

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

# **BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**



**01.01.2022 – 31.12.2022 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") and its subsidiaries (together will be referred as "the Group") for the period between 1 January 2022 and 31 December 2022, since we have audited the complete set consolidated financial statements for this period.

In our opinion, the consolidated 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 Group are consistent, in all material respects, with the audited complete set of consolidated 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 Group in accordance with the Code of Ethics for Auditors issued by POA (*including Independence Standards*) (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 consolidated Financial Statements**

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Group for the period between 1 January 2022 and 31 December 2022 on 22 February 2023.

## **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 Group's management is responsible for the following regarding the annual report:

a) The Group'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 Group's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Group accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Group's consolidated financial statements. The annual report shall also clearly indicates the details about the Group'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 Group after the reporting period,
- The Group'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 consolidated 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 Group are consistent with the audited consolidated financial statements of the Group 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 consolidated 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 Group are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

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Mustafa Şafak Erdur, SMMM  
Partner  
22 February 2023  
İstanbul, Türkiye

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**Reporting Period**

1 January 2022 – 31 December 2022

**Name of Partnership/Commercial Registry No.**

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

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## **Message from Chairperson of the Board**

Valuable Shareholders

In 2022, during which the whole world experienced a very challenging year, Brisa, which has been continuing its operations accompanied with the strong partnership of Sabancı Holding and Bridgestone Corporation, concluded a year full of successful national and international results whatever the conditions were with its vision of providing solutions beyond tyres.

Just when economic activity started to accelerate around the globe following the pandemic, entire world went through a very challenging period during 2022 as a result of the war between Russia and Ukraine, high inflation, energy crisis and hardships experienced in the supply chain. In the combat against Climate Emergency Situation, targets defined primarily at the Paris Climate Summit in order to reduce carbon emissions to net zero around the globe until 2050, have been revised down. In the year we left behind, the agenda Turkey was as dynamic as the global agenda, and we tackled with similar challenges. Inflation rates have been the highlight of 2022. Turkey participated to COP27 as part of its activities towards combating climate change and increased its targeted emission reductions by 2030.

Continuing its operations sustained with the strong partnership of Sabancı Holding and Bridgestone Corporation, Brisa swiftly adjusted to these changes occurring in the globe with high agility thanks to its smart culture organizational structure, which it has been investing into for many years. During this period, we have implemented many pioneering practices that prepare our employees, whom we see as our most valuable asset, for the business world of the future with our projects within the scope of our "The Future of Work" approach.

While we prepare our employees for the future, we are also transforming our existing operations and we are positioning Brisa not only as a tyre manufacturer but rather a “solutions provider that provides services beyond tyres”. Within this context, we have identified our 2030 roadmap and primary focus areas. As part of one of our most important steps towards investing into mobility solutions target, we have acquired Arvento Mobile Systems company during the first quarter of 2022. We are aiming to realize important breakthroughs in our industry with regards to mobility solutions as a result of this acquisition, which amalgamates Arvento Mobile Systems’ fleet telematics solutions and Brisa’s power and industry experience.

We are enriching the value we provide for all our shareholders through our domestic manufacturing and R&D power emerging from our İzmit Manufacturing Plant and Aksaray Manufacturing Plant, which is equipped with smart technologies, and our value-added products and services offered in national and international markets. We are reiterating our leadership with the investments we make into our dealer network, brands and services. As a result of these projects, Brisa has been named as the most valuable brand of the Turkish Tyre Industry by the international brand rating organization Brand Finance. Brisa further took the 40th place amongst the list featuring the most valuable brands. Moreover, Brisa increased its market share in 23 countries, while adding one more country to its international sales portfolio in the international markets.

Brisa also showed a strong performance in terms of financial figures during 2022. A balanced working capital structure and financial risk management, together with successful channel and product portfolio management, played an important role with regards to the strong performance of our company. Brisa, which had continued its success story in cash management, reached a total annual sales revenue of 14.080 million TL, while achieving 20,72% EBITDA Margin.



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Valuable Shareholders,

We perceive digitalization as the wind behind our growth strategy, and approach it as a total culture transformation. Today, we are digitalizing our processes with the essential technologies of today's business age through smart production, advanced data analytics, robotic implementations, artificial intelligence, and smart fleet solutions. 2022 has been a year during which we placed digitalization in the center of our entrepreneurship projects as well. Our "BriDepth: Tyre Tread Depth Measurement with Mobile Phone Camera" Project was honored in the commercialization potential success category of TUSIAD's Digital Transformation in Industry Program.

We continued the expansion of our Otopratik and Propratik fast maintenance service points network around Turkey as one of the best examples of our target for enriching our mobility solutions. We further enriched our wide range of Otopratik product portfolio, which carries spare parts and vehicle care products, with additional products. We increased the number of our e-charging stations put into service at our Otopratik service points and dealers to 33 in line with the electrification megatrend. On the other hand, we continued our efforts to advance our tyre products with high performance and new technology materials and digital process solutions, by improving our manufacturing technologies through our R&D projects in order to meet the emerging demand created by electric vehicles.

Valuable shareholders,

During this period, sustainability continued to be the central focus of all our operations. Brisa is advancing on its comprehensive sustainability roadmap with determination in the three key areas of transition to a low-carbon economy, transition to a low-contact economy, and socio-cultural transformation.

In 2022, Brisa cooperated with Enerjisa Energy in order to contribute to the reduction of its carbon footprint through the use of renewable energy. In line with this cooperation, more than 10.400 solar panels were placed on the roof of our Aksaray Manufacturing Plant. This implementation allowed the manufacturing plant to supply one fifth of its energy requirement through solar power.

Brisa has been leading consistent combat against climate change program for the past 15 years. In line with these efforts, Brisa took its place in the "Global A List" of CDP (Carbon Disclosure Project), which is an international environmental reporting platform, and became one of the three Turkish companies in the list where only 139 companies are featured on a global scale. As a result of this development, Brisa reached a leading position in the global arena for the first time, expanding beyond the borders of Turkey in CDP Climate Leadership.

Brisa's Environmental, Social, and Governance performance achieved a score of 91 following the transparent and objective evaluation of Refinitiv, an organization operating under the London Stock Exchange (LSEG) and took its place in the excellent category. In line with this result, Brisa climbed up to the 1st position in the global tyre industry, while taking the 3rd place in the automotive industry among 277 companies.

In 2022, Brisa implemented various projects in order to extend the reach of its sustainability efforts and vision among its diverse business partners and included its dealer network to its sustainability journey as well. Brisa took its first steps towards the implementation of this approach by supporting the establishment of sustainable projects in service points with the Green Dealer Program that started as a pilot project. Brisa further progressed its efforts by continuing its female empowerment programs designed for female employees at service points and female engineer candidates, its trainings through Brisa Academy, and its awareness increasing activities.

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In 2023, Brisa will continue to advance towards even more challenging targets in the company of these successful results with its human resources that have adopted to the Future of Work and its innovative solutions that serve the future of mobility while also contributing to the national economy.

I would like to sincerely offer my gratitude to all Brisa employees accompanying our journey, to our business partners and to our shareholders, who put their trust into our efforts.

Respectfully,

**Cevdet Alemdar**  
**Chairperson of the Board**

## 1. **Brisa**

### 1.1. **We Drive on With Courage**

**With our Izmit factory, which has proven its production power, and our production base in Aksaray, the first factory of the industry equipped with smart applications, we focus on growth by blending our technology with innovation and the labor of our people. We are breaking new ground in our industry, developing products and unique services that make a difference. As Turkey's mobility leader, we drive on with courage.**

The foundations of our company, which is the leader of the Turkish tyre industry, dates back to 1974 when our Lassa Tyres brand was founded with the initiative of Sabancı Holding and its partners. The beginning of Lassa Tyres' and Bridgestone's journey with the establishment of Brisa reaches back to the start of the partnership between Sabancı Holding and world tyre industry leader Bridgestone Corporation in 1988.

The Sabancı Group underlines its global player identity with its contribution to the development of a sustainable future and continues to produce permanent value for its shareholders and the Turkish economy. While the Group procures strong growth in its main areas of business by combining its strong financial structure, dynamic portfolio and solid governance model with its technology focused business approach, it also attains important opportunities in new growth platforms. The Sabancı Group, which acknowledges sustainability as the founding principle of its investment decisions and the strong growth and yields it provides to its shareholders as its propelling power, connects Turkey together with the world through its pioneering initiatives for a sustainable life. The Sabancı Group, which rises above the foundations of a value-added ecosystem powered by global experience that has been built in 94 years and high-performance culture, moves forward towards its second century with decisive and strategic steps that accelerates its growth and transformation.

As the Turkish tyre industry leader with its products and services reaching beyond tyres, Brisa forms one of the important foundations stones of Sabancı Group ecosystem.

Our company won the first National Quality Award in 1993 and became the first Turkish company to win the European Quality Grand Award in 1996 as a result of its outstanding performance in business excellence. Today, we are also amongst one of the biggest tyre manufacturers of Europe. We are strengthening our industrial leadership by adding value to our business partners and customers with our product and service brands.

As Brisa, we follow trends closely and focus on delivering services beyond tyres by also drawing on the

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know-how of our partner Bridgestone. We are pioneering the industry with our main tyre brands of Bridgestone, Lassa Tyres, Dayton, Kinesis, Firestone, and Bandag retreading service brand, together with Arvento Tracking Systems mobility brand, Lastiđim branded sales points, Otopratik and Propratik service points, Lastik.com.tr alternative sales channel, Profleet fleet services, Mobilfix mobile maintenance service that provides onsite services to commercial vehicle fleets, Tyre Hotel (tyre storage service) services, Filofix that offers road assistance for commercial vehicles and our Brisa Academy education platform to add value to our customers and business partners.

