

**BRİSA BRIDGESTONE SABANCI
LASTİK
SANAYİ VE TİCARET A.Ş.**



01.01.2020 – 31.12.2020 PERIOD

ANNUAL REPORT



KPMG Bağımsız Denetim ve
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**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the Shareholders of Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret
Anonim Şirketi

Opinion

We have audited the annual report of Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret Anonim Şirketi (the "Company") for the period between 1 January 2020 and 31 December 2020, since we have audited the complete set financial statements for this period.

In our opinion, the financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent, in all material respects, with the audited complete set of financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by the Capital Markets Board of Turkey and Standards on Auditing which is a component of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Annual Report* section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Auditor's Opinion on Complete Set of Financial Statements

We have expressed an unqualified opinion on the complete set of financial statements of the Company for the period between 1 January 2020 and 31 December 2020 on 19 February 2021.

Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Communiqué on the Principles of Financial Reporting In Capital Markets numbered II – 14.1 (the "Communiqué"), the Company's management is responsible for the following regarding the annual report:

- a) The Company's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
- b) The Company's management prepares its annual report in such a way that it reflects the operations of the year and the financial position of the Company accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Company's financial statements. The annual report shall also clearly indicates the details about the Company's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.
- c) The annual report also includes the matters below:
 - Significant events occurred in the Company after the reporting period,
 - The Company's research and development activities.
 - Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the financial information included in the annual report in accordance with the TCC and the Communiqué and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent with the audited financial statements of the Company and the information obtained during the audit and give a true and fair view and form a report that includes this opinion.



We conducted our audit in accordance with the standards on auditing issued by the Capital Markets Board of Turkey and Standards on Auditing issued by POA. These standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent with the financial statements and the information obtained during the audit and provides a fair presentation.

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Hakan Ölekli, SMMM
Partner

19 February 2021

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Reporting Period

1 January 2020 – 31 December 2020

Name of Partnership/Commercial Registry No.

Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. / 126429 - 73647

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BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Contents

Message from the Chairperson of the Board	5
1. Briefly Brisa	8
1.1. We Drive On With Courage	8
1.2. Capital and Shareholding Structure.....	12
1.3. Organization of the company.....	12
1.4. Mission, Vision and Corporate Values	12
1.5. Steps to Add Value to Our Journey	13
1.6. Our Awards.....	19
1.7. Board Member.....	21
1.8. Executive Committee	27
1.9. Investor Relations	28
2. Developments and Activities in 2020.....	29
2.1. Developments in the Industry	29
2.2. 2020 Panorama	30
2.3. Manufacturing and Products	39
2.4. Domestic distribution and sales channel management	40
2.5. Domestic Marketing and Sales	41
2.6. International Markets Marketing and Sales.....	44
2.7. Investments & R&D Operations.....	45
2.8. Financial Outcomes and Rates	45
2.9. Internal Audit & Internal Controlling	48
2.10. Other Explanations	49
3. Sustainability.....	50
3.1. Environmental Sustainability	52
3.2. Occupational health and safety	55
3.3. Human Resources	56
3.4. Social Sustainability	61
CORPORATE GOVERNANCE COMPLIANCE and SUSTAINABILITY REPORT	65
PART 1 – DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES.....	65
PART 2 - SHAREHOLDERS.....	67
2.1. Investor Relations Department	67
2.2 Shareholders' Right to Obtain Information.....	68

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

2.3.General Assembly Meetings	69
2.4.Voting Rights and Minority Rights.....	71
2.5.Dividend Right.....	71
2.6.Transfer of Shares	72
PART 3 - PUBLIC DISCLOSURE AND TRANSPARENCY	72
3.1.Corporate Web Site and the Contents thereof.....	72
3.2.Annual Report	73
PART 4 – STAKEHOLDERS	74
4.1.Informing Stakeholders	74
4.2.Stakeholder Participation in Management	75
4.3.Human Resources Policy	75
4.4.Codes of Conduct and Social Responsibility	76
PART 5 – BOARD OF DIRECTORS	78
5.1.Structure and Composition of the Board of Directors	78
5.2.Operating Principles of the Board of Directors.....	79
5.3.The Number, Structure, and Independence of the Committees Formed within the Board of Directors.....	81
5.4.Risk Management and Internal Control Mechanism	85
5.5.Company's Strategic Goals.....	88
5.6.Financial Rights.....	89
PART 6 – SUSTAINABILITY	89
6.1.Sustainability Approach	89
6.2.Declaration Of Compliance With Sustainability Principles	89

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Message from the Chairperson of the Board

“The pandemic period also presented that companies, which can adapt swiftly to innovations and digital transformation, continue their operational success. Brisa, which has been investing in digital transformation and new generation services for many years with a people-oriented approach, has reaped the fruits of these investments during the pandemic period. In addition to ensuring a healthy business continuity, Brisa showed that success can be achieved regardless of the conditions with the smart culture it has built. Brisa proved its success with its financial success and pioneering initiatives in 2020. ”

Distinguished stakeholders,

The Covid-19 pandemic, which imprinted 2020, forced the whole world to reconsider the ways of doing business with its social and economic effects. While technologies such as the Internet of Things and artificial intelligence are rapidly integrated into existing systems; innovation that creates sustainability and added value is also becoming the most important agenda item of all sectors. Companies, which started their digitalization activities early, placed sustainability at the core of their every business activity and integrated innovation into the way they operate business, such as Brisa manage to turn these investments into benefits both for their institutions and their countries today.

Brisa, which continues its operations with the strong partnership of Sabancı Holding and Bridgestone Corporation, moves forward courageously whatever the circumstances are, and increases the value it offers to Turkey as one of the pioneering companies of the new generation business world and industry.

The year 2020 was a year of critical changes and challenges for the whole world, due to Covid-19, which started in China at the beginning of the year and spread rapidly to the world. On the one hand health concerns came forward, on the other hand the global economy, production and consumption passed through a tough test; while sustainability and the climate crisis strongly kept their importance. Our country, like the rest of the world, has been affected by these fast and difficult conditions in different dimensions.

In this period, during which we felt its effects in every field, as a Group with critical importance for the Turkish economy, we worked with the target of doing our fair share of the work for our country and society. Brisa, as one of the prominent representatives of Sabancı Holding's vision of Sabancı of the New Generation, took the health and safety of its employees, stakeholders and society as its priority, and quickly put the highest level of measures and implementations into practice. Brisa became the first tyre manufacturer to receive "COVID-19 Safe Production Quality Certificate" from the Turkish Standards Institute (TSE) with these measures. In addition, with the approach of providing value to the society, Brisa provided assistance and support such as disinfectant and surgical gowns to Provincial Health Directorates in its operation areas of Aksaray and Izmit. Moreover, Brisa contributed to the efforts for social health with the vehicle disinfection services offered free of charge in Lassa Tyres, Bridgestone and Otoparık service points.

Our company has enriched the value it offers to all its stakeholders with its domestic production and R&D power, more than 3.000 employees, value-added products and services in domestic and international markets at Aksaray and Izmit Manufacturing Plants equipped with smart technologies. Brisa once again demonstrated its leadership in the domestic market with the investments it made in its dealer network and brands. It has included 3 new countries

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

in its export regions in international markets and managed to increase its market share in 13 countries.

With these developments, Brisa displayed a strong performance in the challenging year of 2020 year. The total annual sales revenues of our company reached 4.237 million TL. Despite the shrinkage in international markets, international sales revenues increased on TL basis. Closing the year with a strong profitability level, Brisa continued its success story in cash management. The working capital turnover rate, which increased from 1.8 to 7 in 2019, reached to 14 in 2020. Beyond these successful financial results, Brisa ranked as Turkey's 42nd most valuable brand according to Brand Finance's "Turkey's Most Valuable and Powerful Brands" survey and became the most valuable brand in the tyre industry.

Valuable Stakeholders,

Behind this success picture that I am proud to share with you are the added value we create with technology, smart solutions that embrace the total needs of our customers, digital transformation and the investment we make in our employees to build a smart culture.

In 2020, we put our signature under innovative products that increase our competitive strength in national and international markets with our Aksaray Manufacturing Plant, which is the industry's first factory equipped with smart Technologies, our Izmit Manufacturing Plant and our R&D Center. We provided our domestically produced tyres developed by our Turkish engineers to European vehicle manufacturers. Our company became the owner of 16 beneficial model, design and software registrations this year. As a result of these efforts Brisa became the leader of the tyre industry in the R&D 250 List that consists of Turkey's largest 250 companies.

Continuing its leadership in innovation in the world of mobility with solutions beyond tyres, Brisa maintained its efforts in this direction without slowing down during the pandemic period. During this period, Brisa extended the coverage of on-site services through both its dealers and the online tyre sales service Lastik.com.tr. Brisa also increased the number of its fast fit maintenance services it offers with Propratik and Otopratik service points throughout Turkey. It worked with the goal of expanding the electric vehicle charging stations that it started as a pilot project in Otopratik service points. It enriched its Digital Fleet services with mobile applications. Our company also took part in TÜSİAD's Digital Transformation in Industry program with its "digital tyre assistant" project. 2020 year was also a year in which Brisa accelerated the pace of its projects in order to increase its communication with more than 1300 sales points and strengthen customer experience in its sales points and implemented new platforms and first of its kind initiatives. While doing all these, Brisa continued to work with the entrepreneurship ecosystem within the scope of mega trends such as connectivity, autonomous driving, digitalized customer experience and electrification, and advanced collaborations with new start-ups.

Brisa made us proud scoring above the Turkish average in independent consultancy firm Digitopia's Digital Maturity Index with its projects that put digitalization in the center of all of its business processes.

In 2020, Brisa adapted quickly and with a very agile manner to the pandemic period thanks to its smart culture approach that it has invested in for years. Brisa focused on projects that enrich its employee experience during this period and supported its employees in many areas, especially with remote working models. Bripedia, the digital library of Brisa employees, with

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

which employees can easily and quickly access all kinds of information they require, has been introduced as an exemplary application.

Another source of pride for us was the academic case studies carried out by 90 Brisa employees as part of the BRIKIM project, with the contributions of 11 academicians from different universities, with Sabancı University being in the first place, and platforms. 12 projects of Brisa, identified as good practices, left their marks as case studies at the academy level, contributing to the knowledge of academia, business world and our country.

Valuable stakeholders,

The pandemic reminded once again the importance of sustainability, which has been an integral part of Brisa's corporate culture for many years. As we continue our operations today, we improve our business with a focus on environment, society and governance. We are proud that the steps we are taking in this direction are appreciated by national and international prestigious institutions.

Brisa, ranked as the Turkey Climate Change Leader for the 4th time in CDP (Carbon Disclosure Project) Turkey, one of the most important non-profit environmental initiatives, where only 5 companies from Turkey are included. Furthermore, Brisa became the only Turkish company to be one of the global leaders getting the highest possible grade 'A' in the "Supplier Communication Evaluation" category, which has been calculated for the first time this year. Moreover, Aksaray Manufacturing Plant came first among Bridgestone EMIA plants in September in terms of environmental evaluation parameters.

Brisa also continued to support all segments of the society through activities such as strengthening programs with Brisa Academy for female employees working in our dealers' service points, cooperation with NGOs for education and the environment, and cooperation with schools in the regions that it is operating.

With these successes, Brisa is ready for 2021; moving towards new and stronger goals. Brisa will continue to courageously move forward and add value to our country with its human resources equipped with new generation competencies, production power and passion to implement innovations.

I would like to thank to our valuable Brisa employees, who will make all these goals possible with the vision of Sabancı of the New Generation; to our business partners; and to our shareholders, who have always provided us with their support by believing in us.

Cevdet Alemdar
Chairman of the Board

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

1. Briefly Brisa

1.1. We Drive On With Courage

We are focusing on innovation combining the forces of our İzmit Factory, which has already proven its production capabilities, and our new production base Aksaray Factory, which is the first of its kind in the industry equipped with smart applications, together with our technology, innovation power and the valuable effort of our people. We are adding value to our industry with innovations, and developing unique services and differentiating products. We are courageously moving forward as the innovation leader of the Turkish tyre industry.

The foundations of our company, which is the leader of the Turkish tyre industry, were laid with our Lassa brand in 1974 by the initiative of Sabancı Holding and its partners. The start of Brisa's establishment and the journey of the Lassa and Bridgestone brands are based on the partnership of Sabancı Holding and the world tyre industry leader Bridgestone Corporation in 1988.

Having won the first National Quality Award in 1993, we became the first Turkish company to win the European Quality Grand Prize in 1996, which was the result of its outstanding performance in business excellence. Today, we are also one of the biggest tyre manufacturers of Europe.

We strengthen our sector leadership by adding value to our business partners and customers with our product and service brands

We are pioneering the industry and adding value to our business partners alongside our customers with our main tyre brands Bridgestone, Lassa Tyres, Dayton, Kinesis, Firestone, and with our main retreading brand Bandag along with Lastiğim and Lastik Vs sales points, Otopratik and Propatik service points, Lastik.com.tr online sales web site, Profleet fleet services, Mobilfix, which provides on site mobile maintenance services for commercial vehicle fleets, Probox and Bridgestone Box mobile sales and services points, road assistance for commercial vehicles (Filofix) and Lastik Oteli (tyre storing services) services and with our education platform Brisa Academy.

We are producing especially designed tyres with our Bridgestone, Lassa Tyres, and Dayton brands for passenger vehicles, light commercial vehicles, buses, trucks, and agricultural and construction vehicles. In addition to the above-mentioned tyres, we are offering a total of 1.800 different types of tyres with Kinesis tyres, which meet international industrial machinery safety and quality standards, Firestone agricultural tyres, and Bridgestone motorcycle tyres.

As part of our target to offer balanced products to vehicle owners through both our brands, our Bridgestone brand products stand out in terms of performance and safety criteria, while our Lassa Tyres brand products stand out in terms of economy, comfort and durability parameters.

Our products and services meet with vehicle owners domestically at more than 1.300 sales points, and tyres produced by Brisa workers under the Lassa Tyres brand meet with vehicle owners in the international markets in 87 countries through more than 600 Lassa Tyres branded shops and 6.000 sales points. In the mean time, vehicle manufacturers such as Anadolu Isuzu, BMC, Ford Otosan, Honda, Karsan, Koluman Treyler, Krone, MAN, Mercedes Benz Türk, Otokar, Oyak Renault, Tafe, Temsa, Tırsan, Tofaş, Toyota, Türk Traktör, Makinsan Treyler, Hidromek prefer Lassa Tyres and Bridgestone products as their original equipment tyres.

We foresee that demand for mobility will be increasing in the period ahead of us. Our customers started to demand high value added products, which offer low rolling resistance, higher fuel efficiency,

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

durability, and better handling on wet surfaces within the wake of new trends like autonomous driving, connectability, electrification. Customers further expect smart services and solutions being offered beyond being just a product provider. In line with this requirement, we develop new generation services geared towards final consumers. We started to set-up charging stations for electric vehicles at our Otopratik service points.

Our company also aims to be the first choice of vehicle owners and we continue our operations in line with being close and accessible to final consumers. Our Lassa Tyres brand is the most prestigious tyre brand of Turkey and our Bridgestone brand is the second most valuable brand amongst the most valuable tyre brands of the globe. Our corporate brand Brisa climbed 10 positions up in international brand evaluation organization Brand Finance's "Turkey's Most Valuable and Strongest Brands – Turkey 100" list with a brand valuation of 88 million USD and positioned as the 42nd most valuable brand of Turkey as well as being the leader of the Turkish tyre industry in brand value. Brisa also features at the top of Dealer Trust Index, and industry business partners' preferability ratio of Brisa continues to be at a superior level in 2020 as well.

A factory built by Brisa right in the middle of Anatolia at Aksaray equipped with smart applications

Reaching to 361.000 m² of closed area, our İzmit Manufacturing Plant is one of the biggest tyre manufacturing plants of the World set-up under one roof and is also one of the most important production bases of Bridgestone around the World.

Our second manufacturing plant set-up in the Aksaray Organized Industrial Zone on a 952.000 m² area with a 300 million USD investment is the first of its kind in the industry equipped with smart technologies. Our manufacturing plant is equipped with advanced Technologies and global accumulated knowledge of Bridgestone in addition to the more than 40 years of industrial experience and business competence of Brisa in the tyre industry. As a result, we were able to realize a pioneering industrious investment in terms of productivity, environmental friendliness, and product quality performance. Amongst our applications are energy savings applications, fully automated transfer systems, virtual digital twin applications, virtual reality, and smart machines operating with advanced data analytics offering solutions.

With this breakthrough, our company realized a pioneering investment in the industry in terms of productivity, environmental consciousness, product quality, and performance, increasing its employment and export strength to reinforce its sectorial leadership in Turkey and its existence in the international arena.

Brisa cultivating technology in Turkey's lands

We are accelerating the pace of developing and producing value added products at our Brisa R&D Center, which is located at our İzmit Manufacturing Plant and is certified with the incentive of the Ministry of Science, Industry and Technology. We take advantage of many benefits that our R&D Center provides, with new generation national technologies and with our Turkish engineers, such as increasing our capabilities to develop World standard products, enabling faster availability of products that are demanded by the market, and creating cost advantages due to approval of raw materials in shorter time periods. We are focusing on innovative production techniques and raw materials that help us strengthen in terms of international competition and we are cultivating technology in Turkish lands. While we contribute to industrial accumulation by increasing domestic production, we are also providing value to national economy by accelerating the pace of our export business.

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Brisa's certified R&D Center, where 88 employees work, carries great importance for Turkish engineers in terms of the international culture, technological superiority and learning culture that it possesses. Engineers working in the Brisa R&D Center, get the opportunity to participate in R&D studies with the most advanced technology in the field.

We are building the future with our intelligence and with a smart culture.

We know that in today's World selling products is just not enough. We have to be pioneering innovation as well in order to differentiate. We are trying to differentiate ourselves with our innovative ideas, which we derive from close contact with vehicle owners and our business partners and by nourishing on their needs and opinions. With our innovative services and solutions, which are the first of their kind in our industry, we are aiming to always be together with and in the service of our customers in order to make their lives easier and to provide the perfect customer experience.

We are well aware of the fact that we need to be using the highest level of technology and possess superior equipment's while carrying on our operations. We are increasing the speed of our projects in order to take our digital maturity levels to a benchmark beyond the leadership of our industry.

In this manner, we are investing into the future of our country in terms of information and technology. We are reflecting technological transformation into how we carry on our operations; we are transforming our business processes into autonomous structures by taking advantage of artificial intelligence based robotic applications, advanced data analytics and new generation technologies while designing these solutions. We are proceeding with designing many innovative ideas just like our smart glasses technology that enables simultaneous communication and data transfer between our İzmit and Aksaray manufacturing bases. We are starting the application of future technologies with our ergonomics program. We are helping our sales team to be even stronger by offering training sessions at the Business Excellence Centre where we use various simulation designs.

We are moving along swiftly in our digital transformation journey. We are above the Turkish digital maturity levels according to the results of our evaluations followed through Digitopia. Our projects, which we carry on with our artificial intelligence-based colleague Robi, and "Genba Room" team that follows field, finance, sales and marketing business processes in a digital environment, turned into case studies in academic levels. These case studies, which serve as an example to the business World, are accessible to academicians and students through digital case study library, Markalarfisildiyor.com as well as international Case Centre.

We are offering innovative services to our business partners and customers with mobile solutions, and we are working on designs and differentiated services that await the future of the journey experience. We encourage entrepreneurs to innovate initiatives, prototypes, and business ideas that will shape the future of the journey as we provide them with Brisa's innovation experience and strong resources. In this way, we encourage entrepreneurs to create innovations and digital solutions within the scope of mega trends such as Industry 4.0, connectability, autonomous driving, sharing economy, digitalizing customer experience and electrification.

We are carrying on all these efforts focused on the competences required by the digital age and by building up on a smart culture. We are organizing the work force and talent management of tomorrow with the initiatives we take today. We are supporting Brisa employees, who are passionate about developing innovations continuously with digital transformation and continuous development. We are exploring the avenues to make our success sustainable in a new generation of business with our digital workplace studies. Data engineering and mobility team projects are just a few of the examples we can give in terms of these studies. We are furthering our projects in order to make all our decisions based on concrete data. We are focusing on workshops and processes that increase the digital capabilities of our employees.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We are taking responsibility for the development of our national economy as well as the advancement of our social development while we strive to answer the requirements of our customers in many different geographies accompanied with different road and climate conditions by manufacturing the highest quality products with our sustainability perspective. We are realizing projects focused on environment, society and governance while we conduct our business. We have witnessed the value added by our responsible environmental and societal actions both in terms of an individual perspective and in terms of a corporate perspective during the Covid-19 pandemic. In that regard, we are determined to advance our actions forward.

As part of this understanding, we have experienced the honor of being the Climate Change Leader of Turkey for the 4th time in CDP (Carbon Disclosure Project), which included only 5 Turkish companies in the project. We have also become the only company to be included in the “Global Leaders” rankings of the Supplier Communication Evaluation category.

On the one hand, we are decreasing our CO2 emissions with methods that accommodate our operations with the balance of nature, and on the other hand we are trying our best to provide our contribution to the society and environment in the field of sustainability through “Brisa Members Educational Support Association” in education, “Brisaspor Club Lassa Tyres Cycling Team” in sports, “Lassa Tyres Take Off Safely” for traffic safety, Lassa brand’s social responsibility project for agricultural tyres “Soil is Our Passion, Joint is Our Future”, “Brisa Museum” as a cultural value, “Let the Cranes Fly” project we carry out together with WWF-Turkey (World Wildlife Fund) in order to contribute to biodiversity and to help cranes continue their breed.

We have been reporting our sustainability practices that we have realized to Global Compact, which we have become a signatory since 2013.

As members of Brisa Family, we hold the Green Office program diploma, which we have co-created together with WWF-Turkey, and with which we prove our personal contribution to the environment. Our Brisa Academy and Museum building inspire us for our sustainability journey with its “LEED Gold” sustainable building certificate. The Brisa Academy and Museum building host our guests as well as the Kocaeli public and students from kindergarten to university.

Brisa is amongst the pioneering companies of the globe in terms of water savings and reporting and is the first European company to have the privilege of complying with the ISO 14046 Water Footprint Standards. Brisa is also the part of Borsa Istanbul’s (Istanbul Stock Exchange Market) BIST Sustainability Index that features companies that are traded in Borsa Istanbul and who perform with highest sustainability standards, since 2015 as a result of its sustainability perspective. We are sharing this perspective and our determination to contribute to this field in the years to follow in detail with the public according to the GRI (Global Reporting Initiative) standards since 2012, when we first published our report, by including our reports of the previous years. Our report of 2014 has been awarded as the “Best B2B Sustainability Report” by the Ethical Corporation.

Today, we are a family of 2900. A family that is working hard for the bright tomorrows of Turkey...

We are more than a tyre manufacturer as Brisa. We are positioned as a value provider who can foresee the requirements that may arise in the world of the future from today for our environment, society, and all our shareholders.

We are determined to continue our leadership position and increase the value that we create for our shareholders with our high production technology smart Aksaray Manufacturing Plant, our Izmit Manufacturing Plant, which have proven its manufacturing power, our R/D Center, our balanced brand portfolio, innovative communication tools and business models, our service innovations and powerful human resources.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

1.2. Capital and Shareholding Structure

We gathered speed from our reliable shareholders and our giant capital strengthened through the years. Now we continue to progress on our way, further increasing the momentum of our success.

Authorized Capital : 400.000.000.-TL

Paid-in Capital : 305.116.875.-TL

Shareholders Holding More Than 10% of the Capital

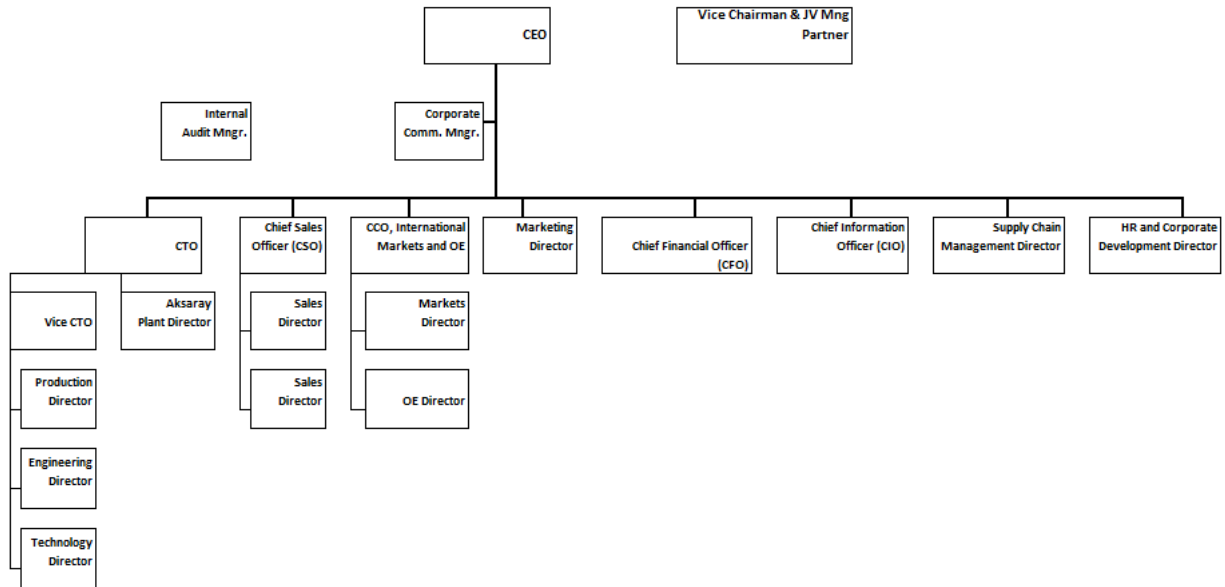
Shareholder	Share Amount (TL)	Capital Ratio (%)	Voting Right	Voting Right Ratio (%)
Hacı Ömer Sabancı Holding A.Ş.	133.111.388	%43,63	13.311.138.806	%43,63
Bridgestone Corporation	133.111.388	%43,63	13.311.138.806	%43,63
Other	38.894.099	%12,74	3.889.409.888	%12,74
Total	305.116.875	%100,00	30.511.687.500	%100,00

There has not been any change during the financial period regarding shareholder and capital structure.

Disclosure on privileged shares and the voting rights of shares

In accordance with the Articles of Association, each share holds one voting right at the General Assembly. There are no privileged voting rights.

1.3. Organization of the company



1.4. Mission, Vision and Corporate Values

Our values and ethics constitute the basis of our strong stance.

Our Mission

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

To provide superior values to society through sustainable growth.

Our Motto

“We Drive On With Courage”.

Our Vision

We innovate your journey.

