

Ege Fren

2024 Sustainability Report

Table of Contents

01
Introduction
About the Report

03
Messages From Management
Message from the General Manager

06
Ege Fren
About Ege Fren
Our Factories
Our Products

11
Our Governance Structure
Risk Management
Ethics Management

16
Sustainability Management
Stakeholder Engagement
Materiality Analysis

22
Our Environmental Impact
Environmental and Waste Management
Energy Efficiency and Management
Greenhouse Gas Emissions
Water Use and Access to Water

31
Our Social Compliance Performance
Occupational Health and Safety (OHS)
Our Human Resources Approach
Gender Equality
Equality, Diversity and Inclusion
Training and Development
Ege Fren – Ege Endüstri Apprenticeship School
Social Responsibility Projects

42
Governance Structure
R&D and Innovation – Our R&D Strength
Quality Management
Continuous Improvement and Employee Engagement
Digital Transformation Activities
Relationships with Our Suppliers

55
GRI Index



About The Report

Since the day we were established as Ege Fren Sanayi ve Ticaret A.Ş., we have adopted the principles of respect, transparency, and accountability in all our relationships with our stakeholders and suppliers, creating a fair working system.



About The Report

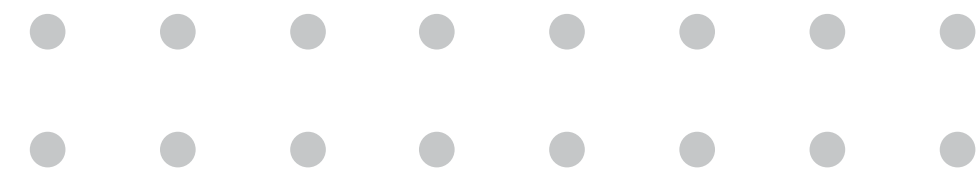
This report has been prepared with the aim of sharing the environmental, social and governance (ESG) performance of Ege Fren Sanayi ve Ticaret A.Ş. for the period of 1 January – 31 December 2024 with our stakeholders, in line with the principle of transparency. As a continuation of our first sustainability report covering the 2022–2023 period, this report sets out our company’s sustainability approach, performance and future targets.

In the reporting process, the GRI 2021 Universal Standards have been taken as a basis, and within this framework, the material topics have been prioritized and reported. The report has not been submitted to GRI for any approval process.

Within the scope of the report, Ege Fren’s İzmir Pınarbaşı plant and Ege Free Zone plant have been included.

To share your opinions and suggestions regarding this report, you may contact us at sustainability@egefren.com.tr





Message From Management



General Manager's Message



Tayfun ÜZEL
Genel Müdür

Dear colleagues and valued stakeholders,

Ege Fren operates in a critical position within the automotive industry, manufacturing one of the most fundamental safety components of vehicles: braking systems. As an industrial manufacturer working predominantly with steel-based raw materials, we are part of a value chain with significant environmental impacts. Accordingly, we remain committed to increasing resource efficiency, reducing our carbon footprint, and transitioning our production model toward circular economy principles.

Together with our supply chain partners, we promote sustainable transformation not only within our own operations but across our entire ecosystem. We adopt a continuous improvement approach in critical areas such as energy efficiency, renewable energy use, and waste and water management.

Within the scope of our climate strategy, we calculate our emissions in accordance with the ISO 14064-1 standard and plan to complete accredited verification in 2024. We are developing our net-zero roadmap aligned with science-based targets and global efforts to limit temperature rise to 1.5°C. In this context, we continue our preparation for CDP reporting and SBTi commitment, targeting net-zero emissions by 2035.

In social sustainability, we prioritize education and opportunities for young people. Through our Vocational Training Center, we support the development of young talent and employ graduates within our organization. In celebration of the 100th anniversary of our Republic, we provided educational support to 100 students. Additionally, our initiatives to promote female employment resulted in an 80% increase in the proportion of women in our workforce over the past two years.

We consider the well-being, safety, and professional development of our employees as a core priority and continue to foster an inclusive, fair, and participatory work culture. With our investments in digitalization and innovation, we enhance efficiency, safety, and environmental performance in our operations, positioning ourselves as an active contributor to the industry's carbon-neutral transformation.

I would like to extend my sincere gratitude to all colleagues and partners who contributed to the preparation of our second Sustainability Report. I am pleased to reaffirm our firm commitment to building a sustainable future and creating lasting value for future generations.

Sincerely,



Our Way is Sustainability.

Since 1987, we have been providing innovative, long-lasting, and reliable brakes and spare parts to the world's leading heavy vehicle manufacturers in line with our sustainability goals.



About Ege Fren

Founded on 23 January 1987, Ege Fren Sanayii ve Ticaret A.Ş. designs, manufactures and assembles brake systems, brake components and various machined casting products for the automotive industry.

51% of our company is owned by Ege Endüstri ve Ticaret A.Ş., and 49% is owned by Cummins Inc. This strong partnership structure enables sustainable growth in both national and international markets.

Ege Fren carries out its production activities at its factories located in İzmir Pınarbaşı and the Ege Free Zone; through our R&D Center in Pınarbaşı, innovative projects are developed to support the transformation of the sector.

In 2024, our company ranked 231st in the Istanbul Chamber of Industry's "Turkey's Second Top 500 Industrial Enterprises" evaluation, and with more than 35 years of experience, it stands among the leading organizations in the industry.

Ege Fren  Bayraktar Ege Endüstri  Meritor

PRODUCTION INFRASTRUCTURE

CNC
100+

ROBOTS
16+

ASSEMBLY
8 LINES

COATING
2 LINES

PRODUCTION CAPACITY

2.5M
COMPONENTS
SALE

350K+
BRAKE
ASSEMBLIES

3M+
AUTOMOTIVE
COMPONENTS

PRODUCTION ACTIVITIES

300+
DAYS

3
SIFT SYSTEM

WITHOUT
INTERRUPTION

About Ege Fren

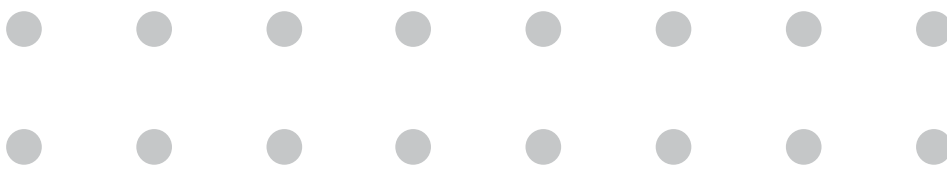
At Ege Fren, our employees form the foundation of our sustainable success journey. We safeguard the union rights of all our employees, prioritize occupational health and safety, and strive to provide a safe, fair and inclusive working environment.

Through practices that support diversity and equality, we focus on increasing female employment and supporting the vocational development and employment processes of young people. Our training and development programs contribute to the personal and professional growth of our employees.

Our understanding of sustainability is not limited to individual projects; we conduct all our activities in line with our Quality, Environmental, Occupational Health and Safety, Human Rights, Information Security, Energy, and Equality, Diversity and Inclusion policies. These policies guide our business processes and provide a framework that spans from responsible production to ethical business conduct.



Our Factories



Pınarbaşı Factory

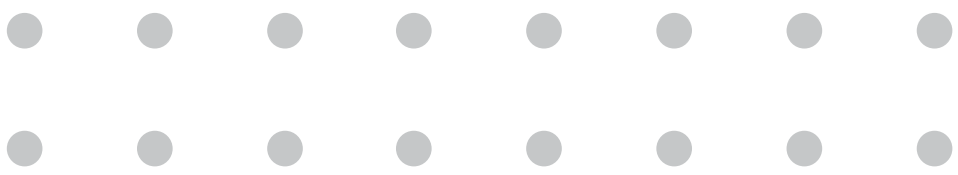
Our Pınarbaşı Factory, which became operational in 1987, is our first facility. It includes our Administrative Building, Spare Parts Logistics Center, and R&D Center within the same complex. It operates on an area of 14,697 m² open and 8,307 m² indoor area.



Ege Free Zone Factory

Our factory, established in 2006 in the Gaziemir Ege Free Zone for export purposes, operates on an area of 13,130 m² open and 6,766 m² indoor area.

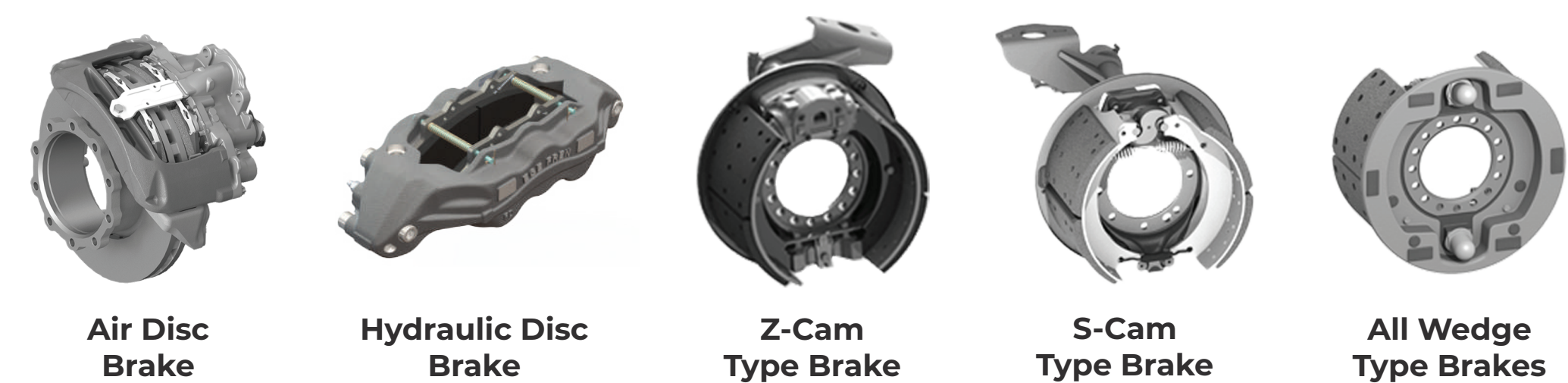
Our Products / Assembled Brakes



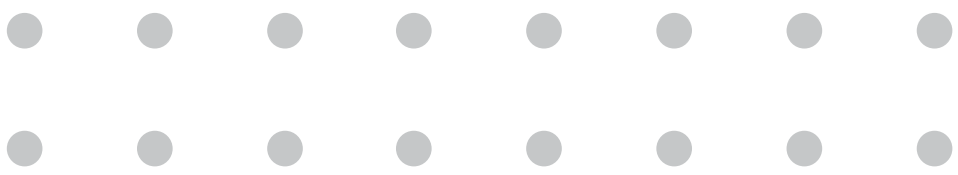
Maintaining the highest quality at all times is an indispensable element for us.

Our company continues the journey it started in 1987 by continuously improving its products and adding new ones each year. Thanks to our product quality and consistency, we have succeeded in becoming one of the most preferred companies in the automotive sector. The products produced in our factories are listed below.

ALL BRAKES



Our Products / Components



BRAKE COMPONENTS

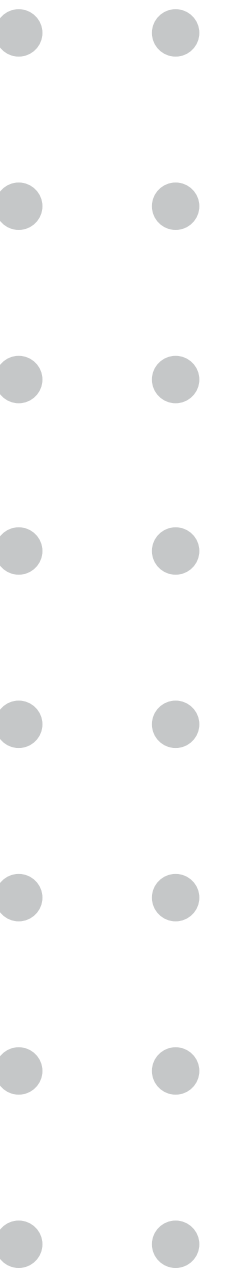
					
Complete Disc Brake Caliper	Piston Housing	Drum	Brake Shoes	Brake Discs	Disc Brake Body
					
Disc Brake Caliper	Brake Bracekts	Torque Plate	Brake Spider	Disc Brake Bridge	Disc Brake Carrier

AUTOMOTIVE COMPONENTS

					
Shaft Journal	Shift Fork	Differential Housing	Lever Assy	Steering Knuckle	Bearing Support
					
Engine Bracket	Torque Rod Bracket	Cover	Spring Bracket	Hub	Front Cover

Click the Link to
View All Our Products.