We manufacture specialized tyres for passenger, light commercial, bus, truck, agriculture and heavy-duty vehicles with our Bridgestone, Lassa Tyres, and Dayton brands. Moreover, with our Kinesis brand we offer tyres of international standards in terms of safety and quality criteria for industrial machinery, Firestone branded agricultural tyres, and Bridgestone motorcycle tyres thereby increasing our product portfolio we supply to the market to 1,800 different kinds of tyres. As a result of our target to provide a balanced product portfolio to vehicle owners with both of our brands, while we stand forwards in terms of performance and safety criteria with our Bridgestone brand, we offer economy, comfort, and durability parameters to vehicle owners with our Lassa Tyres brand.

Our products and services reach to vehicle owners in the domestic market through 1.300+ sales points, while Lassa Tyres, manufactured with the craftsmanship of Brisa employees, reach vehicle owners thorough 6.000 sales points, more than 600 Lassa Tyres branded stores in 88 countries. In addition to this distribution network, vehicle manufacturers such as Anadolu Isuzu, BMC, Ford Otosan, Karsan, Koluman Treyler, Krone, MAN, Mercedes Benz Türk, Otokar, Oyak Renault, Schmitz Cargobull, Tafe, Temsa, Tırsan, Tofaş, Toyota, Türk Traktör, Hidromek also prefer Lassa Tyres and Bridgestone products as original equipment tyres for the vehicles they manufacture.

We expect the demand for mobility to grow further in the following period. Today, our customers started to demand high value-added products offering qualities like lower rolling resistance, high fuel efficiency, increased durability, and improved handling performance on wet surface, in line with trends such as autonomous driving, connectivity, and electrification. They also expect smart services and solutions beyond tyres. In this context of customer expectations, we are developing new generation services geared towards final consumers. We started to install charging stations and offer competent maintenance services specifically designed for electric vehicles at our Otopratik service points for.

Our company targets to be the first option for preference of vehicle owners as well and continues its projects to be closer and accessible to final consumers. While our Lassa Tyres brand became the most prestigious tyre brand of Turkey, our corporate brand Brisa has been chosen as the most valuable brand of the Turkish Tyre industry by Brand Finance in “Turkey’s Most Valuable and Strongest Brands – Turkey 100” list.

**We add value in production at our İzmit & Aksaray Manufacturing Plants**

Our İzmit Manufacturing Plant, reaching a closed area of 361.000 m<sup>2</sup>, is one of the biggest manufacturing plants of the globe under a single roof while it is also amongst one of the most important manufacturing plants of Bridgestone in the world. Our Aksaray Manufacturing Plant, which is established in the Aksaray Organized Industrial Zone on an area of 95.000 m<sup>2</sup> with an initial investment of 300 million USD, is equipped with the smart technologies of the industry. Our manufacturing plant is equipped both with our company’s more than 40 years’ worth industrial experience and capabilities in the industry and with Bridgestone’s advanced technology and global know-how. Therefore, we have completed a pioneering investment of our industry in terms of its efficiency, environmental approach, and product quality performances perspectives. Energy savings implementations, fully automated transfer systems, digital twin implementations set-up on a virtual platform, virtual reality, and solutions provided through smart machinery with advanced data analytics feature amongst these performance perspectives.

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**Brisa cultivates technology in the fields of Turkey**

We are accelerating the pace our value-added product development activities at the Brisa R&D Center located in our İzmit Manufacturing Plant, which is certified with the incentive of the Ministry of Science, Industry and Technology of Turkey. In our R&D Center, together with our Turkish engineers, we increase our capabilities in the fields of localized product design, development, and innovative production techniques, while also carrying out our projects on local supplier development. In addition to innovative process and development technologies in the field of R&D, we ensure that new products are developed in a shorter period as required by the market, and we obtain many benefits such as providing cost advantages by approving raw material resources in a shorter timeframe. We focus on innovative production techniques and raw materials that enable us to strengthen in international competition, and we cultivate technology in the fields of Turkey. On the one hand, we contribute to industrial accumulation by increasing domestic production, and on the other hand, we add value to the country's economy by accelerating our exports.

Brisa's certified R&D Center is important for Turkish engineers with its international culture, technical superiority and learning environments. Engineers working at the Brisa R&D Center have the opportunity to conduct research and development projects with the most advanced technologies in their field.

**We are building the future with smart culture**

We know that just selling products is not enough in our day. We also need to be pioneering in innovation in order to differentiate. We are targeting to provide excellence in customer experience and make a difference with our innovative ideas by contacting vehicle owners and our business partners, getting feedback from their needs and opinions.

We are making information and technology investments to our country in line with this perspective. We are transforming our business processes into an autonomous set in a way that will provide added value to our employees as well by taking advantage of new generation technologies such as artificial intelligence based robotic projects and advanced data analytics in the development of these solutions by reflecting technological transformation to the ways with which we conduct our business. We are continuing to design many different innovations such as our smart eyeglass project that allows instantaneous communication and information interchange at our İzmit and Aksaray Manufacturing Plants. We are implementing the manufacturing technologies of the future with our ergonomics program. We are helping to strengthen our sales teams in the field at our “Business Excellence Center” (BEC), where we provide trainings with various simulation designs.

We are moving along steadfastly in our digital transformation journey. As a result of our projects, we stand above the Turkish average in terms of digital maturity rated by the Digitopia measurement criteria. Our projects regarding our artificial intelligence-based colleague Robi, working capital management, and “Genba Room”, with which we follow field, finance, sales, and marketing processes in a digital environment have been transformed into case studies. Our case studies, which also became exemplary for the business world, are opened to the access of scholars and university students at the digital case libraries of [markalarfisildiyor.com](http://markalarfisildiyor.com) and the international organization Case Centre.

We are offering innovative services to our business partners and customers with mobile solutions and focusing on differentiated services and developments that await the journey experience in the future. We offer entrepreneurs Brisa’s innovation experience and strong resources, while we invite them to develop business ideas, prototypes, and entrepreneurial initiatives. As a result of these activities, we incentivize them to create digital solutions and innovations within the context of mega trends such as Industry 4.0, connectivity, autonomous driving, sharing economy, digitalizing customer experience, and electrification.

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We are realizing all these projects by building a smart culture focusing on the competences of the new digital age. We are organizing tomorrow's employee resource and competency management from today. We are supporting Brisa employees, who are passionately devoted to developing innovations, with digital transformation and continuous development journeys. We are discovering the ways of enabling our success sustainably in a new generation of business field with our digital workplace projects. Some of our initiatives within the context of these projects are business development and mobility teams, and data engineers. We are implementing projects in order to base all our decisions on data. We are further focusing on trainings and processes that increase the digital competencies of our employees.

In order to strengthen our services in sustainable mobility solutions, we acquired Arvento Mobile Systems Company, which is an important technology provider in the field of vehicle tracking and fleet management systems, at the beginning of 2022. As a result of this acquisition, we are bringing the tyre, service and telematics business lines together to focus on the experiences that our fleet customers will benefit from.

In order to respond to the needs of our customers in many different geographies in the world, in different road and climatic conditions, while producing the highest quality products with our perception of sustainability, we take responsibility for the Turkish economy as well as for the social development of our country. As we conduct our business operations today, on the other hand we are implementing projects within the context of environment, society, and governance focus.

As a result of our approach, we have had the honor of being amongst the Global Climate Change Leaders in the CDP (Carbon Disclosure Project) program 2022 and to be the Water Leader for the 4th time. We have also taken our place amongst the "Global Leaders" from Turkey in terms of Supplier Engagement Rating. We have been rated in the "Excellent" category as a result of the evaluation held by the London Stock Exchange organization Refinitiv with our environmental, social and governance (ESG) performances.

On the one hand we are conducting our operations reducing our carbon emissions with methodologies in line with the balance of nature, and on the other hand we are trying our best to offer our contribution in the field of sustainability to society and to the environment with "Brisa Members Education Support Association" in the field of education, "Brisaspor Lassa Tyres Cycling Team Club" in the field of sports, "Brisa Museum" as a cultural value, and the "Let The Cranes Fly" project we run together with WWF Turkey (World Wildlife Fund) in order to contribute to biodiversity and to the preservation of Cranes.

We have been reporting the sustainability projects we realized to Global Compact, which we have been a signatory to since 2013.

As members of the Brisa Family, we hold the Green Office program certificate that we implemented together with WWF-Turkey and through which we demonstrate our individual contribution to the environment. The Brisa Academy and Museum building, which is certified with a "LEED Gold" sustainable building certificate, gives us inspiration in our sustainability journey. We are hosting the people of Kocaeli and students from kindergarten to university level together with our guests at the Brisa Academy.

As a result of our sustainability approach, Brisa has been included in the BIST Sustainability Index, which features companies that are traded on Istanbul Stock Exchange and have achieved a high sustainability performance, since 2015. Every year we have been sharing in depth with the public this understanding and our determination to contribute to in the following years with the inclusion of our sustainability projects completed during the last 5 years through our reports designed according to Global Reporting Initiative's system since the first report we published in 2012. Our 2014 Report has been deemed worthy of the "Best B2B Sustainability Report" by Ethical Corporation.

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Today, we are a big family consisting of more than 3.100 people. A family working hard for the beautiful tomorrows of Turkey...

As Brisa, we are more than a tyre manufacturer, we are a value provider for our environment, our society and all our shareholders by anticipating the needs that may arise in the world of the future.

We are determined to continue our leadership and increase the value we offer to our shareholders with our smart Aksaray Manufacturing Plant equipped with advanced manufacturing technologies, with our İzmit Manufacturing Plant that has proven its production power, with our well-balanced brand portfolio, innovative communication tools and business models, service innovations and strong human resource capabilities.