Brisa Values

Safety, Innovation, Customer Focus, Team Work, Business Excellence, Sustainability

Our Ethics

▪ **Integrity**

We base relationships with our employees and stakeholders on the principles of transparency and integrity.

▪ **Confidentiality**

We protect the confidentiality of our customers, employees and other parties in association.

▪ **Conflict of Interest**

We use our Sabancı identity not for our personal interests, but for exalting our corporate spirit.

▪ **Responsibility**

Our responsibility is not only to our own business and partners, but also for the benefit of the society and humanity at large.

1.5. Steps to Add Value to Our Journey

From our first day of service up until today, our vision and our brave steps towards the future have always shed light on our path. We wish to be able to inspire all of our stakeholders in this direction and to be able to finish all of our years with the confidence success brings

▪ **1970'S**

1974

Incorporation of Lassa Lastik Sanayi ve Ticaret A.Ş.

Lassa and the BF Goodrich Company sign “Technical Know-How” and “Engineering Services” agreements.

1975

Selection of the first “Lassa” logo via a design competition.

The establishment of a dealer network in Turkey, granting dealership authorizations to 186 dealers across 60 provinces.

Undersigning an agency agreement with BF Goodrich. LİSA Lastik İthalat ve Satış A.Ş. starts to import tyres under the same brand.

1977

Test production starts at the manufacturing plant.

The first comprehensive TV and press promotional campaigns.

1978

Lassa Lastik Sanayi ve Ticaret A.Ş. commences mass production.

Organization of the First Lassa Dealers Convention.

1979

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

The company turns a profit for the first time.
Turkey's first steel-belted radial passenger tyre enters production.
One-millionth Lassa tyre produced.
Establishment of Lassaspor (currently known as Brisaspor).

▪ **1980s**

1980

Turkey's first radial snow tyre.
Production of the Loder, Turkey's largest local off-road tyre, commences.

1983

Turkey's first steel-belted van/ light truck tyre enters production.

1985

Turkey's first wide tread tyre enters production.
Turkey's first ECE (Economic Commission for Europe) certified tyre enters production.

1986

Number of dealers reaches 550.

1987

Lassa's total exports grow to five million tyres, and the number of export countries reaches 32.

1988

Signing of the joint venture agreement between Bridgestone Corporation and Sabancı Holding. The name of the company changes to BRISA Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.
ARGESA production plant starts to operate at full capacity.

1989

Groundbreaking for the construction of an additional production plant following the Bridgestone Corporation/Sabancı Holding partnership.
Start of test-production of radial passenger and radial bus/truck tyres at the new plant.
Establishment of the Bridgestone dealership network.

▪ **1990s**

1990

New production plant begins mass production.
Brisa adopts Total Quality Management.

1991

Turkey's first 60-series tyre (RE 88) enters production.
Celebration of the First National Quality Day.
With Turkey's first Bridgestone tyre export, Brisa becomes one of the global production hubs for Bridgestone products.
Turkey's first H-rated (210 km/h) high performance passenger tyre enters production.
Bus/truck steel-belted radial tyres introduced.

1992

Turkey's first V-rated (240 km/h) high performance passenger tyre enters production.
ISO 9001 Quality Assurance Standards certification.

1993

Brisa receives Turkey's first National Quality Award granted jointly by the Turkish Industrialists' and Businessmen's Association (TÜSİAD) and the Quality Association (KALDER).
Brisa Suppliers Convention organized.

1995

First tyre sale to the European automotive industry.
Establishment of Turkey's first Online Dealer Information System.
Tyre Service Center commences operations at the Istanbul Grand Terminal.
Total annual tyre production exceeds four million, exports exceed two million units.
Brisa becomes a member of the European Foundation for Quality Management (EFQM) Board of Directors.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

BS 7750 Environmental Management Systems certification.

1996

Brisa wins the “European Quality Award” presented by the European Foundation for Quality Management (EFQM).

Brisa granted the "Best Managed Plant" award by the Bridgestone Corporation.

Brisa receives the “Green Chimney Award” from the Kocaeli Chamber of Industry and the “Environment Award” from Istanbul Chamber of Industry.

The Istanbul Chamber of Commerce's first “Technology Development Award” goes to Brisa.

Brisa becomes the first company in Turkey and the second in Europe to obtain ISO 14001 Environment Management Systems certification.

The Automotive Industrialists Association grants Brisa the “Best Performing Supplier Award.”

1997

Brisa shares its business excellence journey that led to the European Quality Award in the European Foundation for Quality Management (EFQM) Winners' Conference held in 20 countries.

1998

Realization of 21 training programs under the title “Brisa Shares Quality.”

Corporate website established in Turkish and English.

1999

Brisa obtains QS 9000 Automotive Sector Quality Systems certification.

Brisa’s Tyre Testing Laboratory becomes Turkey's first Turkish Standards Institute (TSE) accredited laboratory within the framework of the EU Directives.

Brisa receives Toyota’s “Top Scoring Supplier Award.”

▪ **2000s**

2000

Launch of the Road Assistance Service, a milestone for the tyre industry.

2001

Turkey’s first 4x4 tyre (Lassa Competus) launched.

Establishment of the Brisaspor Women’s Cycling Team.

2002

Introduction of the Enterprise Resource Planning System (SAP) and the Dealer Information System, a B2B project, another pioneering achievement in the tyre industry.

2003

Brisa obtains ISO/TS 16949: 2002 Automotive Sector Quality Systems certification.

Turkey’s first asphalt rally tyre enters production.

Brisa obtains TS-ISO 9001: 2000 Quality Management Systems certification.

2004

Brisa receives Toyota’s “Best Scoring Supplier 2003" award.

Brisa wins MAN’s “Top Scoring Supplier" award.

Turkey’s first gravel rally tyre enters production.

Turkey’s first W-rated (270 km/h) ultra-high performance passenger tyre (Lassa Impetus Sport).

Brisa Tyre Testing Laboratory obtains TS EN ISO/EC 17025 General Requirements for the Competence of Testing and Calibration Laboratories certification.

Brisa receives Turkish Standards Institute’s “Quality Award”.

Brisa obtains the Product and System Certification (CCC) by the Chinese Quality Center (CQC).

2005

Turkey’s first W-rated (18-inch diameter) ultra-high performance passenger tyre (Lassa Impetus Sport).

Turkey’s leading tyre manufacturer Brisa launches a ¹¹_{SEP} USD 168-million capital investment program for the construction of new facilities. The company’s total production area reaches 300,000 m² with a 50% growth.

Brisa obtains ISO 14001:2004 certification, the latest version of Environment Management Systems standards.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Brisa organizes a press conference with Michael Schumacher, the Formula 1 champion, at the first Formula 1TM Turkish Grand Prix.

2006

Lassa Atracta, the first passenger radial with an asymmetric tread pattern, is introduced.

Filofix Road Assistance Service launched for commercial vehicle fleets.

2007

Bridgestone becomes the exclusive tyre supplier of Formula 1TM.

Ahead of the Turkish Grand Prix Formula 1TM, drivers meet the fans at Dolmabahçe Palace, Istanbul.

The Lassa Rally Team wins the Turkish Rally Teams Championship.

2008

Lassa changes its 30-year logo.

Celebration of the 20th Anniversary of the partnership between Bridgestone Corporation and Sabancı Holding.

The Lassa Rally Team wins the Teams' Cup, Drivers' Cup, Co-drivers' Cup and Group N Cup titles at the Turkish Rally Championship.

Lassa's overseas customer base expands to include 55 countries throughout the world.

Bridgestone receives an award for the "Trafikte Dikkat On Bin Hayat (Caution on Traffic Saves Thousands)" Road Safety Platform with the campaign "Farım da Açık, Yolum da" (My Headlights Are On, My Road Is Open).

2009

Lassa commences production and sales of the AGRI 1 Radial Agricultural Tyre.

With a long list of achievements in the Turkish Rally Championship since its establishment in 2007, the Lassa Rally Team begins representing Turkey in the Italian Gravel Rally Championship.

Brisa wins first prize in the "Individual Performance Management" category at the Sabancı Golden Collar Awards.

▪ **2010s**

2010

Launch of the "Yola Güvenli Çık, Yolun Hep Açık (Set Off Safely for A Clear Road Ahead)" campaign as a part of the social responsibility and road safety campaign "Think Before You Drive" endorsed globally by Bridgestone.

Brisa assumes Turkish operations of Bandag, an American-based tyre retreading company, from the European subsidiary of Bridgestone Corporation (Bandag AG) for a fee of USD 3.6 million.

Lassa's website is published in eight foreign languages.

Foundation of the Brisa Academy.

Brisa wins first prize in the "Individual Performance Management" category of the Sabancı Golden Collar Awards for the second consecutive year.

The company wins the Grand Prize in the "Excellence" category at the Sabancı Golden Collar Awards.

2011

Launch of Brisa's "Lastığım" (My Tyre) project, which unites independent sales points under Brisa's umbrella.

Launch of "lastik.com.tr", Turkey's first web-based at-home tyre replacement and maintenance service. The Antenna Shop opens in Maslak, Istanbul featuring state-of-the-art technology and innovative services, also designed as a training center for Brisa personnel and dealers.

Lassa brand strikes sponsorship deal with Bolton Wanderers (English Premier League), Espanyol (Spanish Liga de Fútbol Profesional) and Borussia Mönchengladbach (German Bundesliga) football clubs.

Brisa wins first prize in the "Market Orientation" and "Investment in People" categories of the Sabancı Golden Collar Awards.

2012

Bridgestone passenger car winter tyre (Blizzak LM32) enters production in Turkey.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Implementation of the I-CAT application to provide business partners with swift, efficient access to information, and to develop new channels of communication with Brisa.

Insurance plans begin for tyres stored by customers at the Tyre Hotel.

Grand opening of the largest Lassa signboarded store in Milan, Italy. The number of international Lassa signboarded stores reaches 39.

“Sustainability” is the theme of the traditional 24th Brisa Improvement Conference.

Lassa tyres ship to Australia, Hong Kong, Venezuela, Tunisia, Albania, Serbia and Sierra Leone for the first time.

2013

Celebration of the 25th Anniversary of the partnership between Bridgestone Corporation and Sabancı Holding.

Decision for a USD 300-million investment in a second production plant to be constructed in Aksaray Organized Industrial Zone.

Opening of the first Propratik store.

Construction of the Brisa Academy and the Brisa Museum on the basis of sustainability.

The Brisa Museum opens its doors.

Issuance of the first Sustainability Report at A level

United Nations Global Compact signed.

Start of the “Let the Cranes Fly Forever” project in cooperation with World Wildlife Fund (WWF) Turkey.

Launch of the road safety project, “Güvenli Yolculuk İçin Lastik Başına (Take Care of Your Tyres For A Safe Journey)” in Otopratik stores.

“Corporate Traffic Safety Declaration” signed.

The road safety project “Yola Sağlam Çık (Take Off Strongly),” which focuses on the importance of healthy nutrition, living and road safety for long haul drivers, receives the “Public Health Award.”

The world’s first mobile truck maintenance and repair service Mobilfix receives the “Customer Oriented Service Innovation” award.

Turkey’s biggest tyre ever brought in from Bridgestone Corporation Japan.

2014

We have been awarded with the “Most Successful Subsidiary Industry of the Year” award by the Automotive Manufacturers Association (AMA)

Release of the Dayton brand.

The number of overseas stores reaches 122.

Cooperation begins with the Authority Group, offering brands on the market through Lastik Vs. and Speedy stores.

The newly redesigned Otopratik store opens its doors in Ankara with the aim of enhanced customer satisfaction.

Manufacture and roll-out of the first Y speed class Lassa tyre.

Introduction of the environmentally friendly automobile tyre Lassa Greenways and new generation snow tyre Snoways 3.

The first supplier evaluation system in place, high-performing companies awarded.

Public exposure of our 2013 sustainability initiatives at the GRI A+ level

Green Office Program launched in collaboration with WWF-Turkey

Brisa Academy and Museum obtain LEED Gold sustainable building certification.

Number of trainees at the Brisa Academy reaches 3,592 through 24 programs.

ISO 27001:2013 Information Security Management System certification.

Brisa's Greenhouse Gas Emissions from business operations verified within the scope of ISO 14064:

Verification of Greenhouse Gas Emissions.

Brisa named National Champion in the European Business Awards.

2015

The company is listed on the Borsa Istanbul Sustainability Index for the period between November 2015 and October 2016.

Lassa brand becomes the Global Official Tyre Partner for FC Barcelona.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

National football player Arda Turan becomes Lassa's brand ambassador.

Brisa becomes the Official Partner in Turkey for the around-the-globe journey of Solar Impulse, an aircraft working solely on solar power without the use of any fossil fuels.

Brisa wins the “Digital Sector Leader” and ‘Pioneers of Digitalization’ awards in Accenture Digitization Index and the ‘Database Transformation Project of the Year award in the SAP Forum Awards.

2014 Sustainability Report named the “Best B2B Sustainability Report” by the Ethical Corporation.

Brisa is included in the Climate Disclosure Leadership Index, ranking among the top five companies in Turkey in terms of carbon reporting, and is placed in the best performance band in Turkey thanks to the B+ grade earned for maintaining a small water footprint.

Brisa is qualified for EN 15838:2009 Customer Contact Centers Service certification, indicating that its services are in accordance with European Union standards.

Brisa is ranked second in the Innovation Strategy category in the Innova-League Awards of the Turkish Exporters' Assembly.

Brisa receives grand prize in the “Business Continuity/Resilience Strategy of the Year” category of the CIR Business Continuity Awards.

2016

Brisa's water footprint verified within the scope of ISO 14046: Verification of Water Footprint standards Bridgestone Potenza S001 Run-Flat tyres, which can drive even if the wheels go flat, have started to be produced in our Izmit factory.

We agreed with the e-platforms AutoPratik and ProPratik service points for the procurement of spare parts.

In order to strengthen women in business, we launched “Heroines of the Customer– Customer Service Expert Certificate Program” with the Brisa Academy.

We were the first company in Turkey and Europe to be awarded the ISO14046 Water Footprint Standard.

We have been awarded Green Office diplomas for our Izmit Administrative Building and Altunizade Offices with works that have been passed through with the cooperation with WWF-Turkey.

2017

Brisa R&D Center has been certified with the incentives of the Turkish Ministry of Science, Industry, and Technology.

We completed our investment for a special mixing technology, which is a first in the industry, and started mass production in order to develop tyres for automotive companies in global standards.

We created a new category helping to expand the Run Flat Tyre (RFT) technology in our industry by offering the Bridgestone Driveguard tyres.

We started the domestic production of Dayton branded tyres.

Bandag introduced its new slogan “BUILT FOR BETTER” and introduced its new logo at its 60th foundation year.

We started the “Pioneers of the Journey” innovation competition amongst our business partners.

Brisa received the Golden Statue by the French based Ecovadis Sustainability Platform and was included in the “Extraordinary” statue in the environmental category.

We activated the “Tracers” project, which is an internal employee-honoring platform.

2018

Our second manufacturing plant, which is also our first production base with smart factory status, constructed in Aksaray Organized Industrial Zone started its operations.

We accelerated the pace of making our business processes autonomous and we included Robi, the first team member of our group operating with artificial intelligence, to our business processes.

We activated the new business model “Genba Room”.

We started selling Otopratik branded vehicle batteries.

We started the “Pioneers of the Journey” open innovation program in order to support entrepreneurship and entrepreneur candidates.

We started selling our products with the “Domestic Production” logo.

2019

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

In memory of the 30th year of our company, we carried out the renovation works of 3 schools in Aksaray Ortaköy district.

We broke the monthly export sales record 3 times in 2019 and finalized the shipment of 500,000 tyres, bringing the record to a historical level.

We broke a total of 7 production records within 2 days at our smart manufacturing plant based in Aksaray.

We have achieved "Dynamic Experiment" and "Total Experiment" records of all time in our Tire Experiment Laboratory, which has been accredited with ISO17025 standards.

We completed the Design Registration process for 2 new products of Lassa Tyres, which were designed and developed in our R&D Center in İzmit.

With the collaboration of E-Şarj, We started to provide charging services for electric vehicles in Otopratik stores and tyre sales points.

We started the Digital Fleet era with our innovative services.

We published "Courageously Moving Forward" and "We Too Courageously Move Forward" books.

Brisa Academy is accredited as an Accredited Personnel Certification Institution.

We established the Young Advisory Board.

2020

Became the first tyre manufacturer to receive the “COVID-19 Safe Service Certificate” from Turkish Standards Institute (TSE).

Featured amongst the Turkey Climate Change Leaders List of Carbon Disclosure Project 2019 (CDP).

Became the only Turkish company amongst global leaders in the field of “Supplier Communication Evaluation”.

Registered 16 patents, beneficial prototypes, design registries, and software registries.

Organized Dealer Honoring Ceremony as part of our 30th year celebrations.

Set-up the Brisalıyız.Biz Platform, with which we communicate interactively with our Brisa dealer network.

Activated the “Tyre Money” incentive program, which is used to strengthen the “Brisalıyız Card” (the first loyalty program designed exclusively for Brisa Dealer Network) and Brisa retail applications.

Introduced Otopratik brand spare parts to the market.

Supplied bus tyres to Chinese and truck tyres to Swedish and German vehicle manufacturers for the first time.

Activated the mobile application of our Filofix 7/24 Commercial Road Assistance Service.

Broadened Lastik.com.tr’s door to door mounting services across Turkey.

Set-up Bripedia; the Digital Information Library for the use of Brisa employees.

Success stories of Brisa employees turned into case studies at academic level under the BRIKIM name.

Revised the BRINSAN Human Resources portal.

Started the Pitch Perfect program designed for entrepreneurs.

1.6. Our Awards

Anyone to whom we can reach and to whom we can contribute is the definition of award for us.

Sustainability, Innovation, R&D, and Digitalization Awards and Success Stories:

• Brisa proved its success once again at the Bridgestone Regional Awards

We won 3 awards at the Bridgestone Regional Awards. We won the Gold Award with our 'ROBI-Our Digital Teammate' project in the Management Fundamentals category, the Silver Award with our 'Energy Efficiency' project in the Environment category, and Bronze with our 'Brisa Academy-Academy That Touches Life' project in the category of Contribution to People.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- **Brisa once again proved that it operates pioneering manufacturing bases of Bridgestone**

Within the scope of the Recognition on Biodiversity program initiated by Bridgestone in line with the goal of "In Harmony with Nature", our Izmit and Aksaray factories were awarded a global award in the field of Biodiversity for the second time.

- **We came back from CDP Awards with one national and one global award**

Our slogan was "BRİmiz Hepimiz için" ("One For All") against climate change and we became Turkey's Climate Change Leader for the 4th time in 2019 in Carbon Disclosure Project's Program, to which only 5 Turkish companies were seen compatible to participate. We were also amongst the "Global Leaders" in the Supplier Communication Evaluation as the only company from Turkey.

- **We are 25th in rankings with our R&D Projects**

We were titled the leader of our industry in Turkishtime's research "R&D 250, Top 250 Turkish Companies Who Invest the Most in R&D Expenditures". We took the 43rd place in general rankings, while we took the 25th place with 66 projects in the top 100 list based on number of projects.

- **We won first place in Inovalig**

Brisa was awarded as the winner of the Inovalig in Innovation Organization and Culture category at the InovaLİG 2019 Awards Ceremony, which was held within the scope of the Turkey Virtual Innovation Week organization with the attendance of 1.236 companies.

- **An award to Brisa from TUSİAD for Sustainability of Technology**

Our Digital Tyre Assistant project, in which our Mobility Solutions team and Technology Supplier Golive team worked within the scope of TUSİAD's Industrial Transformation Program, was honored with an award in the "Sustainability of Technology" category.

- **Two awards for Brisa Academy's Boost Program**

We were deemed worthy of the Excellence Award given at the 21st HCM Excellence Awards by Brandon Hall Group with our Brisa Academy "Boost" Sales Development Program. We also came first in the TEGEP's 2020 Learning and Development Awards, Sales Development Program category with Boost.

- **Brisa won the first place in Turkey Supply Chain Contest**

Our Supply Chain Team showed an outstanding performance at the Fresh Connection Global Challenge 2020, which is a company management simulation, and earned the right to represent our country in the World Finals.

- **Brisa successfully registered a total of 16 patents, beneficial prototypes, designs and software**

As a result of our hard work in 2020, we own the registry of 6 patents, 3 beneficial prototypes, 2 design copyrights-registries, and 5 software.

Promotion and Marketing Activity Awards and Achievements

- **Lassa Tyres chosen as the Most Prestigious Tyre Brand of Turkey**

Lassa Tyres was chosen the most prestigious brand in the automobile tyres category while Bridgestone took its place in the top 3 most prestigious brands in The One Awards' Integrated Marketing Awards Ceremony organized by Marketing Turkey and Akademetre.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- **The Felis Award goes to Brisa for internal communication**

We were deemed worthy of an Achievement Award at MediaCat’s Felis Awards 2020 in the Internal Communication Management category with our Aksaray Volunteering Culture Ambassadors Project, which we carried on at our Aksaray Manufacturing Plant in order to contribute to cultural transformation.

- **We are the 42nd most valuable brand of Turkey**

We moved up 10 places and took 42nd position in Turkey’s Most Valuable and Strongest Brands report of Brand Finance, an international brand rating organization.

- **Chosen Product of the Year Award goes to Bridgestone’s summer pattern**

Bridgestone’s summer tyre pattern T005 was voted as the Chosen Product of the Year in tyre category. The results of the research held by Nielsen with the participation of 4.000 consumers were announced at the Chosen Product of the Year Digital Awards ceremony.

- **Brisa once more proved its success at the Bridgestone Regional Awards**

Brisa’s “Reduction of Groundwater Use in Izmit Manufacturing Facility” project was awarded the grand prize in the environmental category at Bridgestone Regional and Global Awards. Our “Energy Efficiency”, “ROBI – Our Digital Team Mate”, and “Brisa Academy – The Academy In Touch With Our Lives” projects were deemed worthy of awards in environmental, management foundations, and contribution to people categories respectively at the Bridgestone Regional Awards.

1.7. Board Member

The names of the members of the Board of Directors and their curriculum vitae as of December 31, 2019, are provided below:

Board Member’s Name - Surname	Executive or Non-Executive	Duty
Ahmed Cevdet Alemdar	Executive	Chairman of the Board
Naohisa Yoda	Executive	Vice-Chairman of the Board
Mustafa Bayraktar	Non - Executive	Board Member
Haluk Dinger	Non - Executive	Board Member
Frederic Jean Hubert Cecile Hendrickx	Non - Executive	Board Member
Mete Ekin	Non - Executive	Board Member
Annick Courtmans	Non - Executive	Board Member
Haluk Kürkçü	Executive/CEO	Board Member
Emine Duygu KIRCA	Non - Executive	Board Member
Mehmet Tanju Ula	Non - Executive	Independent Member of the Board
Mehmet Kahya	Non - Executive	Independent Member of the Board

The Chairman of the Board and the Board Members have the duties and powers bestowed upon them that that are indicated in the relevant Articles of the Turkish Commercial Code and the Articles of Association.

The Board Members are elected within the framework of the provisions contained in the Articles of Association of our Company, pursuant to the Turkish Commercial Code and the relevant legal

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

arrangements. The replacements take place under the resolutions of the Board of Directors, and they are submitted for approval of the General Assembly following Ordinary General Assembly Meeting.

Ahmed Cevdet Alemdar/ Chairman of the Board

Assignment Period: 15.05.2017 – until the Ordinary General Meeting of the year 2020.

Between 1993-2002, he worked as Product Leader and then Wire Products Director in Beksa, Sabanci Holding-Bekaert Joint Venture. From 1998 onwards, he additionally took over the role of Bekaert's Sales Manager for Construction Materials in Middle East. From 2002 to 2005, he worked as Commercial Director in Sakosa.

In 2005, he joined Kordsa Global as General Manager of Kordsa Brazil and as Sales and Marketing Director of South America. From 2007 to 2009, based in Bangkok Thailand, he worked as Managing Director for Thai Indo Kordsa and Kordsa Qingdao Nylon Ent., as well as Sales and Marketing Director for Asia Pacific. In 2009 and 2010, he worked in Shanghai as Global Business Development Director, while maintaining his roles in Kordsa Qingdao Nylon Enterprises and Asia Sales and Marketing. From 2010 to 2013 he took role as Kordsa Global's Vice President in charge of Technology and Market Development.

In 2013, he was appointed as General Manager of Temsa Construction Equipment and served as CEO at Brisa between 2017-2020.

Cevdet Alemdar graduated from Industrial Engineering Faculty of Bogazici University in 1992. He also was granted with an MBA degree in Sabanci University.

Non-Company Positions:

In-Group:

Chairman of the board of Kordsa
President of Industry Group of Sabanci Holding

Naohisa Yoda / Vide President of the Board

Assignment Period: 13.09.2019 – until the Ordinary General Meeting of the year 2020.

After graduating from the Hokkaido University Faculty of Fisheries, Oceanography, Naohisa Yoda joined Bridgestone Corporation in April 1985

Yoda has been appointed as the General Manager of the Hikone Manufacturing Plant Production in September 2004. After assuming the Lead Advisor and Operation Manager of Bilbao Manufacturing Plant in November 2006, Director of the Production Technology of Technical Center Europe in November 2008, Tokyo Manufacturing Plant Manager in March 2011 and Director of Kyushu Production and Kurume Plant Manager in January 2013, Yoda was appointed the Vice President and Officer of Japan Tire Production. After then, Yoda has been appointed Vice President and Officer of Tire Supply Planning and Logistic, GLC Administration in March 2016, and Vice President and Officer of Tire Operation Management and Service in January 2017, Vice President and Officer of Internal Manufacturing and Procurement concurrent TOMS in January 2018, and Vice President and Senior Officer of Supply Chain Enhancement in January 2019. Since September 2019, Yoda has been assuming Vice President and Officer of Brisa.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Haluk Dinçer / Board Member

Assignment Period: 24.01.2020 - until the Ordinary General Meeting of the year 2020.

Haluk Dinçer received his undergraduate degree in Mechanical Engineering from University of Michigan and his MBA from the same institution.

Haluk Dinçer is president of Insurance Group of Sabancı Holding and also served as Chairman of the Board of Avivasa and Aksigorta

Prior, he served as president of Retail and Insurance Group between 2011-2016, president of the Retail Group between 2007-2011, president of Retail and Food Group from 2004 to 2007, president of Food group from 2002 until 2004. Having first joined Sabancı Group in 1995. Mr. Dinçer assumed key leadership roles in the Group's affiliated automobile, food, and retail companies.

Haluk Dinçer is Executive Council Member of the B20 Turkey and is a member of the International Consultancy Board of the Washington-based Brookings Institution. Previously, Mr. Dinçer served as Chairman of the Turkish Industry and Business Association (TÜSİAD) and as President of the Foreign Economic Relations Board (DEİK) and the Turkish-American Business Council.

