, a sixty percent decrease was observed in the accident trend analysis.

No work-related accidents resulted in death in 2017-2018. We keep records of all work-related accidents and near misses occurring in our plants. Thanks to root cause analyses, risk assessments, occupational safety meetings, site audits, trainings and investments we conducted in 2018, we reduced our accident severity rate by 5.2 % and the number of accidents with lost days by 17.5 %.

	2017	2018
NUMBER OF LOST DAYS (DAY)	2,261	2,232
NUMBER OF ACCIDENTS WITH LOST DAYS (NUMBER)	258	213
ACCIDENT SEVERITY RATE	318.32	301.72
WORKING HOURS	7,103,000	7,397,595

* Data signifies the total of all plants across Turkey.

In 2017-2018, we conducted important projects particularly on chemical management:

- We conducted alternative chemical research studies for the chemicals we currently use against the risks of VOC formation and occupational safety and environmental risks in production areas, and provided chemicals more sensitive to occupational health, safety and the environment.
- Paint shop areas were revised by installing an automatic dosing system instead of manual dosing, and transfer operations of chemicals used in Floset, and posing risks to our employees, were eliminated.

Other Occupational Health and Safety Applications we conducted in 2017-2018:

- Personal protective equipment automats have been established in our plants so that our employees can access the personal protective equipment defined in their working areas in a shorter time, and provide the personal protective equipment appropriate for their works. Personal protective equipment that all of our employees should use is defined on their work cards. Our employees can provide and use personal protective equipment within the defined limits. In this way, the personal protective equipment usage of our employees can be monitored. Furthermore, this system has reduced the amount of personal protective waste.



- Risk assessment is performed and monitored in non-routine maintenance activities in our plants. Bench-top maintenance platforms have been built to allow our employees to perform maintenance work safely for the risks identified in non-routine situations such as climbing on machining tools for maintenance purposes.
- A safer working environment and energy saving have been achieved by installing an automatic work lighting system in the mould lighting of AB Furnaces.
- In order to prevent risks caused by moving equipment, optimizations were carried out on the number and movements of forklifts, and the route points were revised in a way that would not create any risks.
- An intelligent vehicle locking system has been installed for loading areas against risks that may occur during loading and unloading activities. With this system, the wheels of the vehicles are locked, preventing the vehicle from moving ahead of time.

- A Personnel Tracking System has been established against the risks of working in confined spaces. RFID zone readers have been placed in all of our confined spaces in which this system is used. These readers are communicated with mobile tags attached to our personnel. By these means, it is possible to monitor which employees are working in confined spaces. In addition, with the Personnel Tracking System, if the person presses the emergency button, free fall occurs, and if the person remains inactive for one minute, an audible and visual alarm is activated in the alarm center installed in various areas of our plants.

THE OCCUPATIONAL HEALTH AND SAFETY COUNCIL

The Occupational Health and Safety Council has been formed in the framework of the Legal Legislation on OHS Employee Participation. The Occupational Health and Safety Council evaluates the dangers and precautions related to occupational health and safety, identifies the measures, notifies the employer or deputy employer, assesses the required actions and makes decisions. Our occupational health and safety councils gather every two months in the framework of the legal legislation. In addition, the Occupational Health and Safety Council meets in case of emergencies to assess the incident and take quick action.

There are near-miss/risk notification boxes in the areas for our employees to report near-misses and risks. Notifications from employees are included in the risk analysis, evaluated by the relevant

department managers in the area, and precautions and actions to be taken are discussed.

Our plants have the legal number of workplace physicians and healthcare personnel for each shift in accordance with legal regulations. Infirmaries in our plants offer 24/7 healthcare service. Our healthcare units perform health surveillance and work environment supervision of employees, and plan and evaluate the occupational health and safety services. They also organize trainings on occupational diseases and surveillance meetings. No occupational diseases were detected in our plants in 2017-2018.



CONTRIBUTIONS TO SOCIETY

Being an important source of employment in its region, CMS makes awareness of social responsibility in all of its activities one of the main and unchangeable aspects of its management approach, and one of its core values and principles.