## 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

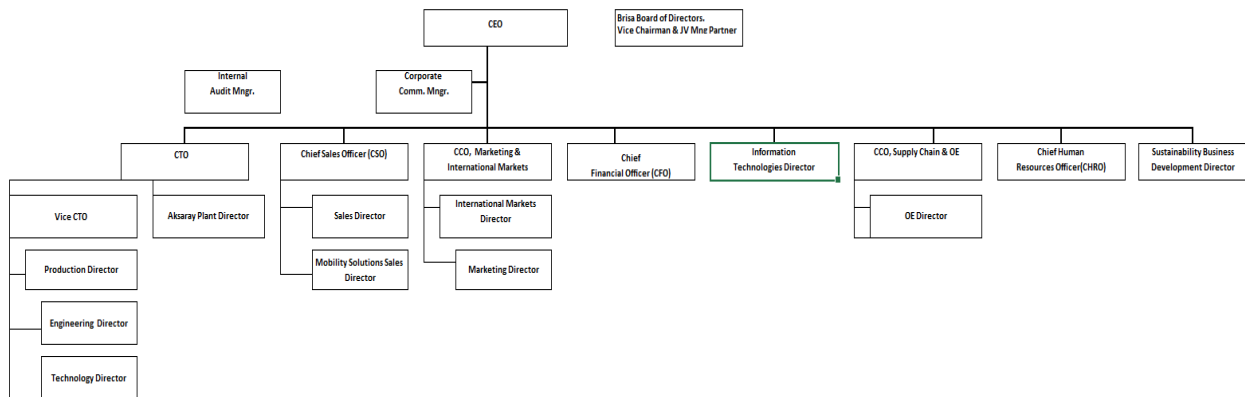
Shareholder	Share Amount (TL)	Capital Ratio (%)	Voting Right	Voting Right Ratio (%)
Hacı Ömer Sabancı Holding A.Ş.	133.111.388	%43,63	13.311.138.806	%43,63
Bridgestone Corporation	133.111.388	%43,63	13.311.138.806	%43,63
Other	38.894.099	%12,74	3.889.409.888	%12,74
<b>Total</b>	<b>305.116.875</b>	<b>%100,00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

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



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#### **1.4. Mission, Vision and Corporate Values**

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

##### **Our Mission**

To provide superior values to society through sustainable growth.

##### **Our Motto**

“We Drive On With Courage”.

##### **Our Vision**

**We assure your mobility**, with our high-quality products, customer centric services and solutions.  
Our business is beyond tyres.

##### **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

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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**

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**



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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.  
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**

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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 USD 168-million capital investment program for the construction of new facilities. The company's total production area reaches 300,000 m<sup>2</sup> with a 50% growth.

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

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

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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 “Lastiğim” (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.

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.

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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.

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 Otopratik and Propratik service points for the procurement of spare parts.

In order to strengthen women in business, we launched "Heroes 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 60<sup>th</sup>

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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**

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 Izmit.

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.

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Started the Pitch Perfect program designed for entrepreneurs.

**2021**

We became the Turkey Climate Change Leader for the 6<sup>th</sup> time and the Water Leader for the 3<sup>rd</sup> in CDP (Carbon Disclosure Project) program.

We became one of the 8 signatory companies of the CEO Water Mandate.

We initiated the “Rainwater Collection Pond Project” at the İzmit Manufacturing Plant.

We calculated our emissions and became the first company in our country to have received the approval for our targets from the Science Based Targets Initiative.

We were deemed worthy of the “2020 Golden Exporter Award” by the Automotive Industry Exporters Association.

We virtually opened Brisa Museum, the first tyre museum of Turkey, for public viewing.

We initialized the Digital Tyre Assistant.

We initialized the Listiğim.biz platform.

We opened the Bridgestone Performance Center.

We initialized the Future of the Work Project.

**2022**

We acquired Arvento Mobile Systems company and reiterated our sustainable mobility leadership.

We have been rated and included in the excellent category by the London Stock Exchange (LSEG) organization Refinitiv for our environmental, social and governance (ESG) performances.

We took our place amongst Climate Change Global Leaders Program, and the Turkey Water Program leaders for the fourth time in Carbon Disclosure Project’s (CDP) ratings with regards to our efforts to reduce climate change impact.

We took our place in the Gold category of Ecovadis’ ratings, which focus on sustainability on an international basis.

We opened our first Otopratik service point that provides fast fit maintenance services in Northern Cyprus Turkish Republic.

**1.6. Our Awards**

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

**R&D, Digitalization and Innovation Awards and Success Stories**

• **An award for Brisa by TUSIAD**

Our “BriDepth: Tyre Tread Depth Measurement with Mobile Phone Camera” Project was honored at the Success Stories Award Ceremony of TUSIAD’s Digital Transformation in Industry Program in the commercialization potential success category.

• **Brisa received the “Digital Transformation Ambassador of the Year” Award from SAP**

We were deemed worthy of the “Digital Transformation Ambassador of the Year Award” by SAP at the “SAP Transformation Awards of the Year 2022”, which is one of the most prestigious awards of the business and technology world, where pioneering digital transformation projects are awarded.

• **An award for our Supply Chain Logistic Control Tower project from IDC**

Our Supply Chain Logistic Control Tower project has been deemed worthy of the 2<sup>nd</sup> place in the Best in Future of Connectedness category at the Future Enterprise Awards Ceremony by the International Data Corporation (IDC), which is the leading global provider of market intelligence, consultancy services and activities for the information technology, telecommunication, and consumer technology markets.

• **The first and only in the Bridgestone EMIA Region: TS ISO 17025 Certificate granted to Brisa İzmit Testing Laboratory**

Our testing laboratories based in İzmit became the first and only laboratory in Turkey and in Bridgestone’s EMIA region to be granted the TS ISO 17025 certificate with zero non-compliance ratio.

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- **Awards in 3 different categories for 3 Brisa projects at the IDC Turkey CIO 2022 Awards**  
In the Employee Experience category, the BriWhere (Working Calender) project, which was implemented by various departments, in the Innovation category the Digital Twin (ROBI – JOJO) project, and in the Customer Experience category On-site Mounting project was deemed worthy of awards.
- **Brisa was named the company investing most into R&D in the Turkey R&D 250 Research**  
We had the honor to be named the number 1 company making R&D investments in the Chemicals, Chemical Products, and Tyre Manufacturers industry in Turkey R&D 250 Research.
  
- **Brisa has been awarded with the “Best Digital Solution in Education” award by TEGEP in the Learning and Development Awards**  
We ranked 1st in the "Best Digital Solution in Education" category at TEGEP’s Learning and Development Awards with our 3D Applied Tyre Training Game "3D Master", which we developed in order to improve the competencies of dealer service repairmen and to provide the best standard service at our sales and service points.

**Sustainability Awards and Success Stories**

- **We featured in the excellent score category of Refinitiv with our environmental, social and governance performances**  
We reached a score of 91 with our ESG performances and took the 1<sup>st</sup> place in the tyre industry listing and the 3<sup>rd</sup> place in automotive industry listing of Refinitiv, which holds the world’s largest financial markets data and infrastructure and is the single provider of Reuter’s news to the financial markets.
- **We took our place amongst Global Leaders in Carbon Disclosure Project (CDP)**  
We were listed in the "Global A" list of Carbon Disclosure Project (CDP) as a result of our efforts to reduce the effects of climate change.
- **We became one of Turkey's Water Security Leaders in the Carbon Disclosure Project (CDP)**  
With our sensitivity on water consumption, we were among the leaders for the 4<sup>th</sup> time in the "Water Safety" category in Turkey in the Carbon Disclosure Project (CDP) 2022 rating.
- **Brisa featured in Ecovadis’s Golden category**  
Brisa earned its position in the "Gold" category of Ecovadis, which provides ratings for international sustainability.
- **Brisa was deemed worthy of TOBFED’s Sustainable Future Award**  
Brisa was awarded with the Sustainable Future Award with its "Emissions Reduction Targets" project at an event coordinated by TOBFED, which rewards institutions and organizations that are sensitive towards environmental sustainability.

**Awards for our Brand, Marketing and Communication Projects and Success Stories**

- **We are the industrial leader of Brand Finance**  
We have been rated as the most valuable brand of the Turkish tyre industry by the international brand rating organization of Brand Finance and took the 40<sup>th</sup> spot in the list where 100 brands are featured.
- **We are the industrial leader of Fortune 500 Turkey**  
We were listed as the industrial leader in "Fortune 500 Turkey", which features the biggest 500 companies of Turkey.
- **Brisa is one of the biggest 500 companies of Turkey in Capital 500**  
In the "Capital 500" survey, which was held for the 25<sup>th</sup> time this year, we became the industry leader as well as becoming one of the top 500 privately owned companies of Turkey with the highest turnover among more than 2.000 companies.

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- **An award for the Bridgestone Studio Project of Bridgestone by the Interactive Advertisement Agency**  
Our Bridgestone Studio project earned the Silver Mixx Award in the "Digital Voice Advertisement" category of Interactive Advertisement Agency's (IAB) Mixx Awards Turkey competition, which awards creative and effective advertisement projects.
- **Communication Award for Bridgestone by Prida**  
We received the "Topic and Agenda Management" award with Bridgestone Studio-Sezen Aksu Songs project, and the "Influencer Relations" awards with the "Art Centered Communication" project at the Prida Communication 2022 Awards with our Bridgestone brand.
- **3 Awards in 2 categories for Brisa brands at the Brandverse Awards**  
In the Tyre Industry Data Analytics Category of the Brandverse Awards, organized with the cooperation of Marketing Turkey and Boomsonar, our Lassa Tyres and Bridgestone brands received the Golden and Bronze Awards respectively, whereas our Bridgestone brand received the Silver Award in the Content Marketing Category.
- **Bridgestone's Potenza Sport Tyres raced to be the champions of Auto Express' 2022 Summer Tyres Test**  
In the 2022 Auto Express Summer Tyre Test, where 7 different tyres were evaluated, Potenza Sport featured at the top spot leaving behind its 6 competitors in all dry and wet surface braking and handling tests.
- **Lassa Tyres is the "Most Prestigious Brand of the Year"**  
Our Lassa Tyres brand received the "Most Prestigious Brand of the Year" Award in the tyre category of İtibar Akademi's (Prestige Academy) Turkey Prestige Index, which is calculated with 12 thousand votes sent from 78 cities and 26 regions.
- We were amongst the champions of Exporters:  
We were deemed worthy of the Golden Export Award by Uludağ Automotive Industry Exporters' Association Export Champions Awards.