Annick Courtmans / Yönetim Kurulu Üyesi

Assignment Period: 24.03.2020 - until the Ordinary General Meeting of the year 2020.

Mrs. Courtmans received her undergraduate degree in Economics from University of KU Leuven, started to work in Quaker Oats on the year 1993.

Chronologically, she has served as supply chain manager at Praxais (1997-1999), supply chain manager at Stanley (1999-2001), operation manager at Black&Decker (2003-2004), supply chain directorate and vice president of global supply chain at Newell Rubbermaid (2004-2009), president of supply chain at Kimberly Clark Healthcare (2010-2014), president of commercial supply chain at Philips Lighting/signify from May 2014.

Non-Group:

Philips Lighting/Signify (Netherlands), President of Supply Chain

Haluk Kürkcü / Board Member

Assignment Period: 04.09.2004 - until the Ordinary General Meeting of the year 2020.

Haluk Kürkcü received his undergraduate degree in Mechanical Engineering from Middle East Technical University on the year 1984

Mr. Kürkcü started to work at Brisa on 1986 and served in managerial positions at production planning, industrial engineer and production areas. He was appointed as Production Directorate on 2006 and served as Engineering Directorate between 2015-2018 and CTO between 2018-2020. As of July 1st, he has served as CEO of Brisa.

Şirket Dışında Yürüttüğü Görevleri

In-group:

Brisa CEO

Grup Dışı:

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

LASDER (Tyre Manufacturers Association) Member of the Board
LASİD (Tyre Manufacturers and Importers Association) Chairman of the Board
ISO Member

Emine Duygu Kırca / Board Member

Assignment Period: 30.06.2020 - until the Ordinary General Meeting of the year 2020.

Emine Duygu Kırca received his undergraduate degree in law from University of Dokuz Eylül and received her MBA degree from Boston University.

Mrs. Kırca started to work at Koloğlu Law Firm on 1995, and served as legal advisor at Sabancı Holding between 1998-2002, equity partner at Paksoy Ortak Law Firm 2002-2004, worked at BP between 2004-2005, directorate of legal at Kordsa between 2005-2015, chief legal council at Mondelez International between 2015-2017, carried out the project of the foundation of amazon.com.tr in Turkey between 2017-2019, directorate of law at Pfizer for the regions Turkey and Adriatic. From 01.06.2020, she has served as president of Law, Risk and Compliance of Sabancı Holding.

Mustafa Bayraktar / Board Member

Assignment Period: 19.04.2004 - until the Ordinary General Meeting of the year 2020.

Mustafa Bayraktar graduated from the Finance Department of Alabama University and graduated from Boston College in the same field. Since 2002, he has been serving as the Chairman of the Board of Directors of H. Bayraktar Yatırım Holding A.Ş.

Non-Company Positions:

Non-Group:

Baylas Otomotiv A.Ş. Chairman of the Board

Baytur Motorlu Vasıtalar Tic. Chairman of the Board

Bayraktar Otomotiv A.Ş. Chairman of the Board

Bayraktar Holding A.Ş. Chairman of the Board

Ege Fren Sanayi ve Ticaret A.Ş. Chairman of the Board

Ege Industry and Trade Inc. Chairman of the Board

Frederic Jean Hubert Cecile Hendrickx / Board Member

Assignment period: From September 18, 2015 to the Ordinary General Assembly Meeting in 2020.

Frederic Jean Hubert Cecile Hendrickx graduated from the University of Leuven Law School in Belgium in 1991. In addition, he studied Environmental Management at University of Antwerp (Belgium) and Energy Law at University of Copenhagen (Denmark).

He started his career at the headquarters of United Nations Environment Program in Nairobi, Kenya, and worked for a year in the International Agreements Section of the Danish Ministry of Environment.

In 1993, Mr. Hendrickx joined the Bar Association of Brussels and worked at American law firm Hunton Williams until 1999. He then joined General Electric, assuming various legal leadership roles most recently for GE's Life Sciences Division in Stockholm and London offices.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Starting from mid-2015, he has been acting as Legal and Compliance Vice-President, General Advisor and Secretary of the Board of Directors at Bridgestone Europe. Frederic Hendrickx also acts as a visiting professor of International Business Law in the Advanced Business Management program at UC Leuven Limburg in Belgium.

Non-Company Positions:

In-Group:

Legal and Compliance Vice-President, General Advisor and Secretary of the Board of Directors at Bridgestone Europe

Mete Ekin / Board Member

Assignment Period: 03.07.2017 – until the Ordinary General Meeting of the year 2020.

Mete Ekin graduated from İstanbul Technical University Chemical Engineering Department in 1993. He then completed his graduate degree in Hartford University Connecticut in 1995. Mete Ekin is a fluent user of English, Italian and German languages.

In March 2016, Mete Ekin joined Bridgestone as the Regional Manager of Bridgestone Middle East Africa FZE responsible from the MEA markets (50 countries).

Mete Ekin took several different managerial positions in Turkey, Italy, Egypt and MENA region and has more than 21 years of experience in the tyre industry. Erkin started his career in Turk Pirelli. During his last five years in the company, until 2015, he held General Manager and CEO positions. Before his appointment to this position, Ekin assumed several managerial positions such as the Sales and Marketing Assistant General Manager of Pirelli Egypt and as the Global Commercial Business Unit Marketing Manager of Pirelli Italy's General Management Quarters.

Non-Company Positions:

In-Group:

Bridgestone Middle East Africa FZE (MEA) Regional Manager

Mehmet Tanju Ula / Independent Member of the Board

Assignment Period: From 22.03.2018 - until the Ordinary General Meeting of the year 2020

Mehmet Tanju Ula was born in Zonguldak in 1947. He completed his secondary school education at the Kadıköy Maarif College and then enrolled to the Mechanical Engineering School of the Middle Eastern Technical University to receive his B.SC in 1969 and M.SC in 1971. He worked as a Project Engineer at the ATAS Refinery between 1971 – 1974 period and at the TPAO General Management between 1975 – 1976 period.

He started working as Planning Engineer at LASSA A.S. on 01.06.1976 and later on assumed the position of Product Planning/Control and Production Planning Director. In 1985 he became the supply Director of Kordsa A.S., where he later became the Commercial Assistant General Manager, Mehmet Tanju Ula assumed the General Management position at Dusa A.S. in 1996, at Sakosa A.S in 1999, and at Beksa A.S. in 2004.

Mehmet Tanju Ula returned to Kordsa A.S. as the General Manager in 2005 and following the reorganization of the Kordsa Global A.S., he served as the Vice President and Region One General Manager until his retirement in 2009. Following his retirement, he took the Secretary General position

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

of the Sabancı Museum for a year and a half. He is currently an Independent Board Member of the Directors Committee (Board of Directors) of the PT Indo Kordsa TBK, Indonesia.

Non-Company Positions:

In-Group:

PT Indo Kordsa TBK, Indonesia Directors Committee, Independent Member of the Board

Mehmet Kahya / Independent Member of the Board^[1]_[SEP]

Assignment Period: From 22.03.2018 - until the Ordinary General Meeting of the year 2020

Mehmet Kahya attended the Yale University to complete his double major undergraduate degrees at the Chemical Engineering and Economy Faculties. He received his MBA from the Kellogg School of Management in Finance, Marketing and Operational Research.

Mehmet Kahya began his career in Sabancı Holding as a Management Services Supervisor at SASA and then became the founder and leader of the MKM International (Netherlands) and Sibernetik Sistemler companies. He returned to the Sabancı Group as the Automotive Group Vice President, and also assumed the positions of Temsa Vice Presidency and Presidency, ToyotaSa Vice Presidency, Sabancı Holding Planning and Processing Council Membership and TEmsa, ToyotaSa, Susa and Sapeksa Board Membership.

Mehmet Kahya later assumed Executive Director and Vice President of the Executive Board position at Carnaud Metalbox, Presidency position at Uzal Makina, Executive Board Membership at Uzel Holding, General Manager and Paint Group Vice Presidency at DYO, Executive Board Membership at Sarten AMbalaj, Vice Chairman of the Management Board at Gierlings Velpor (Portugal), and Presidency at Assan Aluminyum.

Mehmet Kahya is still offering strategy, reorganization, profitability transformation, growth, mergers and acquisitions consultancy services at the Kronus company, which he founded, and is an Independent Board Member at Carrefoursa, Çimsa, Yunsa companies, Board Member at Electrosalus, and Shareholders' Consultant at Enerjeo Gediz and Enerjeo KEmaliye companies.

Non-Company Positions:

In-Group:

Carrefoursa Carrefour Sabancı Ticaret Merkezi A.S. Member of the Board

Yunsa Yunlu Sanayi ve Ticaret A.S. Independent Member of the Board

Çimsa Çimento Sanayi ve Ticaret A.Ş. Member of the Board

Non-Group:

Electrosalus Biyomedikal Sanayi ve Ticaret A.Ş. Member of the Board

Enerjeo Gediz Enerji Enerji Üretim A.Ş Shareholders' Consultant

Enerjeo KEmaliye Enerji Üretim A.Ş Shareholders' Consultant

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

1.8. Executive Committee

Haluk Kürkçü

General Manager

Haluk Kürkçü received his undergraduate degree in Mechanical Engineering from Middle East Technical University on the year 1984. As of July 1st, he has served as CEO of Brisa.

Naohisa Yoda

Executive Partner

After graduating from the Hokkaido University Faculty of Fisheries, Oceanography, Naohisa Yoda joined Bridgestone Corporation in April 1985, has been working at Brisa since 13.09.2019

Yoshio Iwasaki

Technical Groups Director

Seiichiro Tokunaga was born in 1968 and graduated from the Mechanical Engineering and Materials Science Department of Yokohama National University(Japan). He joined Bridgestone Corporation in 2009 and began his duties at Brisa on end of June, 2018.

Non-corporate responsibilities: none.

Nilgün Özkan

Assistant General Manager, Human Resources

Nilgün Özkan received his undergraduate degree in Management from Boğaziçi University, has been working at Brisa since 01.05.1995.

Non-corporate responsibilities: none.

Resat Oruç

Assistant General Manager of Finance

Born in 1977, he is a graduate of Marmara University, Department of Economics. He studied Economics at the University of Guelph (Canada) and has been working at Brisa since 01.06.2010.

Non-corporate responsibilities: none.

Cenk Koçdor

Assistant General Manager, Sales

Cenk Koçdor received his undergraduate degree in Industrial Engineering from Middle East Technical University on the year 2001, has been working at Brisa since 02.06.2003.

Non-corporate responsibilities: none.

Yakup Demir

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Assistant General Manager, Supply Chain and OE

Born in 1972, he is a graduate of Yildiz Technical University, Department of Naval Architecture and Marine Engineering. He has been working at Brisa since 07.04.1997.

Non-corporate responsibilities: none.

Ahmet Halit Şensoy

Assistant General Manager, International Markets

Born in 1960, he is a graduate of Middle East Technical University, Department of Industrial Engineering. He has been working at Brisa since 06.04.1988.

Non-corporate responsibilities: none.

1.9. Investor Relations

We are grateful to our valuable investors who have supported and encouraged Brisa to become an international scale leader

We thank the valuable investors who have displayed their confidence in the vision and steps taken by Brisa and encouraged us with their trust and support to embark on new steps ahead

We got together with financial analysts at our Izmit Manufacturing Plant

We hosted a group of 20 financial analysts at our Izmit Manufacturing Plant on February 19th. Our CFO, Mr. Reşat Oruç, shared our 2010 financial results with a presentation and we concluded the organization a tour of our Museum and Manufacturing Plant.

Amendments to the Articles of Association within the Period

No change.

Selection of Independent Auditing Company

At the Ordinary General Assembly Meeting dated 23 March 2020, shareholders approved the appointment of KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to audit financial reports pertaining to the 2020 accounting period and carry out other activities within the scope of relevant legal provisions in compliance with principles according to Turkish Commercial Code No. 6102 and Capital Market Law No 6362. An independent auditing agreement was signed with KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. on March 31, 2020.

Dividend Distribution Policy

As stated on KAP (Public Disclosure Platform) and the website, the dividend distribution policy of the company is as follows:

“The Dividend Distribution Policy of Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (BRISA) is determined within the framework of the provisions of the Turkish Commercial Code, the Capital Markets Legislation, the article on dividend distribution in our Articles of Association and in line with BRISA’s medium- and long-term strategies, investment and financial plans. The policy is formulated in such a way that considers the national economy and that of the sector while maintaining a balance between shareholder expectations and the needs of BRISA.

BRISA does not distribute advance dividends.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

The dividend distribution policy shall be submitted to the approval of shareholders during the General Assembly Meeting. This policy shall be reviewed every year by the Board of Directors in the event that a negative development takes place in national and global economic conditions and in line with the status of the projects and funds on the agenda. The amendments to this policy shall be submitted to the approval of shareholders during the first general assembly meeting following the amendment and be publicly disclosed on the website.”

The Profit Distribution Policy and proposal for distribution of annual profit are available in the annual report, shared with shareholders at the General Assembly meeting, and publicly announced via the “Investor Relations” page on our website.

The company made a “Profit Before Tax” in the amount of TL 116.411.352,94 according to the financial statements for the period of 01.01.2019-31.12.2019 which are prepared in compliance with the Turkish Accounting Standards pursuant to “Communiqué About Guidelines For Financial Reporting in Capital Market” Serial No II, Article No 14.1 of Capital Markets Board, and are audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş..

As described in the following Profit Distribution Table, it was unanimously resolved that the Net Distributable Period Profit amounted to TL 116.411.352,94 remained after deduction of Primary Legal Reserves and Tax Provision in compliance with CMB communiqué and as stipulated by the Article 28 of the Articles of Association, out of the Profit Before Tax amounted to TL 112.438.408,62 for the fiscal period 2019 calculated according to the CMB Regulation, is distributed as mentioned below.

First Dividend	TL	15.255.843,75
Second Dividend	TL	13.120.025,63
Total Gross Dividend	TL	28.375.869,38
Usufruct	TL	5.820.567,65
Secondary Legal Reserves	TL	1.894.059,33
Extraordinary Reserves	TL	76.347.912,26

So, it was unanimously resolved that for the fiscal year 2019, the gross amount of TL28.375.869,38 shall be paid to the shareholders representing TL 305.116.875,00 capital, in a proportion of 9,30% as cash dividend, the gross amount of TL 5.820.567,65 shall be paid to the privileged shareholders as usufruct in cash, and that depending on legal status of our shareholders, an income tax withholding in the proportion of 15% shall be deducted, and that the proposal of distributing the dividend in cash as from March 24, 2020 is approved at the Ordinary General Assembly Board Meeting held in March 23, 2020

Stocks and Bonds Issued

No stocks and bonds were issued in 2020.

2. Developments and Activities in 2020

2.1. Developments in the Industry

We provide 1 out of every 3 tyres that reach to end-users in Turkey by realizing our investments with our close to people, innovative, technologic and financially well balanced approach.

2020 was a year in which we focused on the changing needs of our customers and the market, and to enrich our services beyond being a tyre supplier while we continued our operations with health and

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

safety being our priority under pandemic circumstances. As Brisa, we strengthened our position in the market with Bridgestone, Lassa Tyres and Dayton brands. Our brands became the choice of consumers for every 1 out of 3 tyres sold in the market.

The Turkish automotive industry total market (Passenger Vehicle, Light Commercial Vehicle, and Heavy Commercial Vehicle) grew by 72.4% during the January – November period compared to the same period of the previous year and reached 688.180 units. On the other hand, total vehicle manufacturing declined by 13.4%. According to the 2020 4th quarter report published by LMC, the Turkish Replacement and OE tyre market grew by 4% in 2020 compared to the same period of the previous year. In 2020, the Turkish replacement tyre market enlarged by 19% in the passenger vehicle segment and 15% in the heavy commercial vehicle segment, while the light commercial vehicle segment declined by 4%. According to Pool data, in the Turkish OE tyre market, passenger vehicle and light commercial vehicle OE tyre sales shrunk by 15% whereas the heavy commercial OE tyre market increased by 14% compared to the previous year. In the wake of these developments, Brisa increased its market share both in the replacement and in the OE tyre markets with its strong brands and innovative solutions. Consumers preferred Brisa brands for every 1 out of 3 tyres sold in the market.

When we look at the developments in the global markets, according to the 2020 4th quarter report of LMC, World passenger vehicle and light commercial vehicle sales declined by 15.6% during the first 11 months of the year compared to the same period of the previous year with the inclusion of the effects of the pandemic. The shrinking was the strongest in the Brazilian market. In the European automotive market, the contraction reached 25.4% in the first 11 months of 2020 compared to the same period of the previous year. The markets which contracted the most were Croatia, Portugal, and Spain respectively. When we take a look at the effect of the developments in the global and European markets to the global tyre market; reduced mileage during the quarantine period resulted in sharp declines in replacement market sales in many countries. Global Replacement and OE tyre market sales declined by 12% in 2020 compared to the previous year, whereas the European Replacement and OE tyre sales were reduced by 15.5%.

Despite the contraction resulting from the COVID-19 pandemic in the European markets, Brisa continued to invest in the market with Lassa Tyres brand and increased its market share in Germany, Spain, Sweden, Bulgaria, Macedonia, Bosnia & Herzegovina, and Montenegro. In the non-European markets, Brisa grew its market share in Egypt, Morocco, Tunisia, Syria, Belarus, and Georgia and thus reached higher market share in a total of 13 markets globally. During this period, Lassa Tyres entered into three new markets; Algeria, Kenya, and New Zealand. Therefore, Lassa Tyres reached to 87 markets in terms of international sales.

As a result of all these developments, our company performed similarly to the previous year in terms of total sales in the period of January 1 - December 31, 2020, and increased its net sales revenues by 16%, reaching 4.2 billion TL in sales revenues.

In 2020, we continued our pioneering role in the industry as both the market and innovation leader of the Turkish tyre industry with our products, services and new business models.

2.2. 2020 Panorama

During the pandemic, we ensured the continuity of our operations in all our manufacturing plants with our priority on occupational health and safety. We have implemented our projects to support our business partners and society. At the same time, we have provided solutions to the differentiating needs of our customers with our innovative services in our industry.

During the pandemic, our company implemented pioneering applications in the industry

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Reception of TSE (Turkish Standards Institute) COVID-19 Safe Service Certificate

We successfully completed the TSE Covid-19 Safe Service Certificate auditing process in both our İzmit and Aksaray manufacturing plants as a result of the precautions we have taken. We, therefore, earned the right to be certified with the Covid-19 Safe Service Certificate for our manufacturing plants.

We publicly shared our Covid-19 precautions with our information spots

We shared our powerful precautions we have taken against Covid-19 with the public prioritizing disinfection, wearing masks, and physical distance with our information spot, which we filmed in our İzmit Manufacturing Plant.

Free of charge vehicle disinfection service offered at Lassa Tyres, Bridgestone and Otopratik service points

We activated a free of charge vehicle disinfection service for our customers who must be mobile outside with their vehicles during the pandemic period.

A “Thank You” spot from Lassa Tyres for truck drivers who connect us to life

Lassa Tyres thanked all truck drivers and other professionals who have taken a crucial role to take the road and connected us to life every day during the challenging period we have been going through with “We are strong because you are strong” slogan.

Activated free of charge services at Otopratik Service Points

During the recovery/normalization period of the pandemic, we offered free of charge tyre and battery services to our customers who have not been driving their vehicles for a long time due to the lockdowns.

Door to door services with Lastik.com.tr available across Turkey

During the pandemic we have added new services and diversified our mobile services according to the requirements of our customers. We enlarged the coverage of our door-to-door tyre mounting service offered through our online sales platform lastik.com.tr from Ankara and Istanbul to all over Turkey.

We stood by our customers with our mobile services

We offered onsite customer services for the tyre changing needs of our customers across Turkey with our dealers whose infrastructure is compatible to offer this service. We activated the Mobile Services Customers Hotline in order to offer this service.

We took action to support society during the pandemic

We supported İzmit and Aksaray City Health Administrations

We delivered 1 ton hand sanitizer and 1.200 medical aprons to Kocaeli City Health Administration and 325 lt. hand sanitizer and 500 medical aprons to Aksaray City Health Administration in order to help to support the needs of medical personnel where our manufacturing plants are located.

We delivered tablets to those in need

The switch to online education during the pandemic resulted in some students not being able to participate to online education due to lack of required tools. We supported the Aksaray Municipality Social Welfare Administration with tablets to be delivered to students in need.

We gave free of charge access to university students to Brisa Academy’s workshops

Brisa Academy gave free access to more than 20 online workshops to support the education of students who were required to work remotely.

During the COVID-19 period, we stood together with our business partners and strengthened our communication

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We supported the activation of necessary precautions at our dealers' sales points

We organized all necessary communication and educational activities needed for the implementation of required health and safety precautions at our dealers' sales points against Covid-19 for our customers and employees. We shared an informative spot through a video message with our dealers about the actions that Brisa took. We offered help to all our dealers to complete hygiene trainings and to switch to alternating working schedule. We also activated the Psychological Support Line for the use of our dealer network.

We supported our dealers with online educations and chats with experts from medical field

We increased and intensified the knowledge of our dealers about COVID-19 through an online education exclusively prepared for them on the Brisa Academy Portal. We provided further support for the receipt of the "Hygiene Inspection" inspection certificate from authorized institutions to those of our dealers who completed their online training. We also offered our dealers information on the "New Normal" and about the precautions they should be taking during this period with a digital meeting held with the participation of Internal Diseases Specialist Dr. Mustafa Nafiz Karagözoğlu.

We regularly got together with our dealers through digital meetings

Both our top management and our teams regularly met with our dealers through the digital meetings we organized. We held these online meetings on many of the issues on our agenda such as campaigns, incentive programs, dealers' systems and reforms on applications, assessment of current conditions, holiday celebrations, etc.

We activated the Brisalıyız.biz platform

We activated both the online and the mobile application versions of the Brisalıyız.Biz platform, which will form the base of our collaborative news, information and communication platform and help us to strengthen our business partnership with our dealer network.

"COVID-19 Precautions" Workshops for our subcontractors and suppliers

We held a "COVID-19 Precautions" meeting for the representatives of our subcontractors and suppliers, who provide us their services. We shared our thoughts and implementations to raise awareness on how to eliminate the risk of COVID-19 contamination, business continuity, and our responsibilities during the meeting.

We showed great agility to adapt to life during the pandemic and continued our operations and activities that serve to strengthen our leadership position in the Turkish market and to grow in international markets without any disruptions. We have deepened and increased the pace of our activities in R&D, digital transformation, entrepreneurship, and social responsibility during 2020.

We continued our R&D projects without any disruptions

We took 43rd position in the R&D 250 list

We took the 43rd place among 250 companies and the 1st place in the tyre industry in the "R&D 250, Top 250 Turkish Companies Who Invest the Most in R&D Expenditures" research of Turkish Time Magazine, as an appreciation of our R&D projects. We took the 25th place among all companies according to the active projects.

Our R&D Center attended 2 international conferences with 4 different projects

Our R&D engineers from process development, compound development, and material development departments attended to the ICNTC (6th International Conference on New Trends in Chemistry) and to the IMSTEC (5th International Conference on Material and Technology) with 4 different projects.

We supplied international vehicle manufacturers with the products we developed

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We continued to supply European vehicle manufacturers with products developed by our Turkish engineers. We supplied bus tyres for the first time to China, and truck tyres to vehicle manufacturers based in Sweden and Germany.

We stood out as an example in business and academic circles both in Turkey and in the international arena with our case studies

We published 3 case studies on academic level

We published 3 of our case studies on academic level in 2020. Our "Digital Transformation with Artificial Intelligence" project, which integrates our AI-based teammate Robi to our business processes; Genba Room project "Strengthening the Sales Organization with Digital Technologies", with which we move the field to the center and monitor all the operations for the field instantly with digital applications; and our "Creating Competitive Advantage with Work-in Capital" project, which proves our success in work-in capital management, turned into case studies. Our case studies, prepared with the support of Prof. Dr. Nükhet Vardar and Brisa employees, have been published on Markafisildiyor.com. We shared our case studies with the business world and academicians in the seminar we organized in cooperation with Harvard Business Review with the participation of our managers.

We increase the pace of our Digital Transformation Journey

We were positioned above the Turkish average on Digital Maturity Index

We scored 3,4 over 5 in the Digital Maturity Index compiled by Digitopia with independent evaluation criteria, and surpassed the Turkish average score, which is 2,7. We communicated this successful result with the “Anything can change, when you digitalize” (“Her Şey Değişir, Sen DijitalSEN”) slogan.

Robi and Genba Room case studies were published on the international organization Case Centre

Our case studies “Digital Transformation with Artificial Intelligence ROBI” and “Strengthening the Sales Organization with Digital Technologies GenbaRoom” took their places in the Brands Whisper Collection of The Case Centre, where international exemplary case studies are collected and showcased.

Our Digital Workplace implementations took their places amongst global success stories

We featured amongst Microsoft’s success stories in a global scale with our projects carried on by integrating Microsoft Teams into our business processes as one of our Digital Workplace implementations. In the meantime, our big data analysis project, which we implement in coordination with Vektora by using SAP BW/4HANA solutions featured as one of SAP’s success stories.

We shared our digital transformation journey with several seminars and meetings

We shared our smart culture based digital transformation journey in the webinar organized by Business Sweden platform. We shared the output of our digital transformation journey in TUSIAD’s webinar organized with the scope of SD2, Digital Transformation Program in Industry. We shared the digital transformation applications of Brisa, which manages big data analysis with SAP BW / 4HANA solutions, in the webinar jointly organized by SAP and Vektora. In the panel held within the scope of the “Measurement of Digitalization Levels in Electricity Distribution Companies” R&D project supported by EPDK (EMRA – Energy Market Regulation Association), we communicated our digital transformation journey and our digital maturity measurement projects. We also came together with members of the press in our online meeting.

Brisa was one of two companies from Turkey, which participated to SAP Bootcamp Program

Brisa IT team participated to the SAP S/4 HANA Bootcamp Program and represented our company, which was one of two companies from Turkey which participated to the program.

We revised our digital solutions, which help to ease the lives of our dealers

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Brisa Dealer Portal, through which our dealers can enter and follow-up their orders, and monitor their financial status in an easier manner, has been revised. We offered workshops gradually on a regional basis about the revised portal use and activated the portal for our dealers' use.

We strengthened our synergy with entrepreneurs and deepened our projects

We continued our participation in TUSIAD's Digital Transformation Program in Industry. We cooperated with GoLive, a supplier for innovative technologies, for our digital tyre assistant project within the scope of TUSIAD's Digital Transformation Program in Industry. With this project, we are working on creating a new generation solution, which will be the first of its kind in the industry and help drivers to make their tyre choice within seconds.

We participated to the Endeavor Connect Program

We took our place as one of the partner companies in Endeavor Turkey's Endeavor Connect Program, which aims to bring together corporate companies with entrepreneurs to forge potential cooperation possibilities.