[View](#)



Our Governance **Structure**

Our Governance Structure

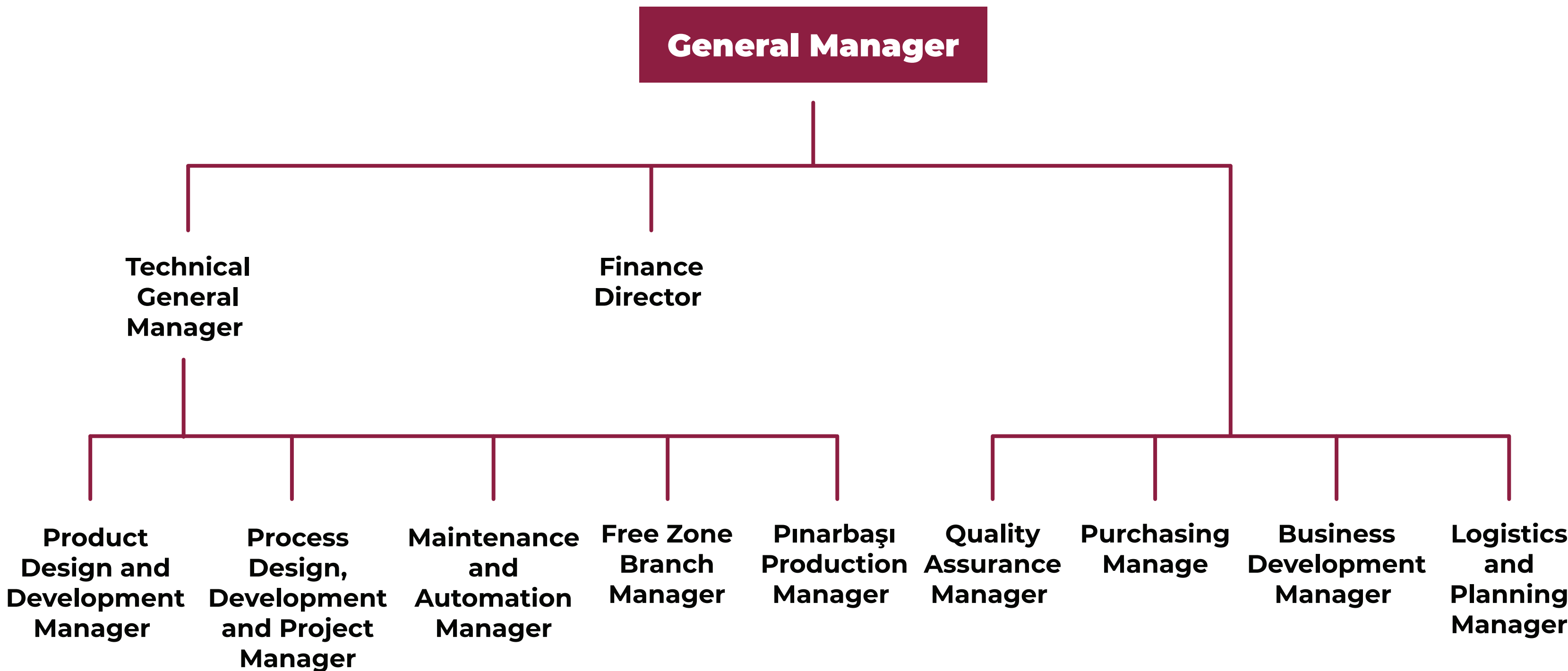
Ege Fren's governance structure is shaped by a board composed of our shareholders and experienced professional executives. Our organizational structure is built on strong leadership, the integration of diverse areas of expertise, and a collaborative, team-oriented approach.

In establishing this structure, the principles of versatility, inclusiveness and sustainable value creation have been taken as a basis. Accordingly, while strengthening Ege Fren's position in the industry, a governance approach that also considers social, environmental and ethical responsibilities has been adopted.

Our organizational structure is designed to enhance the effectiveness of business processes, support sustainable growth and ensure alignment with corporate governance principles. As part of Bayraktar Group, our companies work together with Group support units and internal managers. Our internal organizational chart and the managers within the support units are shown in the diagram on the next page.



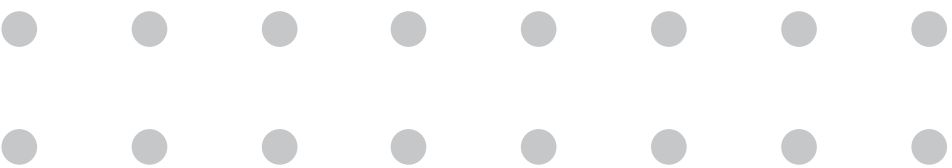
Our Governance Structure



Bayraktar Group Support

Position
Group Head of Human Resources
Chief Legal Counsel
Information Technologies Director
Information Sys. & Business Process Dev. Manager
Integrated Facilities Mgmt. & Admin. Affairs Man.
Recruitment and Talent Management Manager
Industrial Relations Chief
Infrastructure and Operations Chief
OHS & Environment Chief
Internal Audit Executive
Sustainability Executive

At Ege Fren, sustainability activities are reported monthly to the Board of Directors through our General Manager. The Committee oversees the implementation of sustainability policies and regularly communicates progress to the Board of Directors.



Risk Management

Risk management at Ege Fren is one of the core management tools supporting the sustainable growth of our company. Our strategic plan is updated each year and submitted to senior management. During the preparation of this plan, all risks and opportunities are assessed through a holistic approach, and our annual action plans are shaped in line with SWOT analyses and risk assessments.

All our business processes are managed within the scope of IATF 16949 and addressed in accordance with ISO 9001, ISO 14001, ISO 45001 and ISO 27001. These systems are regularly reviewed and improved.

At Ege Fren, creating a working environment aligned with ethical values and human rights is among our priorities. To strengthen this approach, regular audits are conducted both within the company and among our suppliers, and all

processes are monitored transparently. Our employees and stakeholders may report any unethical situations anonymously through the Ethics Reporting Hotline. This mechanism helps prevent potential violations, and all notifications are evaluated by the Holding Internal Audit unit.

During the reporting period, there were no legal cases or administrative sanctions involving our company regarding environmental, social or ethical matters.

Our risk management approach is not limited to operational processes; it also considers physical risks associated with climate change (such as drought and water stress). In these assessments, the World Economic Forum's Global Risks Report and the IPCC climate scenarios are used as reference sources.





Ethics Management

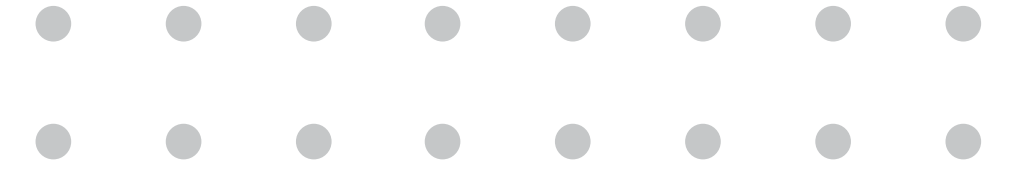
Creating a working environment that upholds ethical values and human rights is among our fundamental priorities at Ege Fren. In this context, our Code of Ethics defines the minimum behavioral standards expected from our employees and business partners.

In alignment with the practices carried out within our Group companies, common policies and procedures are implemented to strengthen the ethical culture. The Ethics Reporting Hotline is available to all our employees and stakeholders and allows for anonymous reporting. Submissions made through this channel are evaluated by the Holding Internal Audit unit.

With the updates made in 2024, provisions aimed at preventing psychological harassment (mobbing) were added to our Code of Ethics under the titles “Respect for Human Rights” and “Respect for Personal Rights.” These provisions safeguard the dignity and integrity of our employees, prevent unethical behavior and ensure the right to safe reporting.

For 2025, an internal training program on our Code of Ethics and Mobbing is planned to be conducted.

In 2024, one case in violation of our ethical rules was reported to the Internal Audit unit; it was reviewed by senior management and subsequently closed.





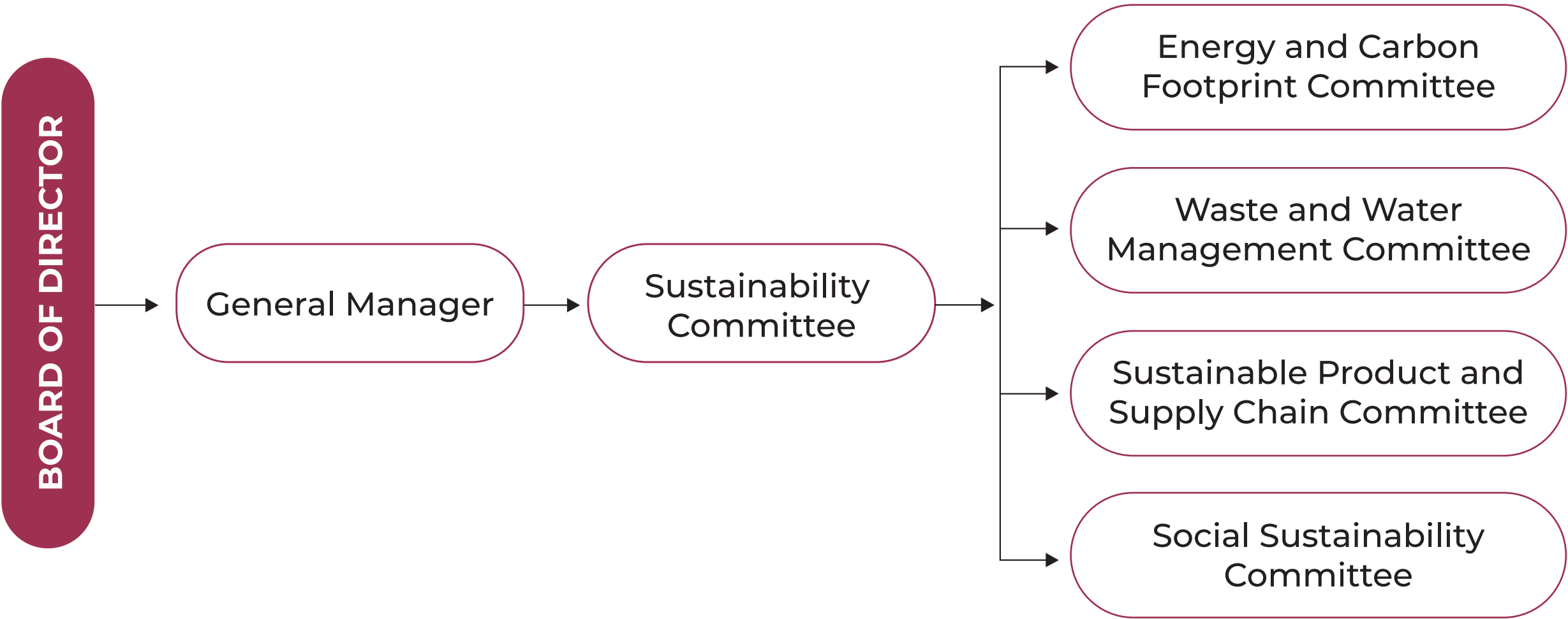
Sustainability Management

To ensure more effective management of the activities coordinated through the Sustainability Committee—comprising managers from all functions—subcommittees were established in 2024. These subcommittees aim to deepen the work conducted in designated focus areas.



Sustainability Management

Sürdürülebilirlik yönetim yapımız aşağıdaki gibi özetlenmiştir.



The main focus areas of the sub-committees are as follows:

Energy and Carbon Footprint Committee

Energy efficiency projects, renewable energy use and greenhouse gas emission reduction initiatives.

Waste and Water Management Committee

Waste reduction, recycling, circularity practices and water efficiency efforts.

Sustainable Product and Supply Chain Committee

Reducing environmental and social impacts in products, managing customer expectations and implementing sustainability criteria among suppliers.

Social Sustainability Committee

Employee rights, occupational health and safety, equality–diversity–inclusion practices and community contribution projects.

Stakeholder Engagement

At the core of Ege Fren’s sustainability approach lies strong and continuous engagement with our stakeholders. We shape our activities by considering stakeholder expectations and integrate this feedback into our strategic planning through regular feedback mechanisms.

Our main stakeholder groups include: employees, customers, suppliers, public institutions, regulatory authorities, industry associations, non-governmental organizations, the local community and our shareholders. The communication methods and engagement frequency with our stakeholders are presented in the table below.

Stakeholder Group	Communication Method	Frequency / Period
Employees	Surveys, internal communication meetings, trainings	Annual
Customers	Feedback systems, audits, customer visits	Regular / Project-Based
Suppliers	Supplier audits, contracts, trainings	Annual / As needed
Public / Regulatory Bodies	Official reporting, audits	As required by regulations
NGOs	Social responsibility projects, collaborations	Project-Based

In 2024, stakeholder opinions were gathered through employee satisfaction surveys, customer feedback systems, supplier assessments, official reporting, industry meetings and social responsibility projects.



Materiality Analysis

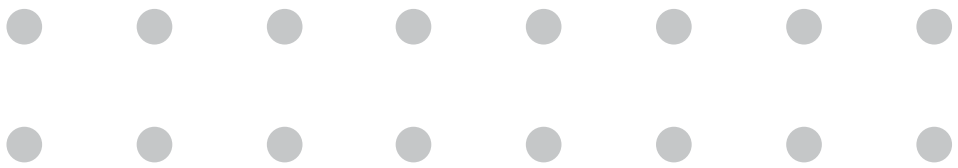
At Ege Fren, sustainability priorities are determined by evaluating stakeholder expectations together with the company's strategic priorities.

In the 2024 materiality assessment, members of the Sustainability Committee were assigned to different stakeholder groups, and each member conducted the evaluation from the perspective of the stakeholder they represented. Through this approach, the priorities of employee groups, customers, suppliers, policymakers, industry associations and the local community were discussed directly with the participation of internal stakeholders.

The stakeholder insights gathered through this process were then combined with the strategic assessments of our management, resulting in the development of the 2024 materiality matrix. The perspectives of customer and policymaker groups were assessed at a higher level of influence due to their strategic importance to our business activities.

The final analysis results served as a key input in identifying the focus areas of our sustainability strategy.

The results of the analysis are presented on the next page.



Materiality Analysis



Priority Topics

	Topic Name
15	Sustainable Use of Natural Resources
16	Risk Management and Internal Control Systems
17	Diversity, Equity and Inclusion
18	Employee Training and Development Programs
19	Governance and Transparency
20	Stakeholder Engagement and Communication
21	Waste Management and Reduction
22	Hazardous Chemicals Management
23	Circular Economy Practices
24	Supply Chain Social Responsibility
25	Trade Union Rights and Collective Bargaining
26	Air Quality and Pollutants
27	Community Relations and Social Investments (CSR)

High-Priority Topics

	Topic Name
9	Ethical Standards and Anti-Corruption
10	Legal Compliance and Regulatory Requirements
11	Greenhouse Gas Emissions (Scope 1, 2, 3)
12	Value Chain Efficiency
13	Climate Change Adaptation and Physical Risks
14	Employee Rights and Fair Compensation

Very High-Priority Topics

	Topic Name
1	Customer Satisfaction
2	Supply Chain Management and Sustainability Criteria
3	Energy Efficiency and Management
4	Occupational Health and Safety
5	Water Use and Access to Water
6	Innovation and R&D Investments
7	Data Privacy and Cybersecurity
8	Customer Health and Safety



Our Environmental Impact



Environmental and Waste Management

At Ege Fren, we place great importance on integrating Environmental Management and Sustainability Principles into our business processes. We are committed to acting responsibly from economic, environmental and social perspectives in addressing the impacts of climate change, one of the most significant risks of our time. Our goal is to minimize our environmental impact and work toward a sustainable future by protecting natural resources for future generations and enhancing quality of life.

In line with the ISO 14001 Environmental Management System, which we have held since 1999, we employ a full-time environmental engineer within our company to strengthen environmental management processes, and we work in cooperation with an environmental consulting firm to ensure more effective management. During monthly meetings, we review relevant legislation together with our environmental consultant and evaluate our environmental performance. Stack emission measurements are carried out every two years, and wastewater analyses are conducted at

designated intervals by our environmental management team.