**Human Resources Awards and Success Stories**

- **4 Awards by Brandon Hall Excellence Awards for our Future of Work #seninicin (#foryou) project**  
We are proud have been awarded 3 Golden Awards for our Future of Work projects in the "Best Development in Business Strategy ", the "Best Advance in Managing a Remote Workforce", and the "Best Use of Mobile Learning" categories, and a Bronze Award for our YeniBri project in the "Best New Hire Onboarding Program" category by Brandon Hall in 2022 Excellence Awards.
- **3 Silver Awards for Brisa in 3 different categories at the Stevie Awards for Great Employers 2022**  
Brisa received the Silver Award in "Best Transformation Strategy" "Achievement in Managing a Remote Workforce" "Achievement in New Employee Onboarding" categories.
- **Brisa featured amongst top 100 companies of Turkey in Fortune Turkey's survey**  
According to Fortune Turkey's survey, which was determined by the votes of more than 76.000 students from over 120 universities, Brisa took the 33<sup>rd</sup> spot in Turkey and ranked 1<sup>st</sup> in the tyre industry among Top 100 Companies of Turkey.



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### 1.7. Board Member

The names of the members of the Board of Directors and their curriculum vitae as of December 31, 2022, are provided below:

<b>Board Member's Name-Surname</b>	<b>Executive or Non-Executive</b>	<b>Duty</b>
Ahmed Cevdet Alemdar	Executive	Chairman of the Board
Tomio Fukuzumi	Executive	Vice-Chairman of the Board
Mustafa Bayraktar	Non- Executive	Board Member
Haluk Diñer	Non- Executive	Board Member
Frederic Jean Hubert Cecile Hendrickx	Non- Executive	Board Member
Mete Ekin	Non- Executive	Board Member
Daniel Jean Pierre Giroud	Non- Executive	Board Member
Haluk Kürkçü	Non- Executive	Board Member
Sakine Şebnem Önder	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 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: 26.03.2021 – until the Ordinary General Meeting of the year 2023.

Cevdet Alemdar received his BS degree from Industrial Engineering department of Bogazici University in 1992 and completed his MBA degree in Sabanci University in 2000.

He joined the group in 1993 and has taken various leadership positions, respectively in Beksa, Sakosa, Kordsa, Temsa Is Makinalari and Brisa. After admistering wire investments serving to manufacturing and construction industries in Turkey, he has taken on general manager roles in Brazil, Thailand and China, and lead marketing and sales functions in technical textiles for Kordsa in South America and Asia Pacific regions.

Returning to Turkey, he has steered Kordsa's R&D and innovation processes as VP of Technology and

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Market Development. Later, he guided Temsa Is Makinalari to transform from a construction equipment company to a heavy machines and truck provider in Turkey. Next, as CEO he lead Brisa, a joint venture of Bridgestone ve Sabancı Holding, an important tire manufacturing venture in the world and leader of Turkey's tire and mobility solutions. From April 2020 onwards, he is Sabancı Holding Industrials SBU President.

He is TUSIAD's board member, DEİK / Turkey- USA Business Council (TAİK) board member, Bogazici University alumni, Sabanci University alumni, chairman of the board for companies; Kordsa, Brisa, Temsa Skoda Transportation, Temsa Motorlu Araclari and member of the board of Akcansa.

**Tomio Fukuzumi / Vide President of the Board**

Assignment Period: 21.12.2022 – until the Ordinary General Meeting of the year 2023.

Mr. Fukuzumi was graduated from Osaka City University, Department of Economics. He joined Bridgestone in April'1988. In his career, he worked in mainly International Tire Business and worked as Tire Sales Director or Managing Director in Korea, USA Chicago, Europe Brussels, India and Thai. Mr. Fukuzumi assigned as Director of Tire International Business at BSJ Head Office in 2016 and also has served as Board of Director in BSAM, BSEMIA and BSCAP.

**Haluk Dinçer / Board Member**

Assignment Period: 26.03.2021- until the Ordinary General Meeting of the year 2023.

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 (TUSIAD) and as President of the Foreign Economic Relations Board (DEİK) and the Turkish-American Business Council.

**Daniel Jean Pierre Giroud / Board Member**

Assignment Period: 26.03.2021- until the Ordinary General Meeting of the year 2023.

Graduated in 2019 from INSEAD IDPC Cohorte 28, Corporate Governance. Including leading from the chair, board member, advanced Strategy.

Graduated in 2009 from ESG Paris Business School of Management with an MBA in Finance Engineering. ESCP 3rd cycle Business Administration and Management in Paris & Fashion Institute of Technology of New York in 1998. High Education Diploma in Marketing at Nice university 1996

**Non-Group:**

Chief Sales Officer at Bridgestone EMIA

**Haluk Kürkçü / Board Member**

Assignment Period: 26.03.2021- until the Ordinary General Meeting of the year 2023.

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

Mr. Kürkçü 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.

In-group:

Brisa CEO

Non-Group:

LASDER (Tyre Manufacturers Association) Member of the Board

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

ISO Member

**Sakine Şebnem Önder**

Assignment Period: 20.09.2022- until the Ordinary General Meeting of the year 2023.

Şebnem Önder graduated from Ankara University Faculty of Law in 1994. She started her career in 1994 as a Legal Advisor at White&Case LLP (Turkey). Between 1999 and 2000, she held the same position in New York, where the company's headquarters is located. Then, from 2000 to 2014, she worked as a Partner in Turkey unit of the same company. In 2014, she started to work as the Legal Director of British American Tobacco (Turkey & North Africa). Şebnem Önder worked as the Head of the European Regional Compliance Department at British American Tobacco (Europe) from 2018 to 2022. She has been working as the Head of Law and Compliance Department of Sabancı Holding since September 12th 2022.

**Mustafa Bayraktar / Board Member**

Assignment Period: 26.03.2021- until the Ordinary General Meeting of the year 2023.

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: 26.03.2021 – until the Ordinary General Meeting of the year 2023.

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.

Starting from mid-2015, he has been acting as Legal and Compliance Vice-President, General Advisor

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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 EMIA.

**Mete Ekin / Board Member**

Assignment Period: 26.03.2021 – until the Ordinary General Meeting of the year 2023.

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:

Until 10/1/2023, Vice President, Emerging Markets, Russia, CIS, India, Middle East and Africa at Bridgestone EMIA

From 11/1/2023, Vice President and Head of the Joint Global COO Office at Bridgestone

**Mehmet Tanju Ula / Independent Member of the Board**

Assignment Period: 26.03.2021 – until the Ordinary General Meeting of the year 2023.

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 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:

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In-Group:

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

**Mehmet Kahya / Independent Member of the Board**

Assignment Period: 26.03.2021 – until the Ordinary General Meeting of the year 2023.

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 Alüminyum.

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 KEmalıye 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 Kemalıye Enerji Üretim A.Ş Shareholders' Consultant

**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. Mr. Kurkcu assigned Brisa General Manager on 1 July 2020.

**Tomio Fukuzumi**

Executive Coordinator

Mr. Fukuzumi was graduated from Osaka City University, Department of Economics. He joined Bridgestone in April'1988 and has been working at Brisa since 21 December 2022.

Non-corporate responsibilities: none.

**Tetsuya Tsutsumi**

Technical Groups Director

Mr. Tsutsumi was graduated from Kyoto Institute of Technology University, Department of Engineering. Mr. Tsutsumi promoted to General Manager in BSJ and has been working at Material Process Engineering Department in TCJ since October 2017.

Non-corporate responsibilities: none.

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**Tuğba Gök**

Assistant General Manager, Human Resources

Tuğba Gök completed her BA in Business Administration at Gazi University and her MA in Human Resources Development at ODTÜ. Gök has been working as Chief Human Resources Officer at Brisa since October 2022.

Non-corporate responsibilities: none.

**Neslihan Döngel Özlem**

Assistant General Manager of Finance

Neslihan Döngel Özlem was born in 1982 and graduated from Bilkent University, Department of Economics and completed MBA Executive program at Bogazici University. She has been working at Brisa since 01.03.2022.

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**

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.

**Evren Güzel**

Assistant General Manager, Marketing and International Marketing

Born in 1978, she is a graduate of Galatasaray University, Department of International Relations. She has been working at Brisa since 01.05.2006.

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

**Increased in our sharing meetings with financial analysts and investors**

In 2022, our CFO Neslihan Döngel Özlem shared Brisa's 2021 year end and 2022 quarterly financial results and made assessments via physical/video conferences with a total of 115 foreign and local analysts and investors.

**Amendments to the Articles of Association within the Period**

There were no changes in the articles of association during the period.

**Selection of Independent Auditing Company**

At the Ordinary General Assembly Meeting dated 25 March 2022, shareholders approved the

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appointment of KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to audit financial reports pertaining to the 2022 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 April 21, 2022.

**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.

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.

As described in the following Profit Distribution Table, it was unanimously resolved that the Net Distributable Period Profit amounted to TL 1.004.575.347,51 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 885.463.119,43 for the fiscal period 2021 calculated according to the CMB Regulation, is distributed as mentioned below.