We came together with entrepreneurs at start-up scanning webinars

We organized a start-up scanning webinar together with Viveka Incubation Center for entrepreneurs, who have been supported by TUBITAK with the Individual Young Enterprise Program. We shared Brisa's entrepreneurship activities and trends in mobility during the webinar. We also organized an exclusive start-up scanning demo-day with Keiretsu Forum Turkey focusing on technology solutions, smart manufacturing, and consumer experience in the aftermath of COVID-19 pandemic. Moreover, we came together with seven different start-up enterprises who are working on smart manufacturing plant, robotic process, and mobility solution topics in Kocaeli, with the partnership of Kocaeli University Teknopark. Finally, we held a discussion session with Istanbul Teknopark Cube Incubation, with which we had the chance to listen to entrepreneurs within the scope of our business development platform together.

We activated the Perfect Pitch trainings exclusively designed for entrepreneurs

We activated the Start-up Pitch Perfect program with the joint efforts of Brisa Entrepreneurship Team and Brisa Academy and the support of Viveka. We aim to reach out to entrepreneurs who show potential for future cooperation possibilities, and to support them by advancing their basic competencies with Brisa Innovation Team Mentorship Program and workshops.

Lassa Tyres' Journey to Become an International Brand Continues

Lassa Tyres entered new markets and continued to invest into brand awareness.

We entered 3 new markets with our Lassa Tyres brand following our field visits: Algeria, Kenya and New Zealand. We also strengthened our marketing and sales campaigns in the markets where we already exist and increased the pace of our activities in order to increase our brand awareness.

Lassa Tyres shared a "Thank You" spot in 3 different languages to show its appreciation during the Covid-19 period

Lassa Tyres adapted Lassa Turkey's "Thank You" spot into three different languages (English, Spanish, Italian) to show its appreciation to those who have to be working outside during the quarantine conditions and shared it via digital channels.

An innovation that contacts consumers from Lassa.com

The "dealer finder" search option has been integrated into lassa.com website so that consumers all around the globe can easily reach to the closest Lassa Tyres sales points through 81 Lassa Tyres distributors and 1.746 Lassa Tyres sales points.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Lassa Tyres activated the “Dealer Catch” project to reach out to new potential dealers

Lassa Tyres activated the Dealer Catch Project to reach out to new potential dealers in the international markets, where its distribution network needs to be improved. The pilot project took off in London in 2020 with targeted communication support. While Lassa Tyres increased brand awareness with “join.lassa.com” website, the project aimed at gathering dealership applications from independent tyre sales points. As the project progressed, Lassa tyres received 70 applications from and around London, and following the evaluation period Lassa Tyres established commercial ties with 11 out of the 70 applicants.

Lassa Tyres Amazon Gift Card Project for final consumers in the United Kingdom

Lassa Tyres organized an Amazon Gift Card Campaign to support winter period sales in the United Kingdom during November and December with the participation of 5 distributors and 160 Lassa Tyres sales points. Consumers who participated to the campaign had the chance to win Amazon Gift Cards up to 40 GBP.

Lassa Tyres organized a sell-out campaign for final consumers in Germany

Lassa Tyres organized its first sell-out campaign in Germany during October and November with the participation of 216 sales points through the Lieferando Gift Card campaign. Consumers who participated to the campaign had the chance to win a Lieferando Gift Card up to 20 Euros.

Lassa Tyres participated to an online fair in Germany

Lassa Tyres participated to 2 fairs in October and November, which have been organized by Wessels Müller, one of Lassa Tyres’ distributors. The fair was organized online this year due to the pandemic.

Lassa Tyres organized a Sodexo Gift Card Sales Campaign in Tunisia for consumers

Consumers, who purchased 4 passenger vehicle or 4x4 tyres during December from Lassa Tyres’ Tunisian distributor Societe Jomaa’s authorized sales points won a Sodexo Gift Card worth 30 Tunisian Dinars (9,2 Euros).

Lassa Tyres organized a sales campaign in Egypt giving its dealers a chance to win a vehicle

Lassa Tyres organized a campaign with which 5 dealers, who increased their purchases at least 15% and who purchased the highest quantity of tyres throughout the year, were gifted a vehicle. The vehicles were delivered to the dealers in December.

Turkey’s Durable tyre Lassa Tyres on screens in Azerbaijan

Lassa Tyres focused on brand awareness investments in Azerbaijan, where the brand has been growing its market share with an increasing trend for the past few years. Within the scope of these brand awareness projects, Lassa Tyres advertised an ad spot and communicated its product pricing with bottom band advertising during the Neftçi PFK – Galatasaray UEFA game played in Baku on September 17th and Turkey – Russia national game played in Turkey on November 15th, both of which were aired in Azerbaijani sports channel CBC Sport.

Lassa Tyres featured on international tyre media with Snoways 4’s performance in challenging winter conditions

Lassa Snoways 4’s superior performance in challenging winter conditions and success in the market found itself media coverage in the important media organs of the European tyre industry such as The Smithers Report. The press bulletin for the pattern was published in 104 different media channels with potential Access to 100 million viewers.

Lassa Tyres’ B2B Communication and Sales Platform Customer Information System has been revised. The CIS, which forms the basis of Lassa Tyres’ communication and sales platform with its distributors, has been revised with a user-friendly order management module and advanced sales and financial reporting features. The revised Customer Information System offers a more friendly user experience

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

with its renewed version and infrastructure and offers distributors the ability to give orders with the ease of just one click, view real-time location follow-up of their orders, review financial and sales reports and reach all required marketing materials from the marketing library.

Brisa Academy opened its doors to Lassa Tyres' international customers

Brisa's online training platform Brisa Academy is available for the use of Lassa Tyres' international customers. The platform offers both technical and pattern-based trainings and there are currently 140 registered users from 20 different distributors.

We Strengthened Our Brand Promotion and Sales Activities in the Domestic Market to Become the First Choice of Passenger Vehicle and Light Commercial Vehicle Drivers

New advertisements spots of Lassa Tyres were broadcasted

Lassa Tyres broadcasted its new advertisement spot shot in 7 different cities located at various parts of Turkey. The spot aimed to reflect journey stories exclusive to the regions where the advertisement was shot together with unique views from around our wonderful country. Moreover, another advertisement spot about the new winter season campaign was broadcasted telling how durable and strong Lassa Tyres is in challenging weather conditions of the Black Sea region. During the advertisement spot, regional Black Sea music accompanied Lassa Tyres' jingle "Sağlamsa Lassa".

Lassa Tyres' YouTube channel surpassed 60 thousand subscribers

Lassa Tyres' YouTube channel, where the brand shares its activated projects from tasting and cultural travel arrangements to fun contents about tyre and automotive industry and from travel videos to football content, surpassed 60.000 subscribers.

Lassa Tyres sponsored the World Mountain bike Championship

Lassa Tyres, which has been supporting Lassa Tyres Cycling Team for 40 years, became one of the main sponsors of the 2020 World Mountain bike Marathon Championship. The Championship was hosted for the first time in Turkey and took place in Sakarya under the auspice of the Presidency of the Turkish Republic.

The Automotive Distributors Association (ODD) Night was organized with the main sponsorship of Bridgestone

The 8th ODD Sales and Communication Awards organized by the Automotive Distributors Association (ODD) to support the pace of industry's Growth was held with the main sponsorship of Bridgestone.

Father's Day advertisement spot from Bridgestone

Bridgestone celebrated Father's Day accompanied with the song "Hadi Baba Gene Yap" for fathers who strive to do their best for the happiness of their children. The spot was broadcasted from digital channels.

Bridgestone Studio opened its gates

Brisa activated the Bridgestone Studio YouTube project in order to establish bonds with consumers over music during the pandemic. The Bridgestone Studio project connects consumers with rap versions of pop and rock music hit songs of the 90s and our day with the moderation of Ege Çubukçu, who is one of music listeners' favorite in rap music.

Bridgestone's digital winter season spot was broadcasted

Bridgestone prepared and broadcasted a new digital spot with the insight that consumers first consult with people whom they are close.

Partnership between our online platform Lastik.com.tr and Aksigorta

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Aksigorta agencies and customers were offered special discounts for their purchases from lastik.com.tr with the campaign that was designed as part of Brisa's online sales platform lastik.com.tr's partnership project with Aksigorta. As part of the partnership, lastik.com.tr will also feature Aksigorta's Akkasko product banner in its website.

Customer satisfaction surveys will be conducted with QR coded surveys at Brisa sales points

We started to conduct our customer satisfaction surveys using QR codes in order to focus on providing the best customer experience at our sales points. The QR codes are exclusively prepared for each of our dealers to follow customer feedback so that we can listen to the voice of our customers and take necessary actions according to the feedback we have received.

We Are Working Towards Being The First Choice Of Heavy Commercial Vehicle Customers In The Domestic Market

Digital Road Assistance

We started to offer our Filofix 7/24 Commercial Vehicle Road Assistance Service to our customers through a unique digital innovation with the joint project of our Digital Fleet and Agile Teams. From now on, commercial fleets can download our Digital Fleet application to take advantage of the benefits of our Filofix service when they need assistance on the road with the ease of pressing just one button wherever they may be in Turkey.

We are stronger in the field with the all-new Aspects+2

We upgraded our Aspects+ measurement display screen, which our Profleet consultants use in the field to take field measurements so that they can help our fleet customers. From now on, the measurements can be made from the digital application as well as from the tablet.

Lassa Tyres broadcasted an exclusive Father's Day spot for veteran road captains

Lassa Tyres shot and broadcasted a Father's Day spot for all our veteran road captains within the scope of Take Off Safely communication platform designed for long-way road captains.

We Are Deepening Our Retailing Projects For The Domestic Market

We expanded the product portfolio of Otopratik branded spare parts and released new domestic products to the market

Brisa's fast fit service brand Otopratik offered pollen, oil, and fuel filters as new spare parts to the market following its initial release of batteries. This step allows us to support domestic production in the after sales services industry, while also being a strong solution partner for the industry for reasonably priced, good quality and trustworthy spare parts requirements.

First advertisement spot of Otopratik was broadcasted

The advertisement spot for Otopratik, which was shot to increase brand awareness and to enlarge the customer basis for the brand, was broadcasted. The advertisement spot was first aired during the pre-game period and half-time breaks of Beşiktaş – Rizespor and Fenerbahçe – Trabzonspor football games.

We are working hard to provide the best service at Otopratik Service Points

The technical team of Otopratik, our fast fit maintenance service brand, has refreshed their technical knowledge with the Technical Service Training prepared by Brisa Academy. These trainings, which have been offered in 3 month breaks and supported with mobile applications, help us to provide service excellence at Otopratik service points.

We were together with our business partners and we activated our new applications

We organized Brisa Dealer Commendation Ceremony

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We organized our Dealer Commendation Ceremony with “Strength of the Years, Excitement of the Future” slogan. Approximately 400 Brisa dealers together with Brisa employees participated to the ceremony hosted by Sabancı Holding Chairman of the Board, Mrs. Güler Sabancı, Sabancı Holding CEO, Mr. Cenk Alper, Brisa Vice Chairman of the Board, Naohisa Yoda, and Brisa then CEO, Mr. Cenk Alper, at Sabancı Center on February 3rd. At the ceremony, dealers who ranked in the top 10 in terms of customer experience in 2019 were also awarded. Within the scope of the commendation, we also released a commemorative film with which we brought together 10 of our dealers with the theater actor Altan Erkekli.

We organized a meeting within the scope of “We are Brisa Employees, We Always Stand Together” Meetings

We organized a Digital Launch activity that brought together our dealers focusing on commercial products sales with Profleet Consultants and Sales Team within the “We are Digitalizing in Commercial Products” slogan. In the activity, we focused on new products and our Profleet services while we launched the Digital Fleet – Filofix application.

We activated the Brisalıyz Card and Tyre Money applications

We activated our first loyalty card, Brisalıyz Card, which offers exclusive discounts and special occasional opportunities to Brisa dealer network and the Tyre Money incentive program, which is designed to strengthen our Brisa retail implementations. We introduced both products with a digital meeting.

We Are Aware of Our Responsibilities; We Are Working to Add Value to Our Shareholders

We contributed to increase earthquake awareness with our seismic isolation activities

We introduced and activated our new website, which includes developments in the field and the advanced technology seismic isolation products designed for constructions by Bridgestone and introduced to the Turkish market by Brisa. Moreover, within the scope of our projects to increase earthquake awareness all around Turkey, we set-up the seismic isolation model building, which we received from Bridgestone Japan, and opened it for visitors.

We stood by the victims of the İzmir earthquake

Following the earthquake in İzmir, we helped the region with the required materials. Furthermore, on behalf of our various shareholders we contributed to the education fund that was organized with the support of Brisa Members’ Educational Support Association and Turkish Education Foundation.

4.000 saplings for Hatay Forestry

Following the fires that saddened us all, we contributed 4.000 saplings on behalf of our dealers to re-green the Hatay Forests.

We activated the Carbon Offsetting project geared towards opinion leaders

We zeroed the carbon footprint of a 75 people group formed by opinion leaders within the scope of our CDP Turkey Climate leadership. We also planted 20 saplings for every Brisa employee to the Brisa Forestry located at the İzmir – Torbalı Yogurtcular region with the help of Aegean Forestry Foundation and cooperation of Sustainability Academy.

We introduced our program designed for female engineer prospects on the Women in Engineering Day. We introduced “Would You Like to Design with Us” (“Sen De Bizimle Tasarlamak İsterSEN”) online hackathon program on June 23rd, Women in Engineering Day, in order to encourage and inspire, female university student engineering prospects on new ideas. We held our first session for the program with 30 of the female engineering prospects who have applied to the program.

Our “contribution to society” projects continue in Aksaray

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Our Aksaray Volunteering Culture Ambassadors started a New Year Gift project for the students of the Kümbet Primary School, located in Ortaköy region of Aksaray. Our ambassadors delivered the gifts coming from volunteering Brisa employees to 148 school children so that they can courageously move forward. Furthermore, we started to plan environmental awareness creation activities together with the teachers by investigating differentiating solutions on how to manage the process during the global pandemic that we are going through, within the scope of our first Eco-School of Aksaray project.

Protocol signed between Brisa Academy and Republic of Turkey Ministry of Justice

Brisa Academy signed a protocol with the Republic of Turkey Ministry of Justice to offer trainings for convicts to be raised as service technicians..

2.3. Manufacturing and Products

Being one of Europe's largest tyre manufacturers, our company conducts its manufacturing operations in İzmit at facilities built on a closed area of 361,000 square meters and in the Aksaray Manufacturing Plant. The factory, which is a major base in the global manufacturing infrastructure of the Bridgestone Corporation, has important competitive superiorities within the sector thanks to its manufacturing planning flexibility, capacity to produce products that meet the needs of the market and customers, and its capability to manufacture import products at the local level.

Our New Products and our Growing Portfolio

We manufacture tires under the Bridgestone, Lassa and Dayton brands that comply with international safety and quality standards for automobiles, light commercial vehicles, buses, trucks, agricultural machinery and heavy-duty vehicles.

Besides our manufacturing operations, we offer to the market a variety of 1,800 types of tyres by importing Firestone brand agricultural tires, Bridgestone brand motorcycle tires and Kinesis brand forklift tyres.

We also provide tire retreading services under the Bandag brand.

While aiming to provide a well-balanced product portfolio to vehicle owners by offering them the criteria of Bridgestone brand performance, environment and safety, we also offer a concept of 'Balanced Performance' that prioritizes economy, comfort and sturdiness with our Lassa brand products.

- Bridgestone Duravis All Season
- Lassa Energia 320S
- Lassa Energia 110S
- Bridgestone Ecopia H-Steer 002, Ecopia H-Drive 002, Ecopia H-Trailer 002
- Lassa EG7500+
- Bridgestone L317
- Dayton D800M Construction/Earthmover, D800D Construction/Earthmover, D800T Construction/Earthmover

Bridgestone Duravis All Season tyres are the first all-season tyres of Bridgestone in the light commercial vehicle segment. The tyre is designed according to the light commercial vehicle drivers' requirements, with high volume slots in the shoulder area for better water evacuation, better wear resistance and lessened tyre edge components, optimized carcass structure and sidewall protecting blocks. During 2020, 122 new products from our existing patterns have been added to commercial vehicles tyres product portfolio.

EG320S pattern is the first pattern to feature 315/70R22.5 size in Lassa Tyres' product range. This is an assertive product developed for the front axle of trailer trucks serving in the regional segment with a

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

superior wear-out and product life performance, offering fuel savings with its low rolling resistance. Lassa Tyres also introduced the EG110S to the market, which is developed for urban segment and offers 25% longer product life compared to the previous generation. This pattern is designed to operate with maximum efficiency under heavier loads with a secondary load index and its strengthened sidewall structure minimizes defects that may arise due to impacts. The zig-zag pattern design minimizes fatigue that may arise in the grooves. The EG7500+ pattern, which Lassa Tyres developed for the Construction & Earthmover segment, offers 10% superior product life compared to the previous generation with its strong carcass structure together with superior re-treadability and strong performance under challenging conditions.

The Ecopia-2 line-up, designed by Bridgestone for long was segment consumers, stands out with an “A” label grade in fuel efficiency and “B” label grade in wet surface product performance. All sizes in the line-up have both the M+S and the SFM markings. The Ecopia H-Drive002 especially offers superior performance in terms of wet surface traction and handling criteria.

In the Dayton brand group, front axle, drive axle and trailer Construction & Earthmover sizes developed for the Dayton Construction & Earthmover segment, increases our competitive strength with popular sizes for consumers who pay attention to first purchasing costs.

	1 January- 31 December 2020	1 January- 31 December 2019	Change %
Production Quantity (Unit)	11.008.280	11.762.293	-6,4
Production Quantity (Tonnage)	160.504	168.292	-4,6
Capacity Utilization Ratio (İzmit)	78,20%	84,00%	-6%
Capacity Utilization Ratio (Aksaray)	85,00%	100,00%	-15%

2.4. Domestic distribution and sales channel management

Our customers are the focus of our business. With this understanding, we expand our stores every day so that our customers can easily reach them. We develop our stores in order to meet the expectations of our customers who come to our stores and idealize their purchase experience.

With this sales and service network, we aim to create expert and reliable points that vehicle owners can easily reach and to offer the most effective sales and after-sales service organization to the vehicle owners.

We aim to develop and expand our sales network with our business partners who adopt a similar business culture. We focus on retail, wholesale and fleet distribution channels separately to make our business processes more effective.

In addition to our branded Bridgestone, Lassa Tyres and Lastiğim sales points, we provide fast and easy maintenance services for passenger vehicles and light commercial vehicles in Otopratik stores. We grow by adding new ones to our Otopratik store day by day.

In our Propratik stores, which serve as our sales and service stores for heavy commercial vehicle users, we offer Bridgestone and Lassa Tyres products in the bus and truck tyres segment, along with Bandag tyre retreading services, and basic vehicle and tyre maintenance services under one roof.

We are becoming widespread with Speedy, Lastik Vs points and Bridgestone Box so that vehicle owners can access our products and services wherever they need. We are delivering our customer oriented service understanding where our customers are located with Mobilfix and Probox services.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

In addition to national and local campaigns, we organize CRM projects on a regular basis to increase the preferability and traffic of our sales points. We place great importance to “Customer Relationship Management and Guarantee Practices” training to strengthen the competence of our business partners.

While we highly prioritize the enrichment of products and services offered at our sales points, we also implement a reliable training and supervision system to ensure that our standards are not compromised. We frequently get together with our business partners whose Customer Satisfaction Rating grades are below Turkey average in order to increase their awareness in terms of customer satisfaction.

We place great importance to developing long-term relationships with our business partners based on solid foundations and mutual trust in order to contribute to the continuity of their businesses. In the context of Brisa's strategy to grow together with its business partners, we offer the “New Generation at Work” certificate program to contribute to expand the visions of our business partners, which are transferred from father to son, sibling, and nephew, and thus become diversified and enriched with the inclusion of their new owners, in order to increase the productivity, and institutionalization of their family businesses.

2.5. Domestic Marketing and Sales

In our marketing and sales activities, the effective management of the digitalization process in our company enriches the values we offer to the customers. We strive to create unique customer experiences by developing new business models, and by combining information, company resources and digital technologies with new combinations. We want to be their first choice of our customers with regards to their tyre changing and vehicle maintenance preference.

We position Brisa not just a tire manufacturer but rather as a "value provider". While maintaining our leading position in the Turkish market with our strong brands, we offer value added services that meet our customers' needs and expectations. Our aim is to increase customer satisfaction levels to advanced degrees, as well as to increase the experience of all our customers and stakeholders, whose lives we touch, about our brands.

We regularly hold meetings with the randomly chosen customers of our business partners to measure customer satisfaction and the performance of our services. We follow our satisfaction and recommendation level with regular measurements and take action with our relevant business partners where necessary. In this way, we always approach our customers with a focus on improving the quality of our products and services.

We plan mystery shopper visits to the service points of our business partners. With mystery shopper visits, we want the visitors to feel real customers' experience in terms of product purchasing and to convey their opinions to us. We monitor the quality of the services we offer to our customers on-site, and by using the outputs received from measuring the experience with provide to our customers, we determine our improvement actions with our business partners. By combining telephone and SMS surveys with customers who purchase tyres and mystery shopper results, we follow the experience of our customers that our business partners create for them with the “Customer Satisfaction Marathon”. We evaluate and reward our dealers based on all survey & research results on a quarterly basis.

In addition, we also carry out special projects with our business partners, which play a key role in customer satisfaction. We run a coaching program to strengthen our ties and to help the swift adaptation of the new members of the Brisa family. Within the scope of the program, we aim to spread the examples of best practices by giving information about our customer approach, our customer satisfaction standards and the right practices. In addition, we regularly monitor what our business partners think of the future as a “confidence index” and organize our monthly operational agendas in line with their expectations.

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

In that manner, in 2020 we increased the number of business partners whom we perceive as long-term business partners. We added 24 new business partners and 10 new sales points to the Brisa Family.

As part of the digitalization process that provides for efficiency and an effective management approach, we offer trainings to our business partners on digitalization and changing customer expectations within the scope of the “My Business Partner is Digitalizing” project. Within the scope of the project, we strengthen the presence of our business partners on digital platforms and aim to create customer traffic to their stores using digital marketing tools.

Under the leadership of Brisa Academy and Marketing Excellence teams, we provide trainings to support our business partners to increase their customer satisfaction and experience by observing customer approaches on site, determining areas of development, and improving their customer satisfaction and experience. Repeating the trainings quarterly, we track the developments on the scores of customer satisfaction and recommendation.

We are on the field every month and keep the pulse of the customers in order to get the opinions of end users about our brands and products. We have one-to-one interviews with 300-350 vehicle users every month and reach the opinions of about 3.800 vehicle and tyre users annually on issues such as brand awareness, product satisfaction, campaign awareness, and expectations from the brand.

In addition to our investments in our business partners and customers, we also diversify our communication channels with which we reach them. We are organizing campaigns and communication projects in order to strengthen the ties of our Bridgestone and Lassa Tyres brands, which are amongst the most prestigious brands of Turkey.

In accordance with our mission to enrich our customers with innovative and value-added experiences, we enable all our customers to reach our company through Whatsapp Business application during 09:00-18:30 hours in the weekdays and 09:00-17:30 hours in the weekends. We further continue our communication with our customers interruptedly through the “live support” services we offer to our customers.

We aim to offer smart solutions beyond just providing tyres to our fleet customer with “Profleet” services

- We are leading the industry with the service solutions we offer to our commercial fleet customers. The average profit a 100-vehicle fleet which takes advantage of the services we provide under the Profleet umbrella is 2,3 million TL.
- Our Profleet field team of 94 professionals traveled 3,5 million km, which is equal to travelling around the World 10 times, until today and completed the measurement of 508.200 tyres in total.
- We enriched our Digital Fleet services.
- Our Filofix 7/24 Commercial Road Assistance Services transformed into a unique mobile service never seen in the industry before with digital innovations.
- We renewed the Aspects+ tyre measurement screens that our Profleet Consultants use during field measurement activities.
- We are advancing our service quality and product performance in re-treading business with new technological equipment (Shearography) investments. In 2020, we re-treaded 110 thousand tyres.
- We introduced our commercial services with a press meeting.

We strengthened and supported our communication with our business partners through new applications

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- We organized a Dealer Commendation Ceremony with the attendance of approximately 400 dealers.
- We held regular digital meetings geared towards sharing our precautions during the pandemic and our different business processes.
- We organized the “We are Brisa Employees, We Always Stand Together” meeting.
- New “Dealer Value Package Catalog”.
- We arranged a Digital Launch Meeting about our new products and Profleet services geared towards our commercial product focused dealers.
- We activated our first loyalty card exclusively designed for our dealers; the “Brisalıyız Card”
- We introduced “Tyre Money”, which is an incentive package designed to empower our retail applications.
- We activated the Brisalıyız.Biz website to enable a common communication, news, and information portal.
- We renewed the Brisa Dealers Portal.
- We introduced a new service to follow-up the feedback coming from our customers for our dealers’ services with QR codes.
- We organized online educations through Brisa Academy.
- We established “Heroes of Customers – Customer Experience Specialist Certificate Program”, and “Female Service Consultants Training Program” for the female employees of our business partners.
- We organized the “New Generation at Work” for the 2nd generation representatives of our business partners and their children aged between 7-13 years.

Our promotion activities with our Bridgestone brand

- Communication activity offering vehicle disinfection services during the pandemic.
- Advertisement spot shot exclusively for Father’s Day.
- New digital winter spot and winter tyre communication activities.
- New music project: Bridgestone Studio.
- Sponsorship of Automotive Distributors Association’s Gladiator Awards activity.
- Communication activities of the Spotify account.
- Communication activities of the Bridgestone web site and social media accounts
- Featured on Mono, the Digital consumer communication platform, with our Bridgestone brand.
- 30 days trial campaign for the T005 pattern.
- 1-year Tyre Insurance for 17 inch and above passenger vehicle tyres and 16 inch and above RFT and 4x4 vehicle tyres.

Our promotion activities with our Lassa Tyres brand

- Communication activity offering vehicle disinfection services during the pandemic.
- A “Thank You” spot from Lassa Tyres for drivers and all workers who traveled every day to keep us connected to life.
- You Tube communication activities with unique content. Reached more than 60.000 subscribers for our You Tube channel.
- Communication activities for Lassa Tyres’ social media accounts and web site.
- A new advertisement spot shot at 7 different cities all around Turkey.
- Take-Off Safely platform communication activities and an advertisement spot shot exclusively for Father’s Day.
- New advertisement spot of Lassa Tyres explaining how strongly the tyre performs under the challenging weather conditions of the uniquely beautiful Black Sea Region.
- 100 TL discount campaign for every purchase worth 500 TL.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- 1-year Tyre Insurance for 17 inch and above passenger vehicle tyres and 16 inch and above RFT and 4x4 vehicle tyres.
- 1-year Tyre Insurance for our radial agricultural vehicle tyres.
- Sponsorship of the 2020 World Mountain Bike Marathon Championship.
- Featured on Mono, the Digital consumer communication platform, with our Lassa Tyres brand.