We perform monthly waste tracking to monitor and manage our waste management processes. We prioritize initiatives aimed at reducing waste and continuously take measures to minimize waste generation.

We will continue our efforts to continuously reduce our environmental impact with the aim of creating a better future for the environment and society. We act with a sense of responsibility toward all stakeholders and make environmental awareness a fundamental part of our business strategy.

Our Ege Fren Environmental Management System Policy can be accessed [here](#).

At Ege Fren, we provide training to ensure that our environmental activities are carried out more consciously and efficiently. Details of these trainings are presented in the table below:

	2022		2023		2024	
Location	Pınarbaşı	Free Zone	Pınarbaşı	Free Zone	Pınarbaşı	Free Zone
Number of Employees Participating in Environmental Training	152	133	192	214	242	207
Total Environmental Training Hours Given	152	133	192	214	242	207

A 2x8 grid of dots, consisting of two rows and eight columns of small gray circles.

Our waste data for the last three years are presented below:

EGE FREN Total				
	2021	2022	2023	2024
TOTAL (TONS)	5.024	5.104	5.927	4.837
Recovery %	98,1	98,0	98,7	99,3





Energy Efficiency and Management

The increasing global demand for energy and its environmental impacts have made energy management one of the essential components of sustainability. Energy is an integral part of production and operational processes, and when managed effectively, it plays a crucial role in reducing environmental impacts, improving resource efficiency and lowering the carbon footprint. For this reason, energy management is positioned as a strategic priority that supports businesses in transitioning toward environmentally friendly practices.

At Ege Fren, we place significant importance on energy management processes, which are systematically carried out under the coordination of our Maintenance & Automation Department. Through regular monthly meetings attended by our Deputy General Manager, we evaluate our energy performance, identify improvement areas and plan strategic actions. Additionally, with the Energy Management Policy established during the year, we have embedded our approach to energy efficiency within a corporate framework.

To strengthen our energy management efforts across our facilities, we are enhancing data-driven monitoring and control mechanisms. Instantaneous energy data are collected through energy analyzers integrated into

our production line machines; these data are monitored via Microsoft Power BI, allowing for regular analysis of consumption patterns. Furthermore, we have transitioned to LED and automated lighting systems that adjust according to natural light, targeting an annual energy saving of approximately 184,000 kWh.

Reducing natural gas consumption is also an important part of our sustainable energy strategy. Natural gas use in the painting process has been reviewed, and various improvements have been planned to optimize the process. At our Pınarbaşı facility, the Compressor Heat Recovery System commissioned at the end of 2023 has eliminated the use of natural gas for heating administrative offices and workshops. Together with this project and complementary improvements, a total of 1,761 GJ of energy savings—equivalent to approximately 46,000 Sm³ of natural gas—has been achieved.

In line with our objectives for energy efficiency and sustainable production, we remain committed to strengthening our energy management practices, using our resources more efficiently and reducing our environmental impact.

Our data for the last three years are presented in the table below.

	Pınarbaşı			Free Zone		
Energy (GJ)	2022	2023	2024	2022	2023	2024
Natural Gas	5.110	5.080	3.330	8.955	11.443	10.171
Electricity	17.855	16.362	15.626	20.450	20.377	17.889
Totalt	22.965	21.442	18.626	29.405	31.820	28.059



Greenhouse Gas Emissions

The increase in greenhouse gas concentrations in the atmosphere due to human activities over the past century has made the climate crisis an unavoidable reality for all living beings. Aware of the pressure caused by the disruption of atmospheric balance, we shape our business strategies by evaluating risks that may influence climate change and continuously review our processes as part of the global transition. Recognizing that greenhouse gas emissions are among the most significant environmental impact areas resulting from our operations, we have established a systematic emission management approach and continue to strengthen it each year.

Our emission management approach is structured holistically, covering the monitoring, analysis and reduction of greenhouse gas emissions arising from our activities. In this context, direct and indirect emission sources within our operations have been identified, control points have been established in relevant areas and reduction strategies have been developed. We closely follow international best practices in climate action and continue our assessments to establish a roadmap aligned with CDP climate reporting and science-based targets. The progress made and our annual performance in this area will be transparently shared with our stakeholders through our sustainability reports.

As of 2024, our emission management efforts focus particularly on reducing Scope 1 and Scope 2 emissions resulting from our natural gas and electricity consumption. Energy efficiency practices, process improvements and activities aimed at increasing renewable energy use form the foundation of this strategy. In addition, our strong waste management practices are integrated into our emission management system, contributing to improvements both in environmental impact and resource efficiency.

During this period, a concrete step toward reducing internal emission sources was taken through the complete transition of our company vehicle fleet to hybrid electric vehicles (HEV). HEV technology optimizes fuel consumption, contributing to the reduction of fleet-related emissions and supporting the decrease of operational emissions, particularly those originating from service vehicles.

Value chain components such as the supply chain, logistics operations and raw material usage continue to be evaluated in collaboration with our customers and suppliers. As in previous reporting periods, Scope 3 emissions were also calculated for 2024, and improvements in methodological alignment and data coverage were achieved thanks to efforts to enhance data quality during this period.

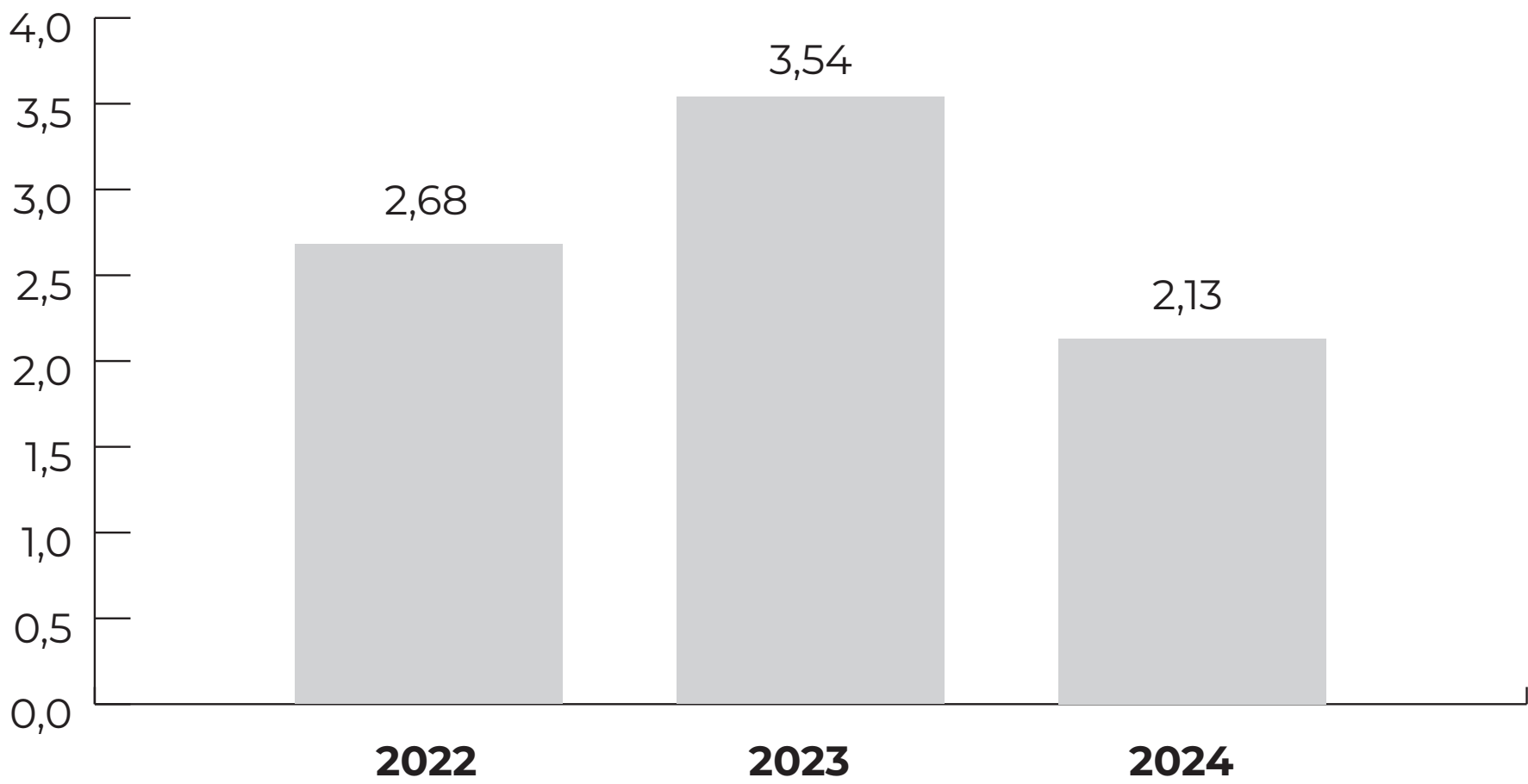
Greenhouse Gas Emissions

To increase the effectiveness of our emission management practices, we encourage the active participation of our employees. Through trainings and awareness-raising activities, we support all employees in becoming part of the climate action process and strengthen the sustainability culture within the company.

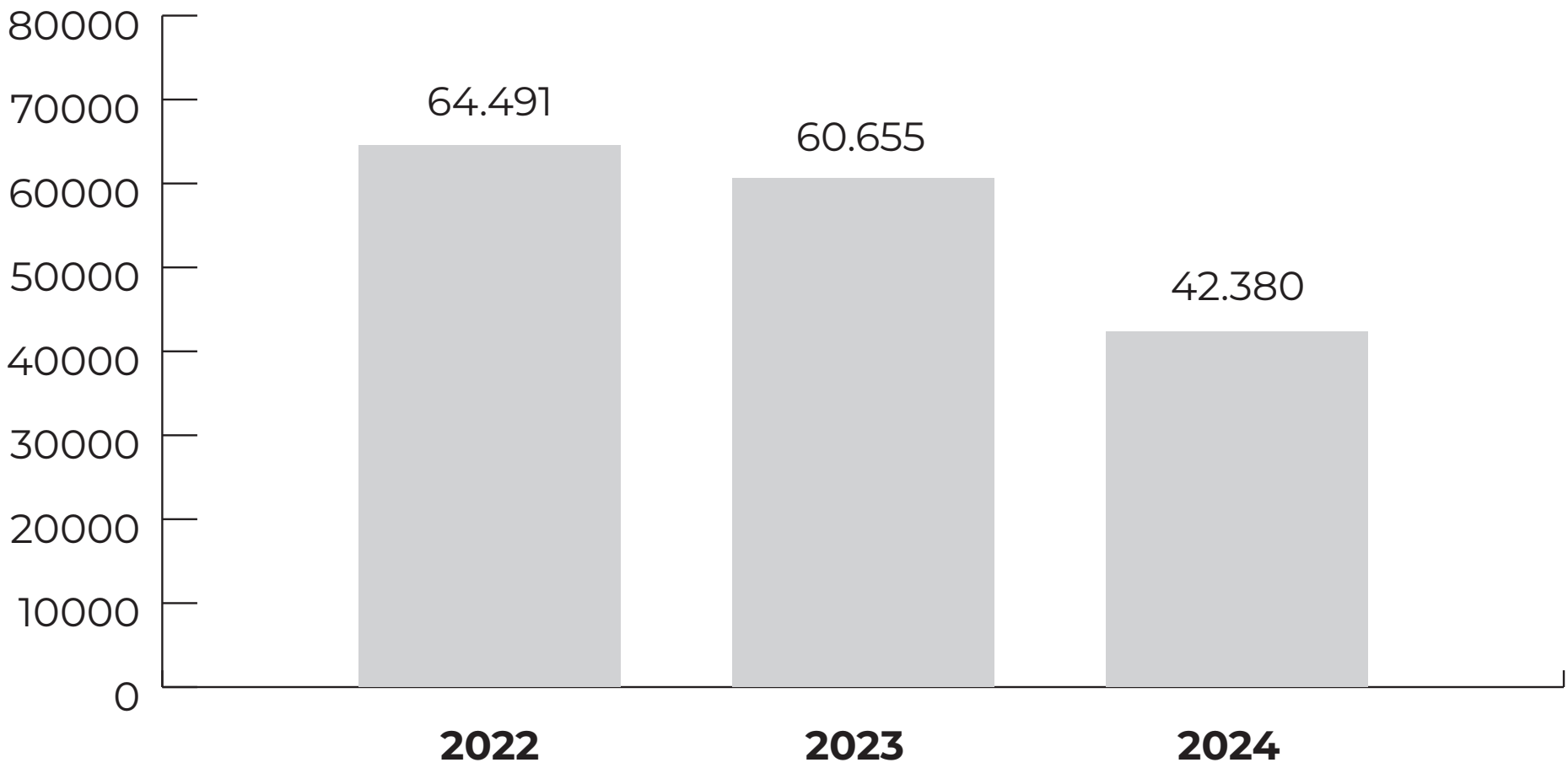
With full awareness of our responsibility in addressing the climate crisis, we remain committed to reducing the environmental impacts arising from our operations. In this context, our total factory-based emission performance for the last three years, as well as our carbon footprint per product, is presented in the tables below for our stakeholders' information.

Ege Fren Free Zone and Pınarbaşı			
Category Name	2022 (tCO ₂ e)	2023 (tCO ₂ e)	2024 (tCO ₂ e)
Category 1 Direct HSGE	915	1.278	1.044
Category 2 DSGE from Imported Energy	4.671	4.480	4.046
Category 3 DSGE from Transportation	2.306	2.513	881
Category 4 DSGE from Products Used by the Institution	51.350	51.878	35.952
Category 5 DSGE from Products/Services of the Institution	0	0	0
Category 6 Greenhouse Gas Emissions from Other Sources	4.908	4.718	455
Total	64.491	64.849	42.379

Emissions per Unit kg CO₂e / kg of Product Sold



Total Carbon Footprint Tons CO₂e



Water Use and Access to Water

Water is not only a fundamental source of life but also an essential element of sustainable production. At Ege Fren, we prioritize the efficient use of water at every stage of our production processes and encourage our employees to understand the value of water and actively contribute to a culture of conservation. The conscious water consumption approach we have established across the company contributes significantly to both environmental sustainability and operational efficiency.