In this manner, all of our companies in the CMS Group manage the economic, social and environmental impact of their activities responsibly and make the development of society a priority in their agenda. They determine their social responsibility and thus their priorities by considering what is best for society and the environment. Corporate Social Responsibility Principles and Codes of Business Ethics serve as a guide for the entire CMS Group. CMS has also initiated a Corporate Social Responsibility Policy which specifies norms in human rights, working conditions and the environment, and communicated this policy to all of its stakeholders.

CMS attaches importance to cooperation with non-governmental organizations in the projects it develops or contributes to, as a way to solve social problems relating to its employees or other stakeholders. Such cooperation contributes to greater customer satisfaction, both within and outside CMS, enhances team spirit among employees and increases their engagement.

In line with its Corporate Social Responsibility Policy, the CMS Group, which has always supported society since its establishment, provided social support worth TRY 144.000 in 2017 and TRY 459.536 in 2018, excluding sponsorships and support in the areas of education, the arts, health and sports.

SPORTS

CMS Group undertook the sponsorship of the Pinar Karsiyaka Basketball Team in the Turkish Basketball League of 2016-2017 and 2017-2018. A total of TRY 508.000 in support was provided covering both seasons.



CULTURE AND ART

As one of the sponsors of İzmir State Symphony Orchestra for the 2017-2018 season, our employees were recipients of free invitations. For 2017 and 2018, our total support amounted to TRY 70.000.



**WE PROVIDED
EDUCATIONAL
SUPPORT OF
TRY 70.600 AND
TRY 78.520 IN
2017 AND 2018,
RESPECTIVELY.**

EDUCATION

As the CMS Group, we regularly contribute to education by providing educational support to students of local universities, sponsoring technical projects in particular, organizing presentations and trainings in the technical departments of universities, and providing financial support to secondary schools.

To foster university-industry cooperation in a sustainable manner, a system under the leadership of the CMS R&D Center was established in 2014. A training process for university students that begins with a summer internship may lead to their completing their graduation projects at the CMS R&D Center and to an opportunity to work full- or part-time in vacant positions at CMS Companies, based on their evaluations.

In the 2016-2017 academic year, seven groups of 17 students, and in the 2017-2018 academic year, three groups of six students, participated in the CMS Group's projects.

With the program A Powerful Future, the CMS Group offers undergraduate and graduate students an opportunity to work on project topics that create added value for the industry. As part of the program, students are provided with mentorship from experts at CMS. Students work with an academic or their mentor from CMS to create project ideas that contribute to the industry and to academia as well. As a result of these efforts, a number of congresses have been held and articles have been published in respected scientific journals.

In 2017, our CMS R&D Center-University cooperation program was selected as an example of best practices in the area of Public University-Industry cooperation from among all R&D centers across Turkey, in the category of 'Private Sector R&D Centers Best Practices', organized by the General Directorate of Science and Technology of the Ministry of Science, Technology, and Industry. In this way, we had the opportunity to introduce our model to the managers of R&D centers operating around the country.

Applications to our A Powerful Future program can be submitted on our website:

<https://www.cms.com.tr/tr/kariyer/cms-guclu-gelecek>

HEALTHCARE

As CMS Group Companies, we regularly provide financial support to local healthcare organizations.

With the motto 'We cannot restore life, but we can heal your wounds', we have been supporting the Turkish Red Crescent Society since 2009 by donating blood three times a year with the voluntary participation of our employees.

**THE CMS GROUP DONATED
A TOTAL OF 1.398 LITERS OF
BLOOD IN 2017 AND 2018.**



**ENVIRONMENTAL
PERFORMANCE**

ENVIRONMENTAL MANAGEMENT

One of the cornerstones of our sustainability approach is to reduce the environmental impact caused by our activities. To achieve this goal, we conduct all of our activities in line with our Environmental Policy and the scope of ISO 14001 Environmental Management System. All of our plants have ISO 14001 Environmental Management Certification. We carry out activities each year to detect environmental risks and opportunities. In consequence of our evaluations, we plan preventive and corrective actions for areas we consider at risk. Our team of environmental professionals, all experts in their fields, is responsible for conducting environmental efforts.