Retail Activities:

- Communication activity offering vehicle disinfection services during the pandemic.
- Free of charge tyre and battery maintenance services communication activity.
- 50 TL discount campaign for every 500 TL spent for maintenance services at Otopratik sales points.
- Investment for Otopratik brand awareness and first TV spot for the brand.
- Otopratik web site and social media accounts communication activities.
- Communication activities for the product range of Otopratik brand spare parts.
- New sales points activities.
- Renewal of tyre display units and mobile vehicle branding visuals.

2.6. International Markets Marketing and Sales

Lassa Tyres continues to grow in its international journey at 6.000+ sales points, more than 600 Lassa Tyres branded sales points in 87 countries strengthened with our effective marketing activities.

1	Afghanistan	24	France	48	Libya	71	Slovenia
2	Germany	25	Ghana	49	Lithuania	72	Sri Lanka
3	Andorra	26	South Korea	50	Luxemburg	73	Syria
4	Albania	27	Georgia	51	Lebanon	74	Saudi Arabia
5	Austria	28	Croatia	52	Macedonia	75	Chile
6	Azerbaijan	29	Netherlands	53	Malaysia	76	Thailand
7	United Arab Emirates	30	Hong Kong	54	Mali	77	Taiwan
8	Bahrein	31	Iraq	55	Malta	78	Togo
9	Belgium	32	United Kingdom	56	Egypt	79	Tunisia
10	Belarus	33	Spain	57	Moldovia	80	Turkmenistan
11	Bosnia & Herzegovina	34	Israel	58	Myanmar	81	Ukraine
12	Negara Brunei Darussalam	35	Sweden	59	Uzbekistan	82	Oman
13	Bulgaria	36	Italy	60	Pakistan	83	Jordan
14	Cabo Verde	37	Iceland	61	Panama	84	Vietnam
15	Algeria	38	Cambodia	62	Poland	85	Yemen
16	Czechia	39	Cameroon	63	Portugal	86	New Zealand
17	China	40	Montenegro	64	Romania	87	Greece
18	Denmark	41	Qatar	65	Russian Fed.		
19	Estonia	42	Kenya	66	Senegal		
20	Faroe Islands	43	Krygyzstan	67	Serbia		
21	Morocco	44	Democratic Republic of the Congo	68	Sierra Leone		

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

22	Philippines	45	Republic of the Congo	69	Singapore		
23	Finland	46	Northern Cyprus Turkish Republic	70	Slovakia		
		47	Latvia				

Besides being a sector leader in Turkey, our goal is also to be an arbiter that adds value to business partners and end users in the international arena. With this in mind, we are making progress in international markets, working to increase Lassa-labeled sales points and engaging in efforts to improve brand awareness as we capture the loyalty of our business partners.

Today, Lassa Tyres branded products produced with the efforts of Brisa workers in Turkey reach to a total of 87 countries with the inclusion of 3 new markets.

2.7. Investments & R&D Operations

With its strong faith in the potential progress of the tire industry and in an effort to supply the foreseen demand for passenger and light commercial vehicle tires, our Management Board decided at its Board Meeting number 2013/18 on October 4, 2013 to invest in a second factory that would cost around USD 300 million and be located in Aksaray Province Organized Industrial Zone (OIZ). The factory was commissioned in 2014 with our aim to establish it initially on 135,000 m² out of a total area of 952,000 m² in 2018.

We conduct our operations with the “adding value to the journey” philosophy. In 2020, we made a total investment of 27,2 million USD into the modernization of our İzmit Manufacturing Plant along with our investments into other business units.

In 2020, we invested a total of 18,8 million USD, of which 11,8 million USD is covered by the Incentive Certificate, for the renovation, modernization, and capacity increasing processes to our manufacturing plant located in İzmit.

We invested a further 2,6 million USD into the construction of our second manufacturing plant located on the Aksaray Organized Industrial zone. The total investment spent for our Aksaray Manufacturing Plant until today is 291 million USD.

Brisa possesses important competitive advantages in terms of R&D operations and houses a product test center under its manufacturing plant structure, which is recognized by the Turkish Standards Institute. Brisa İzmit Manufacturing Plant is one of the pioneering facilities of Brisa’s main partner Bridgestone Corporation and Brisa works in coordination with the technical centers of Bridgestone Corporation located in Rome and Tokyo.

Brisa applied to the Ministry of Science, Industry and Technology of Turkey to take advantage of and be recognized as an R&D Center under the incentives and exemptions offered within the scope of the decree no: 5746 about Supporting the Research and Development Operations, and received the right be named an R&D center as of 27.04.2017.

2.8. Financial Outcomes and Rates

Due to adverse effects of COVID-19 pandemic, domestic and export sales have been getting under pressure. Within this climate, Brisa stayed strong in domestic market and the company increased its domestic sales by 9% in tonnage and 23% in revenue basis. Covid-19 pandemic effect is exercised more

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

severe in European, North Africa and Middle-East markets where the demand contracted by between 15% and 20% so that the company's export sales decreased by 15% in unit, however increased by 5% in revenue basis. With all these developments, 2020 total sales performance of Brisa increased by 16% in terms of sales revenue compared to the same period of the previous year and gross profit margin increased by 482 bps. and reached to 30,1%. This considerable increase in terms of sales revenue reflected on the EBITDA performance and Brisa achieved a 57% increase in terms of EBITDA and reached TL 956,5 million.

With the positive effect of working capital management improvements and effective financing management, Brisa's net debt became lower than its 2019-year end level and realized as TL 669 million. The Company made cross currency and interest rate swaps to mitigate floating interest rate and foreign currency exchange risks for the long-term foreign currency denominated borrowings when they were received. TL values of the Company's foreign currency denominated borrowings may increase or decrease as a result of exchange rates fluctuations, in return fair value of cross currency swaps are shown under derivative assets. Considering both bank borrowings recognized in the financial statements and respective derivative assets (TL 941 million), net debt became TL 669 million.

In consequence of all such developments, 2020 net profit/loss before tax became 4 times higher than same period of the previous year and reached to TL 475,3 million (2019: TL 116,4 million) and net profit/loss reached to TL 539,9 million.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Sales Tonnage	1 January- 31 December 2020	1 January- 31 December 2019	Change %
Domestic	109.861	100.504	9,3
Export	62.171	72.725	-14,5
Total	172.032	173.230	-0,7

Sales Tonnage (Channel Based)	1 January- 31 December 2020	1 January- 31 December 2019	Change %
Replacement	87.212	83.348	4,6
OE	22.649	17.156	32,0
Domestic Total	109.861	100.504	9,3
Lassa Export	42.657	48.972	-12,9
Bridgestone Export	19.514	23.753	-17,8
Export Total	62.171	72.725	-14,5
General Total	172.032	173.230	-0,7

Net Sales (Million TL)	1 January- 31 December 2020	1 January- 31 December 2019	Change %
Domestic Sales	2.710,9	2.199,5	23,3
Export Sales	1.526,0	1.454,9	4,9
Net Sales	4.236,9	3.654,3	15,9

Million US Dollar	1 January- 31 December 2020	1 January- 31 December 2019	Change %
Export Sales*	224,6	269,7	-16,7

Summarized Income Statement (Million TL)	1 January- 31 December 2020	1 January- 31 December 2019	Change %
Net Sales	4.236,9	3.654,3	15,9
Gross Profit	1.276,4	924,6	38,0
Operating Profit	632,5	382,8	65,2
Net Profit	539,9	114,0	373,6
Net Profit before one offs	455,8	99,0	360,5
EBITDA**	956,5	608,7	57,2

*Export sales consist of FOB US Dollars

**EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Liquidity Ratios	31 December 2020	31 December 2019
Current Ratio (Current Assets/Current Liabilities)	1,28	0,95
Acid-Test Ratio (Current Assets-Stocks / Current Liabilities)	1,01	0,68

Financial Growth Ratios	31 December 2020	31 December 2019
Total Liabilities/Equity	3,21	4,89
Total Liabilities/Total Assets	0,76	0,83
Equity/Total Assets	0,24	0,17

Operation and Profitability Ratios	31 December 2020	31 December 2019
Gross Profit Margin (Gross Profit/Net Sales)	30,13%	25,30%
EBITDA Margin (EBITDA/Net Sales)	22,58%	16,66%
Net Profit Margin (Net Profit/Net Sales)	12,74%	3,12%
Return on Asset (Net Profit/Assets)	9,08%	2,15%
Return on Equity (Net Profit/Equity)	46,15%	12,21%

2.9. Internal Audit & Internal Controlling

Internal auditing and controls are executed for the purpose of ensuring that the company's operations and services are conducted effectively, reliably and uninterruptedly; that the company's risk management, control systems and corporate governance practices are improved and a contribution is made to having the company reach its corporate and economic goals and the integrity, consistency and reliability of the data obtained from the accounting and financial reporting system.

The existence, operation and effectiveness of internal auditing and controls are a matter conducted under the supervision of a Committee Responsible for Auditing, formed within the body of the Board of Directors. The Committee Responsible for Auditing presents the facts related to its activities, duties and responsibilities, along with its recommendations, to the Chairman of the Board of Directors.

Furthermore, in order to ensure the robust condition of internal auditing and control mechanisms, an Internal Auditing Directorship operates under the Board of Directors. The Auditing Committee holds regular meetings with the Internal Auditing Department to discuss the adequacy of the internal auditing system, informing the Board of Directors of what has been discussed.

The Internal Auditing Department Regulations, in which are contained the position of the Internal Auditing Department within the organization and matters of autonomy, have been prepared, approved by the Auditing Committee and put into force. At the same time, an Auditing Guidebook, in which the operations of the Auditing Department are described, has been prepared and applied.

Every year, risks related to all processes are reviewed, and the processes to be audited are determined. The Auditing Universe formed within the company determines the processes that may be audited and ascertains risk score balances depending upon natural risk factors and internal control system conditions.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

According to this, in 2020, 5 business processes constituting of 32 sub business processes were submitted to the Committee Responsible from Audits following the completion of their audits.

In connection with internal control deficiencies spotted within the framework of Auditing Reports, actions taken by company officials are followed up and the adequacy of those decisions is questioned in the light of risk levels, with results reported to the Committee Responsible for Auditing.

2.10. Other Explanations

Affiliates and Share Ratios

Our company has no direct or indirect affiliates.

Information on Company Shares Acquired by Company

The company has no shares of its own that it has acquired between January 1, 2020 and December 31, 2020.

Information on Private and Public Audits

Independent audits are carried out on our Company's annual and semi-annual financial statements within the framework of the mandatory regulations issued by the Capital Markets Board with respect to financial reporting and independent audits.

In 2020, there was no private or public audit conducted of the Company.

There is no case that has been filed against our Company and may have an impact on our Company's financial situation and activities.

Information on Administrative or Judicial Sanctions Imposed on the company and the Board Members due to Practices in violation of Legislative Provisions

There is no administrative or judicial sanction imposed on the company and the Board Members.

Information on General Assemblies

Information on the General Assemblies held in 2020 is provided in Article 2.3 of the Corporate Governance Principles Compliance Report.

The targets set in the previous periods have been achieved. The requirements of the resolutions that were taken at our company's Ordinary General Assembly Meeting held on March 23, 2020 were fulfilled.

No Extraordinary General Assembly Meeting has been held within the year.

Donations Granted

In 2020, the total amount of donations granted in line with the company's Donation and Charity Policy was TL 580.198,82.

Information on the Report Describing the Relationships with Controlling Shareholders and Subsidiaries within the scope of Article 199 of the Turkish Commercial Code

The report describing our relationships with our controlling shareholders within the scope of Article 199 of the Turkish Commercial Code was approved by our company's Board of Directors at the Board of Directors' meeting dated February 19, 2021. The report concludes as follows:

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

The conditions of merchandise of BRISA Bridgestone Sabancı Tire Industry and Trade Inc., which are common and continuous as regards Hacı Ömer Sabancı Holding A.S., Bridgestone Corporation and affiliated companies as well as related companies, price determination method and reasons are explained and information is given on the status of the transactions against the market conditions, based on the Article No: 199 of Turkish Commercial Code No: 6102. The transactions carried out comply with its comparables in accordance with the holding company explanations in the relevant articles of TTK (TCC) No: 6102 and no incurred loss is in question as it is included in the enterprise system.

It has been observed in this report prepared by the Board of Directors of BRISA Bridgestone Sabancı Tire Industry and Trade Inc., dated 19 February 2021 that all necessary transactions have been carried out and necessary measures have been taken in accordance with the responsibilities provided for in the Article No: 199 of TTK (TCC) No: 6102 and assigned to the board of directors in all transactions that BRISA Bridgestone Sabancı Tire Industry and Trade Inc. has carried out with its controlling shareholders and the affiliated shareholders of the controlling shareholders in 2020.

Financial Rights Provided to Board Members and Senior Management

The company's senior management team comprises the members of the Board of Directors and the Executive Board.

Remunerations and dividends to be paid to the Board Members are determined under relevant resolutions of the General Assembly. Remunerations of the members of the Executive Board are comprised of two components, with one being fixed and the other performance-based.

In compliance with international standards and statutory obligations, the fixed remunerations for the members of the Executive Board are determined by taking into consideration the macroeconomic data in the market, current wage policies in the market, the size and long-term goals of the company, and individual positions as well. Premia for Executive Board members are calculated in accordance with the performance of both the company and individuals.

In addition, the financial rights provided to the Board Members and the Senior Management are mentioned in Article 5.6 of the Corporate Governance Principles Compliance Report and in Footnote 24.4 of the Financial Statements.

3. Sustainability

We placed sustainability at the base of our business manner. We feel rightful pride in continuing to be one of the leading organizations en route to sustainable development, together with all of our stakeholders and, notably, our employees, customers and business partners, who join us on this ethical journey.

In Turkey and in all regions where we are active, we make an effort to be more successful every day with our awareness of our social and environmental responsibilities.

Being conscious of our responsibilities involving the benefits and interests of all our stakeholders, we conduct research, develop innovations, invest, work and produce.

We believe that continuing to serve as a leading company in the area of sustainability may only be possible together with our stakeholders. Our Brisa Approach to Sustainability relies on the global knowhow of the Bridgestone Corporation and national experience of Sabancı Holding. We base our efforts on such international standards as the European Foundation for Quality Management (EFQM) or the Global Reporting Initiative (GRI) by combining the Bridgestone CSR-22 approach and the

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

sustainability understanding of Sabancı Holding with our own corporate policies, strategies, processes and projects. We plan improvements focusing on strengthening the in-house integration of our sustainability approach. It is this structure that supports us in our journey to achieve our mission of "Providing superior values to society through sustainable growth." To this end, we constantly update our sustainability strategies, set up action plans and, with the participation of all our employees, continue to ensure the integration of all processes.

We are fully conscious that we need to act together with all our employees and our shareholders, with whom we have close relationships with, so that we can make sustainability a part of our lives. We are carrying on the "Sustainability Journey" training program in order to increase the awareness of our employees and shareholders during the orientation phase for new members who are starting their careers in Brisa.

We have been transparently sharing our Sustainability Reports since 2012, outlining the goals we have set in sustainability with our accomplishments combined with their economic, environmental and social dimensions.

In that manner, we outline and report our Sustainability Report under two headings: "Management Principles" and "Sustainability Report". We report the sustainability targets and performance of our company within the perspective of United Nations Global Compact, of which we are a signatory.

We update our sustainability policies and strategies, make improvements to strengthen corporate integration, and integrate our approach with all our business processes through the contribution of all our employees as part of our Sustainability Approach.

Our Approach to Sustainability

We are leaving our imprint on life by adopting sustainable growth strategies in an effort to leave a better world to future generations. For us, social matters and topics of the social, environment and economy are intertwined, interdependent. Sustainability is the first thing we think about when we conduct any kind of business. We expand our foremost responsibilities related to social, environmental and economic issues with our sustainability policy. Our approach to social topics involves our perspective on; human rights, occupational health and safety, and customer health and safety over the entire life cycle of products and services; anti-corruption and anti-bribery, business manner beyond legal regulations, information security, employees' rights, our growth journey and relationships with our stakeholders and the community. We popularize subjects with regards to the environment under the following headings;

- Effective use of natural resources
- Less waste generation,
- Energy efficiency,
- Carbon management,
- Environmentally friendly products and services,
- Respect to biodiversity

In the area of the economy, we prioritize responsible value chain applications, innovation, and our approach to corporate entrepreneurship

Brisa is listed in Borsa Istanbul's Sustainability Index

Brisa has been entitled to be listed in Borsa Istanbul's Sustainability Index in 2015, and after successfully complying with the related criteria of the index during the November 2020 – October 2021 period, we have been entitled to be a part of the index for the sixth time.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

3.1. Environmental Sustainability

We design every step of our business manner starting from the supply chain and manufacturing to be in line with sustainability. By this means, we reduce our environmental effects and create benefit with high work efficiency. We lead the business world with our ethical works and responsibilities for climate change and usage of natural sources since 2005

We undertake significant efforts to minimize the impact of our manufacturing processes on natural resources and climate change in accordance with our understanding of environmental sustainability. Setting off from this point and acting with a high level of responsibility, we monitor our environmental performance periodically and undertake improvements in conjunction with environmental management systems.

We have certified the compatibility of our employees with the standards for the first time in 1995 with the BS7750 Environmental Management System standard. We are regularly continuing to revise our benchmarking, reviewing, improving, and training practices that we set-up according to the ISO 14001 Environmental Management System certificate, which we possess for our İzmit Manufacturing Plant. We completed our ISO 14001 Environmental Management Systems certification studies at our new Aksaray Manufacturing Plant in 2020.

Relying on the support of our top management, we are generating new projects for a better world, complying with environmental regulations in full, and carrying out improvements that go well beyond legal mandates.

We are honored to be the first company to be reporting and verifying our pioneering projects in terms of water saving and reporting both to Bridgestone Global and Europe within the scope of ISO 14046 Water Footprint Standard.

We are preserving our “Zero Landfill” status at our İzmit facilities since 2016 by continuing to send our domestic waste resulting from operational processes to recycling facilities. We reached this target from the 6th month at our Aksaray Manufacturing Plant, which started its activities in 2018. In that manner, we do not send any waste from our manufacturing plant to waste storage areas. We reuse, recycle, and recover the waste we have generated. Following these systemic studies, we have been entitled to hold the zero-waste certificate for our İzmit manufacturing plant in 2020.

As a result of all our efforts, we have accomplished many successful results in 2020.

We have accomplished many national and international successful results in the CDP platform, which is one of the most important non-profit environmental initiatives of the World. We have been the Climate Change Leader of Turkey in 2019 in CDP (Carbon Disclosure Project) Turkey Project, which includes only 5 Turkish companies, for the 4th time.

Furthermore, we have been the only Turkish company to be one of the global leaders getting the highest possible grade ‘A’ in the “Supplier Communication Evaluation” category, which has been calculated for the first time this year.

Environmental Implementations

Efficient Use of Natural Sources and Less Waste

We are calculating the environmental interference of product use and consumption already at the design phase and we pay a great deal of attention to not using raw materials that can cause pollution and health hazards

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We have set-up long-term business plans in line with our environmental approach of effective use of water resources, which are forecasted to be declining in the years ahead. We have reduced the amount of water we have used from bore water reserves at our İzmit facilities by 56% in 2020 compared to 2008 levels as part of our studies for regaining waste water and reduction of water use. As a result, we have achieved a far more successful result than the 35% target set globally by Bridgestone. Our 2021 target reaches to 68%.

We are targeting to decrease our waste levels by regularly controlling possible pollution sources and improving them with our waste management projects. We are primarily focusing on preventing the composition of waste as we carry on our projects. Then, we are showing effort for the reuse, recovery, or recycling of composed waste. We are collecting and recovering elements like dust and gas that might result from production processes and negatively effect internal air quality at the source to be reused in the system. Thus, we are effectively managing our natural resources while also protecting internal air quality. We are implementing important projects for the minimization of wastes. In that manner, we have realized 17% improvement in terms of waste amount per production at our İzmit Manufacturing Plant compared to 2012 levels.

Our Aksaray Manufacturing Plant took the first place and our İzmit Manufacturing Plant took the second place in the environmental evaluation grading parameters compiled by Bridgestone EMIA in September.

Energy and Carbon Management

The effective use of energy and the elimination of wasted or inefficiently used energy make up one of the corner Stones of how we operate our business. We have achieved important results in terms of providing efficiency in energy consumption and reducing our impact on climate change to minimum levels as a result of our systematically pursued improvement projects.

Both of our facilities possess the ISO 50001 Energy Management System certificates, and we conduct our systematic operations in accordance with Energy Management principles.

We have been carrying on our projects for the reduction of carbon emissions at our İzmit Manufacturing Plant since 2005. In 2020, we achieved beyond our carbon emission reduction target of 25% and reduced our carbon emissions by 36% per unit rubber consumption compared to 2005 levels and surpassed our target.

In order to reduce the emission levels resulting from our logistic operations, we prioritize resulting from our logistic operations, we prioritize maritime transport, which has less environmental effects, and we plan our routes to reduce emissions further.

We follow-up the energy generation levels of our Leed Gold certificate holding Academy building, which generates its energy from renewable resources, with Energy Scada.

Environmentally Friendly Products and Contribution to Circular Economy

We make efforts to produce products and services that are environmentally friendly considering their effects on the environment during and after their uses. We are working on new concept products, which have lower rolling resistance and weight, and which cause lower carbon emissions and noise. We own a rich portfolio of products consisting of environmentally friendly tyres like the Ecopia and Greenways series as part of our environmentally friendly product manufacturing approach.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We are assuming important responsibilities in order to contribute to circular economy as one of the leading actors of the tyre industry. The use of high amounts of fossil fuels during its production makes tyres one of the most basic waste producing products. In that manner, we are adopting a sustainable recycling management style.

First of all, we are applying production models that support circular economy to contribute to natural resources management. In that manner, we are turning both the waste that is generated while tyres are being produced and the waste that is generated once tyres complete their product life cycle into fuels and energy. We are giving support the collection and recycling of tyres that have completed their product life cycles into the environment and to economy in accordance with the regulations of the Tyre Industrialists Association (LASDER), of which we are a founding member.

We contribute to the preservation of natural resources and to our national economy on a great scale with the use of good quality materials and right production conditions while we provide savings of up to 40% for the costs of fleets with our tyre re-treading services offered through our Bandag brand in line with circular economy. We multiply the product life cycle of tyres by three folds by offering re-treading services and thereby the re-use of tyres, and therefore we contribute to the protection of the environment by causing less tyre waste.

We also provide for the collection and recycling of a certain percentage of the packaging of our products that we offer to the market in line with the regulation of packaging waste control with the help of Çevko.

We are reviewing our “increasing environmentally friendly products portfolio to enable continuous mobility” strategy with “the weighted rolling resistance of the products that we sell” and “environmentally friendly product portfolio ratio” parameters and we develop projects in that perspective.

We are cultivating cooperation possibilities to carry out sensor projects to work on the management of environmental effects’ management in our warehouses and manufacturing plant fields as part of our entrepreneurship projects.

Respect for Biodiversity

We are furthering our “Turnalar Hep Uçsun” (“Let the Cranes Fly Forever”) project we started in 2013 with the partnership of WWF-Turkey (Worldwide Fund for Nature). We are preceding the project, which we developed for the sustainability of the crane breed in Anatolia, in the Çukurova Delta region where 95% of the cranes spending the winter in Turkey rest. We are opening 8 different Crane Booklets prepared for this project to the Access of children and teachers on our web site. The booklets closely present cranes, which also represent a cultural and environmental value for our country, and offer information about many different crane species. We are aiming to create awareness about cranes starting from very young ages with these booklets that include various games for different age groups, stories and interesting facts.

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Our forestation activities:

We are carrying out projects for the creation of sink fields for the elimination of our carbon emissions and preservation of biodiversity with our forestation activities. In that manner, we raised 20.000 saplings from seed at our greenhouse located in our İzmit Manufacturing Plant in 2020 and conducted toward to the planting of 7.500 saplings with various organizations.

We donated 4.000 saplings on behalf of our dealers in order to relieve the damage caused by forest fires in Hatay region with the help of Developing Forestry and Support for Combat Against Forest Fires Services Foundation (OGEM-VAK).

We zeroed the carbon footprint of a group of 75 chosen opinion leaders who have high social media coverage and who have helped Brisa to reach its leadership position in CDP Turkey Climate Change Leadership. We also planted 20 saplings for every Brisa employee to the Brisa Forestry located at the İzmir – Torbalı Yogurtcular region with the help of Aegean Forestry Foundation and cooperation of Sustainability Academy

Brisa employees contribute to preservation of the environment with office projects

With the “Yeşil Ofis” (“Green Office”) program that started in 2014 and is run by Brisa employees, we continued our efforts for the efficient use of resources and for promoting awareness. With the support of the Green Office team, both our İzmit and Altunizade offices received the Green Office Certificate within the scope of the Green Office program that is developed by WWF Turkey.

3.2. Occupational health and safety

We continue to work to provide a comfortable and safe working environment for our employees, constantly improving our conditions and investing in innovation.

Work safety is among the core values of our company and as it is our most important priority, we completed the transition to ISO 45001, the new occupational health and safety management system standard at our İzmit and Aksaray facilities. In addition to certifying our work health and safety priority, we are putting in much more effort than only complying with legal regulations and standards in all of our operations.

We believe in the immense importance of Occupational Safety training in enabling employees to adopt habits of safe behavior and transform these into a lifestyle.

We utilize the Occupational Safety Simulation Center as an active training ground to ensure "Zero Occupational Accident" at our facilities. We have made it a requirement to have every new employee in our manufacturing areas complete this training. With a view to planning and implementing the training sessions in a more effective manner, we provide our employees with Disaster Prevention (Fire and Earthquake) and Occupational Health and Safety training, within the scope of the activities of BRISA-MEC (Manufacturing Education Center). We are also launching “Basic Occupational Safety Activities.”

We hold our shareholders’, such as subcontractors’ and suppliers’, accident-free performance management in our agenda, and we put in effort for subcontractors and suppliers to be accident-free

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

with our periodical field tours and daily work permit system. We are continuously trying to improve the awareness levels of our shareholders in this group with periodical trainings.

To prevent the recurrence of any occupational accident, we analyze every accident and prepare action plans to address the findings. We prioritize practical exercises and preventive actions with the aim of being continuously alert in emergency prevention and emergency management.

Our ultimate goal is to create an on-going Occupational Safety culture and turn it into a lifestyle.