First Dividend	TL	15.255.843,75
Second Dividend	TL	603.490.667,06
Total Gross Dividend	TL	618.746.510,81
Usufruct	TL	44.273.155,97
Secondary Legal Reserves	TL	64.776.382,30
Extraordinary Reserves	TL	276.779.298,43

So, it was unanimously resolved that for the fiscal year 2021, the gross amount of TL 618.746.510,81, shall be paid to the shareholders representing TL 305.116.875,00 capital, in a proportion of 202,79% as cash dividend, the gross amount of TL 44.273.155,97 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 10% shall be deducted, and that the proposal of distributing the dividend in cash as from March 29, 2022 is approved at the Ordinary General Assembly Board Meeting held in March 25, 2022

**2. Developments and Activities in 2022**

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## **2.1. Industrial Developments**

**We are the Turkish tyre market leader with our proximity to our customers and wide dealer network, innovative products, comprehensive customer experience that we provide, and total service solutions that extend beyond tyres.**

2022 has been a year whence we focused on the transforming requirements of our customers and the market together with strengthening our enrichment projects for our services expanding beyond tyres as we continued our operations with health and safety being our priority. As Brisa, we have strengthened our innovative leadership position in the market through our new products and services and our Bridgestone, Lassa Tyres, and Dayton brands.

The Turkish automotive industry total market (passenger and light commercial vehicle) increased by 6,2% and reached 783.283 units during the January – December period of 2022 compared to the same period of the previous year. Passenger vehicle sales increased by 5,5%, while light commercial vehicle sales expanded by 8,6%.

According to 2022 4<sup>th</sup> quarter report estimations published by LMC, the Turkish Replacement and OE Tyre market grew by 4% during 2022 compared with the figures of the previous year. The Turkish OE Tyre market enlarged by 4,2% in the passenger and light commercial vehicles segment in 2022, while heavy commercial tyre sales increased by 20,1%. The Turkish Replacement Tyre market expanded by 1,8% in the passenger vehicle segment, while the expansion reached 12,1% in light commercial vehicle segment and to 4,3% in heavy commercial vehicle segment during the year.

In the light of these industrial developments in the Turkish market, Brisa maintained its position in the Replacement and OE Tyre markets with its strong brands and the innovative solutions it offers.

The passenger and light commercial vehicle segments' total vehicle sales remained approximately the same (0,2% growth) during the January – December period of 2022 compared to the same period of the previous year as outlined by the 2022 last quarter report estimations published by LMC. The highest growth rate was realized in the Indian market with 25.5% increase. Passenger and light commercial vehicle total new vehicle sales showed growth in China, Africa and South Asia in 2022 compared to that of 2021. During 2022, passenger and light commercial vehicle total new vehicle sales declined in United States of America, Canada, East & West & Central European markets, while the most preeminent decline was observed in Ukrainian and Russian markets. Considering the impact of the Russian – Ukrainian war that started following the increase in the economic activities after the re-opening of the economies due to the growth in vaccination rates worldwide, the 2022 world tyre market figures remained above than those of 2021. The Global Replacement and OE Tyre market sales grew by 1% in 2022 compared to the previous year. However, the European Replacement and OE Tyre market experienced a serious decline compared to the same period of the previous year.

During the January – December 2022 period, Lassa Tyres total European and non-European markets sales increased higher than the market averages and gained market share compared to the same period of the previous year. Lassa Tyres' market share grew in 23 countries in total. Lassa Tyres grew more than the market averages in Central and Western European Regions, as well as in the Commonwealth of Independent Nations and Middle East Regions. The countries where Lassa Tyres increased its market share in Europe were Albania, Bulgaria, Croatia, Montenegro, Macedonia, Poland, Romania, Serbia, Austria, Denmark, Spain, Greece, Italy, and Portugal. In the non-European markets Libya, Morocco, Tunisia, Iraq, Pakistan, Moldova, Kazakhstan, Belarus, and Georgia are the countries with an increase in market share compared to the previous year.

As a result of all the above-mentioned developments, during the January 1<sup>st</sup> – December 31<sup>st</sup>, 2022, period, our company showed a similar performance in terms of quantity with regards to total sales while



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increasing its net sales revenue by a total of 112% increasing it to 14.080 billion TL.

## **2.2. 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 Growing Portfolio**

We manufacture passenger vehicle, light commercial, vehicle, bus, truck, and earth mover tyres at international standards in terms of safety and quality criteria with the Bridgestone, Lassa Tyres, and Dayton brands.

In addition to our production, we import Firestone branded agricultural tyres, Bridgestone brand motorcycle tyres and Kinesis brand solid forklift tyres and offer 1,800 kinds of products to the market. We also provide tyre 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 A005 EVO
- Bridgestone Potenza Sport
- Bridgestone M/T674
- Lassa Driveways Sport Plus
- Lassa Multiways 2
- Lassa Competus Winter 2 Plus
- Lassa Energia 310T
- Bridgestone R179
- Otopratik branded products

Bridgestone A005 Evo All-Season tyre was awarded the title of Product of the Year in the All-Season tyre category in the "Product of the Year" program, one of the most established programs in the world, which was held for the 6<sup>th</sup> time in Turkey. The product provides a comfortable, enjoyable, and safe driving experience with the A label value, especially in wet surface handling. Appealing to all the needs of a consumer in need of All-Season tyre use, this premium tyre offers high maneuverability and control capabilities on all types of surfaces, including snow. The A005 Evo, which is also certified 3pmsf, has the same product life as Bridgestone summer tyres.

Potenza Sport is Bridgestone's new flagship tyre in the sport segment, developed for high and ultra-high-performance vehicles and for SUV and 4X4 vehicles. All the features of Potenza Sport, from its new compound to impact layer technology and from the special tread pattern to carcass design, are optimized for vehicle owners looking for a powerful and sportive driving performance. Independent TUV testing results also support the superior performance of this pattern. Potenza Sport, notable for its best cornering performance and straight driving decisiveness together with best dry surface braking performance and superior wet surface performance, stands out as the most powerful and performance offering product of the Potenza family in the sports segment.

Bridgestone M/T674 is designed for off-road enthusiasts to meet all the challenges of off-road driving, even in dense muddy conditions. It combines revolutionary 3D technology to deliver superior durability and off-road performance, providing maximum traction and control. The M/T 674's aggressive tread design includes 3D grooves that self-clean the tyre while driving. With these features, the tyre has an

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unprecedented level of performance in dense mud. With its innovative tread design and 3D technology, the center wear on the M/T 674 is significantly reduced, ensuring longer tyre life. Combined with a reinforced sidewall and wear out-resistant M/T rubber compound composition, the M/T 674 showcases a product structure that is robust enough to overcome the most challenging surface conditions and promise even more.

Lassa Driveways Sport+ is developed for consumers preferring sports and high-performance vehicles in the compact, mid and luxury class category who enjoy a sporty driving performance. It has a short braking distance on wet and dry surfaces with its lightened heel structure using new technology without sacrificing the robustness of the tyre. The pattern performed better compared to its competitors in terms of wet surface braking distance, wet surface lateral grip, dry surface braking distance, and dry surface grip performance in the TUV SUD tests.

Lassa Tyres' new All-season tyre Multiways 2 has regular and balanced wear out performance as a result of its interconnected central block design in addition to its improved braking distance performance on wet and dry surfaces due to its straight and chamfered grooves. Moreover, the pattern puts on an advanced snow performance with its three dimensional and kerf block structure. Thanks to new compound mix technologies, the product life of the pattern is improved with increased dry and wet surface performance without compromising its snow performance.

Offering improved wet surface performance without compromising winter performance compared to the previous generation, the Competus winter 2+ provides high water evacuation with large linear grooves as per its pattern design and reduces the risk of the tyre entering turbulence and aquaplaning as it passes through the water layer. Thanks to the high ratio of silica used in its tread compound, the Competus Winter 2+ retains its elastic properties even at low temperatures. In addition, the tyre's base track is designed to increase its downforce pressure, therefore improving its traction. In line with these features, the Competus Winter 2+ responds to the expectations of its drivers in the best way at temperatures below 7°C, rain, snow and mild icing conditions. With its pattern design and improved compound, the tyre complies with R117 regulations and features the snowflake logo and M+S markings, indicating that it meets the necessary safety standards for harsh snow and winter conditions. Having earned the right to receive the TUV marking, the Competus Winter 2+ has shown 17% better wet surface braking distance and 5% better wet surface lateral grip performances than its competitors. All sizes of the pattern hold a "B" grade label for all parameters concerning wet surface performance.

Featuring leading long-lasting patterns, the Lassa Energia 310T was launched in size 385/55R22.5 to meet changing customer and incremental needs. Lassa Tyres aims to maintain its leadership in the 65 series trailer sizes just as it did in the 55 series sizes.

The Bridgestone R179 (385/55R22.5), which is designed to be used in the trailer axle of haulers that operates in long-distance transportation and require more loading volume, has been introduced to the market with its renewed pattern design, special compound that provides extended product life and a reinforced shoulder structure designed to withstand irregular wear.

After starting with batteries in 2018, then continuing to expand with filters, antifreeze and windshield wiper fluid, and lastly adding car care products, brake pad cleaners, air conditioning deodorizers, engine cleaners, multi-purpose maintenance products, and rust removing sprays to its Otopratik branded products range, has recently increased its product portfolio to 109 SKUs with the latest addition of wiper products group in the family.

#### **Featured Collaborations with Vehicle Manufacturers**

As vehicle manufacturers around the world turn to developing and producing electric and hybrid vehicles in order to reduce fossil fuel use, the performance expectations and characteristics of the tyres to be used in these vehicles are also transforming. In line with these changes, we are accelerating our efforts to meet the tyre expectations of electric and hybrid vehicles with our strong R&D, and we are working on new concept products that offer lower rolling resistance, lower emissions and less noise,

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and lower weight. As a result of these efforts, in the year 2022, we introduced Lassa Tyres' new generation LSR group steer type midi-bus and van tyre Maxiways for Otokar's Sultan model midi-buses.