We continuously monitor our environmental performance and perform reviews through periodical checks of the suitability of our system. We extend our environmental goals, which we determine at the beginning of each year, by department, and all departments work to achieve the specified goals. We track the achievement of our goals on a monthly basis.

Compliance with environmental legislation and other legal requirements is the leading component of our system. We monitor legislation periodically and ensure compliance with environmental laws. In 2017-2018, no environmental non-compliance was detected in our plants.

CMS 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 at a continuously improving 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 expectations of all interested 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;
- To assume accountability for consequences related to waste management and environmental impacts in the context of our environmental management system;
- To provide the resources required to incentivise achievement of planned targets in scope of our environmental management system and continuous improvement of our environmental management system;
- To use technical and financial facilities to sort wastes at the source, to 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 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; and
- To focus on use of recyclable materials in scope of life-long cycle approach and to prioritise use of environmentally-friendly materials where applicable.

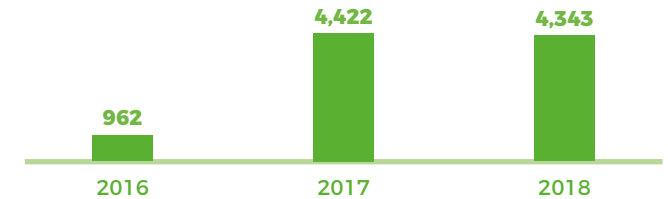
We organize trainings on environmental management, environmental risks and opportunities, waste management, energy management and water management every year in order to raise awareness among our employees on environmental issues.

IN 2017-2018, OUR EMPLOYEES RECEIVED A TOTAL OF **8,765** HOURS OF ENVIRONMENTAL TRAINING.

We carried on with our investments in 2017 and 2018, reaching a total in investments and expenses of EUR 100,000.

Significant investments were made in the environment in 2017-2018. Within the scope of waste management and waste reduction, waste area revision activities were performed. In the framework of natural resource consumption, projects were conducted to reduce energy consumption. Consumables used in our plants were classified and efforts were made to reduce their consumption and any waste materials.

ENVIRONMENTAL TRAINING



MATERIAL MANAGEMENT

At the production facilities of CMS, our biggest raw material input is aluminium. Waste wheels and aluminium shavings, which are formed in the process and become waste after first use, are recycled by a melting method at aluminium alloy plants and recycled as liquid metal. Thanks to this practice, the use of raw material is reduced and environmental impact is minimised. We use 45 % scrap and 55 % original aluminium in our continuous melting furnaces.

When selecting materials and raw materials, it is one of our important criteria that the least amount of waste be produced and that there are no harmful health effects on our employees. We also prefer that the packaging of the supplied materials be reusable or recyclable.

As per the environmental law, we make annual notifications of our packaging waste in our plants. 100 % of our packaging is recycled and reused. In addition, we recall from the market and recycle 52 % of the plastic and cardboard materials and 7 % of the wooden materials used for packaging and transportation in the delivery of our products to our customers.

In 2017, 169 tonnes of plastic and paper/cardboard non-renewable materials were used, reaching 228 tonnes in 2018. In 2017, 452 tonnes of wood was used as renewable packaging material, reaching 563 tonnes in 2018.



USE OF RECYCLED MATERIALS

YEAR	RECYCLED SECONDARY PRODUCT (TOTAL MELTING KG)	TOTAL METAL RECOVERY
2017	48,580,494	47,608,884
2018	43,784,291	43,039,958

WATER MANAGEMENT

The protection of natural resources is becoming ever more important for our world. The efficient use of water, effective management of water resources and treatment of wastewater is important both for environmental protection and economic business performance. Aware of our responsibility regarding this issue, we implement efficient water use facilities in our production facilities.

Our total water consumption in 2017 was 533 megaliters and in 2018, 514 megaliters. In 2017, 97.8 % of the water we used in our plants was supplied by the municipal network while 2.2 % came from groundwater. In 2018, this ratio changed to 98.2 % from the municipality and 1.8 % from groundwater.