Our target is “0 Accidents!”

In 2020, we completed 1.085 days in Tyre Production 1 Department, 1.625 days Mold Equipment Department with zero accidents.

In 2020, we successfully completed the inspection process for “F-Qualification” in 28 different topics with more than 5.000 questions at the Bridgestone Technical Center for our Aksaray Manufacturing Plant in work safety, disaster prevention, engineering, and maintenance and machinery work safety disciplines.

Our priority is the safety of our employees during the Corona Virus Pandemic

We systematized our efforts to protect Brisa against the effects of COVID-19 infectious disease, which have become a risk for our country and the world in 2020.

Our top priority is to ensure that employees who leave their homes and come to their jobs in good health and safety every day, are able to reach back their homes and families safely and sound. In addition to taking the basic measures such as disinfection, hygiene, physical distance and the use of masks, we carry out comprehensive implementations such as sterilization with ultraviolet light and temperature measurement with thermal cameras starting with Izmit and Aksaray Manufacturing Plants, and all other locations of our company. We start taking these safety measures prior to physical entry to our manufacturing plants and offices; we keep awareness towards safety measures at top levels with training and support programs. We also fulfill the health and safety needs of our employees at a high level by taking advantage of the opportunities provided by digitalization while fulfilling our responsibilities for social health and welfare within the continuity of our operations.

We became the first tyre manufacturer to be entitled for the "COVID-19 Safe Production Certificate" from the Turkish Standards Institute (TSE) for our Izmit and Aksaray facilities with the precautions we have taken.

3.3. Human Resources

Administrative Operations

In line with our Smart Culture main strategy, we continue to add value to business life, while also working for the future of the business. We trace the future together by supporting our employees' Brisa journey with development and leadership programs.

Personnel and Worker Activities

As of December 31, 2020, the number of personnel employed in our company with contracts of indefinite duration is 2.870; 2.239 of these are subject to the Collective Labor Contract provisions, while 625 are outside its scope. 6 employees are foreign nationals. In addition, 252 person is employed on a fixed-term contract.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Labor Agreement Implementation

The negotiations of the 21st Term of the Collective Labor Agreement negotiations between the Company and the Turkish Petroleum, Chemicals, and Tyre Industry Laborers Syndicate (Lastik-İş) 2019 started on January 10th 2020 and ended in April 28th 2020 with the parties agreement. The agreement between the parties was signed covering 24 months permanent from January 1st 2020.

Employee Benefits and Rights

In relation to the Collective Labor Contract, employees working under and outside its scope are paid, in addition to salary, a bonus worth four months gross salary, Personal Retirement Insurance and health insurance. Those covered by the contract furthermore benefit from fuel, holiday, annual leave, maternity, death, marriage, educational, family-food, shopping and child allowances. All employees receive meal and transportation allowances.

We design all our strategic projects to create the best employee experience with our Smart Culture strategy.

As part of our Brisa Talent Management Approach, we believe that every Brisa employee has potential to add value to the company, shareholders, processes, teams, and to him/herself starting from the moment he/she is first employed. In this perspective, every Brisa employee is accepted as a talent, and we expect every Brisa leader to create value by improving him/herself, his/her work, his/her team and the Brisa climate. We are reviewing our high potential and high performing employees within our Organizational Success Plan process together with all our managers and plan their development.

We believe that our employees are at the root of development, therefore we announce and impress upon our employees the practices that we strive to implement with the “YOU” (SEN) theme. Every Brisa employee has a journey in Brisa. We design and implement our “Brisa Journey” programs for all our employees, saying that you can “Reach Your Potential When YOU Discover” (“Potansiyelinle Buluşursun, KeşfederSEN”). We revise all our programs together with our employees, taking into account the changing expectations and future trends of the business. Our Brisa employees with 0-5 years of experience discover themselves with the DEV101 program to find the courage they need and take action accordingly. Our Brisa managers with 0-3 years of experience create meaning for team management with our MAN101 program, while improving their leadership skills.

We bring Brisa employees under the same roof for chatting and information sharing meetings through various communication platforms such as MidTalks, Bi’Kahve (A’Coffee) and Executive Talks, with our “YOU Share” (Paylaşmak İsterSEN) slogan.

We implement the “Digital YOU” slogan to re-design all our Human Resources applications under the “Brinsan” umbrella and open to our employees’ use. We welcome our freshly recruited colleagues through this platform before they begin to work and introduce them to Brisa with our “YeniBri” digital orientation application and enable them to follow the entire orientation process. We offer the opportunity to easily manage questions and documents related to HR transactions from the “Ask HR” field.

We change our understanding of performance management as the world changes, and support continuous performance management with continuous feedback and milestones with our PerfX application.

Our priority is the formation of the most appropriate culture to encourage the employees to contribute at the highest level in Brisa which is strenghtening in the change period.

In this period, marked by the pandemic, Brisa continued its strong communication with its employees and its efforts towards Smart Culture transformation; exclusive meetings and projects were organized for the development of this communication and transformation.

Our programs exclusively designed for the COVID-19 period

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Within the scope of health-protective measures, the "Report Your Place, Stay Safe" application was initiated for safe transportation during the pandemic period. This mobile application, with which our employees can optionally record the people they have contacted and locations they have been to, and enable others to see whom they have contacted with retrospectively when a risk occurs, is aimed to protect the health of both our colleagues and ourselves.

Brisa shared the strong measures it has taken against COVID-19 prioritizing disinfection, mask and physical distance with the public through the help of a video spot. [Click to watch the movie](#)

Brisa switched to a flexible working model in March. With a focus on employee experience, contents giving various tips on "Remote Working and Meeting Efficiency" were shared with all employees periodically.

The "Employee Calendar" application, with which monthly work plans are entered into the system by accessing Britalks via the web or mobile, and can be easily turned into a report format, was activated.

In order to help employees, manage the uncertainties and concerns of this period, the "Do YOU Need Support, Online Employee Support Program" ("Destek İsterSEN") was launched. In this context, Brisa employees were able to have access to psychological counseling and guidance support from specialist clinical psychologists by calling the phone number that our business partner AVITA established for us.

Brisa Academy exclusively designed the Witamin Extra newsletter bringing together development and discovery suggestions that will strengthen our togetherness and nourish our soul, and shared with Brisa employees.

Brisa Youth Advisory Board members initiated a communication project reminding what they did to move and stay healthy during the day in the office and at the manufacturing plants with Brisa Bingosu, using the #Staysafe (#Sağlamkal) and #Staywell (#Sağlıklıkal) hashtag groups formed in Yammer.

Brisa said, "Let's Take a Break Together" ("Birlikte Mola") and organized online desk yoga, breathing exercises and meditation activities every Tuesday and Thursday for its employees.

A virtual tour, which explained the works of art inside the Sakıp Sabancı Museum Atlı Köşk, was organized for our employees.

Brisa participated in the Choir - Normal Changes Webinar and shared the solutions Brisa developed specifically for this period and the actions it took in the entrepreneurship ecosystem.

Brisa Academy shared the topic of "Education and Effective Communication during the Pandemic Process" at the 3rd Human Resources Management and Digitalization Summit.

In this period, where we put the employee experience into our focus, our Aksaray Volunteering Cultural Ambassadors provided a sharing-space on many different topics such as the World Environment Day and photo contests, the sentence creation from book titles challenge, religious and important days holiday celebrations and the April 23rd celebration with children. Our ambassadors came together and shared their activities with other employees at the "A Coffee Together" ("Birlikte Bi Kahve") event.

The celebration event of April 23 National Sovereignty and Children's Day by Brisa Academy, which has become a tradition for children of Brisa employees, was organized remotely, this time through our online platform.

We increased the number of our Sharing Meetings

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Following our Annual Sharing Meeting in December, where we shared our 2020 goals, our General Manager shared our company's priorities and future plans with our employees with periodic "GM Talks" meetings and video messages specifically designed for the Covid-19 period.

The end-of-year evaluation was organized together with the traditional “Honoring Tracer Projects of the Year Ceremony”. 6 projects were chosen and honored as “Tracers of the Year” projects by the Brisa management during the online event.

Tracers events, where Brisa employees share their different projects with senior management and all employees every month, continued to grow strong through online platforms. Within the scope of the program, 55 new projects were presented by 379 Tracers in 15 meetings that lasted a total of 30 hours in 2020.

Under the coordination of Brisa Academy, "Social Sharing Between Work Platform: Witamin" continued online this year. Witamin, held on the last Wednesday of every month, enabled Brisa employees to take a 20-minute break between work and listen to inspiring speakers from inside and outside the company on many topics.

The "Revealed" (“Ortaya Çıkanlar”) meetings, where Sabancı Holding Industry Group companies Brisa, Kordsa and Temsa shared their best projects, started. Opportunities to learn from each other were developed in 4 meetings held during the year.

Brisa employees came together every week with the coordination of the Human Resources team at the "A Coffee Together" meetings and shared their views on different topics such as methods of making the remote working process efficient, return to work and the new normal period.

Our Human Resources team came together with our middle-level managers every month with the “YOU Want to Share, Mid Talks” (“Paylaşmak İsterSEN, Mid Talks”) and shared their experiences and approaches to support the pandemic process. During Covid-19 period, topics such as leadership, management ownership, leadership in the future of business conduct, performance and career management were discussed.

The third of our Brisa R&D and Technology Meeting was held in online sessions with the concept of "You Are Our Courage, Our Dreams Are Limitless" (“Cesaretimiz Siz, Hayallerimiz Limitsiz”). 6 R&D projects were shared during the events, where all sessions were open to all Brisa employees. After the voice of the customer session, in which a focus group selected among the passenger vehicle drivers shared their views on our brands and products, Finance Professor Özgür Demirtaş took the stage as a guest speaker. The activities, in which "Efficient Remote Working" training was also given, continued for 2 days with the presentation of Ali İhsan Varol.

We thanked our Internal Trainers, who help to support Brisa to share its accumulated knowledge with all its shareholders and offer approximately 20% of the trainings, during the traditional Internal Trainer Summit of Brisa Academy.

Brisa Best Quality Performance Award

At the ceremony where "Best Quality Performance" was honored, Mixer team became the winner with their performance shown during the process audits and zero quality problems.

Suru-Raku Conference

The 15th of the traditional Suru-Raku Conferences, with which Brisa draws attention to the importance of standardization and continuous improvement in our company's business processes in line with our Smart Culture strategy, was held at our Izmit factory.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

My Brisa Journey “Reach Your Potential When YOU Discover” (“Potansiyelinle Buluşursun, KeşfederSEN”).

Awareness studies were carried out for our Brisa My Journey program, which forms the framework of our Training and Development programs. Throughout the studies, training and development programs of Brisa were explained through a series of online activities. Dicle Doğan, who toured the world on foot; Burcu Bakdur, who presented My Brisa Journey with an entertaining presentation; Ali İhsan Varol, who held an online word contest; and Melek Mosso, who gave an entertaining concert, interpreted "My Journey". We shared our content with Brisa employees and answered their questions during the "Where Are You In The Journey?" online event. The development programs included in my Brisa Journey continued with their renewed content.

“Everything Changes, When YOU Are Digital” (“DijitalSEN, Herşey Değişir”)

Online trainings, meetings and meeting with employees continued with a strong infrastructure by taking advantage of #digitalworkplace (#digitalisyeri) applications integrated into our business processes, in particular during the Covid-19 period. Our model of integrating Teams, one of our #digitalworkplace applications, into our business processes has been among Microsoft's global success stories and featured on the online channels of CNN International and CNN Arabic.

https://www.youtube.com/watch?v=m0hQbanwZF0&feature=emb_logo

The Brinsan platform, which is the access point of Human Resources processes in Brisa, has been renewed by taking inspiration from the future of the business within the context of Brisa’s digitalization journey. In the "Brinsan is with you, When You Are Digital!" ("DijitalSEN, Brinsan is with you!") event, transformation and innovations that focus on people and provide access to all Human Resources processes from a single location were shared. Serdar Kuzuloğlu accompanied the event with his speech.

In the event organized for the promotion of Perfx, a new performance vehicle powered by our culture and values, "If you want transformation in performance, PERFX is with you!", transformation in performance approach was discussed with over 300 participants.

"Bripedia-Brisa Employees' Common Digital Library" is online

Bripedia- Brisa Employees' Common Digital Library, which collects more than 30 thousand contents on a single platform in order to quickly access information, to use time efficiently and to take advantage of our collective wisdom, was launched.

Brisa Employees Are Getting Closer To Becoming Astronauts Step by Step

A series of activities and trainings were organized within the scope of our In-House Entrepreneurship program “ROCKET” (“ROKET”), which aims to spread the innovation culture within the company. Brisa Academy provided trainings to support Brisa Innovation Team, including creative ideas, transition to innovation and a workshop. As part of the “ROCKET” program launch, 20 people were selected with a raffle to attend to a MiniHackathon day organized with the partnership of Makers Turkey. <https://www.kisa.link/MH7S>

Children of Brisa employees playing table tennis

The children of Brisa employees spent their winter holidays learning to play table. For 15 days, children socialized and to know each other better while learning the rules of table tennis and demonstrating their performances with the supervision of our coach.

Earthquake awareness week

Our activity targeting to raise earthquake awareness among our employees, which we started in 2019, continued this year as well. Following the online training on earthquake preparedness and protection methods, an expert gave an informative session about “managing anxiety”. Our web site,

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

depremitizasyon.com, which gives information about advanced technology product seismic isolators designed by Bridgestone for building structures and distributed to the Turkish market by Brisa, and all the recent developments, was brought online. We brought the building model with dynamic seismic isolators from Bridgestone Japan and installed it at the Brisa Museum. We shared “Earthquake Isolation Implementations in Japan and Turkey with Bridgestone Earthquake Isolators” presentation during the webinar organized by the Earthquake Isolation Association.

Ergonomic Projects at our Manufacturing Plant

We successfully completed the Electric Bicycle pilot project applications, which are planned to resolve the ergonomic problems faced during the maintenance operations. We provided ergonomic improvements with the simplification projects we realized at our mold maintenance workshop. We shared the system, which standardizes the analysis and improvement activities during the ergonomic projects, with Ergonomic Leaders.

Ergonomics studies in our factory

In response to the ergonomics problems experienced in maintenance operations, the Electric Bicycle project pilot implementations were successfully completed. Ergonomic improvements were achieved with the leaning management studies in the mold maintenance workshop. Online trainings of the system, with which analysis and improvement activities in ergonomics studies are standardized, were shared with Ergonomics Leaders.

3.4. Social Sustainability

We believe in the importance of social development and welfare. With this belief, for many years until now, we developed many valuable projects.

As a manufacturer and a company with 30 years of history, we realized many social contribution projects until today. We especially perceive contributions about safety driving in traffic as our priority responsibility as it directly matches with our products. It is also one of our priorities to reach every social cluster of the society with a wide range of subjects from education to culture and from sports to sharing of our accumulated experiences besides our manufacturing and products in order to value in many different fields.

While Brisa continued its activities that generate benefits for the society during the period marked by the pandemic, it implemented special programs for the COVID-19 period.

Special programs for the COVID-19 period

We provided a total of 1.3 tons of disinfectant and 1,700 surgical gowns to the Izmit and Aksaray Provincial Health Directorates, the cities where we carry out our production activities, within the scope of combating Covid-19.

We took action for the special needs of our customers specific to the Covid-19 period:

Free of charge vehicle disinfection services were provided to more than 180,000 vehicles in nearly 400 Bridgestone, Lassa and Otopratik sales points.

During the normalization process, free tyre and battery maintenance services were provided for vehicles that have not been used for a long time to ensure that customers can get back on the road safely.

Click the link to watch the movie

Special vehicle disinfection, air conditioning cleaning spray and check-up services were offered at Otopratik sales points to automotive customers, for whom we provide original equipment products.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

4,000 tyres were offered free of charge to devoted healthcare professionals through the support campaign for healthcare professionals.

We activated our Mobile Service Customer line. Mobile services were offered to our customers at their locations for tyre changes with through 97 dealers in 36 cities.

Lassa Tyres thanked by releasing a video spot in 4 different languages for all truck drivers and other professionals who have taken a crucial role to take the road and connected us to life every day during the challenging period we have been going through with “We are strong because you are strong” slogan. Click the link to watch the movie

Brisa provided trainings on "Covid-19 Precautions" to subcontractors and supplier company officials, who are providing their services to Brisa. Brisa shared necessary information to eliminate the risks of infectious diseases, and to raise awareness about business continuity and our responsibilities.

We took action for the special needs of students specific to the Covid-19 period:
The switch to online education during the pandemic resulted in some students not being able to participate to online education due to lack of required tools. We supported the Aksaray Municipality Social Welfare Administration with tablets to be delivered to students in need.

We planned environmental awareness activities by researching different solutions on how to manage the process with Eco-School teachers in Aksaray.

Brisa Academy opened access to university students for 26 online trainings that will make their personal development and business life of comfortable. Over 500 registrations were made during the first week, and 285 trainings were completed.

We worked together with 3 university students on their projects through our Brisa Academy’s "Sen2: Online Career Experience" program. In addition to supporting their projects by working together, we further supported their journey’s with trainings on Robotic Intelligence and Big Data, which will contribute to their personal development.

8 different Crane booklets, which we prepared in coordination with WWF-Turkey (World Wide Fund for Nature) as part of our "Let the Cranes Fly" project, was published on our Brisa website. The booklets, which consist of various games, stories and interesting facts devised according to age groups raise awareness about cranes from an early age.

Contribution to Education and Culture

We continued our empowerment programs for female employees in our dealers' sales points, our cooperation with NGOs focusing on education, and our cooperation with schools in our local operating regions with Brisa's online training and learning platform Brisa Academy.

Brisa Academy contributes to the training of qualified workforce. A training program was initiated for convicts to be trained as "Service Technicians" with the protocol signed with the Ministry of Justice.

Brisa Members’ Educational Support Association (BMÖDD) is found on a volunteering basis by Brisa employees to support the continued education of students who are in need. The association supported more than 600 students with scholarship funds until today and in 2020 supported 107 students. We are proud to see the contributions of more than 500 previous students as today’s profession owners.

We met with university students and contributed to their academic lives throughout the year:

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

We introduced “Would You Like to Design with Us” (“Sen De Bizimle Tasarlamak İsterSEN”) program on June 23rd, Women in Engineering Day, in order to encourage and inspire, female university student engineering prospects on new ideas. We held an online hackathon activity with the attendance of 30 female engineering prospects.

Sabancı University e-MBA students were hosted at our Izmit factory. In our Aksaray Manufacturing Plant, we came together with 40 students from Aksaray University’s Faculty of Engineering.

We came together with Marmara University Metallurgy and Materials Engineer candidates at the Online Career Day event and made live interactions with more than 500 participants.

We gave a training about "The Place of Artificial Intelligence in the Tyre Industry and the Future of Mobility" to an audience of 600 people at Sakarya University Artificial Intelligence Summer School. We shared Brisa's practices on "Adaptation in Business Life After Corona" during the Development Platform event organized by Dokuz Eylül University Industrial Engineering Community. We started to work on advanced data analytics and prediction systems at our factory sites in cooperation with Bilkent University Industrial Engineering students and our Technology Department.

"Accumulation in Brisa" (“Brisa’da Brikim”) project was shared. In order to share the case studies prepared at the academic level, we came together with 160 students from Marmara University Marketing Club, and ITU Business Engineering 2nd year Fundamentals of Production Management and 3rd year Quality for Engineers courses and shared our “Robi: Digital Transformation with Artificial Intelligence” case.

We held our online seminar with Harvard Business Review. Over 2.000 people from universities and business World representing various industries attended the seminar, where we presented our case studies in the fields of Working Capital Management, Digitalization of Business Processes and Artificial Intelligence through Brisa examples.

Brisa Volunteers were active all year long

Aksaray Volunteering Culture Ambassadors provided a lot of sharing space with different activities such as World Environment Day activities, photography contests, making up sentences from book names challenge, and holiday celebrations.

Our Sabancı Volunteers brought the success journey of Kocaeli University faculty member Prof. Dr. Emel Taban and the founder of Life Without Cancer Association, Dida Kaymaz, together with Brisa employees within the scope of the event organized on March 8th, International Women's Day.

Our volunteers organized an event with KitapKoala, which allowed children to freely choose the book of their choice. Within 4 days, 500 books were delivered Şanlıurfa Dilekli Village High School students.

The Vocational High School Coaching Program, which we run with the Private Sector Volunteers Association (OSGD), was carried out with our volunteer coaches in order to improve the skills of Vocational High School students for personal development and business life.

The Brisa Volunteers Team is brought together with the cooperation of Robotel Association, which is one of “Sabancı Foundation Changemakers” participants working towards giving children, who lost their hands or arms for various reasons, their freedom of movement. The Volunteers Team finished their first training session and finalized the production of a prototype hand produced with a 3D printer.

Our volunteers stood by the victims of the İzmir Earthquake. Required materials were taken to the region and delivered to the victims of the earthquake who are in need.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Contribution to sports

We contribute to extending the reach of sports through our Lassa Tyres Cycling Team, which is continuing its activities under the umbrella of our sports club Brisaspor that we are proud to support. Our athletes made us proud with their achievements during the challenging period this year.

Lassa Tyres became one of the main sponsors of the 2020 World Mountain Bike Marathon Championship organized under the auspices of the Turkish Republic Presidency..

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

CORPORATE GOVERNANCE COMPLIANCE and SUSTAINABILITY REPORT

PART 1 – DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

As one of the pioneers and leader companies in the Turkish industry, Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (it is hereinafter referred to as “Brisa” or “Company”), which is aware of its responsibilities that it upholds to its stakeholders, adopts as a principle to comply with the Corporate Governance Principles issued by the Capital Markets Board and the four principles of corporate governance based on transparency, fairness, responsibility and accountability and to make provisions where circumstances require amendments thereof. In the 1 January – 31 December 2020 accounting period, in line with this principle adopted by the Company, Brisa has applied and accommodated “the Capital Markets Board Corporate Governance Principles” set out in the CORPORATE GOVERNANCE COMMUNIQUÉ No II-17.1 (“the Communiqué”), which has been issued by the Capital Markets Board (“CMB”) and has entered into force upon publication in the Official Gazette dated 3 January 2014 and No 28871.

Brisa has prepared the “2020 Corporate Governance Principles Compliance Report” in accordance with the new format indicated by the Capital Markets Board's Board Bulletin No. 2014/2 published on January 27, 2014.

Brisa;

has taken the required steps in line with the Corporate Governance Principles, and its engagement to compliance thereto as well as all its activities to date have demonstrated awareness of responsibilities towards shareholders and stakeholders;

is well-aware of the advantages of adopting the Corporate Governance Principles and aims to strengthen its compliance with these principles in cooperation with all employees and top management executives;

exercised due diligence in following the mandatory and non-mandatory regulations set out in the Corporate Governance Principles during 2020, published the related detailed reports to inform shareholders and stakeholders on www.kap.gov.tr and the Company’s website, www.brisa.com.tr.

In this regard;

- The 2019 General Assembly information document has been prepared in detail and published on the company's website three weeks prior to the General Assembly meeting, and thereby submitted for information of the shareholders and stakeholders.
- As stipulated by Article 10 of the Communiqué on Corporate Governance and Article 5 of the CMB’s Communiqué on Principles to be Followed by Joint Stock Corporations subject to Capital Market Law (Serial: IV, No: 41), the conclusion of the report on transactions exceeding the thresholds envisaged between the company and its associated parties has been submitted for information of the shareholders through the Public Disclosure Platform and the company’s website.
- In accordance with Article 19 of the Capital Market Law No. 6362, the limit of the donation to be granted by the company in 2020 has been fixed as five percent (5%) of the net profit, as approved by the General Assembly.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- Directors and Officers Liability Policy for Board Members and Executives numbered 63280532, that has been issued by Aksigorta A.Ş. effective as of September 21, 2015 in order to insure the damages to the Corporation that may be caused by faults of the board of directors during the exercise of their duties for 25 million US dollars pursuant to Article 4.2.8 of Corporate Governance Principles annex to CMB's Communiqué on Corporate Governance No. II-17.1, has been renewed in September 29, 2020 with the Policy numbered 223314449 for one year period.
- The company has simultaneously and promptly submitted any required information to all investors and analysts in a secure, consistent and regular manner. Moreover, the company has organized investor meetings and sought to reach more investors through press releases and media interviews in order to establish continuous and thorough communications with them.

Acknowledging the importance of full compliance with Corporate Governance Principles, Brisa is committed to follow all the mandatory principles set out by the Communiqué on Corporate Governance No II-17.1. However, challenges faced in implementation of some non-mandatory Corporate Governance Principles, ongoing domestic and international debates concerning compliance with some principles, and incompatibility of others with the market and the company's current structure constituted obstacles to full compliance. The aforementioned principles and justifications for non-implementation thereof are summarized below:

- As regards the recommendation on “vesting shareholders with the right to request for special audits and adding a provision concerning minority rights in the Articles of Association,” since the company is of the opinion that current Turkish Commercial Code provisions on appointment of special auditors and minority rights are sufficient in this regard, these rights have not additionally been regulated by the Articles of Association.
- Although the company does not have any policy with reference to the recommendation in Article 4.3.9 of the Communiqué, which reads as “Corporation shall determine a target rate provided that it is not less than 25% and a target time for membership of women in the board of directors and form a policy for this target,” due diligence will be exercised in future plans in order to reach this target.
- Besides this, the Corporate Governance Committee assumes obligations of the Nomination Committee and Compensation Committee laid down in Article 4.5.1 of the Communiqué. On another front, although effort is made to comply with the recommendation in Article 4.5.5 of the Communiqué, stating that “any member of the board of directors shall not serve duty on more than one committee,” some Board Members are indeed members of more than one committee due to committee structuring requirements, the number of Board Members, and because of the business expertise required by committee membership.
- In accordance with Article 4.6.5 of the Corporate Governance Principles, remunerations and all other benefits provided to Board Members and Senior Executives are publicly announced via annual reports. However, these disclosures are not released on a personal basis.
- There is no model or mechanism established for participation of stakeholders in the management. Nevertheless, the company and shareholders, as well as stakeholders, are represented by means of independent members taking part on the Board of Directors.

The principles that have not yet been implemented have not caused any conflict of interest among stakeholders to date. Relevant developments are followed, and efforts continue toward compliance.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

These efforts will be maintained in the near future by taking into consideration legislation updates as well as practices.

PART 2 - SHAREHOLDERS

2.1. Investor Relations Department

Our company comprises an **Investor Relations Department** operating to maintain proper relations with current and potential shareholders, protect and facilitate exercise of the shareholding rights, enhance the recognizability of our Company in the capital markets, and ensure required compliance with the Legislation on Capital Markets.