Temsa, which has become one of Turkey's global brands, has chosen the environmentally friendly Coach-AP 001 pattern developed by Bridgestone exclusively to be used by intercity buses, for its environmentally sensitive, comfortable, safe, and economic intercity bus models designed by its engineers.

Lassa Tyres' products started to be used in the agricultural vehicles produced within the scope of the cooperation between Yanmar, the world's leading Japanese diesel engine manufacturer, and Türkiye Makine.

Bridgestone's all-season Duravis A/S pattern has been developed to be used by Karsan's electrified minibus, E-Jest. The Duravis A/S pattern, designed using Bridgestone's most advanced technologies, offers a safe driving experience especially with its wet surface performance that allows the pattern to be used all year long.

The Earth Gripper (EG) pattern Lassa Tyres, especially designed to be used by backhoe loader vehicles, empower the backhoe loader vehicles of Çukurova Makina. The tyres developed in 3 different sizes, have been designed to provide high durability and superior traction even under the toughest conditions.

### **2.3. 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. At the same time, we bring our products together with our customers through lastik.com.tr online sales channel, which is the first online tyre sales platform of our industry.

We are opening our Bridgestone Performance Center premium service points to enhance the comprehensive customer experience that we offer and to provide exclusive services in the customer segment where premium tyres are concentrated.

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.

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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 have awarded our dealers, who scored 85 or higher in the Customer Experience Marathon results as Recommended Sales Points. 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.

The Brisalyız.biz platform, which serves as a common communication, information and news platform that enables us to strengthen our partnership with our dealers can be used both as a website or mobile application.

We support our dealers with the “Brisalyız Card”, which is a loyalty card program that offers exclusive opportunities and discounts to our dealers, and with the “Lastik Para” program, which is an incentive program that we use for strengthening our retail implementations.

- **Brisa held its Grand Dealer Meeting in Northern Cyprus Turkish Republic**  
This year, we organized our traditional dealer meeting in Northern Cyprus Turkish Republic. During the meeting, we gave details about the projects we have realized within 2022, and we further shared our strategies and targets for 2023.
- **Brisa opened its first Otopratik service point in Northern Cyprus Turkish Republic**  
We opened the first Northern Cyprus Turkish Republic service point of our fast-fit maintenance service brand, Otopratik.
- **Brisa increased the number of our electric vehicle charging stations at our Otopratik service points**  
We expanded the range of our charging services that we offer at select fast-fit maintenance and service chain Otopratik service points, which we provide in cooperation with Eşarj for electric vehicles. We increased our electric vehicle charging station number to 33 in 23 cities.
- **Brisa dealers and suppliers came together at Sabancı University’s “Make a Promise for the Future” event**  
Brisa dealers and suppliers took action and provided scholarships in different categories to a total of 187 Sabancı University students, who are challenged with financial hardships.
- **Brisa’s “Heroes of the Customer” program graduated its new term attendees**  
Brisa continued to empower and support female employees working in the dealer sales channel as part of its woman empowerment in the industry vision. In this context, the “Heroes of the Customer” program, which raises competent attendants in the customer experience field with its detailed contents in product, sales, marketing, communication, etc., graduated its new term participants.
- **Brisa started hybrid and electric vehicle trainings for Otopratik employees**  
We started our Electric and Hybrid Vehicle Trainings consisting of two levels in order to increase the competency of the Otopratik technicians about hybrid and electric vehicles.
- **“My Business Partner is Digitalizing” project**

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Within the scope of the ongoing project, we are training our business partners with regards to issues such as developments in the digital world, consumer habits, Google Adwords, Google shopping advertisements, and we are supporting their investments in this field. We are also offering trainings in the field of changing customer expectations. We are strengthening the presence of our business partners on digital platforms, and we are aiming to create customer traffic in their service points using digital marketing channels.

• **“We Win When You are Digital” (DijitalSen Kazanırız) Project**

We supported our dealers with their mapping including the 1-year website hosting service and completed their Google Maps updates. Through our 3-dimensional service trainings, we are targeting to increase the service quality offered at our service points to the next level, to equalize service employees’ knowledge, equip employees with the right knowledge depending on the required needs, and to offer employees the opportunity of continuous education with easy access.

## **2.4 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. In that manner, in 2021 we increased the number of business partners whom we perceive as long-term business partners. We added 12 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

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strengthen the presence of our business partners on digital platforms and aim to create customer traffic to their stores using digital marketing tools. We have awarded 10 dealers, who scored 85 or higher in the 2020 Customer Experience Marathon results as Recommended Sales Points.

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 reach the opinions of tyre users 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 strengthened our brand advertisement and sales activities to become the first choice of passenger and light commercial vehicle drivers**

- Lassa Tyres continued its domestic market marketing activities and sponsored Adana International Orange Blossom Festival, which is the only street festival of Turkey.
- Radio spots versions of Lassa advertisements, which is composed by Nil Karaibrahimgil and sang by Mazhar Alanson, features on radio channels with Lassa Tyres jingles sang by Mor ve Ötesi and Kibariye.
- The second season of “Lassa ile Yine Bekleriz”, featuring the delightful chat by Zafer Algöz and Can Yılmaz, met with viewers.
- Our Otopratik brand, which has become Turkey’s most well-known and preferred service, released its new advertisement spot in cooperation with Ahmet Mümtaz Taylan together with its new communication motto “You Your Mind, Go to Otopratik”.
- Bridgestone Studio continued its cooperation with various music artists for music fans.
- The Passenger Car of the Year Award by Automotive Journalists’ Association, and the Sales and Communication Awards by Automotive Distributors and Mobility Association have been realized with the sponsorship of Bridgestone.
- Lassa Tyres’ and Bridgestone’s sales campaigns have been announced on TV and digital media channels.
- Summer campaigns valid thorough June at Otopratik service points took place with the cooperation of Arvento and Otopratik brands. Drivers who had Arvento vehicle tracking system installed on their vehicles received discount on mechanical service expenses, fuel cards, and special offers for their Lassa Tyres and/or Bridgestone tyre purchases at Otopratik service points.

**Fleet Customers:**

We are seeking to provide smart solutions beyond tyres to our fleet customers with our “Profleet”

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service.

- We are the leader in our industry with our service solutions that we offer to our commercial fleet customers. The average annual profit of a 100-vehicle fleet which is taking advantage of the services that we offer under the Profleet name is 3.1 million TL.
- Our Profleet field team, which consists of 122 members, measured a total of 830.396 tyres during 2022.
- We enriched our digital fleet services.
- Our Filofix 24/7 Commercial Road Assistance Service continued to improve the experiences of our customers as a mobile service.
- We are improving our product performance and service quality through our new technology equipment (Shearography) investments in retreading. We retreaded 76.377 tyres during 2022.
- Commercial fleets can reach our Filofix 24/7 Commercial Road Assistance Service at the push of a single button at any time when they are stranded on the road no matter where they are in Turkey through the Digital Fleet mobile application.
- We restarted our Mobilfix service, which is a mobile service truck service developed for the first time in the world for the use of heavy commercial trucks we offer to our customers within the Profleet services context, after the pandemic.
- We redesigned our report structure offered to fleets following the measurement inspections of our Profleet Consultants in the field. We made sure that the new report is more comprehensible and designed for action.
- We renewed our profleet.com.tr website, which enables our fleets and dealers to reach our services from a single platform.
- We organized Commercial Fleet meetings with our fleet customers, which make-up the most important sales channel for commercial tyre sales. We contacted 850 fleets in 10 different regions and explained them our products and Profleet services.
- Following the acquisition of Arvento Mobile Systems into our company, we are carrying our projects by integrating our tyre products and service network into Arvento's fleet management platform in order to offer more effective solutions to our fleet customers within the context of our mobility leadership.

**Entrepreneurs:**

We strengthened our cooperation and deepened our projects.

- The publicity activity of the Start-up Pitch Perfect program, organized with the cooperation of Brisa Academy and Viveka to support entrepreneurship projects, was held with a webinar.
- We got together with the innovative technology provider GoLive for the digital tyre assistant project within the context of TÜSİAD's Digital Transformation in Industry Program. We are working together on a new generation solution that will enable drivers to make their tyre choices within seconds, which will be the first of its kind in the industry.
- We are progressing our projects on various subjects such as increasing quality and efficiency during the tyre development process, Tyre Pressure Monitoring Systems and telematics software, digital services designed for fleets, sensory and drone technologies to be implemented within our warehouses and forecasting models designed for production, with various start-ups for different business focus areas.
- We continued our projects with start-ups within the entrepreneurship ecosystem towards the mega trends such as connectivity, autonomous driving, digitalizing customer experience and electrification in 2022.

**2.5. 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 88 countries strengthened with our effective marketing activities.**

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Today, Lassa Tyres branded products manufactured with the craftsmanship of Brisa employees reach 88 countries with the latest addition of Brazil to our international sales territories in 2022.

Germany	Czechia	Iraq	Northern Ireland	Uzbekistan	Thailand
Andorra	China	United Kingdom	Northern Cyprus Turkish Republic	Pakistan	Taiwan
Albania	Denmark	Spain	Latvia	Panama	Togo
Austria	Estonia	Israel	Libya	Poland	Tunisia
Azerbaijan	Faroe Islands	Sweden	Lithuania	Portugal	Turkmenistan
United Arab Emirates	Morocco	Italy	Luxemburg	Romania	Uganda
Bahrain	Philippines	Iceland	Lebanon	Senegal	Ukraine
Belgium	Finland	Cambodia	Hungary	Serbia	Oman
Belarus	France	Cameroon	Macedonia	Sierra Leone	Jordan
Bosnia & Herzegovina	Ghana	Montenegro	Malaysia	Singapore	Vietnam
Brazil	South Korea	Qatar	Mali	Slovakia	Yemen
Brunei	Georgia	Kazakhstan	Malta	Slovenia	New Zealand
Bulgaria	Croatia	Kenya	Egypt	Sri Lanka	Greece
Cabo Verde	Netherlands	Kyrgyzstan	Moldavia	Saudi Arabia	
Algeria	Hong Kong	Republic of the Congo	Myanmar	Chile	

While service points are an important part of our vision of business enrichment and providing added value to our customers, they also demonstrate the industry's confidence in our brand and its belief in operating under our brand.