In 2024, we maintained our commitment to monitoring water consumption regularly, identifying efficiency opportunities and implementing water-saving technologies. While wastewater management continues to be a critical area in preserving water resources, the proper management of process-generated wastewater and the evaluation of improvement potentials remained among our key priorities.

In this context, water consumption in the paint shop section of our Free Zone production facility is continuously monitored, and various projects are being developed to reduce water use. The results and performance indicators of these efforts will be shared in more detail in our reports in the coming years. Additionally, to reduce the impact of rising temperatures in the İzmir region on employee health and comfort, an evaporative cooling system was commissioned. Due to its operation on hot days, it is estimated that this system results in approximately 2,500 m³ of additional annual water consumption.

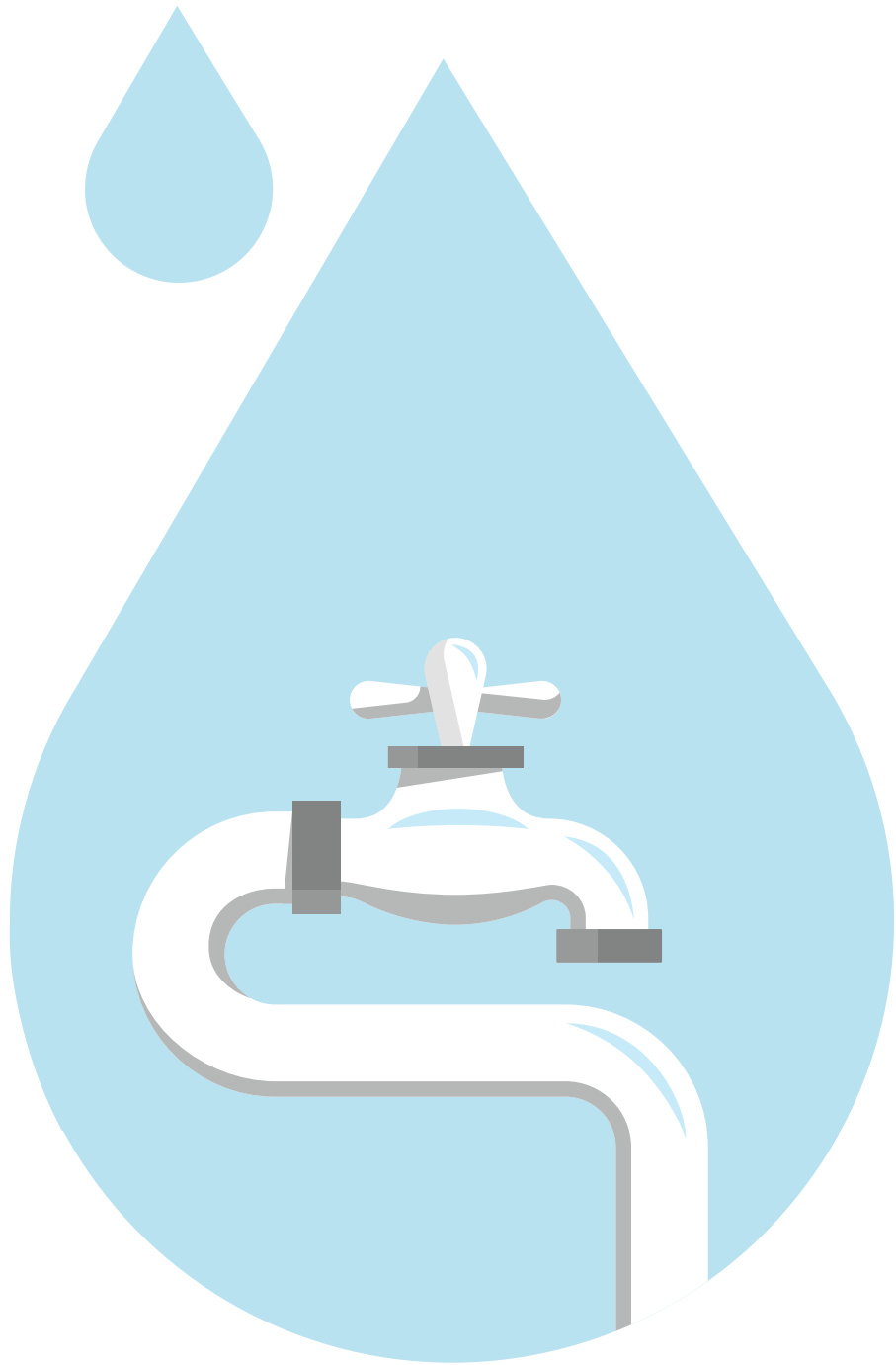
At our Pınarbaşı production facility, another significant step has been taken to reduce our overall water consumption. Through an improvement project planned for the water treatment system used in the processes, we aim to achieve approximately a 15% reduction in water use at this facility. This initiative supports sustainable water consumption while also contributing to the optimization of operating costs.

Furthermore, considering the potential for water shortages in the İzmir region, an additional water storage tank project has been prepared for our Free Zone facility to ensure production continuity. This investment, with a capacity to meet approximately four days of water demand, will reduce risks related to water access and strengthen the uninterrupted sustainability of our operations.

At Ege Fren, we are fully aware of our responsibility in water management. We continue our efforts to protect natural resources, develop projects that support efficient water use and leave a healthier environment for future generations, with determination throughout 2024.

Our water consumption amounts for the last three years are presented in the table below:

	2022	2023	2024
Water Consumption (m ³)	25.156	27.072	28.132





Our Social Compliance **Performance**



Ensuring a healthy and safe working environment in all our operations is one of our foremost responsibilities. For this purpose, we manage our activities in accordance with ISO 45001, which we are certified for. As our production facilities fall under the “hazardous work class” according to legal definitions, we pay close attention to implementing all requirements within the scope of Occupational Health and Safety. We also strive to continuously improve the practices we carry out in this area.

In line with our institution’s commitment to valuing people, we establish and operate a system that ensures the health and safety of all our employees, assessing risks that may arise from chemical, physical or ergonomic factors. In the event of any adverse situation, we ensure that the necessary actions are taken.

We work to ensure that the policies we have established within the scope of Occupational Health and Safety are embraced by our employees, and we continue to develop our objectives in this direction. Our policy can be accessed **here**.

The OHS performance of our company for the last three years is presented in the table below.

OHS Performance Indicators	2022	2023	2024
Number of Accidents	23	13	12
Lost Workdays Due to Accidents	184	129	86
Accident Severity Rate	0,08	0,10	0,08

Our fundamental principle within the scope of Occupational Health and Safety is to “operate with Zero Workplace Accidents.” We continue to work with determination to prevent any accidents or injuries. During the reporting period, no workplace accident resulting in death or serious injury occurred in our company. All data related to workplace accidents are reported to the Ministry in accordance with legal requirements, even if no loss of working days is recorded.

Occupational Health and Safety (OHS)

Occupational Health and Safety (OHS)

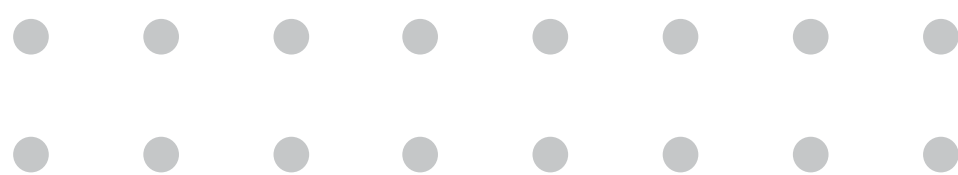
One of our corporate priorities in ensuring Occupational Health and Safety is the completion of risk assessments and the continuation of our activities in alignment with these assessments. We inform all our employees on this matter and provide orientation and refresher trainings at legally mandated intervals. Additionally, as a core rule of our work practices, we provide all employees with personal protective equipment suitable for their jobs, ensure that these are used and communicate regularly to ensure timely replacements based on their lifespan. We also require all contractors operating within our company to use the necessary protective equipment.

Based on our evaluations, and to ensure ergonomic working conditions, we identify and observe working environments that may pose risks of musculoskeletal disorders and carry out monitoring and assessments for each production and office process. We implement corrective actions aimed at improving ergonomics. These technical measures—designed to ensure that our employees work more safely from an ergonomic perspective—also positively influence production efficiency.

Our ongoing improvements include: expanding the use of pneumatic and torque-controlled hand tools instead of manual tightening and loosening tools during workpiece setups on machines; providing rest breaks for employees; implementing rotation practices among employees; and improving raw material and finished product containers and packaging.



Occupational Health and Safety (OHS)



In building our Occupational Health and Safety culture, we act together with our employees and place great importance on their feedback and observations. Reports submitted by employees via the OHS mobile application regarding unsafe behaviors, unsafe conditions and near-miss incidents enable us to take preventive measures before workplace accidents occur. Employee participation in this process not only strengthens internal engagement but also significantly contributes to the growth and development of our system.

All machinery, equipment and work equipment—including but not limited to machines and machining centers—are inspected at legally mandated intervals by accredited firms. In this way, we identify potential unsafe conditions in equipment safety systems at an early stage and implement necessary improvement actions.

Employees participating in Occupational Health and Safety audits in our company, including contractors, are indicated in the table alongside.

OHS Management System and Employees Included in Audits	Number	Percentage
Number of Employees Included in the OHS Management System (Including Subcontractors)	504	%100
Number of Employees Included and Audited by the Institution (Including Subcontractors)	504	%100
Total Number of Employees	504	%100

We maintain all fire-protection equipment required by law and prepared within the scope of Occupational Health and Safety, and we conduct periodic emergency drills and practical trainings for our emergency teams. Through these activities, we ensure preparedness for potential emergency situations, gain the opportunity to identify improvement needs at an early stage and take the necessary measures in a timely manner.

All emergency equipment used within this scope is inspected at defined intervals, and in the event of any malfunction, the issue is resolved promptly to ensure the continuity and effectiveness of our Occupational Health and Safety system.

The OHS training information provided during the reporting period is presented in the table below.

OHS	2022			2023			2024		
OHS Training	PB	SB	TOTAL	PB	SB	TOTAL	PB	SB	TOTAL
Number of Employees Participating in OHS Training (Including Subcontractors and Apprentices)	263	340	603	287	232	519	272	232	504
Total OHS Training Hours Provided (Including Subcontractors and Apprentices)	1.146	1.771	2.917	3.444	2.784	6.228	3.264	2.784	6.048

Our Human Resources Approach

At Ege Fren, we place respect for human rights, equality and ethical business conduct at the core of all our activities. In line with the Universal Declaration of Human Rights and the United Nations Global Compact, we safeguard the rights of our employees through our Human Rights Policy and adopt a fair and transparent approach toward all our stakeholders. You can access our Human Rights Policy [here](#).

We do not allow discrimination based on language, religion, gender, ethnic origin or personal preferences. We strictly reject child labor and forced labor, and we conduct all our business processes in adherence to ethical principles. We maintain a zero-tolerance policy toward workplace bullying, mobbing and any practices that violate human rights.

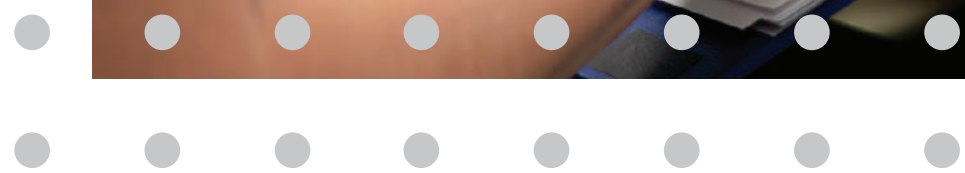
Our compensation and benefits policies are based on job descriptions, performance criteria and transparent reward principles. Full compliance with legal regulations is ensured regarding overtime payments, leave rights and employee benefits. Internal evaluations are conducted using the results of annual surveys carried out by the international organization to which our Human Resources department contributes. Based on the data gathered from various sources, we determine the necessary salary increase rates and implement them in line with our Wage Policy upon approval by the Board of Directors. In addition, we reflect union rights in the wages of both

hourly and monthly paid employees and provide private health insurance and personal accident insurance.

By closely following global trends in digitalization, sustainability and workforce transformation, we implement programs aimed at developing the competencies of our employees and fostering an inclusive and innovative work environment. In this context, we view diversity and inclusion as core values and remain firmly committed to the principle of gender equality. We support the participation of women in the workforce and encourage equal representation at all levels.

We consider employee satisfaction a fundamental element of social sustainability and implement practices that enhance motivation. Through our apprenticeship training center, we nurture young talent and contribute to the development of a skilled workforce for the future. By actively participating in social responsibility projects, we strive to create value not only in the business world but also across society.

In the medium term, we aim to improve employee experience and workforce quality, while in the long term, we focus on aligning with global sustainability standards. Through the policies we develop around diversity, inclusion, digitalization and sustainability, we aim to build the workforce of the future.



Gender Equality

At Ege Fren, we consider equal opportunity and social compliance as fundamental principles underlying all our practices. We participate in projects that support women’s participation in the workforce, encourage initiatives aimed at the education of girls, and strive to raise awareness among our stakeholders together with our employees.

Within our company, all employees have equal rights regardless of gender. In maternity and paternity leave practices, both female and male employees benefit from the same standards, and no intervention is made in return-to-work processes. This approach reflects our sensitivity to work–life balance and respect for family and private life.

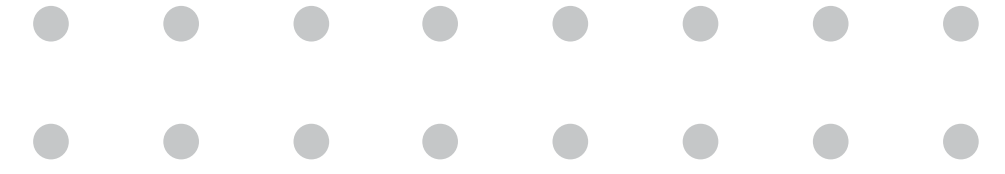
Our data indicate that the vast majority of employees who take maternity or paternity leave voluntarily return to work. This outcome is a concrete reflection of our inclusive approach and our policies that prioritize employee satisfaction.