The Investor Relations Department at Brisa operates under Chief Financial Officer, Reşat Oruç, who is also a Member of the Corporate Governance Committee. To fulfill the obligations inflicted from the Company's Capital Market legislation and the coordination in the Corporate Governance applications is provided by, Capital Markets Activities Advanced Level License (License number: 203738) with Corporate Governance Rating Specialists License (License Number: 700270) owner Serafettin Karakış and the Corporate Governance Committee Rapporteur Ebru Yiğit, serves as Financial Planning and Analysis Manager including responsibility of Investor Relations Department. Another member of the department is Hüseyin Kurt.

Contact Persons			
Name Surname	Title	Phone Number	E-mail
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Hüseyin Kurt	Investor Relations Specialist	0216 544 22 44	yatirimciiliskileri@brisa.com.tr

Among the duties of the Investor Relations Department are ensuring exercise of shareholding rights, reporting to the Board of Directors, and providing communication between the Board of Directors and shareholders. The primary activities carried out by the Department within the period are as follows:

- It has been ensured that correspondences exchanged between investors and the Company, records of other information and documents are kept properly, securely and up-to-date, and transactions within the Central Registry Agency have been coordinated;
- Requests for company-related information—with the exclusion of confidential information and information of a trade secret nature—received by the Department during the financial year have been answered clearly and explicitly in person or via communication means in line with the Company's Disclosure Policy;

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- It has been ensured that this year's Ordinary General Assembly meeting was held in compliance with the applicable legislation, the Articles of Association and other internal regulations;
- Practices have been developed to facilitate participation of the shareholders in the General Assembly and enhance the communications during the meeting. Informative documents have been prepared for shareholders to reference during the General Assembly meetings; the website has been updated continuously to provide shareholders with uninterrupted access to clear information about the company;
- In addition to disclosures released as per legal requirement, communication with the public has been coordinated and interviews have been held with investors and analysts with an eye to observing and monitoring the fulfillment of obligations arising out of the Legislation on Capital Markets including all kinds of matters concerning corporate governance and public disclosure. Conferences and roadshows organized by intermediary institutions have been well attended.

The company's performance in providing detailed information to investors within 2020 is given with numbers in the table below:

Number of investors interviewed in conferences and meetings	88
Number of investors and analysts interviewed face to face	15
Number of teleconferences related to financials	4

The Investor Relations Department operating under Chief Financial Officer and establishing communication between company stakeholders and investors prepared an annual report on activities conducted in 2020 and submitted to the Board of Directors on February 19, 2020, pursuant to Article 11 of the Communiqué on Corporate Governance numbered II-17.1 issued by the Capital Markets Board.

In 2020, the company released 22 material event disclosures through KAP (Public Disclosure Platform) in accordance with CMB's regulations. These disclosures have been released in a timely manner. Therefore, CMB or BIST have not imposed any sanctions.

Finally, the “Corporate Intermedium Contract Regarding Central Registration System” was signed by and between Ak Yatırım Menkul Değerler A.Ş. and the company on February 10, 2009. This contract stipulates fulfillment of issuer operations under the Central Registry Agency and related services to be provided to company shareholders. The Contract was in effect in 2020, as well.

2.2 Shareholders' Right to Obtain Information

The Corporate Disclosure Policy requires that all shareholders, potential investors and analysts be treated equally with regard to the right to obtain and review information, and that same disclosures are accessed by everyone. All information is shared within the scope of reports previously disclosed to the public. All matters concerning the public disclosure obligation are presented in compliance with legislation and the Articles of Association. Within this scope, material event disclosures, which are of importance for investors, are released to the public through KAP (Public Disclosure Platform) and published on the Company's website, all in a timely manner and in compliance with legislation.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

In 2020, written and mostly verbal information requests have been transmitted by shareholders via telephone, E-mails, and face-to-face conversations. These information requests were particularly relevant to the General Assembly meetings held within previous activity period, as well as the capital increase and profit share/dividend payments in previous years and the Company's investments. These requests have been answered meticulously by the Investor Relations Department within legal framework and without any delay. For this purpose, the information that would be of concern to shareholders has been disclosed on the website (www.brisa.com.tr) within the mandatory notification time frames.

The company's annual report is published on its website. In addition, interim financial statements, material event disclosures and announcements for shareholders issued are available on the website.

In 2019, no information or disclosure that could affect shareholders' exercise of their shareholding rights was published on our corporate website.

The Articles of Association do not define appointment of a special auditor as a right. Since Article 438 of the Turkish Commercial Code grants each shareholder of the joint stock companies the aforementioned right, it was not deemed necessary to add any provision into the Articles of Association in this regard. No request has been received with respect to appointment of a special auditor for the company during the financial year.

The company's activities are regularly and periodically audited by the Independent Auditor appointed by the General Assembly. Independent auditing for 2020 was performed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of KPMG International).

2.3.General Assembly Meetings

Regulations concerning Brisa's General Assembly meetings are available on the corporate website in the document titled "Internal Regulations on the Working Principles and Procedures of Brisa's General Assembly" under the "Information Society Services" category. Additionally, disclosures and documents that should be shared with the public through KAP prior to and after General Assembly meetings, as required by law, are also presented under the "Investor Relations" tab on the company's website.

Brisa's 2019 Shareholders Ordinary General Assembly meeting was held on Friday, March 23, 2020 at the company headquarters, namely at Istanbul, Beşiktaş, 4. Levent, Sabancı Center Sadıka Ana 2 Toplantı Salonu, under the supervision of the Ministry's Representative Mustafa KENDİ appointed by decree number 90726394 dated March 20, 2020 issued by the Provincial Directorate of Commerce of Istanbul Governorate. Shareholders participated in the Ordinary General Assembly meeting in a physical and electronic environment, personally and/or by means of their representatives.

The invitation to the General Assembly meeting, as well as its agenda and date, were published in the Turkish Trade Registry Gazette No. 9525 dated February 27, 2016, on the Public Disclosure Platform website www.kap.gov.tr, on the E-General Assembly System of the Central Registry Agency, and on the company's website www.brisa.com.tr as stipulated in the Code and in the Articles of Association. This was performed minimum three weeks in advance of the General Assembly meeting via all kinds

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

of communication means, including electronic communication, which would ensure that as many shareholders as possible were informed, in addition to legally stipulated procedures.

The annual report comprising the audited 2019 figures, financial statements and reports related to 2019, profit distribution proposal, information note on agenda items of the General Assembly meeting, and other supporting documents related to agenda items have been submitted for reviews of the shareholders at our Istanbul headquarters, on our website and at KAP 22 days prior to the General Assembly meeting date. Questions with respect to these documents have been answered accordingly.

In order to ensure shareholders' representation at the General Assembly, the Electronic General Assembly System was used and the power of attorney form certified by a public notary as stipulated by Capital Markets Board's Communiqué No II-30.1. This form is available for inspection at the company headquarters and on the company's website. Shareholders, whose shares are monitored by the Central Registry Agency on a dematerialization basis, have the right to participate in General Assembly meetings in person or may send representatives authorized under public notary-certified powers of attorney. Shareholders also have the right to participate in the General Assembly meeting via Electronic General Assembly System using their secure electronic signatures. Thus, due diligence has been exercised for equal, cost-efficient and easy participation by shareholders.

Prior to the General Assembly meeting, the shareholders, the Capital Markets Board and/or other public institutions and organizations in relation with the Company did not propose any additional agenda item.

Of 30,511,687,500 shares corresponding to company's total capital amounting to TL 305,116,875.00; 5.000,10 shares corresponding to the capital amounting to TL 50.001 have been represented by acting as principal, and 26.795.616.212,10 shares corresponding to the capital amounting to TL 267.956.162,12 have been represented by acting as representative at Brisa's Ordinary General Assembly meeting. Rate of participation to the General Assembly was 87.81%.

Board Members, the Company's Auditor, General Manager, Chief Finance Officer and the personnel involved in charge of meeting preparations attended the General Assembly meeting. However, stakeholders or news media did not take part in the meeting.

The main agenda articles of this meeting comprised the following: briefing on the 2019 Annual Report and Auditor's Report, discussions on and approval of the financial statements, approval of the assignments due to the resignations at the Board of Directors, discharge of obligations of the Board Members, planning how to use the 2019 profits and determining the distribution procedure/dividend ratios, informing about the 2019 donations and aids, determining the donation limit for 2020, appointment of auditor, and giving permission to the Chairperson of the Board and Board Members to carry out transactions referred to in Articles 395 and 396 of the Turkish Commercial Code.

At the General Assembly meeting, it was submitted for information of the shareholders that the total amount of donations in 2019 was TL 673.121,00. It was resolved, by a majority of votes cast by meeting participants, that the upper limit of donations to be granted by the company in 2020 shall be 5% [five per cent] of the company's net profit.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Shareholders were given the chance to declare their opinions and ask questions under equal conditions at the General Assembly meeting. During the General Assembly meeting, shareholders did not bring forward any item or proposal outside the agenda, nor did they ask any questions to Corporate Management.

At the General Assembly meeting, no proposals have been submitted by the shareholders, except for the articles of the agenda.

Minutes of the General Assembly meeting were published on KAP, the Turkish Trade Registry Gazette, and the Electronic General Assembly System. In addition, any announcement, document and paper concerning the General Assembly meeting was uploaded to Brisa's website for information of the shareholders and stakeholders.

No Extraordinary General Assembly meeting was held in 2020.

2.4.Voting Rights and Minority Rights

According to the Articles of Association, each shareholder may vote only once at General Assembly meetings, without any privilege in voting rights.

With a view to preserving and maintaining the Company's harmonious management structure, no regulation regarding granting cumulative voting rights in the current shareholding structure and in the current shareholding ratios was added to the Articles of Association.

The Company is not engaged in any cross-shareholding relationship with another company.

In the Articles of Association, there is no provision concerning representation of minority shareholders and stakeholders in the management. However, at the Board of Directors, two Independent Board Members take part in order to represent all shareholders (particularly minority shareholders) and stakeholders equally.

Brisa attaches importance to exercise of minority rights in compliance with provisions of the Turkish Commercial Code and regulations issued by CMB. In 2020, no complaints were received with respect to this matter.

2.5.Dividend Right

As required by the Articles of Association, Hacı Ömer Sabancı Foundation holding 100 usufruct shares has privilege in the profit. These privileges are calculated as per the Articles of Association provisions.

According to the Profit Distribution Policy approved at Brisa's Ordinary General Assembly meeting on March 21, 2014, profit distribution has been determined within the framework of the Turkish Commercial Code provisions, the Legislation on Capital Markets, the relevant article of the Articles of Association on legislation and profit distribution, and also according to Brisa's medium- and long-term

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

strategies as well as investment and financial plans. The policy considers the current situation of the national economy and of the sector, and likewise strikes a balance between shareholders' expectations and Brisa's needs.

The General Assembly may transfer net profit entirely or partially to the extraordinary reserve fund. If Brisa's Board of Directors proposes the General Assembly to not distribute the profit, during the General Assembly meeting shareholders shall be informed about the reasons thereof and how undistributed profit shall be utilized. This information shall also be shared publicly through annual report and via website.

Brisa does not distribute dividend advances.

The Profit Distribution Policy is submitted for approval of shareholders at the General Assembly meeting. This Policy is reviewed every year by the Board of Directors, taking into consideration any setback in the national and global economic conditions as well as current situation of ongoing projects and funds. Any amendments to this Policy shall be submitted for approval of the shareholders at the next General Assembly meeting following the amendments and disclosed to the public via the website.

The Profit Distribution Policy and proposal for distribution of annual profit are available in the annual report, shared with shareholders at the General Assembly meeting, and publicly announced via the "Investor Relations" page on our website.

It is resolved that Net Distributable Period Profit amounted to TL 112.438.408,62 remained after deduction of Primary Legal Reserves and Tax Provision in compliance with CMB communiqué and as stipulated by the Article 28 of the Articles of Association, out of the Profit Before Tax amounted to TL 116.411.352,94 for the fiscal period 2019 calculated according to the CMB Regulation, is distributed.

2.6.Transfer of Shares

As elaborated under Article 31 of the Articles of Association, transfer of the registered shares held by the controlling shareholders, namely Hacı Ömer Sabancı Holding A.Ş and Bridgestone Corporation, is subject to certain limitations. In brief, any controlling shareholder intending to transfer shares shall offer them firstly to the other controlling shareholder. The controlling shareholders may not transfer their shares to third parties in actual or potential competition with either Sabancı Holding or Bridgestone, or with their affiliates or subsidiaries, by engaging in the same or similar lines of business as theirs.

The Articles of Association do not include any provision limiting transfer of shares by other shareholders.

PART 3 - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1.Corporate Web Site and the Contents thereof

Our company's corporate website address is www.brisa.com.tr.

In addition, within the framework of the principles and procedures concerning creation of websites, and for allocation of a certain part of these sites for publication of announcements to be made by the company as required by law and for the information society services pursuant to the "Regulation on Web Sites Created by Corporations" and the first paragraph of Article 1524 of the Turkish Commercial Code, our company receives Central Database Service Provider support services from the Central Registry Agency

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

(CRA). Announcements to be published by the company as required by law are accessible through CRA's "e-Company, Companies Information Portal."

For public disclosure purposes, in order to maintain relationships with the shareholders more effectively and rapidly, and communicate with the shareholders continuously, the company's website is used actively within the framework of the Corporate Governance Principles.

Information available on Brisa's website may not substitute material event disclosures and notices required by the Legislation on Capital Markets. All public disclosures of Brisa are accessible through its website configured and organized accordingly and secured with all possible measures. The company's website is reviewed and revised within the framework of the section titled "2.1. Corporate Website" within the reference Corporate Governance Principles, as part of the CMB's Corporate Governance Communiqué No II-17.1. The website provides access to information and documents stipulated by legislation. Annual financial statements, Annual Reports and other similar documents are also available in English. Announcements and agendas of the General Assembly meetings, information documents related to the agenda, other information, documents and reports related to the agenda, and participation methods of the General Assembly in particular are clearly presented on the website. Our website is improved on a regular basis.

Important website content is outlined below:

- Detailed information regarding corporate identity
- Mission, vision, corporate values, ethical rules and main strategies
- Information on board members and senior management
- Organization and shareholding structure of the company
- CMB Material Event Disclosures
- The Articles of Association
- Trade registry information
- Financial information
- Press releases
- Announcements on the date, agenda and agenda topics of General Assembly meetings
- General Assembly internal directive
- Minutes of General Assembly meetings, and list of participants
- Corporate Governance practices and compliance report
- Profit Distribution Policy
- Disclosure Policy
- Donation and Aid Policy
- Anti-Bribery and Anti-Corruption Policy
- Remuneration Policy

The website management principles are provided in our "Disclosure Policy."

3.2. Annual Report

The Brisa Annual Report is prepared in detail to enable public access to reliable information about the company's activities in a complete and timely manner in compliance with "Regulations on Determining

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

the Minimum Content of Companies' Annual Reports" issued by the Ministry of Customs and Trade and entered into force upon publication in the Official Gazette dated August 28, 2012. The terms are stipulated in the CMB's Communiqué No II-14.1 on "Principles of Financial Reporting in Capital Markets," the Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/IFRS), formats determined by CMB, and the Corporate Governance Principles. Unless the Board of Directors resolves, under a separate statement of responsibility, that it shall be disclosed after financial statements, it is disclosed to the public along with financial statements via KAP and the Company's website (www.brisa.com.tr).

In addition, quarterly bulletins and financial statements are published on KAP and the Company's website. Annual report is also available in printed form, ready to be shared with relevant parties.

Within this framework, the Brisa 2019 Activity Report was presented to our shareholders at company headquarters via the Central Registry Agency's (CRA) Electronic General Assembly portal and on the company's website for three weeks prior to the 2019 Ordinary General Assembly meeting as stipulated by the Turkish Commercial Code, relevant regulations and Capital Market Law. The Activity Report was then subsequently read and discussed at the Ordinary General Assembly meeting of March 23, 2020.

PART 4 – STAKEHOLDERS

4.1. Informing Stakeholders

Employees, customers, suppliers, trade unions, NGOs, the state, potential investors and similar parties who work directly with the Company are regarded as stakeholders. Recognizing the long-term benefits of close cooperation with stakeholders, the Company endeavors to respect and protect their rights as derived from legislations, bilateral agreements and contracts.

Brisa's stakeholder information process is based on the Information Policy, issued on December 25, 2014 by the Investor Relations Department and published on the Public Disclosure Platform www.kap.gov.tr and www.brisa.com.tr. Within the scope of the Disclosure Policy, information that does not constitute trade secrets is shared with stakeholders in line with the principle of transparency, through public announcements, the media, press meetings and similar activities.

Company employees are provided with information both specific to their respective field and about general topics through email, and activities such as meetings, seminars and trainings. The Company has also established an information portal where employees can access all information or documents relevant to their tasks.

Recognizing the importance of dealers as the most important points of contact with the customer, the Company has developed an online "Dealer Information System". Moreover, a dealer database management system has been created to provide dealers with the ability to manage their communications with their employees and corporate clients. These systems are complemented by a series of advanced support systems, including the Dealer Automation System developed to assist dealers in managing their operations in a more professional manner, the Guarantee System (e-Guarantee) offering end users services and information about our products, and "Customer Application Management" used primarily by the call center in order to meet customer requests concerning the Company's products, services, systems, and methods. All flow of information towards dealers and users is carried out in an integrated manner with Brisa's CRM Model, and the Company also organizes general and regional meetings with dealers to facilitate sharing of information.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Suppliers working directly with the Company are provided with information mainly through the procurement portal (OSAT), as well as various events such as meetings, visits and notifications.

The Company has adopted a code of conduct to protect the rights of its stakeholders. Stakeholders can contact the Ethics Board of our main partner, H.Ö. Sabancı Holding via email to etik@sabanci.com or calling (212) 385 85 85, or directly contact Nilgün Özkan, Brisa Ethics Consultant, Human Resources and Corporate Development Director at (262) 316 58 00. The Audit Committee and/or Corporate Governance Committee are also informed as necessary.

4.2.Stakeholder Participation in Management

There is no established model or mechanism regarding stakeholder participation in management. However, the presence of independent members on the Board of Directors allow all stakeholders, and not only the Company or its shareholders, to take part and be represented in the management.

Shareholders participate in the management during the General Assembly, and they are given equal opportunity to voice their opinions and make inquiries. All Board members elected in a vote at the General Assembly, participated by all stakeholders.

The Company implements a governance model that promotes employee participation in key policy-making processes, dissemination of policies within the Company to inform goals, implementation of planned practices, and review of implementation results to ensure continuous improvement.

White-collar employees take part in management through periodical meetings as well as annual goal-setting and performance evaluation meetings. An Employee Loyalty Survey is used to measure loyalty and satisfaction among both white- and blue-collar employees, and results obtained from the survey is used to develop action plans in areas of opportunity. Additionally, employees provide feedback to their colleagues and management through a 360-degree feedback model, where results are evaluated in various management meetings to inform action plans to bring about the necessary change. These methods enable employees to participate in and contribute as necessary to ensure efficient governance.

Any changes in the working conditions, working environment, employee benefits and similar matters concerning blue-collar workers are discussed in meetings with participation from such employees as well as the Lastik-İş Trade Union.

Open channels of communications are maintained with all other, non-employee stakeholders (customers, suppliers, etc.), and topics discussed at meetings with such parties are taken into consideration in policymaking.

4.3.Human Resources Policy

Together with our Human Resources, Corporate Development and Working Principals, we add value to our vision of “creating the journey ahead together as the Brisa Family” in the light of our mission, vision, business ethics, excellence and social responsibility. We “leave a mark on life” together with all our stakeholders. Our policy supporting and sustaining our mid and long term business targets is to create a workplace aware of its social responsibilities, where people are proud and happy to work. This philosophy ensures work harmony and sustainability, emphasizes occupational health and safety, ethical values and fair approach, and thus becomes “the most preferred workplace.” Moreover, we want to sustain this labor environment with employees willing to take initiative because of their innovative competencies and strong desire to succeed. These are our “pioneers” who are open to transformation and development.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

In order to manage our relations with the blue-collar workers, we co-operate with our employee Remzi Grgn who is the Kocaeli Branch Board Member of Lastik-İř Trade Union, and workplace trade union representatives Barıř Blent Gnel (Chief Representative), řakir Yılın, Melkan Kandemir, Erhan Gede, Hasan Akyz and Grkan Yaman. Representatives handle the relations with the workers, while the Branch Board member manages relations with the Representatives and the Branch Management.

Within the framework of our company’s Human Resources Policy, we adopted the principle of “Providing Equal Opportunities to People with Equal Conditions.” The company is committed to treating all employees fairly, respecting their religious, linguistic, ethnical and gender differences, and taking measures to protect them against mistreatment. The company has equal opportunity policies and avoids employing or forcing child labor. Our compliance is hand in hand with related laws, regulations, workplace legislation and our ethical rules in the field. Before and during 2020, we have received no complaints of discrimination.

The job descriptions, distributions, performance and rewarding criteria of personnel are announced corporate-wide. Efficiency is taken into account when determining wages, raises and other benefits.

Brisa, like other Sabancı Holding companies operating domestically and internationally, respects and complies with local law and private law arrangements such as collective labor contracts in the industry. The company shows due diligence from the beginning until the termination of the labor agreement in an attempt to protect all rights and pay the receivables of employees.

4.4.Codes of Conduct and Social Responsibility

Codes of Business Conduct have been formed, put into effect, and released for public attention on our website. Employees have been informed about the Codes via intra-company communications platforms, manuals, and trainings. Moreover, employees are updated via e-information programs and reinforce their commitment to the Codes by signing the “Business Conduct Compliance Declaration.”

Brisa Sustainability Policy has been announced to share and deploy Brisa sustainability approach to stakeholders in all BRİSA’s operations.

Our prior responsibilities at social dimension of the policy have been showed below.

SOCIAL

Human Rights

- Respect and support International Human Rights and take responsibility to prevent violations
- Increase awareness against all kind of violations including family violence

Occupational Health and Safety

- Recognize Health and Safety primarily

Customer Health and Safety through Products and Service lifecycle

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- Give priority to customer health and safety through product and service lifecycle
- Share information about health, safety and environmental impact of our products and services with our customers systematically and transparently

Anti-Corruption and Anti-Bribery

- Recognize anti-corruption and anti-bribery as our principal responsibilities
- Review our processes by considering anti-corruption and anti-bribery

Business Beyond Legal Arrangements

- Maintain method of doing business beyond full compliance of legal requirements
- Confirm transparency, fairness, responsibility and accountability principles in corporate governance

Information Security

- Protect information confidentiality, integrity and accessibility and increase awareness

Employee Rights

- Maintain the business ethics guidelines (SA-ETİK)
- Recognize equal opportunity is one of the fundamental part of social sustainability
- Ensure women participation in business life equally and actively, and increase women employment
- Support the elimination of all forms of forced and compulsory labor and the effective abolition of child labor
- Respect and recognize our employees' rights of organization, unionization and collective bargaining, which are most fundamental rights emanating from the constitution and international agreements
- Avoid discrimination in recruitment
- Take responsible attitude in balancing work and private life for our employees

Development Journey

- Become employer of choice
- Carry out corporate and individual performance evaluation process by deploying strategies and targets to organization and employees
- Create a participative working environment by being best practices with our corporate development approaches

Stakeholder and Society Relations

- Communicate transparently, participatively and based on mutual trust with our stakeholders in all our operations
- Manage our social, environmental and economic impacts with stakeholders proactively

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- Embrace the understanding of social responsibility management based on stakeholder expectations which are reflected on our business manner, culture and values
- Shape and diversify our contribution to society based on our social responsibility strategies
- Promote and spread sustainability approach

Brisa's 2020 social responsibility projects within the framework of corporate citizenship are listed under "Social Sustainability" heading.

Brisa is responsive to its social responsibilities and abides by environmental, consumer and public health regulations as well as codes of conduct. The company supports and respects universal human rights. Complying with Corporate Governance Principles Article 3.5.2., Brisa created the Anti-Bribery and Anti-Corruption Policy in 2015 and released it to the attention of stakeholders on (www.brisa.com.tr). Brisa, struggles for any kind of malpractice including bribery and corruption within this policy.

PART 5 – BOARD OF DIRECTORS

5.1. Structure and Composition of the Board of Directors

The Board of Directors observes the compatibility of corporate activities with legislation, the Articles of Association, internal regulations and determined policies. The Board represents and directs the company by observing its long-term interests in taking decisions with full consideration of risks, growth, and profits of the company.

The company is represented and directed by a Board of Directors which was established in accordance with the provisions of Turkish Commercial Code and Capital Market Legislation. The Board is composed of at least eleven (11) members elected in the Ordinary General Assembly meeting of 2019 held on March 23, 2020 to serve until the Ordinary General Assembly meeting of 2020 to be held in 2021.

The Articles of Association does not specify minimum qualifications for members of the Board of Directors. However, the required qualifications for members of the Board of Directors overlap with relevant articles in the Capital Markets Board's Corporate Governance Principles.

The Board of Directors is composed of both executive and non-executive members. A greater part of the board membership is non-executive as defined in the Corporate Governance Principles. Among non-executive members are two independent members who can perform their duties under no influence. The members of the Board of Directors are elected by General Assembly in accordance with Corporate Governance Principles.

Within the framework of Capital Markets Board's Corporate Governance Principles article 4.3, amendments have been made to the Articles of Association, which now allows independent members on the Board of Directors. Independent members of the Board of Directors were determined by approval of the independent members' candidate lists comprising two persons in the Ordinary General Assembly meeting on 22 March 2018, in accordance with the Board of Directors resolution No. 2018/13 dated 28 February 2018. Upon their nomination for independent membership, independent members of the board

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

declare to the Board that they embody the criteria of independence. During the term in question, no incidence was reported risking the independence of the independent members of the board of directors.

The maximum term of office for the members of the Board of Directors is three years. Members whose term of office has expired can be reelected. In cases where a position becomes vacant for any reason, the Board of Directors appoints a new member for the position, which they submit for the approval of the General Assembly. This member completes his predecessor's remaining term of office.

The members of the Board of Directors as of December 31, 2020, along with their types of membership are as follows:

Name and Surname	Type of Membership	Title
Ahmed Cevdet Alemdar	Executive	Chairman of the Board
Naohisa Yoda	Executive	Vice-Chairman of the Board
Mustafa Bayraktar	Non-executive	Board Member
Haluk Dinçer	Non-executive	Board Member
Frederic Jean Hubert Cecile Hendrickx	Non-executive	Board Member
Mete Ekin	Non-executive	Board Member
Annick Courtmans	Non-executive	Board Member
Haluk Kürkçü	Executive/General Manager	Board Member
Emine Duygu KIRCA	Non-executive	Board Member
Mehmet Tanju Ula	Non-executive	Independent Board Member
Mehmet Kahya	Non-executive	Independent Board Member

There is no provision restricting the members of the Board of Directors from taking up extra-company positions. CVs and extra-company positions of members of the Board of Directors are contained in the activity report with in-group and out-group distinction.