On-Site Customs Clearance is another project that will add swiftness to our export and import activities took place in our Aksaray Manufacturing Plant. With this project, customs procedures are carried out on site at the Aksaray Manufacturing Plant. As a result of this project, Brisa will be able to ship export items directly to the border customs authority.

**Lassa Tyres' Journey of Becoming an International Brand is Progressing**

- **Carried on 360-degree communication activities in order to increase brand awareness in Morocco**  
During May – June period, Lassa Tyres advertisement spots featured on Morocco TV stations during primetime for four weeks. The TV advertisements were further supported with billboard advertisements at 12 locations in 3 main cities during June.  
TV advertisements were featured during the half-time of Morocco-Congo World Cup elimination stage football match while screen-strip advertisements took place throughout the game.  
Lassa Tyres advertisement spot featured on 3 national Moroccan TV channels during the Morocco – Portugal quarter final game.
- **TV advertisements in Moldavia**  
Lassa Tyres advertisement spots were broadcasted on Moldavian TV channels for a duration of 4 weeks in the Moldavian market in order to support summer period brand awareness and Lassa Tyres sales.  
Our advertisement spot focusing on our winter pattern Snoways 4 was broadcasted on Moldavian national TV channels for four weeks in order to support winter period sales.  
Within the context of our cooperation with the famous Moldavian influencer and journalist Constantin Mihalachi, we carried our video shoots at the Brisa Museum giving detailed information about Lassa Tyres, which were broadcasted on Youtube and social media channels in order to support Lassa Tyres' brand awareness on social media platforms.
- **Influencer project in Serbia**  
We signed a long-term influencer cooperation agreement with Andrej Kulundic, who is an important



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auto test pilot and opinion leader in Serbia and broadcasted our first video.

- **Lassa Tyres continued its intensive marketing projects in Azerbaijan during 2022**

We shot a local advertisement spot to be featured on digital media channels in order to increase brand awareness in Azerbaijan, which is one of Lassa Tyres' strategic international sales markets. Local language was preferred in the advertisement spot emphasizing Lassa Tyres' closeness to the Azerbaijani consumers for the past 24 years targeting to form sincere bonds with local consumers.

In November, Lassa Tyres started to broadcast "Seyahat Varsa Lassa" exclusive content series on YouTube in cooperation with Elgün Xıdırov, one of Azerbaijan's renowned broadcasters of the automotive industry. During the series, which has aired 3 episodes until now, the crew visits a different city of Azerbaijan and introduces the important landmarks of the city to viewers.

- **Lassa Tyres's communication activities for International Women's Day**

Lassa Tyres organized International Women's Day digital communication activities in Azerbaijani in Azerbaijan, and in Russian in Moldova, Kazakhstan, and Uzbekistan.

- **FIFA World Cup**

During the FIFA World Cup matches, Lassa Tyres' TV spot, exclusively shot for the World Cup, aired during 13 games on national Azerbaijani TV channel.

- **Marketing activities in the UK**

During May-June and November-December periods, Amazon Gift Card campaign was carried on offering up to 40 GBP to consumers purchasing 4 Lassa Tyres at the sales locations of 2 of our business partners. The campaign was also supported with communication activities on digital media channels.

During November, we organized a local dealer's meeting with 2 of our distributors. We came together with Distribi sub-dealers in Glasgow, and to Tyrespot sub-dealers in New Castle and had the opportunity to introduce our brand, products, and activities to them.

- **"Lassaland" incentive trip organizations restarted after the pause given due to the pandemic**

Within the context of the incentive trip organizations, we hosted a Moldavian sub-dealer at the Aksaray Manufacturing Plant, while we hosted Uzbekistani and Hungarian sub-dealers at the İzmit Manufacturing Plant. We further got together with Moroccan and Azerbaijani sub-dealers in Antalya. During the last months of the year, we hosted Spanish and Libyan sub-dealers in İstanbul, thus had the opportunity to contact more than 300 sub-dealers from 13 different countries in 2022.

- **Lassa Tyres' global website, [lassa.com](http://lassa.com), was renewed at the beginning of 2022 with the addition of video spots, informative and support contents and was designed into an even more user-friendly version.**

The new website was first opened to the use of viewers with English language option, and was then updated throughout the year with French, German, Italian, Spanish, and Russian language options.

- **Jurgis Kairys became the face of Lassa Tyres in Lithuania**

Lassa Tyres has identified the renowned acrobatics driver Jurgis Kairys as its brand face for the Lithuanian market as part of its branding strategy in the international markets. The advertisement spot, where Jurgis Kairys explains the importance of safety measures in his job and further details that he provides this safety with Lassa Tyres in his personal life and will not continue his journey without Lassa Tyres from here onwards, was shot and broadcasted on digital and traditional media channels.

- **"Damage Warranty" in the Tunisian Market**

Lassa Tyres implemented the "Damage Warranty" project in the Tunisian market in order to incentivize consumers to try Lassa Tyres products. With this project, consumers, who preferred Lassa Tyres products, were offered the unconditional warranty to have their tyres, which are damaged beyond repair, changed up to 4 tyres even if the damage is caused by consumer misuse. The communication of the project was supported through online platforms and in-store materials.

- **Lassa Tyres continued outdoors and billboard advertisements**

We continued to implement our outdoor and billboard advertisements in Israel, Iraq, Montenegro, Kenya, Moldova, and Bulgaria throughout the year.

- **We took the stage on our Latvian dealer Latakko's YouTube channel**

We shot a series of videos with renowned Latvian musicians, artists, actors and sports figures about what influences their tyre choices and broadcasted them on our Latvian dealer Latakko's YouTube

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channel.

- **Taxi's branded Lassa Tyres visuals touring the streets of Berlin**

We branded the exterior and interior of 10 taxis with Lassa Tyres visuals and equipped them with Lassa Tyres to work in Berlin, the capital of Germany. These taxis will offer their services to Berliners in the streets of Berlin for a period of one year.

- **Sports marketing** continued to be one of our important marketing channels to reach our target audience in 2022 as well. Within this context, we carried out various collaborations in certain markets;

The Lassa Tyres helium balloon, which we designed in cooperation with our Polish distributor JMK, participated to the 31<sup>st</sup> ENEA Leszno Balloon Cup, which is considered as one of the important sporting events of Poland.

As a result of our joint efforts with AD Tyres, one of our distributors in the UK market, Lassa Tyres became one of the official sponsors of Sheffield Wednesday, one of the well-established football clubs of England.

Lassa Tyres' LED advertisements reached football fans through the stadiums of Ashdod, Hapoel Haifa, K. Shamona, and Nof Hagalil clubs, as a result of our agreements with the 4 important football clubs of Israel.

- **We continued our automotive race sponsorships in 2022 as well**

We became the sponsor of Paylin Penev, who became the drifting champion of Bulgaria 7 times including his championship in 2022.

We sponsored Swedish auto racer Oliver Söderström for eighteen competitions that took place between the May – October period of 2022. As part of our agreement, our brand's logo took place on the driver's racing suit and on the car. Moreover, posts were sent from Oliver's social media accounts. Oliver finished two races as the champion, including the STCC TCR Scandinavia race, and took the podium nine times in eighteen competitions.

## **2.6. 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 m<sup>2</sup> out of a total area of 952,000 m<sup>2</sup> in 2018.

We conduct our operations with the “adding value to the journey” philosophy. In 2022, we made a total investment of 39,26 million USD into the modernization of our İzmit Manufacturing Plant along with our investments into other business units.

In 2022, we invested a total of 32,95 million USD, of which 16,49 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 15,70 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 315,76 million USD. The investment incentive certificate obtained for our Aksaray factory on 09.10.2013 has been extended until 09.04.2023.

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.

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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 to be named an R&D center as of 27.04.2017.

## **2.7. Financial Outcomes and Rates**

Despite the energy crisis, Russia-Ukraine war and high inflation in 2022, Brisa stayed strong in domestic market and also export revenues reached 317.9 million dollars that increased its market share in 23 countries in total.

Company increased its domestic sales by 4% in tonnage and 123% in revenue basis. In export market, export sales decreased by 8% in tonnage however increased by 93,7% in revenue basis. With all these developments, In 2022 total sales performance of Brisa increased by 112,2% in terms of sales revenue compared to the same period of the previous year and gross profit margin realized 30,36% thanks to active pricing strategy, correct steps taken on the supply chain side, hedge policies applied against exchange rate risk and efficiency increase in production, while increasing raw material prices. This considerable increase in terms of sales revenue reflected on the EBITDA performance and Brisa achieved a 95,9% increase in terms of EBITDA and reached TL 2.918,1 million.

With the positive effect of working capital management improvements and effective financing management, Brisa's net debt turned to cash position and became TL 46,9 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 rate 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 2.139 million), net cash became TL 46,9 million.

In consequence of all such developments, 2022 net profit/loss before one off revenue&expense became 1,9. times higher than same period of the previous year and reached to TL 1.865,8 million (DEC YTD 2021: TL 982,5 million) Our one-off income is mainly due to the Izmit Investment incentive certificate, which we can renew under much better conditions. Net profit/loss reached to TL 1991,2 million.