Total Number of Employees Eligible for Maternity Leave	Male	Female	Total
2022	12	3	15
2023	19	4	23
2024	24	1	25

Total Number of Employees Eligible for Maternity Leave	Male	Female	Total
2022	12	2	14
2023	19	4	23
2024	24	2	26



Equality, Diversity and Inclusion



Our sustainability approach embodies a strong stance not only in environmental matters but also in the social dimension. We view employee satisfaction as a fundamental condition for societal inclusion. In this regard, we consider the diversity created by employees of different ages, genders, beliefs, ethnic backgrounds or perspectives as a source of richness within our company culture.

In our recruitment processes, we act without any form of discrimination and believe that the synergy created through diversity enhances both creativity and business outcomes. Even in our industry, which requires intensive physical labor, we encourage the participation of women in various departments and place great importance on strengthening equal opportunities in the workplace.

Our approach to equality extends beyond gender; it is built on guaranteeing fair practices for all employees in access to opportunities, career development, compensation and working conditions. Creating a work environment where employees can freely realize their potential, where their rights are protected and their dignity is respected is one of our fundamental priorities. In this regard, we have placed Equality, Diversity and Inclusion on our strategic agenda and established the foundations of our corporate approach. The necessary steps have been taken to further strengthen our efforts at the institutional level, and progress has been made toward embedding this approach within a lasting framework.

With an awareness of the global transformation taking place, we view the principles of diversity, inclusion and gender equality not only as values for today but also as critical factors for our company's future success.

Yıllara Göre Çalışan Sayısı	2022	2023	2024
Erkek	385	386	372
Kadın	61	76	77

Çalışan Sayısı (Taşeron Hariç)	2022		2023		2024	
	Erkek	Kadın	Erkek	Kadın	Erkek	Kadın
Aylık Ücretli	72	31	75	32	73	33
Saat Ücretli	313	30	311	44	298	43

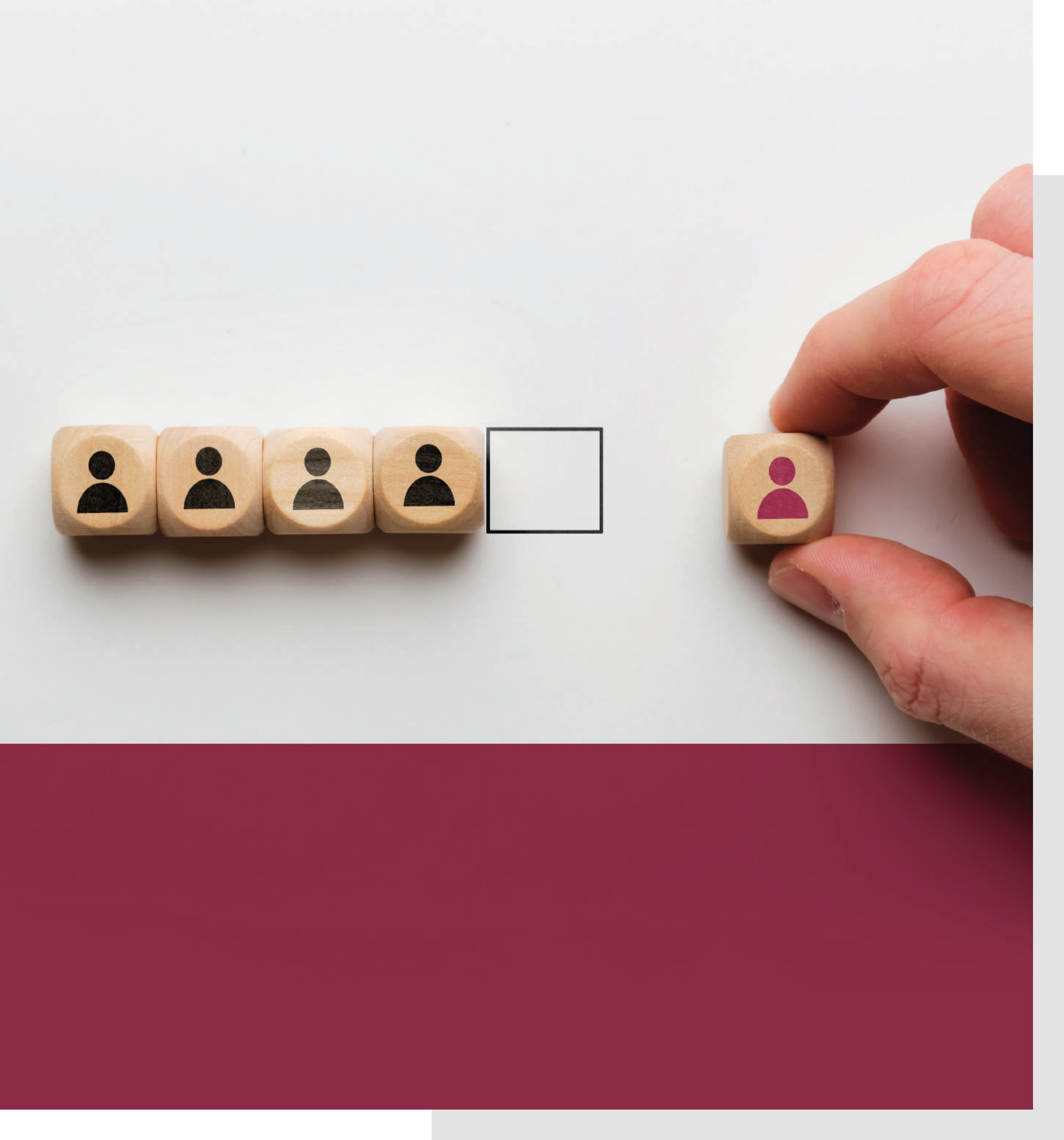
Çalışma Sürelerine Göre Çalışan Sayısı	2022		2023		2024	
	Erkek	Kadın	Erkek	Kadın	Erkek	Kadın
0-5 Yıl	190	52	188	67	142	55
5-10 Yıl	84	5	96	5	87	8
10 Yıl ve Üzeri	111	4	102	4	112	6
Toplam (Cinsiyet Bazında)	385	61	386	76	341	69
Toplam	446		462		410	

Training and Development

As an organization that values its employees and prioritizes their rights, we support their professional development by offering training opportunities in various fields and contribute to their career planning. With a social and environmental sustainability mindset, raising employee awareness and providing sector-related trainings remain among our key priorities. All employees benefit from trainings regardless of seniority or job role, while new employees participate in orientation programs to become familiar with the company and the industry. We prepare development plans each year by taking into account the individual and organizational needs of our employees and provide the necessary training and development opportunities.

For employees in critical roles, we implement succession planning processes and long-term development programs to support their potential and prepare them for future responsibilities. By anticipating potential needs for key positions in advance, we establish a “Career and Succession Plan” and closely monitor development processes. This approach enables us to support the personal and professional growth of all employees in a sustainable manner.





Ege Fren – Ege Endüstri Apprenticeship School

Through the initiatives carried out in our Apprenticeship School, we support young individuals who wish to develop themselves in the sector, contribute to their vocational education and prepare them for professional life. Our objectives include: integrating young people who cannot continue their formal education into society and the workforce; supporting them in acquiring a profession and guiding them toward learning; helping them complete unfinished education; training a potential workforce aligned with our corporate culture; and creating pathways for them to work in our companies as apprentices, journeymen or masters.

These activities, ongoing since 2014, are successfully carried out in accordance with legal requirements and ministry inspections. The Apprenticeship School initially started with 36 candidates, and throughout 11 terms, a total of 1,380 hours of theoretical training has been delivered, supported by hands-on practical education. We experienced the pride of graduating our first students in 2017, and today, we continue our efforts with 115 students.

We offer education in three vocational branches:

- Machine Technologies (CNC, Computer-Aided Machine Manufacturing Processes)
- Machine Maintenance and Repair
- Metal Technologies (including welding)

Through these programs, we provide many students with both vocational expertise and income and educational opportunities. Today, we are proud to have graduates from our apprenticeship classes who now work in our organization as experienced employees.

Apprentice intake numbers as of the end of 2024	Number of Apprentice Graduates	Transition to Staff Positions
	227	187

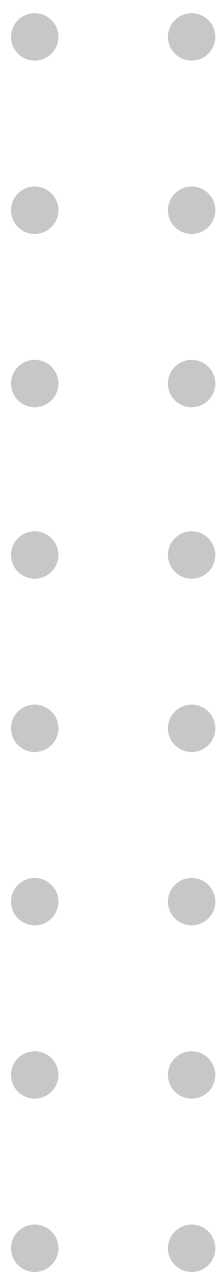
Social Responsibility Projects

At Ege Fren, we strive to create positive changes that can serve as an example for current and future generations, influencing both our environment and social lives. We are aware of the responsibilities we must assume toward our employees and society.

We consider social responsibility projects highly valuable and carry out numerous initiatives in this context. We place importance not only on being a supporter but also on taking an active role in these projects. We encourage the voluntary participation of our employees and conduct activities that directly contribute to society.

In implementing our projects, we give priority to the needs of the community, the expectations of our employees and stakeholders, and the protection and improvement of the environment. Guided by the principles of diversity and inclusion, we promote equal opportunities and support the participation of women in the workforce in line with our commitment to gender equality.

We will continue to enhance and strengthen our social responsibility efforts today and in the future.



Stronger Together with Our Employees

Social Activities

EÇEV (Aegean Contemporary Education Foundation)

As part of our cooperation with EÇEV, we participated in the Pedalla: “Pedal for Education” event, providing our employees with an enjoyable social experience while supporting equal opportunities in education.



Ege Fren

Ege Endüstri

HER PEDALDA BİR BURS
HER BURLA BİR GELECEK!



**Bu yıl beşincisi düzenlenecek Eğitime Pedalla Bisiklet Turu ile
Ege Çağdaş Eğitim Vakfı (EÇEV) burs fonuna destek oluyoruz!**

Bu anlamlı etkinlikte çalışanlarımız ve aileleriyle birlikte, eğitimde fırsat eşitliğini desteklemek için pedallarımızı çevireceğiz. 29 Eylül 2024 tarihinde başlayacak etkinliğe katılmak isteyenlerin başvurularını bekliyoruz.

Katılım için;
QR kodunu tarayabilir ya da sendika temsilcilerimizle iletişime geçebilirsiniz.

Son Başvuru Tarihi
6 Eylül 2024

Tur, Gündoğdu Meydanı'ndan başlayarak İnciraltı Kent Ormanı'nda sona erecek. Bitiş noktasında müzik ve ikramların da bulunduğu bir eğlence alanı bisikletseverleri bekliyor olacak.

Bayraktar



Stronger Together with Our Employees

Social Activities

TEK POTA LEAUGE

To strengthen team spirit and create a social environment, we participated in the Tek Pota Basketball League. This event contributed to fostering solidarity and teamwork among our employees, enhancing corporate engagement and supporting the creation of a healthy work environment.



Ege Fren

Ege Endüstri

ŞİRKETLER ARASI TEK POTA LİGİ

Başvuru Yap



Firmamızı temsil etmek üzere katılmak isteyenler için başvuru süreci başladı!

Katılım için;

QR kodunu tarayabilir ya da sendika temsilcilerimizle iletişime geçebilirsiniz.

Ayrıntılı bilgi ve kurallar için bize ulaşabilirsiniz.

Son Başvuru Tarihi

16 Ağustos 2024

Birlikte Oynayalım, Destekle Kazanalım!

*Katılım 10 kişi ile sınırlıdır. Başvuru sonrası takım oluşturabilmek için seçmeler düzenlenecektir.





Governance **Structure**



Our R&D Strength

As stakeholders of Türkiye’s automotive industry—the driving force of national exports—we work toward transforming Türkiye into a global R&D and production hub. At Ege Fren, we conduct our R&D activities with an approach that takes into account evolving automotive technologies and innovations.

When it comes to driving safety in the automotive sector, the R&D and innovation of brake systems hold a highly significant position. As technology advances, innovation is required across all fields, including the automotive industry. The R&D and innovation of vehicle braking systems are among the most prominent of these needs.

Activities carried out in R&D centers constitute one of the most important components of technological and innovative approaches shaping the future. Aware of the rapidly changing needs and expectations of today, we recognize that the work carried out in our R&D center will enable us to establish a strong position in the global market.

As an institution holding R&D Center status under the “Law No. 5747 on Supporting Research and Development Activities,” we continue our work through effective approaches in product design, development and improvement.

Thanks to our R&D center, we not only improve our existing products but also lead the technological advancement and renewal of the automotive sector. Through our work in this context, our company continues to develop new projects every day. All project processes are monitored by dividing them into phases by our R&D team. These phases are:

- Idea and Feasibility (Phase 0)
- Planning (Phase 1)
- Product Design (Phase 2)
- Process Design (Phase 3)
- Design / Product Validation (Phase 4)
- Mass Production + Feedback + Continuous Improvement (Phase 5)

We have successfully proven ourselves in brake manufacturing. We continue to develop and expand our work in the production of brake components each year. After completing the design of brake components, we conduct simulations, analyses and tests in our R&D center to verify that the required specifications are met.