In our plants, water from some processes is recycled and used in other processes. A total of 2 000 tonnes of water is recycled from the industrial treatment plant for the paint shop's paint/varnish pools, 70 tonnes of water from the sawdust collection system, and 600 tonnes of water from the demineralisation plant recycling system used for the hydraulic cooling pool. With the implementation of another application in our production processes, the rinse bath was cooled and water consumption in the passivation bath was reduced by 19 %. Similarly, by transferring between bathrooms, used water was utilised instead of fresh water, thus saving 10 % of water.

WASTE WATER MANAGEMENT

We treat and discharge the water we use in our plants in Pınarbaşı, Çiğli and Gaziemir. Each of our domestic and industrial wastewater treatment plants is equipped with state-of-the-art waste scrubbing and filtering technologies.

In our industrial wastewater treatment plant of the Pınarbaşı plant, 120 m³/day of water is discharged daily in compliance with IZSU Channel Discharging Standards. In our Çiğli plant, the water discharged is 450 m³/day in accordance with the main treatment channel criteria of the Atatürk Organised Industrial Zone. The Atatürk Organised Industrial Zone analyses compliance with discharge standards by taking samples from the purification plant at regular intervals. In our Gaziemir plant, 340 m³ of wastewater is discharged into the Ege Serbest Bölgesi AŞ (Aegean Free Trade Zone AŞ - ESBAŞ) sewerage channel, and then into the IZSU channel. Since ESBAŞ does not have any purification plant within its boundaries, wastewater is discharged in accordance with IZSU Channel Discharging Standards, under the control of ESBAŞ.

WATER CONSUMPTION

	2016	2017	2018
TOTAL WATER CONSUMPTION (MEGALITER)	701,594	533,062	514,216
GROUNDWATER (MEGALITER)	8,896	12,183	9,504
MUNICIPALITY (MEGALITER)	692,698	520,879	419,176

ENERGY AND CLIMATE CHANGE MANAGEMENT

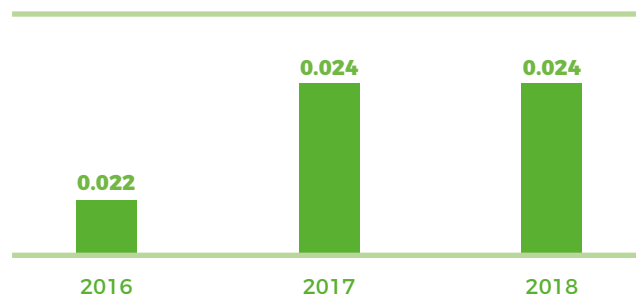
ENERGY MANAGEMENT

Energy consumption, the most important factor in climate change, is one of the main areas of focus in terms of environmental performance. Implementing measures for the effective and efficient use of the energy consumed at our production facilities, we are working on the technical efficiency of our production facilities and the devices used to achieve less energy consumption without sacrificing production output.

The energy resources used in our plants are natural gas and electricity. Energy from renewable resources is not used. There is no heating, electricity, cooling or steam energy sold from our factories.

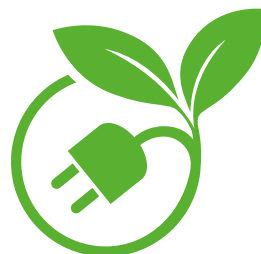
We calculate and monitor our energy intensity per 1 kilogram of wheel. When calculating this ratio, total consumption of natural gas and electricity is divided by total production weight (unpainted wheel weight) and the amount of energy consumed for the production of 1 kilogram of wheel is calculated. When calculating energy intensity, we take into consideration the electricity and natural gas consumption in our plants.

ENERGY INTENSITY (GJ/KG WHEEL)



Energy saving projects implemented in our plants in 2017-2018:

- As a result of changing the insulation material in the baking furnace of the paint shop powder paint plants, the natural gas energy spent per wheel was reduced from 0.230 kWh to 0.159 kWh. An investment of EUR 3 300 was spent, saving EUR 16 335 per year.



- The capacity of cooling towers to cool the compressor unit's cooling water was increased to reduce compressor energy consumption, and 21 735 kWh of energy was recovered annually in our plants thanks to this effort.
- A 14 303 kW/h energy saving was achieved by replacing fluorescent lighting with led lighting.
- Since pump motors used in hydraulic units in our plant consume a great amount of electrical energy, IE3 93.6 % high-efficiency motors were chosen instead of EFF2 86.1 % motors.