Although the company does not have any policy with reference to the recommendation in Article 4.3.9 of the Communiqué, which reads as “Corporation shall determine a target rate provided that it is not less than 25% and a target time for membership of women in the board of directors and form a policy for this target,” due diligence will be exercised in future plans in order to reach this target.

5.2.Operating Principles of the Board of Directors

As indicated in the Articles of Association, the Board of Directors convenes as much as is necessitated by the company's dealings and proceedings. However, holding a meeting every three months is compulsory. The Board of Directors convenes by invitation of the Chairperson or Vice-Chairman. The

BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Board of Directors meetings can be held either at home or abroad with the attendance of its members. The resolutions of the Board of Directors are taken both in Turkish and in English.

The agenda of the Board of Directors meetings is set following the Chairperson's negotiations with the existing members and General Manager. To make sure that the agenda is set before the meeting, the call for meeting is announced at least 10 days before the meeting via E-mail, registered letter, or signed fax. All members prioritize attendance at every meeting and share opinions in these meetings. However, this procedure can be ignored in emergency situations. Under such circumstances, at least eight (8) members of the Board of Directors are necessary for starting the meeting. The meeting date is determined by decision of the Board of Directors. When the Chairman or Vice-Chairman of the Board of Directors does not call for the meeting, the members can also assume ex-officio authority for a call upon written request by one member. Under circumstances where no member requests a meeting, the Board resolutions can be taken when one member's written suggestion on a specific issue is approved by at least other seven (7) Board members via written statement, which means approval by a total of at least eight (8) members as stipulated in Turkish Commercial Code Article 390 (4).

The Board of Directors held 21 meetings in 2020, of which four were face-to-face meetings and 25 were meetings convened upon the written approval of members in accordance with Turkish Commercial Code and Articles of Association decrees. The decisions were taken unanimously; Corporate Governance Principles were also observed.

Each member of the Board of Directors has a single vote. The Articles of Association stipulate that at least 8 out of 11 members should cast affirmative vote for decisions to be ratified.

Members of the Board of Directors did not present any opposing views to the resolutions of the Board in the 2020 meetings. Given the absence of any questions by the members regarding the matters at hand, these questions were not recorded into minutes.

No weighting vote is given to any member of the Board of Directors.

In accordance with the Article 10 of Capital Markets Board's Corporate Governance Communiqué with the serial number II.17.1., when the total amount of common and continuous transactions between our company and the related parties in a financial year is expected to reach at least 10 % of the proportion of the amount of sales costs as contained in the latest yearly financial tables publicly released in purchasing operations, of the amount of revenues as contained in the latest yearly financial tables publicly released in sales operations, it is necessary to prepare a report regarding the terms of the transactions and their comparison with market conditions, and to release the report or concluding part thereof.

Within this framework, the report "Planned Operations with the Related Parties" was prepared in the 2020 financial year and approved by resolution No. 2020/05 of the Board of Directors dated 19 February 2020. The conclusion part of the report was announced on Public Disclosure Platform.

Accordingly, "The purchase of goods (rubber) between Brisa and the affiliated institution Bridgestone Singapore Pte. Ltd in 2019 has been performed in accordance with market conditions and its counterparts. In a similar vein, the transactions with the affiliated institution in 2020 will be performed in accordance with market conditions as planned in the Company's budget."

During the relevant term, there existed no transactions with the related parties and no transactions of an important nature as submitted for the approval of the independent members of the board of directors. In

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

addition, no unapproved transactions emanating from all these and submitted for the approval of the General Assembly were recorded.

The Board of Directors' management rights and representation authority are defined in the Articles of Association.

In accordance with the Communiqué article 4.2.8, any faulty conduct by members of the Board of Directors in the exercise of their duties and any damages by these persons to the company are insured within the framework of Aksigorta A.Ş. "Directors and Officers Liability Insurance Policy" numbered 63280532 with an insurance coverage of up to 25 million American Dollars and it has been renewed in September 29, 2020 with the Policy numbered 223314449 for one year period.

5.3.The Number, Structure, and Independence of the Committees Formed within the Board of Directors

In accordance with Capital Market Legislation, Capital Markets Board regulations, and Corporate Governance Principles, Committee Responsible for Auditing (i.e. Audit Committee), Corporate Governance Committee, and Early Identification of Risk Committee were established to help the Board of Directors exercise duties and responsibilities properly. Moreover, the duties of "Nomination Committee" and "Compensation Committee" as mentioned in the Communiqué article 4.5.1 have been assumed by "Corporate Governance Committee."

The decisions of the committees, which are taken as a consequence of studies carried out independently, are submitted to the Board of Directors as mere suggestions. The final resolution is taken by the Board of Directors.

The Board of Directors is structured in accordance with the Corporate Governance Principles Communiqué. Although the Communiqué article 4.5.5 advises that "any member of the Board of Directors cannot take part in more than one committee," an instruction seriously considered by the Board, some Board members take part in more than one committee depending on the number of members on the Board, the necessities of the committee structuring, and expertise necessitated by a specific committee membership. In this respect, due to the fact that the Audit Committee has to be completely composed of independent members of the Board and that other committee's chairmen have to be independent members of the Board, Mehmet Kahya currently serves on all three committees at the same time and serves as the chairman of Early Identification of Risk Committee as well. In addition Mehmet Tanju Ula currently serves on Corporate Governance Committee and Audit Committee as chairman. Naohisa Yoda serve as member on both Corporate Governance Committee and Early Identification of Risk Committee. Reşat Oruç serves as member of Corporate Governance Committee.

The Committees have carried out their works regularly since the day of their establishment.

No conflicts of interest were reported in the committees in year 2020.

Detailed information about the committees formed within the body of Board of Directors is provided below:

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Audit Committee

The Audit Committee was established upon the resolution of the Board of Directors dated March 21, 2003, in accordance with article 28/A added by the Communiqué with Serial: X and No. 19 to the Independent Audit in Capital Market Communiqué with Serial: X and No. 16 of Capital Markets Board. The responsibilities of the Audit Committee include informing the board of directors of the corporate accounting system, financial reporting, financial information released to the public, the activities of the internal audit department, the functions and activities of the internal control system with independent audit; supporting the company's compliance with Capital Markets Board Legislation as well as other relevant legislations and laws, Corporate Governance Principles and Code of Business Conduct; and monitoring all relevant processes on these issues.

In meeting number 2018/19 on March 23, 2018, the Board of Directors decided the below-mentioned members of the Board of Directors to be elected to the Audit Committee and the aforementioned committee to be authorized with the duties described in the Capital Markets Board's Communiqué with Serial: X and No. 22.

Name Surname	Title	Board Member Status
Mehmet Tanju Ula	Chairman	Independent Board Member
Mehmet Kahya	Member	Independent Board Member

The audit committee is composed of members who have no direct executive functions, carry the title of independent member on the board of directors, and have sufficient knowledge and expertise in financial matters. The chairman and member of the audit committee are appointed by the Board of Directors. The internal audit department acts as the rapporteur of the audit committee. Funds and any other support necessary for the functioning of the committee are provided by the Board of Directors.

The committee convenes every three months at least, which means at least four times a year, and records the conclusions of the meeting in minutes later reported to the Board of Directors. The Committee generally reviews the works of the Internal Control Department and Independent Auditing Firm, audits financial statements, and examines any violation of business conduct and code of behavior in these meetings.

The Audit Committee convened four times over the course of 12 months in 2020 and submitted a report to the Board of Directors regarding the authenticity and accuracy of the financial statements to be released to the public. Moreover, the Audit Committee convened with the internal control department four times in 2020 to approve the auditing schedule, to examine internal audit reports corresponding to five business processes, and to discuss competence of the internal control system.

Main activities performed by the Audit Committee in 2020 are as follows:

- Tracking the company's financial and operational activities,
- Monitoring and approving the authenticity, accuracy, and congruity of the yearly and interim financial statements to be released to the public with the company's accounting principles,

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

- Choosing the independent auditing firm, preparing independent auditing contracts, and initiating independent auditing processes,
- Tracking the efficiency and performance of independent auditing activities,
- Monitoring the function and efficiency of the internal control and internal auditing system,
- Evaluating the findings of the internal control system and reporting them to the Board of Directors,
- Auditing and approving the reports on internal control and internal audits.

Corporate Governance Committee

Corporate Governance Committee was established in accordance with the Capital Markets Board's Corporate Governance Communiqué with an attempt to follow up the company's compliance with corporate governance principles, to make improvements in the process, and make suggestions to the Board of Directors. The Committee has been established and its Internal Directive has been approved by resolution No. 600 of the Board of Directors of Brisa Bridgestone Sabancı Tire Manufacturing and Trading Inc. dated April 30, 2012. Early Identification of Risk Committee was separated from the Corporate Governance Committee by Board resolution No. 2013/13 dated August 2, 2013, which necessitated revisions be made on the Internal Directive in question. As prescribed by the Communiqué and the Board resolution No. 2014/16 dated June 30, 2014, the existing Chief Finance Officer, who meets the predetermined criteria in the Communiqué, was appointed as a member of the Corporate Governance Committee, thereby increasing the number of members to four and necessitating more revisions be made to the Internal Directive and subsequent approval. Finally, in accordance with Board of Directors resolution No. 2015/13 dated March 24, 2015, re-modifications were made to Internal Directive of Corporate Governance Committee and the number of committee members was increased from four to five.

Name Surname	Title	Board Member Status
Mehmet Tanju Ula	Chairman	Independent Board Member
Mehmet Kahya	Member	Independent Board Member
Haluk Dinçer	Member	Board Member – Non-executive
Naohisa Yoda	Member	Board Member – Executive
Reşat Oruç	Member	Chief Finance Officer

In accordance with Capital Markets Board "Corporate Governance Principles" Corporate Governance Committee is composed of a maximum of four members excluding the chairman, appointed by Brisa Bridgestone Sabancı Tire Manufacturing and Trading Inc. Board of Directors from among its independent members, and two rapporteurs. Committee members (excluding the Chairman) include three members of the Board of Directors appointed by the Board of Directors and Chief Finance Officer (CFO) from Investor Relations Department, which makes a maximum of four members in total. The rapporteurs of the Committee include the Director of Human Resources and the Manager of Investor Relations Department.

In cases where the position of the committee chairman becomes vacant for whatever reason, the Chairman of the Board of Directors appoints a member of the Committee as interim chairman in the first Board of Directors meeting following the incidence of vacancy. The interim serves until a new chairman is appointed.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

The agenda of the meeting is determined by the Chairman of the Committee. Members and shareholders communicate the issues they wish to be put on the agenda to the rapporteurs, who report them to the Chairman of the Corporate Governance Committee.

Corporate Governance Committee meetings are held at least four times a year at the places and on the dates the Chairman deems appropriate. The meeting and resolution quorum is the absolute majority of the total number of members. Other people can also attend the meetings if the Chairman deems appropriate.

Corporate Governance Committee keeps a written record of all its works and reports all relevant information and conclusions to the Board of Directors.

Corporate Governance Committee convened four meetings in year 2020.

The Committee's activities in 2020 included:

- To make suggestions to the Board of Directors for improving corporate governance operations, to perform necessary operations ensuring and observing the company's compliance with legislation within the body of the company, all in accordance with Capital Markets Board Corporate Governance Communiqué numbered II-17.1,
- To monitor activities of the Department of Investor Relations,
- To determine and monitor the principles, criteria, and practices to be employed in setting the remuneration for directors with administrative responsibilities in line with the company's long-term objectives,
- To make suggestions to the Board of Directors regarding remuneration for directors with administrative responsibilities by taking into consideration the degree to which they meet the criteria for remuneration settings,

Early Identification of Risk Committee

Early Identification of Risk Committee has been established upon the resolution of Brisa Board of Directors dated August 2, 2013 and numbered 2012/13. The Committee was commissioned and authorized by Turkish Commercial Code numbered 6102 and by article 378 thereof, as well as Capital Markets Board's Corporate Governance Communiqué.

The activities of the Committee include early identification of any strategic, operational, financial, external and miscellaneous risks threatening the existence, development and sustainability of Brisa; implementation of necessary measures and remedies; and the management of risks.

The members of the Early Identification of Risk Committee include:

Name Surname	Title	Board Member Status
Mehmet Kahya	Chairman	Independent Board Member
Emine Duygu Kırca	Member	Board Member – Non-executive
Naohisa Yoda	Member	Board Member – Executive

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

The chairman of the Early Identification of Risk Committee is appointed among the independent members by Brisa Board of Directors.

The Committee is composed of a minimum of two members appointed by the Board of Directors. Other persons can also participate in the meetings if the chairman approves. The term of office for committee members is parallel to that of the members of the Board of Directors. The committee membership is renewed upon the renewal of the members of the Board of Directors.

The Early Identification of Risk Committee convenes at least six times a year at a venue the chairman deems appropriate.

The Early Identification of Risk Committee convened six times in 2020.

5.4.Risk Management and Internal Control Mechanism

In accordance with the New Turkish Commercial Code article 378 entering into force on July 1, 2012 and the relevant sections of the Capital Markets Board Communiqué with Serial: IV, Number 56 dated December 30, 2011, the Board of Directors in companies whose certificates of stock are traded at the exchange are responsible for early identification of risks threatening the company's existence, development, and sustainability. Therefore Brisa established an expert committee, operated and developed the system for the purposes of taking necessary measures, implementing remedies, and managing risks.

The Early Identification of Risk Committee has been established in accordance with article 6 of the Communiqué with Serial: VI, Number 63 amending Determining and Implementing Corporate Governance Principles of the Capital Markets Board with Serial: IV, Number 63 and dated February 22, 2013. The committee has taken over all responsibilities performed by "Corporate Governance Committee" pertaining to the early identification of risks.

The Early Identification of Risk Committee has also taken over the duties of the risk committee as mentioned in the New Turkish Commercial Code Article 378. The Committee reports to the Board of Directors every two months, when it evaluates the critical risks, points out the threats and proposes remedies if any. The report submitted to the Board of Directors is also made accessible to the company's independent auditor. The Committee evaluates the efficiency of the company's risk management system once a year.

Risk Committee and Risk Management Department are established for the early identification of risks, their efficient management, and integration with the company's strategies and processes. Risk Committee is composed of Executive Board Members including the General Manager, Executive Coordinator, Chief Technical Officer, Deputy General Manager for International and OE Markets, Deputy General Manager for Sales, Marketing Director and Chief Finance Officer and as well as Risk Management Department.

The Framework and Process of Risk Management

Risk Management Department seeks to integrate corporate risk management with corporate strategies and corporate culture so that all employees are aware of risks, opportunities, and responsibilities in the performance of their daily duties and so that the company achieves sustainable growth while simultaneously creating value.

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Within the framework of policies and standards concerning risk management as supported and approved by the senior managers and with full support of the management team and active participation by company employees, the Risk Management Department is responsible for determining and evaluating all corporate risks. Risk Management Department furthermore cooperates with employees to determine strategies and actions aimed at efficient risk management process, and coordinates the work and tracks the risk management action plans of the functions. Risk Management Department also formulates policies and procedures in line with the risk propensity of the company to ensure that processes are managed in line with these policies and procedures; formulates and manages policies and plans for business continuity; prepares and shares risk management reports.

Critical factors for successful risk management are that all employees ranging from high level executives to low level employees understand the concept of risk, corporate risks, responsibilities, and common risk consciousness; that risk management responsibilities are determined and embraced by all; that changes are tracked and reported; and that the process is handled with an understanding of perpetual improvement. The company also embraces these factors as key strategic objectives.

Risk Management Department arranges yearly risk evaluation workshops with managers and employees. In these workshops the company's strategic, financial, operational and responsibility risks are determined and defined. The impact and probability of financial, nominal, environmental and human loss scenarios are measured and prioritized. Strategies and actions are formulated to reduce, remove or transfer the negative impacts of the related risks. Critical risk indicators are determined, and existing risk management actions are tracked. Risk Committee convenes every year to evaluate yearly risk evaluation results and risk management strategies.

Risk Management Department shares monthly numerical indicators on critical risk areas as well as monthly development trends, their situation as determined by limits and tolerances, the reasons for deviations and changes, the costs of and reasons for business interruptions, and actions taken with the whole management team, thereby providing an early warning mechanism against the growth of the risks. This policy ensures that all interacting functions formulate a common perception of risk and management strategy. Besides, Risk Management Department also reports to relevant directors the specific risk studies based on global and local sources and completed risk analyses.

Early Identification of Risk Committee, made up of people chosen from among the Board of Directors, performs critical risks assessment every two months in the report prepared in light of information coming from Risk Management Department and Risk Committee and submitted to the Board of Directors. This Committee also annually evaluates the efficiency of the company's risk management system.

Operational Risk Management and Business Continuity Planning

The company attaches great importance to the continuity of all business processes and institutional operations so that it can provide the greatest value possible. The company performs its operational risk management activities, which include emergency situations, crisis management, business continuity and recovery stages, on a platform comprising all employees. This is achieved with the help of a planned roadmap which is subject to constant reviews and improvements.

Risk Management Department seeks to minimize losses induced by business and production interruptions in cases of operational risks such as supply-chain problems, interruptions in information systems, machine breakdowns, fire, natural disaster, epidemics, among others. To this end, Risk Management Department cooperates with related functions in devising policies and plans for business continuity, extending their viability across the institution, updating and testing. Closely observing product safety and quality, relevant laws and legislation, corporate reputation and social responsibility,

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

priority for and dignity of human life, and environmental awareness, the company's ultimate objectives include:

- Providing correct information flow externally/internally and managing incidents/emergencies in cases of business interruptions,
- Developing and constantly improving reaction and response plans to make sure that our customers have access to our services of critical importance without any interruption,
- Benefiting from resources efficiently in cases of employee-related and other resource-related scarcities,
- Minimizing the duration of interruption for the company, customers, suppliers, and other critical shareholders,
- Ensuring the efficient normalization of the working order after possible interruptions and the ensuing recovery operations
- Investing in the corporate infrastructure to minimize the prospects for interruption,
- Minimizing the negative financial and nominal impacts of business interruptions.

Company employees have the core responsibility for determining the reasons for business interruptions in the operational processes they manage or work. They must take measures and implement the very business continuity plans which they formulated previously. Risk Management Department is responsible for preparing business continuity plans across the company and coordinating the review and test processes. Risk Management Department, with the contribution of senior management, has developed an institutional policy and guideline for business continuity management and planning across the company.

Future Risks

The purchases of raw materials are transacted in American Dollars, while the products are sold in various currencies including Turkish Lira, Euro, and American Dollar. Therefore, currency fluctuations are the leading macroeconomic risk for our company. For an ideal management of this risk, the company implements the "hedging" policy efficiently, which is designed in full accordance with the financial instruments, tools, company profile, and operations for protecting the company against currency risks. This policy enables the company to take early measures against the possible negative consequences of currency fluctuations.

Raw materials costs comprise an important part of total products costs, which means that sudden fluctuations in raw materials costs can possibly have critical impact on corporate profitability. In cases where raw materials costs exhibit high volatility, and hence where fluctuation is harsh, several problems might occur with the supply of goods: scarcity, delay, postponement, and retraction. Our company implements the policy of forward-buying, which includes close tracking and detailed analyses of international markets. The company thus purchases raw materials with affordable prices in particular amounts for future terms, thereby minimizing problems arising from harsh price changes and supply imbalances.

Because of the economic fluctuations in Turkey's economy, dealers may have difficulty in collecting their receivables and consequently may have difficulty in paying their debts to Brisa. Towards this risk, with the close follow-up of Brisa top management, the actions are being taken and closely monitored to increase the dealers' collateral amounts.

Internal Audit and Internal Control

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

Our company has internal audit and internal control mechanisms to ensure the efficient, reliable, and uninterrupted conduct of activities and services; the development of applications for risk management, control system and institutional management; contribution to the achievement of institutional and economic targets; and the unity, consistency, and safety of information derived from accounting and financial reporting system.

Audit Committee, which is established within the body of the Board of Directors, is responsible for ensuring the existence, functioning and efficiency of internal audit and control processes. Audit Committee performs the duties assigned by Board of Directors within the framework of the existing internal regulations and reports its activities, findings and suggestions to the Chairman of the Board of Directors.

Moreover, by the principle of independence, the Internal Audit Department, which is organizationally affiliated with the Board of Directors, helps ensure that internal audit and control mechanisms function in a healthy manner. Audit Committee regularly convenes with Internal Audit Department to discuss the efficiency of the internal control system. Finally the Committee reports its findings to the Board of Directors.

Internal Audit Department Directive explains the organizational position and independency of the department. This directive has been approved by Audit Committee and entered into force. In addition, the Audit Guide, which defines business manners for the Audit Department, has been prepared and put into practice.

5.5. Company's Strategic Goals

Brisa's mission, vision, values and policies are reviewed by the senior management each year, and strategic targets determined in line with this direction are communicated to employees at annual meetings and through the Brisa's website.

Brisa's Mission: "To provide superior value to society through sustainable growth"

Brisa's Vision: "We drive on with courage"

Strategic goals and targets, set by the Executive Board in line with the mission and vision of Brisa, are discussed by the Board of Directors for approval within the scope of budget and mid-term plans. The budget is prepared per annum, along with a three mid-term plan.

Strategic goals are determined in line with,

- Financial Results
- Customer Experience
- Operational Excellence
- Human Resources and Organizational Development
- Information Systems
- Risk Management
- Corporate Governance
- Sustainability
- Innovation

Goals approved through these general areas are then used to determine the specific goals for each individual function within the Company. All company employees perform their tasks in accordance with

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

the vision and strategic goals as they also guide individual performance targets, as well as annual performance evaluations.

Strategic goals and performance indicators are monitored using made-to-purpose software, outputs of which are used by the Executive Board who convenes twice a month to evaluate the Company's performance and relevant agenda items. These comprehensive evaluations, as well as the constantly updated projections, are used to determine the actions that must be taken in order to achieve key performance indicators.

The Board of Directors convenes at least four times per year to evaluate the progress towards goals, current operations, and term performance.

5.6.Financial Rights

The Board of Directors is responsible for making sure that the company reaches operational and financial performance targets specified and released to the public.

Any rights, benefits, and wages, as well as the criteria for determination and principles for setting remuneration for members of the Board of Directors and senior executives with administrative responsibilities, were communicated to shareholders as a separate item in the 2014 Ordinary General Assembly meeting held on March 23, 2015 in accordance with Capital Market Board's compulsory Corporate Governance Principles numbered 4.6.2. Shareholders have been given the opportunity to express their views on this issue. Moreover, this issue is also released to the public via company website under "Remuneration Policy."

In accordance with Capital Markets Board's compulsory Corporate Governance Principle numbered 4.6.3, stock options or payment plans based on the Company's performance do not apply in the remuneration of the Independent Board Members.

Rights, benefits, and wages bestowed upon senior executives are collectively given in the footnotes of the financial tables of related terms. In this respect, the aggregate salaries and remunerations paid in the 12-month term which ended on December 31, 2020 amount to TL 13.821 thousand (2019: TL 10,871 thousand).

In 2020, the Company has not advanced money, has not provided any loan facilities and has not extended credits (under the name of personal loan through a third party) or sureties (such as surety in favor) to any Board Members or the senior executives.

PART 6 – SUSTAINABILITY

6.1.Sustainability Approach

In Turkey and in all regions where we are active, we make an effort to be more successful every day with our awareness of our social and environmental responsibilities.

Being conscious of our responsibilities involving the benefits and interests of all our stakeholders, we conduct research, develop innovations, invest, work and produce.

6.2.Declaration Of Compliance With Sustainability Principles

We believe that continuing to serve as a leading company in the area of sustainability may only be possible together with our stakeholders. Our Brisa Approach to Sustainability relies on the global knowhow of the Bridgestone Corporation and national experience of Sabancı Holding. We base our efforts on such international standards as the European Foundation for Quality Management (EFQM)

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

or the Global Reporting Initiative (GRI) by combining the Bridgestone CSR-22 approach and the sustainability understanding of Sabancı Holding with our own corporate policies, strategies, processes and projects. We also aim to comply 100% to Sustainability Principles Compliance Framework prepared in line with the amendment dated 02.10.2020 made by the Capital Markets Board in the Corporate Governance Communiqué.

The compliance status of Brisa with the Sustainability Principles in 2020 is summarized in the table below.

Type	Full Compliance	Partially Compliance	Not Complied
Common	11	1	-
Environment	26	0	-
Social	16	0	-
Management	6	0	-
Total	59	1	-

The Sustainability Principles Compliance Report, which shows the compliance with the principles in the Sustainability Principles Compliance Framework of the Capital Markets Board, is available at the internet address <https://www.brisa.com.tr/yatirimci-iliskileri/surdurulebilirlik-ilkelerine-uyum-raporu>

Corporate Governance Compliance Report link: <https://www.kap.org.tr/en/Bildirim/911168>

Corporate Governance Information Form link: <https://www.kap.org.tr/en/Bildirim/911167>

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

BAĞIMSIZLIK BEYANI

Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (Şirket) Yönetim Kurulunda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu tarafından yayımlanan Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, Şirketin "TFRS 10" Standardına göre yönetim kontrolü ya da "TMS 28" Standardına göre önemli derecede etki sahibi olduğu ortaklıklar ile Şirketin yönetim kontrolünü elinde bulunduran veya Şirkette önemli derecede etki (TMS 28) sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile şahsım, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların % 5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte (TMS 28) ticari ilişkinin bulunmadığını,

b) Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

d) Bağlı olunan mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, halen/üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmadığımı/çalışmayacağımı,

e) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu'na göre Türkiye'de yerleşik olduğumu,

f) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, Şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

g) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayıracağımı,

h) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

i) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

j) Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almadığımı/almayacağımı,

beyan ederim.

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine sunarım.

Ad/Soyad

Hebmet Kahya

İmza

Hebmet Kahya

BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.
BOARD OF DIRECTORS ANNUAL REPORT
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1

BAĞIMSIZLIK BEYANI

Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş. (Şirket) Yönetim Kurulunda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu tarafından yayımlanan Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, Şirketin "TFRS 10" Standardına göre yönetim kontrolü ya da "TMS 28" Standardına göre önemli derecede etki sahibi olduğu ortaklıklar ile Şirketin yönetim kontrolünü elinde bulunduran veya Şirkette önemli derecede etki (TMS 28) sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile şahsım, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların % 5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte (TMS 28) ticari ilişkisinin bulunmadığını,

b) Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

d) Bağlı olunan mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, halen/üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmadığımı/çalışmayacağımı,

e) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu'na göre Türkiye'de yerleşik olduğumu,

f) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, Şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

g) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayıracağımı,

h) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

i) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

j) Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almadığımı/almayacağımı,

beyan ederim.

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine sunarım.

Ad/Soyad

Mehmet Tanju ULA

İmza