R&D and Innovation

Our R&D Strength

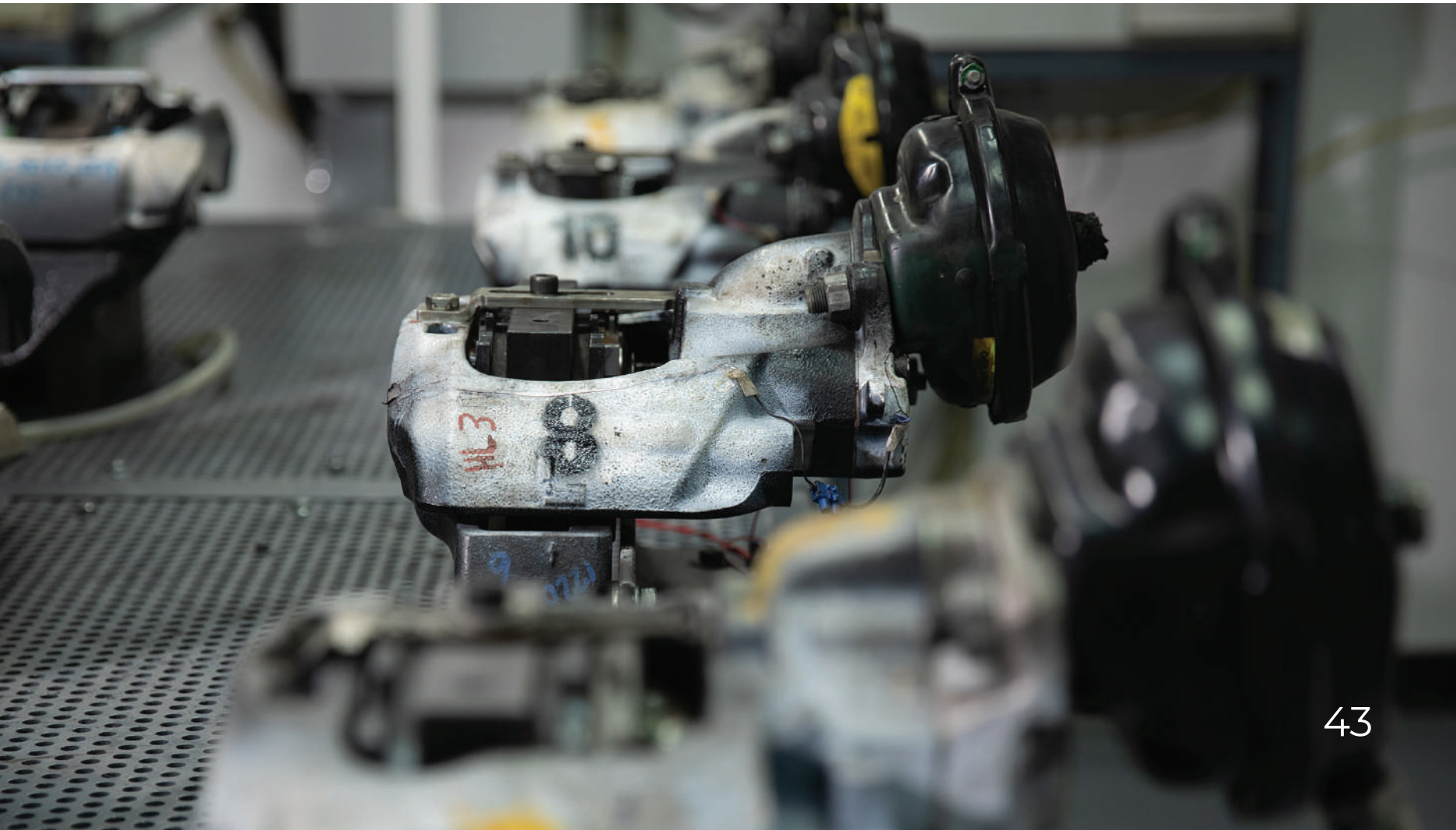
At Ege Fren, our ongoing R&D projects focus on developing products that reduce pad and brake disc wear, designing products for heavy commercial vehicles that minimize adverse social and environmental impacts and reduce fuel consumption. Our projects in this area include:

- **Lightweight rotor and hub design project:** Achieved up to 16 kg weight reduction in steerable axles and a 30% improvement in brake disc cooling performance.
- **Return spring design project for 22.5-inch air disc brakes:** Achieved approximately 0.3% fuel savings in heavy-duty vehicles. The product has been commercialized.
- **Brake disc and pad design project initiated in 2024 to reduce brake emissions:** Aims to reduce critical friction pair particulate emissions by up to 90%.

Through these R&D outputs between 2022–2024, we continued our efforts to reduce harmful particulate emissions and pollutants—such as carbon monoxide—which are associated with cardiovascular issues, permanent respiratory damage and stroke. With our production philosophy focused on minimizing environmental harm, the integration processes of these products will continue in 2025.

Our Other R&D Objectives and Strategies

- Supporting the global engineering and validation activities of our partner Cummins
- Becoming Europe’s central hub for drum brake design and production
- Becoming Türkiye’s brake production and engineering center for the heavy vehicle market
- Improving product quality and process standards
- Increasing product and process efficiency to reduce costs
- Expanding the Ege Fren product portfolio



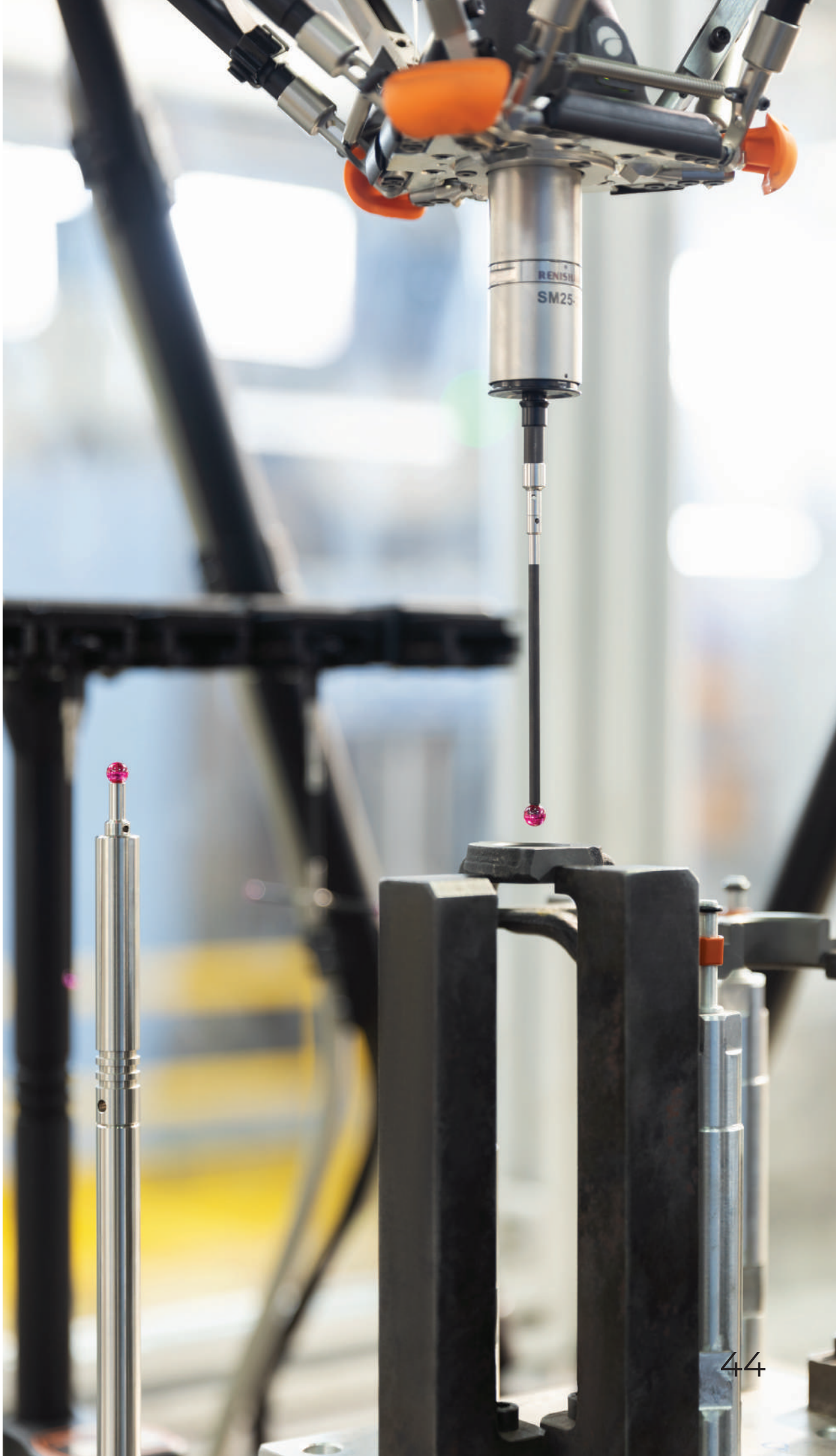
Our R&D Strength

To achieve the medium- and long-term strategy of our R&D Center, we follow several key steps:

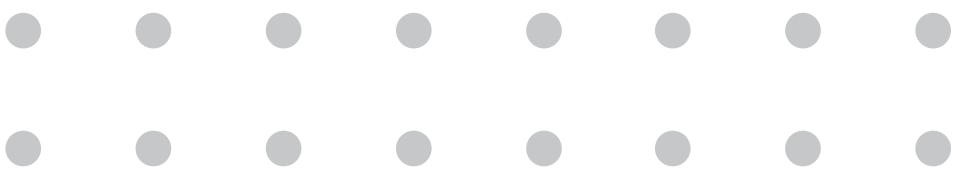
- 1. Development of human resources: Strengthening university collaborations, increasing know-how in vehicle systems, expanding internal and external training, improving experience in homologation and vehicle testing and increasing participation in scientific activities.
- 2. Development of design capabilities: Enhancing technical knowledge in disc brakes, improving simulation capabilities for products, tests and manufacturing methods.
- 3. Development of testing capabilities: Improving existing measurement capabilities, designing and investing in new test units and increasing knowledge and skills regarding brake particulate emission measurements.
- 4. Increasing the number of strategic new product design projects.

To meet our goals, we continue to identify changing sector and customer needs and prepare projects aimed at modifying our production processes to meet these requirements. We also continue to design products for the Turkish market that can replace imported alternatives.

Target	Status in Reporting Year
Completion of vehicle integration of our lightweight rotor and hub products	Completed
Completion of vehicle tests and integration of our hydraulic disc brake caliper	Completed
Completion of vehicle integration and start of mass production for our return spring that reduces pad wear	Completed
Completion of vehicle tests for our 17.5-inch air disc brake caliper	Completed
Prototype production and initiation of laboratory tests for our hydraulic controlled parking brake	Completed



Our R&D Strength



Progress of Ongoing Projects

- The test phases of the lightweight rotor and hub, hydraulic disc brake caliper, return spring reducing pad wear and 17.5-inch air disc brake caliper projects have been successfully completed, and the projects have advanced to subsequent phases.
- For the hydraulic controlled parking brake project, design and simulation processes have been successfully completed and laboratory tests have begun.

	2022	2023	2024
Total R&D Expenditures (Million TL)	14,2	31	61

R&D Center Workforce as of 31 December 2024

R&D Employee Count	2022	2023	2024
Male	25	25	26
Female	5	5+1	6+1
Total	30	30+1	32+1

(+) symbol indicates support personnel.

Our R&D center consists of product design and development, process design and development, project management and continuous improvement and product and process quality development units. Within the scope of our R&D projects, we continue developing new product designs or adapting and modifying our existing products for various vehicles. In all these activities, we ensure that the functional characteristics, quality and performance criteria of the subcomponents within our existing products are carefully considered and continuously improved.

As a result of our R&D projects, new products developed in our center help sustain and expand our business volume. Additionally, through the introduction of new products, we continue to create new business opportunities and product groups to meet the needs of our customers.

By expanding our product portfolio and increasing efficiency in our production processes, we reduce our costs and increase the profitability of both our company and our R&D center.

With the know-how generated through the projects we are developing, we have established the necessary foundation to design new products. This strengthens the value of our company and our work, reinforcing our presence in the national market.

Within the scope of our ongoing R&D efforts, in addition to the successful progress of our projects, we also have targets related to patent applications and the development of scientific publications.

Our R&D Strength

We obtain patents for the products developed in our R&D center and submit separate utility model applications for newly developed models. In 2023, we filed 5 new patent/utility model applications based on the work carried out in our R&D center and obtained registration for 5 of our previous applications. In 2024, we obtained 9 patent and utility model registrations and filed 5 new patent and utility model applications.

The patent/utility model numbers registered in 2024 are listed below.

No	Patent / Utility Model Title
2020/11005	Innovation in Brake Discs and Hubs for Heavy-Duty Vehicles
2021/018115	Electromechanical Actuation Mechanism for Drum Brakes in Heavy-Duty Vehicles
2021/020837	Damage Detection and Emergency Stopping System for All Rotating Machines and Vehicle Components
2022/012874	Return Spring Fatigue Test Device
2022/012871	Electromechanical Single-Piston Disc Brake Mechanism for Service Vehicles
2022/014051	Innovation in Disc Brake Pad Return Springs
2022/014775	Brake Pad Wear Sensor Mounting Bracket
2023/003362	Hydraulic Parking Brake with Automatic Pad Clearance Adjustment Mechanism
2023/003914	Innovation in Pad Centering System of Hydraulic Release Parking Brakes



Our R&D Strength

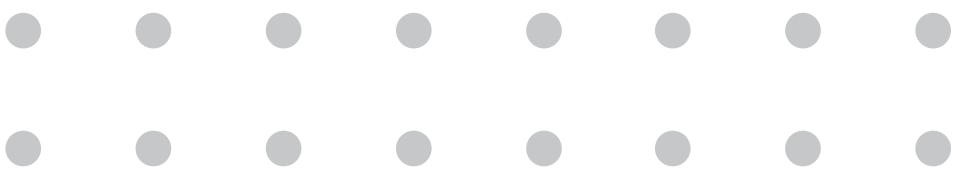
The application numbers and titles of the applications submitted in 2024 are listed below.

No	Patent
2024/013374	Ventilated Brake Drum
2024/016550	Innovation in Brake Discs and Hubs Used in Steerable Axles of Heavy Commercial Vehicles
2024/018751	Innovation in Brake Discs and Hubs Used in Rear and Auxiliary Axles of Heavy Commercial Vehicles
PCT-TR2024-051405	Innovation in Brake Discs and Hubs Used in Steerable Axles of Heavy Commercial Vehicles
PCT-TR2024-051603	Innovation in Hydraulic Disc Brake Calipers Used in Vehicles
2024/020890	Integrated ABS Sensor Ring Structure Used in Wheel Hubs of Steerable Axles

As Ege Fren, the activities carried out within our R&D Center were evaluated by the Ministry of Industry and Technology in 2024 and subsequently approved, confirming the continuation of our operations under the R&D Center status.