ENERGY INTENSITY (GJ/KG WHEEL)

	2016	2017	2018
TOTAL ENERGY	0.022	0.024	0.024
ELECTRICITY (GJ/KG WHEEL)	0.007	0.007	0.008
ELECTRICITY (GJ/KG WHEEL)	0.014	0.017	0.017

CLIMATE CHANGE MANAGEMENT AND CARBON EMISSIONS

The private sector has great responsibility for climate change, which has significant effects on our industry in terms of environmental sustainability. At CMS, we deal with and evaluate greenhouse gas management together with energy management. We assess greenhouse gas-related risks and opportunities and define the actions to be taken in this respect.

CO₂ gas emissions are taken into consideration in the framework of greenhouse gas emission calculation.

Combustion emissions are calculated by multiplying the activity data related to the amount of burning fuel expressed in tonnes or cubic metres in the enterprises by the related emission factor and oxidation factor.

Combustion emissions are calculated by multiplying the activity data related to the amount of spent fuel expressed in litres or kilograms for company vehicles, shipments and rings commuting between the plants by the related emission factor and oxidation factor.

The greenhouse gas emission intensity is calculated by dividing the total greenhouse gas emission value by the total weight of the wheel produced as the greenhouse gas emission for each kilogram of wheel produced for CMS Companies. IPCC and Defra guidelines are used for emission factors.

Scope 1: Company vehicles and the amount of natural gas consumed

Scope 2: Amount of electricity consumed

Scope 3: Employee transportation vehicles and supply chain logistics shipping vehicles

In 2018, we achieved a 3.69 % reduction in our greenhouse gas emissions in Scope 1 compared to 2017. Since 2017, the measurement of our greenhouse gas emissions for all of our plants and the increase in our production amounts resulted in an increase of 4.2 % in 2018 for our greenhouse gas emissions in Scope 2. In 2018, we achieved a 30 % reduction in our greenhouse gas emissions within Scope 3 as a result of the optimisation of vehicle occupancy rates in shipment vehicles exiting our plants and a reduction in the number of rings commuting between facilities.

SCOPE1 EMISSIONS (CO₂ E Tons/Year)

	2016	2017	2018
TOTAL NATURAL GAS	71.824	72.046	69.466
TOTAL COMPANY CARS (DIESEL)	42	103	111
TOTAL	71.866	72.149	69.577

SCOPE2 EMISSIONS (CO₂ E Tons/Year)

	2016	2017	2018
TOTAL ELECTRICITY	85.225	84.991	88.553

SCOPE3 EMISSIONS (CO₂ E Tons/Year)

	2016	2017	2018
SUPPLY CHAIN - LOGISTICS	2.912	2.744	2.000
EMPLOYEE TRANSPORTATION	516	347	367

WASTE MANAGEMENT

We ensure that the classification and recycling/disposal of the waste produced as a result of our activities are in compliance with legislation. All the waste management companies we work with have licences defined in the legislation. We monitor our waste amounts on a monthly basis, based on the categories shown in the table below.

In 2017, 96 % of the waste generated at our plants was recyclable/recycled waste. In 2018, this ratio was 99 %.



WASTE TYPE AND DISPOSAL METHOD	2017				2018			
	PINARBAŞI	ÇİĞLİ	GAZİEMİR	GRAND TOTAL	PINARBAŞI	ÇİĞLİ	GAZİEMİR	GRAND TOTAL
HAZARDOUS WASTE								
Recycled Waste (Recycled packaging, waste sent for recycling)	47,040	69,240	100,340	216,620	53,860	67,450	96,280	217,590
Hazardous wastes sent to incineration facilities	0	0	0	0	0	0	0	0
Total of Hazardous Waste	1,403,276	1,776,075	3,696,850	6,876,201	1,492,074	2,247,834	3,757,510	7,497,418
NON-HAZARDOUS WASTE								
Recycled Waste (Recycled packaging, waste sent for recycling)	1,733,115	1,235,130	4,648,400	7,616,645	1,117,185	1,617,075	2,120,630	4,814,280
Waste and packaging sent to landfill	0	0	0	0	0	0	0	0
Total of Non-Hazardous Waste	1,733,115	1,235,130	4,648,400	7,616,645	1,117,185	1,617,075	2,120,630	4,814,280
Grand Total	4,916,546	4,315,575	13,093,990	22,326,111	3,780,304	5,549,434	8,095,050	17,343,568

WASTE REDUCTION ACTIVITIES

Consumables used in our plants were categorised and their consumption was improved. By these means, reductions were made in the amount of hazardous waste.