Our R&D Strength



Within our R&D Center, the following projects were completed in 2024:

Code	Project Name
PA197	Design of a Pad Return Spring for Disc Brakes
PA184	Design of a 17.5-inch Air Disc Brake
PA150	Design of a Ventilated Brake Disc for Heavy Commercial Vehicles
PA201	Design of a Hydraulic Disc Brake

In addition, we initiated two new R&D projects during the reporting period. The titles of these projects and the current status of their development are provided below:

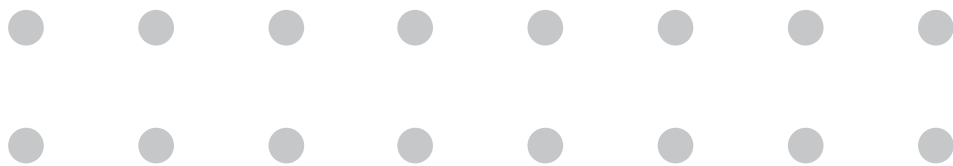
Code	Project Name	Status
PA225	Development and Testing of an Air Disc Brake for Commercial Vehicles	The design phase is ongoing. A brake assembly compatible with the package space of the customer's vehicle has been designed. Engineering simulations are in progress.
PA227	Design of a Brake Disc and Hub for Commercial Vehicles	The design of a hub and rotor compatible with customer vehicles is ongoing, along with engineering simulations.

During 2024, a total of four national and international scientific publications were produced within our R&D Center. The titles and publication sources are as follows:

Yayın Başlığı	Yayınlandığı Yer
Investigation of the Main Factors Affecting the Fatigue Life of Structural Cast Components in Heavy Commercial Vehicle Brake Systems	Gazi University Journal of Science Part C: Design and Tech.
Effect of Microstructure on Crack Resistance in Brake Discs Used in Heavy-Duty Vehicles	Gazi University Journal of Science Part C: Design and Tech.
Numerical and Experimental Investigation of the Mechanical Strength of an Integrated Wheel Hub Used in Heavy-Duty Vehicles	Pamukkale University Journal of Engineering Sciences
Impact of Design Modifications on the Structural Strength of Heavy Commercial Vehicle Air Disc Brakes	OTEKON 2024

Through the R&D projects and scientific publications carried out during our reporting year, we strive to contribute to advancements both within our sector and for society at large.

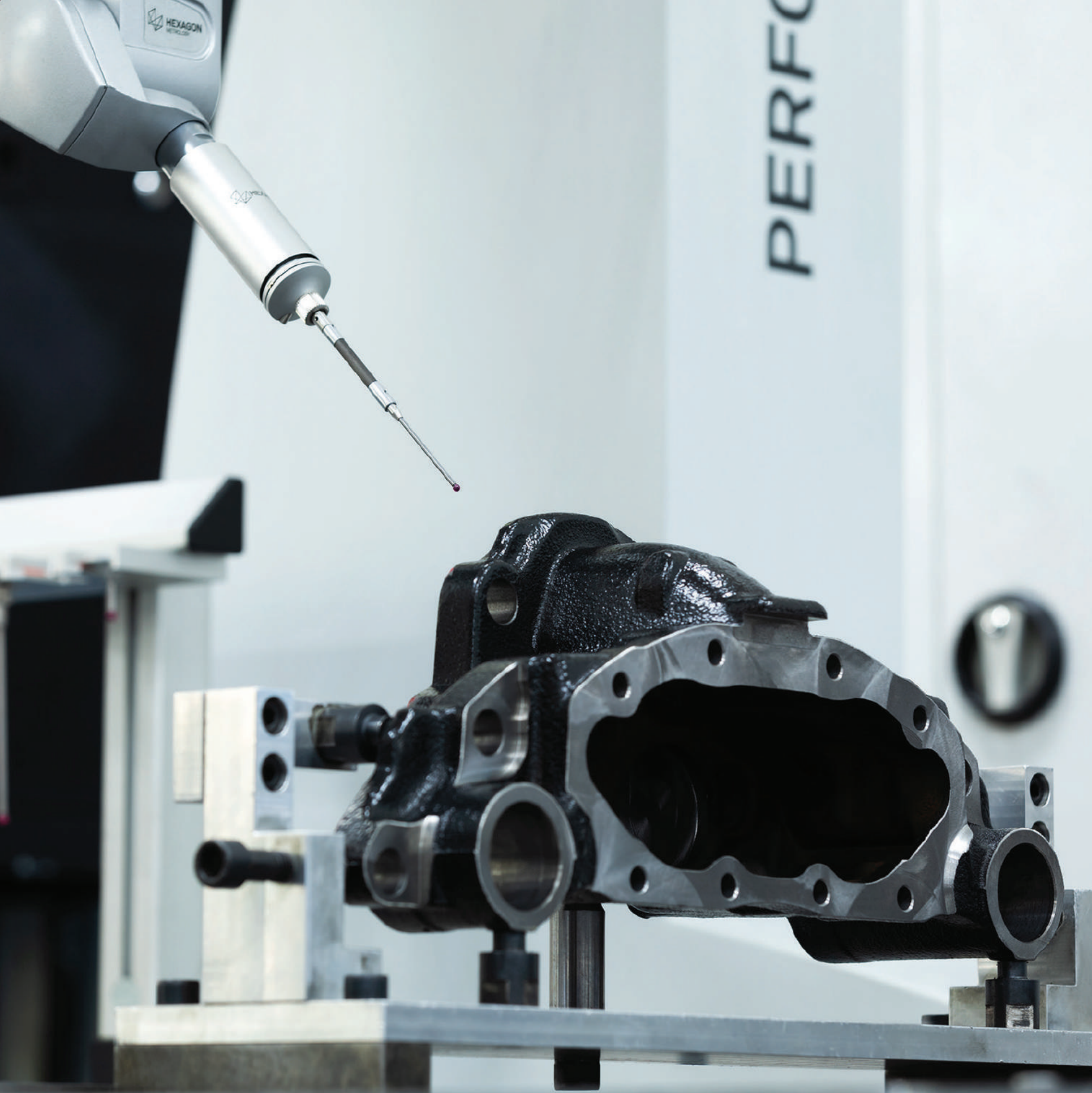
Our R&D Strength



To closely follow developments and activities in our industry, our colleagues participate in relevant sectoral events. Within this scope, we attended the following events in 2024:

Type	Event Name	Location
Conference	Eurobrake 2024	International
Conference	Introduction to Modeling Physical Systems with Simscape and Automotive Systems Modeling with Simscape Driveline – FIGES	Domestic
Symposium	Beyond 2024 Workshop	Domestic
Conference	11th International Automotive Technologies Congress OTEKON'24	Domestic
Conference	Brake Emissions Global Update	Domestic
Conference	Numesys Automotive Technologies Conference	Domestic
Symposium	Saha Expo	Domestic
Symposium	Brake Systems Technical Committee 2024/1 Meeting	Domestic

Type	Event Name	Location
Conference	Digital Transformation Summit	Domestic
Symposium	ESAS EXPO24 Defense Industry and Technology Fair	Domestic
Symposium	Analysis Solutions Evnt. for Mach. Manufacturers–Tekyaz	Domestic
Symposium	SolidWorks Transformation Tour – Tekyaz	Domestic
Conference	3rd International Engineering and Science Congress	Domestic
Symposium	Automechanika Istanbul	Domestic
Conference	4th Excellence Summit	Domestic
Conference	7th International Engineering Sciences and Multidisciplinary Approaches Congress	Domestic
Symposium	BUSWORLD ISTANBUL	Domestic
Conference	13th International Engineering, Architecture and Design Congress	Domestic



Quality Management

Brakes, being one of the most critical components of a vehicle, carry vital importance.

Therefore, undergoing a high-quality and safe production process is of utmost significance. Our company maintains its commitment to quality standards throughout its production system. Our primary goal is to highlight our success through the quality of our products and services and to strengthen our position in global competition. While delivering our products at the desired quality and on time, we strive to exceed our customers' expectations. Thanks to this perspective within our quality management system, we are recognized as a reliable and preferred supplier both nationally and internationally.

We continue to review and improve all our policies within our value chain management to ensure the highest level of customer satisfaction.

With the awareness that the products we manufacture have a direct impact on safety, we select the materials we use and the suppliers we collaborate with accordingly. We closely follow product safety standards and carry out the necessary inspections throughout our production processes. All feedback and complaints submitted to us regarding our products are evaluated within predefined procedures, and necessary actions are taken promptly.

To develop and strengthen our quality management system, we cooperate with various external organizations for training and improvement activities.

In addition to the IATF 16949 and ISO 9001 Quality Management Standards, our company operates in accordance with ISO 45001 Occupational Health

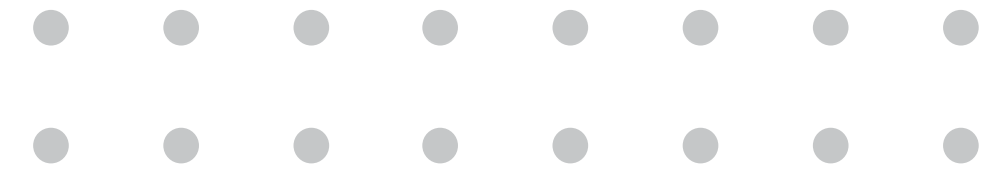
and Safety Management System, ISO 14001 Environmental Management System and ISO 27001 Information Security Management System. We also continue to hold our Ford Q1 flag.

Following the evaluation conducted by one of our key customers in terms of product development, operational support and business alignment, we are proud to have received the “success” award in the Supplier Performance Management (SPM) Program for two consecutive years, 2023 and 2024. The excellence-focused efforts of our teams in product development and operational processes confirm our position as a reliable business partner. Additionally, in 2024, our Pınarbaşı and Free Zone facilities achieved the highest grade, “A,” in the VDA 6.3 Process Audit.

Through our digital transformation efforts in quality processes, we ensure the internal management of customer complaints, carry out traceability activities, obtain product-related documents from our suppliers, and manage supplier issues and performance. All QMS (Quality Management System) documents and workflows are managed through our Digital Document Management System.

We share our Ege Fren Quality Management Policy with all stakeholders to outline the fundamental principles of our activities. You can access our policy **here**.

Continuous Improvement and Employee Engagement



At Ege Fren, continuous improvement is not merely a tool for cost reduction and efficiency enhancement; it is a fundamental management approach that strengthens environmental sustainability, supports employee engagement and institutionalizes operational excellence. Since 2012, we have been systematically implementing Kaizen, Lean Manufacturing and Six Sigma methodologies, achieving tangible gains across social, environmental and economic dimensions.

Employee engagement constitutes the strongest component of our improvement culture. Ideas developed by our employees are systematically evaluated through the Performans+ suggestion system; in this context, the number of suggestions per employee increased from 1.1 in 2022 to 1.9 in 2023 and to 2.4 in 2024. This rise in suggestion participation demonstrates that our employees are actively contributing to our processes and directly supporting our sustainability goals. In 2024, a total of 1,071 suggestions were evaluated, and 189 employees were rewarded for their contributions to the system. At the annual Performans+ award ceremony, plaques are presented by our General Manager to employees submitting the highest number of suggestions, and successful projects are recognized with special awards. This approach increases participation in the suggestion system and fosters the spread of a continuous improvement culture throughout the organization.

As part of our Kaizen activities, approximately 2,000 improvement items have been implemented to date. These initiatives have generated measurable benefits in ergonomics, occupational health and safety, quality, energy, logistics and environmental performance. The number of Kaizen projects rose from 285 in 2022 to 300 in 2023 and reached 312 in 2024. Moreover, in 2024, seven of our projects were selected for presentation at Kaizen events organized by the İzmir Branch of the Union of Chambers of Turkish Engineers and Architects (TMMOB). Regular 5S audits conducted within the scope of lean production continue across 28 areas; compliance levels increased from 88.8% in 2022 to 92% in 2024.

Six Sigma projects aim to eliminate process losses through root cause analysis and to ensure more flexible, reliable and sustainable operations. In 2024, improvements of up to 63% were achieved in critical processes such as energy consumption, chemical usage optimization and machine downtime. These results provide significant benefits in terms of both cost efficiency and environmental impact.

The environmental benefits of our continuous improvement activities are also measured in tangible terms. In 2024, improvement initiatives resulted in a savings of 395 kg + 422 kg of paint, 5,142 kg of chemicals and a total of 221 MWh of electricity. These achievements have directly contributed to reducing carbon emissions and promoting more efficient use of

natural resources. Through the active participation of our employees, not only have operational outcomes been strengthened, but the improvement culture has also spread throughout the organization, significantly supporting the development of sustainability awareness.

Looking ahead, we aim to further strengthen our continuous improvement efforts. In this context, we plan to increase the number of suggestions per employee to 3.4 by 2026, to place greater emphasis on environmental areas such as energy efficiency, water management and waste reduction within Kaizen projects, and to integrate Six Sigma initiatives with digital data analytics. Additionally, we aim to raise 5S compliance levels to 91% and participate in a greater number of national and international Kaizen competitions with more projects.



"Performance Plus" Awards Ceremony



Digital Transformation Activities

At Ege Fren, digital transformation is not limited to technological investments; it is a holistic transformation approach that forms an integral part of our sustainability vision. Our expanding digital solutions—from data-driven systems to artificial intelligence applications—support operational excellence while enabling us to fulfill our environmental and social responsibilities more effectively. In line with this strategy, we aim to increase energy and resource efficiency, reduce waste and emissions, strengthen a culture of transparent reporting and support employee engagement. Our digitalization roadmap not only prepares our company for the future but also contributes to a sustainable growth model aligned with the Sustainable Development Goals.

A key dimension of our digital transformation efforts is strengthening data collection and visualization infrastructure. Through EPC applications and digital data collection systems integrated into manual production lines, data obtained from production processes is analyzed holistically, and inefficiencies are identified rapidly. The integration of Power BI and SAP enhances real-time traceability of our operations, reinforcing decision-making processes and enabling our management to take more proactive actions toward sustainability targets. The metric monitoring system, digital tracking of chemical consumption in the

cataphoresis line and natural gas consumption monitoring system collectively contribute to measurable progress in reducing carbon emissions. This integrated approach not only provides measurable savings in energy and chemical usage but also promotes the efficient use of natural resources and supports the widespread adoption of a sustainable production culture.

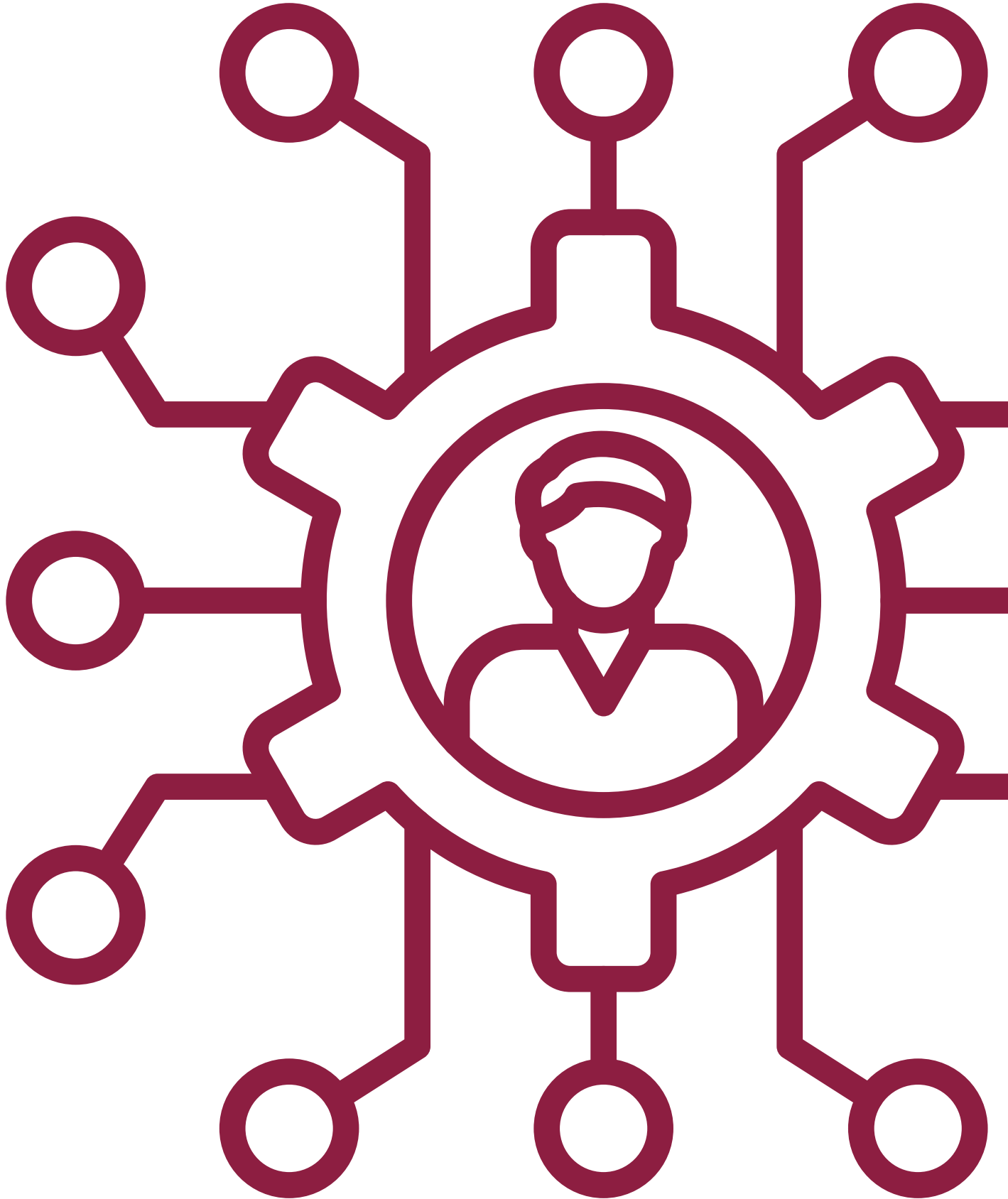
Employee participation is one of the fundamental elements strengthening the social dimension of our digital transformation process. The feedback, suggestion and request system enables employees to directly communicate their sustainability-focused ideas to management, while the risk reporting mobile application used in occupational health and safety contributes to the proactive identification of potential hazards. The SharePoint-based intranet platform accelerates internal knowledge sharing and strengthens collaboration and engagement among employees. These applications lay the groundwork for a more inclusive, innovative and participatory organizational culture.

Digital Transformation Activities

Artificial intelligence-based image processing applications used in quality control processes also constitute an important part of our transformation. With the part recognition system, human error is reduced and product waste is prevented, while production efficiency is increased by using less raw material. In this way, resource usage is optimized, waste generation is reduced and direct contributions are made to environmental sustainability.

Digitalization efforts within operational processes increase time, labor and resource efficiency while reducing our environmental impacts. The digitalization of Kaizen processes enables systematic tracking of continuous improvement activities, contributing to more measurable outcomes. The digitalization of operator inspection forms, CMM measurement reports and PLM workflows accelerates processes and significantly reduces paper consumption, supporting the conservation of natural resources. The vehicle mileage tracking system and pallet truck card-scanning applications allow for more efficient management of in-house vehicle use, contributing to optimized fuel consumption and reduced carbon emissions. The automation of manually prepared reports through Power BI integration has increased workforce efficiency while eliminating paper-based reporting processes, enabling reductions in our carbon footprint.

The next steps of our digital transformation roadmap aim to further expand the sustainability-focused use of artificial intelligence and machine learning technologies. In the upcoming period, predictive maintenance applications will be used to detect potential machine failures in advance, reducing unplanned downtime and unnecessary energy losses. Quality prediction algorithms will be utilized to reduce defect rates, optimize raw material usage and minimize waste generation. Additionally, operational optimization solutions will aim to increase energy efficiency, ensure more effective resource management and reduce carbon emissions. These projects will strengthen our company's digital transformation and support the critical role of artificial intelligence technologies in our decarbonization journey.





Relationships with Our Suppliers

Supplier relations within our company are carried out under the leadership of our Purchasing Department. The Purchasing Department is responsible for coordinating and monitoring all processes conducted with our suppliers in accordance with the defined standards.

All suppliers are required to have been audited by accredited certification bodies and to hold at minimum an ISO 9001:2015 Quality Management System certification. In addition, for certain supplier groups designated as high-impact, possession of the IATF 16949:2016 certification has been defined as a fundamental requirement to ensure alignment with our quality management systems. As Ege Fren, we ensure the reliability of purchased products by regularly monitoring the validity and currency of our suppliers’ quality certificates, thereby safeguarding the sustainability of our supply chain.

Furthermore, depending on customer requirements, certain suppliers are expected to obtain ISO 14001 Environmental Management System and/or ISO 45001 Occupational Health and Safety Management System certifications. For suppliers outside this group, ISO 14001 and ISO 45001 certifications are required for those considered high-impact, in order to expand sustainability practices throughout our supply chain.

Our supplier relations are conducted in line with our internally developed Supplier Handbook. This handbook serves as a key reference that clearly defines the standards and requirements expected from our suppliers.

In this context, with the Supplier Code of Conduct document that we plan to publish beginning in

2026, we aim to ensure that our suppliers comply with environmental, social and ethical responsibilities, thereby establishing a stronger basis for our collaboration.

Additionally, in the upcoming period, we will initiate a pilot study that incorporates sustainability performance into supplier performance evaluations, alongside quality and logistics performance.

	2022	2023	2024
Domestic Supplier Rate	%89	%89	%89
Local Procurement Volume	%85	%80	%80

As reflected in our carbon footprint data, emissions from the raw materials we use constitute the largest share of our total emissions. The emission performance of our foundry suppliers, which fall into this category, is of great importance to us. Currently, 90% of our ten foundry suppliers carry out the melting process using electric arc furnaces, which have lower emission intensity compared to other methods. When the raw materials obtained from these suppliers are examined, it is observed that Ege Fren uses more than 50% recycled raw materials in total.

GRI Content Index

Used GRI 1	GRI 1: GENERAL DISCLOSURES 2021	
GRI Standards	Disclosure	Page numbers, descriptions and/or URL
GRI 2: General Disclosures 2021	2-1 Organization profile	1-2 About the Report, 6-7 About Ege Fren, 8 Our Factories
	2-2 Organizations included in sustainability reporting	1-2 About the Report, 6-7 About Ege Fren, 8 Our Factories, 14 Risk Management
	2-3 Reporting period, frequency and contact information	1-2 About the Report
	2-4 Information restated from previous reports	1-2 About the Report
	2-5 External audit	No external audit was conducted as part of this report.
	2-6 Operations, value chain and other business relationships	6-7 About Ege Fren, 9-10 Our Products, 54 Relationships with Our Suppliers
	2-7 Employees	33 Our Human Resources Approach, 34-35 Equality, Diversity and Inclusion
	2-8 Outsourced employees	33 Our Human Resources Approach, 34-35 Equality, Diversity and Inclusion
	2-9 Governance structure	12-13 Our Board of Directors & Organizational Structure,, 17-18 Sustainability Management
	2-10 Process for determining the competence and qualifications of members of the highest governance body	12-13 Our Board of Directors & Organizational Structure,, 15 Ethics Management
	2-11 Head of the highest governance body	12-13 Our Board of Directors & Organizational Structure,, 15 Ethics Management
	2-12 Role of the highest governance body in managing the organization's impacts from activities	4 Message from the GM,, 12-13 Our Board of Directors & Organizational Structure, 17-18 Sustainability Management
	2-13 Responsibility for managing the impacts from activities	4 Message from the GM,, 12-13 Our Board of Directors & Organizational Structure, 17-18 Sustainability Management
	2-14 Role of the highest governance body in sustainability reporting	4 Message from the GM,, 12-13 Our Board of Directors & Organizational Structure, 17-18 Sustainability Management
	2-15 Processes to prevent conflicts of interest	15 Ethics Management
	2-16 Escalation of critical issues to the highest governance body process	12-13 Our Board of Directors & Organizational Structure, 33 Our Human Resources Approach
	2-17 Competencies of the highest governance body	4 Message from the GM,, 12-13 Our Board of Directors & Organizational Structure, 17-18 Sustainability Management
	2-18 Evaluation of the performance of the highest governance body	33 Our Human Resources Approach
	2-19 Remuneration policies	33 Our Human Resources Approach
	2-20 Process for determining wages	33 Our Human Resources Approach
	2-21 Annual total wage rate	33 Our Human Resources Approach
	2-22 Statement of sustainable development strategy	4 Message from the GM,, 17-18 Sustainability Management
	2-23 Policy commitments	15 Etik Kodumuz, 33 Our Human Resources Approach
	2-24 Implementation of policy commitments	15 Etik Kodumuz, 54 Relationships with Our Suppliers, 33 Our Human Resources Approach
	2-25 Processes to remediate negative impacts	17-18 Sustainability Management, 33 Our Human Resources Approach

GRI Content Index

GRI Standards	Disclosure	Page numbers, descriptions and/or URL
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns on issues related to ethical and legal conduct	50 Quality Management, 33 Our Human Resources Approach
	2-27 Compliance with legislation	23-24 Waste Management, 33 Our Human Resources Approach
	2-30 Percentage of employees subject to collective bargaining agreements	33 Our Human Resources Approach
GRI 3: Material Issues 2021	3-1 Process for determining material topics	20-21 Materiality Analysis
	3-2 List of material topics	20-21 Materiality Analysis
	3-3 Management of material topic	20-21 Materiality Analysis
GRI 201: Economic Performance 2016	201-2 Financial consequences and other risks and opportunities from climate change	14 Risk Management
	201-3 Defined benefit plan obligations and other retirement plans	33 Our Human Resources Approach
GRI 204: Procur. Practices 2016	204-1 Proportion of spending on local supplier	54 Relationships with Our Suppliers
GRI 301: Materials 2016	301-1 Materials used by weight or volume	17-18 Sustainability Management, 23-24 Environmental and Waste Management
	301-2 Recycled input materials used	17-18 Sustainability Management, 23-24 Environmental and Waste Management
GRI 302: Energy 2016	302-1 Energy Consumption of the Organization	25 Energy Efficiency and Management
	302-4 Reduction of Energy Consumption	25 Energy Efficiency and Management
GRI 303: Water and Wastewater 2018	303-1 Interaction with water resources as a shared resource	28 Water Use and Access to Water
	303-2 Water Management of Discharge-Based Impacts	28 Water Use and Access to Water
	303-3 Water Draft	28 Water Use and Access to Water
	303-4 Water Discharge	28 Water Use and Access to Water
	303-5 Water Consumption	28 Water Use and Access to Water
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	26-27 Greenhouse Gas Emissions
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	26-27 Greenhouse Gas Emissions
	305-3 Other indirect (Scope 3) greenhouse gas emissions	26-27 Greenhouse Gas Emissions
	305-4 Greenhouse gas intensity	26-27 Greenhouse Gas Emissions
	305-5 Reduction of greenhouse gas emissions	26-27 Greenhouse Gas Emissions

GRI Content Index

GRI Standards	Disclosure	Page numbers, descriptions and/or URL
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-Related Impacts	23-24 Environmental and Waste Management
	306-2 Management of Waste-Related Impacts	23-24 Environmental and Waste Management
	306-3 Generated Waste	23-24 Environmental and Waste Management
	306-4 Waste Diverted from Disposal	23-24 Environmental and Waste Management
	306-5 Disposed Waste	23-24 Environmental and Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	54 Relationships with Our Suppliers
	308-2 Adverse environmental impacts in the supply chain and actions taken	54 Relationships with Our Suppliers
GRI 401: Employment 2016	401-1 New hires and employee turnover	36-37 Training and Development, 33 Our Human Resources Approach
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	33 Our Human Resources Approach
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	30-32 Occupational Health and Safety
	403-2 Type of injury and accident rates, occupational diseases, lost days and absenteeism, and total work-related fatalities	30-32 Occupational Health and Safety
	403-5 Employee training on occupational health and safety	30-32 Occupational Health and Safety
GRI 404: Education and Training 2016	404-1 Average hours of training per employee per year	36-37 Training and Development
	404-3 Percentage of employees who receive regular performance development reviews	33 Our Human Resources Approach, 36-37 Training and Development
GRI 405: Div. and Eq. Opp. 2016	405-1 Diversity of governance bodies and employees	35 Equality, Diversity and Inclusion
GRI 414 Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and measures taken	54 Relationships with Our Suppliers

Ege Fren

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Designed by
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2024
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Report