- To reduce cartridge roll consumption used during manual levelling operations after brushing in production, 20 % improvement was achieved in the amount used and the amount of contaminated waste was reduced by changing the roll size and design.
- Routing of black coated wheels to a single cabinet, cyclone filter change, cyclone suction line cleaning, optimisation of tyre surface pulse parameters, replacing existing paint cabinets with cabinets with less paint adherence, ensuring that the paint comes only on the wheel with the installation of a wheel tracking robot, and implementing chiller cooling systems enabled a decrease of 30 % in the amount of waste powder paint.
- With investments in waste areas, slag waste and hazardous waste were separated, thus improving the working environment and enlarging our areas. Existing waste containers were revised and additions were made to allow for separate collection of waste at their sources.

CUTTING EDGE DEVELOPMENT PROJECT

In our Çiğli plant, cutting fluid was used until 2018 as defined in the wheel-processing process. Cutting edge measurement and cutting parameters were optimised and dry processing was initiated, and the use of cutting fluid in wheel-processing centres was completely abolished. A total of 4 320 litres of cutting fluid was used annually before dry processing, and thus, the use of cutting fluid was completely abolished. Consequently, the use of chemicals was reduced, the amount of waste decreased, as no cutting fluid waste was generated after use, and waste disposal costs came down. EUR 57 000 was saved on an annual basis thanks to this practice. With this project, we applied to the ISGUM (Research and Development Institute for Occupational Health and Safety) for the European Good Practice Award, organised by the Ministry of Labour and Social Services, and were awarded the 'Praiseworthiness Award' with our 'Cutting Edge Development Project'.





ANNEXES

ADDITIONAL PERFORMANCE TABLES

SOCIAL PERFORMANCE

EMPLOYEES

EMPLOYEES (BY GENDER)

	2017	2018
Female	120	94
Male	3,456	3,583

EMPLOYEES (BY AGE)

AGE	NUMBER OF EMPLOYEES	
	2017	2018
<30	1,411	1,502
30-50	2,110	2,027
>50	55	55

EMPLOYEES AT MANAGERIAL LEVELS(BY GENDER)

	2017	2018
Female	11	9
Male	61	65

EMPLOYEES AT MANAGERIAL LEVELS(BY AGE)

	2017	2018
30	0	0
30-50	67	72
50+	5	2

AVERAGE TRAINING HOURS PER EMPLOYEE

	2017	2018
Top Management	35	55
White Collar	47	55
Blue Collar	31	42

EMPLOYEES IN THE SCOPE OF COLLECTIVE BARGAINING AGREEMENT

	2017	2018
Percentage of Employees	78%	80%

* All blue collars employees are in the scope of Collective Bargaining Agreement.

ENVIRONMENTAL PERFORMANCE

AMOUNTS OF MATERIALS USED

	2016	2017	2018
Aluminium (tonnes)	52,577	80,361	80,712

	2016		2017		2018	
Other Materials(kg)	Non-renewable Materials (kg)		Non-renewable Materials (kg)	Renewable Materials (kg)	Non-renewable Materials (kg)	Renewable Materials (kg)
Plastic	91,218		22,077		103,925	
Paper/Cardboard	12,023		147,475		124,562	
Wood		600,962		452,661		563,455
Total	103,241	600,962	169,552	452,661	228,487	563,455

GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number	Omissions
GR 101: Foundation 2016			
GRI 102:General Disclosures 2016	102-1	7	-
	102-2	7, 9	-
	102-3	7	-
	102-4	7	-
	102-5	7	-
	102-6	7	-
	102-7	7	-
	102-8	38	-
	102-9	29-30	-
	102-10	12	-
	102-11	20, 26	-
	102-12	24	-
	102-13	24	-
	102-14	4	-
	102-16	10, 11, 25	-
	102-18	11	-

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number	Omissions
GRI 102:General Disclosures 2016	102-40	22, 23	-
	102-41	36, 37, 60	-
	102-42	22, 23	-
	102-43	22, 23	-
	102-44	22, 23	-
	102-45	7, 9	-
	102-46	5, 19, 20	-
	102-47	19, 20	-
	102-48	There hasn't been a revised declaration during reporting period.	-
	102-49	There hasn't been a significant change comparison to previous period in the scope of the report or the boundaries of topics.	-
	102-50	5	-
	102-51	https://www.cms.com.tr/upload/docs/cms-surdurulebilirlik-raporu-2016.pdf	-
	102-52	Every two years	-
	102-53	5	-
	102-54	5	-
	102-55	62-71	-
	102-56	Report has not been subjected to external verification.	-

GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number	Omissions
Material Topics			
Material Topic: Economic Performance			
GRI 103: Management Approach 2016	103-1	7, 8, 14	-
	103-2	7, 8, 14	-
	103-3	7, 8, 14	-
GRI 201: Economic Performance	201-1	14	-
GRI 203: Indirect Economic Impacts	203-1	47-48	
	203-2	47-48	
Material Topic: Ethics and Compliance			
GRI 103: Management Approach 2016	103-1	25	-
	103-2	25	-
	103-3	25	-
Material Topic: Risk Management and Business Continuity			
GRI 103: Management Approach 2016	103-1	26	-
	103-2	26	-
	103-3	26	-

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Material Topic: Quality			
GRI 103: Management Approach 2016	103-1	31-33	-
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Material Topic: Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	43	-
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Material Topics			
Material Topic: Business Continuity and Assurance of Employees			
GRI 103: Management Approach 2016	103-1	36-42	-
	103-2	36-42	-
	103-3	36-42	-
GRI 404: Training and Education 2016	404-1	39	-
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GRI 401: Employment 2016	401-2	14, 36-38	-
	401-3	14, 36-38	-
GRI 403: Occupational Health and Safety 2018	403-1	43-46	-

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Material Topic: Equal Opportunity for Employees			
GRI 103: Management Approach 2016	103-1	42	-
	103-2	42	-
	103-3	42	-
GRI 404: Training and Education 2016	404-1	39, 42, 43	-
	404-2	39, 42, 43	-
	404-3	39, 42, 43	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	42, 59, 60	-
Material Topic: Communication and Transparency			
GRI 103: Management Approach 2016	103-1	22-24	-
	103-2	22-24	-
	103-3	22-24	-
Innovation and R&D			
GRI 103: Management Approach 2016	103-1	27-28	-
	103-2	27-28	-
	103-3	27-28	-

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GRI 103: Management Approach 2016	103-1	29-30	-
	103-2	29-30	-
	103-3	29-30	-
GRI 204: Purchasing Practices 2016	204-1	29-30	-
GRI 308: Supplier Environmental Assessment 2016	308-1	29-30	
	308-2	29-30	
Materials			
GRI 103: Management Approach 2016	103-1	52	-
	103-2	52	-
	103-3	52	-
GRI 301: Materials 2016	301-1	52, 61	
	301-2	52, 61	

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GRI 103: Management Approach 2016	103-1	54, 55	-
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GRI 302: Energy 2016	302-1	54	-
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GRI Standard	Disclosures	Page Number	Omissions
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	103-2	56-57	-
	103-3	56-57	-
GRI 306: Wastewater and Wastes 2016	306-1	56-57	-
	306-2	56-57	-
	306-5	56-57	-
Water			
GRI 103: Management Approach 2016	103-1	53	-
	103-2	53	-
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GRI 303: Water and Effluents 2018	303-1	53	-
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	303-3	53	-
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	303-5	53	-

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GRI Standard	Disclosures	Page Number	Omissions
Material Topics			
Social Contribution Activities			
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	103-2	47-48	-
	103-3	47-48	-



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