	1 January- 31 December 2022	1 January- 31 December 2021	Change %
Production Quantity (Unit)	13.762.332,0	13.605.216,0	1,2
Production Quantity (Tonnage)	201.447,5	198.782,9	1,3
Capacity Utilization Ratio (İzmit)	96,0%	97,1%	-1,1%
Capacity Utilization Ratio (Aksaray)	100,0%	100,0%	0,0%

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<b>Sales Tonnage</b>	<b>1 January- 31 December 2022</b>	<b>1 January- 31 December 2022</b>	<b>Change %</b>
Domestic	130.516	125.674	3,9
Export	74.066	80.342	-7,8
<b>Total</b>	<b>204.583</b>	<b>206.017</b>	<b>-0,7</b>

<b>Sales Tonnage (Channel Based)</b>	<b>1 January- 31 December 2022</b>	<b>1 January- 31 December 2022</b>	<b>Change %</b>
Replacement	103.819	98.150	5,8
OE	26.697	27.524	-3,0
<b>Domestic Total</b>	<b>130.516</b>	<b>125.674</b>	<b>3,9</b>
Lassa Export	48.241	50.989	-5,4
Bridgestone Export	25.825	29.354	-12,0
<b>Export Total</b>	<b>74.066</b>	<b>80.342</b>	<b>-7,8</b>
<b>General Total</b>	<b>204.583</b>	<b>206.017</b>	<b>-0,7</b>

<b>Net Sales (Million TL)</b>	<b>1 January- 31 December 2022</b>	<b>1 January- 31 December 2022</b>	<b>Change %</b>
Domestic Sales	9.327,9	4.180,5	123,1
Export Sales	4.752,6	2.453,7	93,7
<b>Net Sales</b>	<b>14.080,5</b>	<b>6.634,3</b>	<b>112,2</b>

<b>Million US Dollar</b>	<b>1 January- 31 December 2022</b>	<b>1 January- 31 December 2022</b>	<b>Change %</b>
Export Sales	317,9	291,4	9,1

<b>Summarized Income Statement (Million TL)</b>	<b>1 January- 31 December 2022</b>	<b>1 January- 31 December 2022</b>	<b>Change %</b>
Net Sales	14.080,5	6.634,3	112,2
Gross Profit	4.274,9	2.015,9	112,1
Operating Profit	1.999,9	643,4	210,8
Net Profit	1.991,2	1.004,6	98,2
Net Profit before one offs	1.865,8	982,5	89,9
EBITDA	2.918,1	1.489,7	95,9

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Liquidity Ratios	31 December 2022	31 December 2021
Current Ratio (Current Assets/Current Liabilities)	0,99	1,16
Acid-Test Ratio (Current Assets-Stocks / Current Liabilities)	0,76	0,94

Financial Growth Ratios	31 December 2022	31 December 2021
Total Liabilities/Equity	3,72	3,46
Total Liabilities/Total Assets	0,79	0,78
Equity/Total Assets	0,21	0,22

Operation and Profitability Ratios	31 December 2022	30 September 2020
Gross Profit Margin (Gross Profit/Net Sales)	30,36%	30,39%
EBITDA Margin (EBITDA/Net Sales)	20,72%	22,45%
Net Profit Margin (Net Profit/Net Sales)	14,14%	15,14%
Return on Asset (Net Profit/Assets)	14,49%	12,48%
Return on Equity (Net Profit/Equity)	71,36%	54,35%

\*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.

\*\*\*Operating Profit: Calculated by subtracting operational expenses from gross profit.

## **2.8. 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.

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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. According to this, in 2022, 6 business processes constituting of 36 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.

## **2.9. Other Explanations**

### **Affiliates and Share Ratios**

Please see below that, in line for the purpose of consolidated financial tables, the main activities of consolidated affiliated companies and their industrial parts as of December 2022.

<b>Affiliates</b>	<b>Main Activity</b>	<b>Country</b>
Arvento M2M Elektronik Sistemler Sanayi Ticaret A.Ş.**	Vehicle tracking and fleet management	Turkey
Arvento Mobil Sistemler A.Ş.*	Vehicle tracking and fleet management	Turkey
Arvento Kurumsal Hizmetler ve Danışmanlık A.Ş.*	Vehicle tracking and fleet management	Turkey
Arvento Mobile Systems Services Company LLC. *	Vehicle tracking and fleet management	Saudi Arabia
Arvento Mobile Systems GmbH. *	Vehicle tracking and fleet management	Germany

(\*) They are indirect subsidiaries of the Company

(\*\*) Arvento M2M Elektronik Sistemleri Sanayi ve Ticaret Anonim Şirketi was transferred to Arvento Mobil Sistemler A.Ş. with all its assets and liabilities on September 15, 2022.

### **Information on Company Shares Acquired by Company**

The company has no shares of its own that it has acquired between January 1, 2022 and December 31, 2022.

### **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 2022, 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.

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**Information on General Assemblies**

Information on the General Assemblies held in 2022 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 25, 2022 were fulfilled.

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

**Donations Granted**

In 2022, the total amount of donations granted in line with the company's Donation and Charity Policy was TL 1.179.203.67.

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 22, 2023. The report concludes as follows:

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 22 February 2023 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 2022.

**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.

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### **3. Sustainability**

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 the combination of the Bridgestone E8 Commitments and Sabancı Holding sustainability vision together with our own corporate policies, strategies, processes and projects, based on international standards. Thanks to this whole structure, we update our sustainability strategies, plan our actions, and continue to integrate them into all our processes with the contributions of all our employees, in our journey that we continue with our sustainability vision of "To set an example for the society with less carbon footprint with all our stakeholders".

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 emission 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



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entrepreneurship.

### **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 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 and Aksaray plant in 2021.

We included our suppliers and dealers within our sustainability journey. We are incentivizing localization of raw material supply and improvements for a more environmentally friendly supply chain through our Supplier Performance Rating Programs referring to our Responsible Procurement Policy prepared for our suppliers. Through the Green Dealer Program, which we initiated as a pilot project in 2022, we support on the one hand our existing dealers to start sustainable projects and on the other hand the new dealership service points that will be opened to be designed with sustainable implementations.

As a result of all our efforts, we have accomplished many successful results in 2022.

Our company, which has internalized to be part of the solution to combat global climate change, took its place in the “Global A List” of the “Climate Change” category of international environmental reporting platform Carbon Disclosure Project (CDP), while we featured amongst the leaders of Turkey for the 4th time in the “Water Security” category.

We won the Golden Medal of Ecovadis, which is a trustworthy international rating program focusing on the value chain.

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We took the 1st place within the global tyre industry and the 3rd place in the global automotive industry, where 260 companies are featured, in the 2022 ratings of Refinitiv, which is a trustworthy ratings company amongst especially investors and sustainability opinion leaders.

TOBFED is an organization, which started the first project towards the recycling of water in the automotive industry and provided the extension of the project with civil organizations-university cooperation. We have been deemed worthy of the Sustainable Future Award with our “Emissions Reduction Targets” project in TOBFED’s event awarding organizations and corporations that are sensitive with respect to a sustainable environment.

Brisa CTO Assistant, Murat Hepdurluk, attended as a guest speaker to 2 sessions of the 27th Conference of Parties of the United Nations Climate Change Framework Convention that took place in Egypt. Best Practice examples of Brisa was shared during the “Mobilizing Industry for Sustainability” session by Istanbul Chamber of Industry and the “Circular Economy Implementations in the Net Zero Carbon Journey” session by Business Council for Sustainable Development Türkiye, which were held in the Turkey pavilion of the organization. Brisa CFO, Neslihan Döngel Özlem, attended the “The Role of Sustainable Finance in Green Growth” session by the International Chamber of Commerce as a speaker. Neslihan Döngel Özlem pointed towards the importance of increased access to sustainable finance and diversification of models to increase and accelerate sustainability investments in the industry within the net zero journey.

Brisa CEO, Haluk Kürkçü, attended TÜSİAD’s exclusive session as a speaker on “Transformation in Energy” at the Turkey Energy Summit, with the perspective of industrial companies, which are important stakeholders in terms of the utilization of energy. Mr. Kürkçü shared his views on the effects, risks and opportunities of the developments in the global energy industry on our country and industry.

## **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.

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 affect 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.

We have not been sending any wastes to the waste storage areas of our İzmit Manufacturing Plant since 2015, when we started to implement the “Zero Landfill” procedures. We are reusing, recycling, and regaining all the wastes generated at our facilities and recycling 100% of our wastes.

In the recycling unit established within the enterprise, we separate the rubber composite and metal scraps and bring them into the economy with recycling companies as raw material input to different sectors.

We have recycled the polyethylene component, which we use as an auxiliary material in manufacturing processes, numerous times since 2008 to prevent waste of 300 tons of polyethylene on an annual basis.

We have converted purchasing of boiler chemicals into a returnable system and also replaced the use of

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cling film for the packaging of raw materials brought from abroad with metal crates, to prevent the use of cling film in the process.

We aim to eliminate the use of single-use plastic in our offices and cafeterias by the end of 2023. We supported the Business World Plastic Initiative, which was founded with the leaderships of TÜSİAD, Global Compact and WWF. We have committed to reduce our plastic use by 110 tons and reached a reduction of 127,5 tons of plastic in 2021 against the target of 110 tons. We are targeting to regain 850 tons of plastic through the plastic recycling unit we established in September 2022 and reach our “Zero Plastic” waste goal by the end of 2023.

We have also been carrying out projects to reduce waste generation and unnecessary resource consumption in our offices with the Green Office teams we set-up.

### **Water Management**

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 aim to reduce the amount of water we draw from the well in our Izmit production facility by 75% in 2025 compared to 2008, and by 70% in 2030 in our Aksaray production facility compared to 2019.

With the works we have carried out since 2008, we have reduced our well water consumption in our Izmit production facility by 67% in 2022 compared to 2008. We remain committed to our decisive approach towards sustainable water policies and practices.

We have a "Rainwater Collection Pond " with a water collection capacity of 9,500 m<sup>3</sup> at our Izmit production facility. The collected rainwater is sent by pipelines to the new process treatment plant and put into use following the implementation of the necessary treatments. The pond collects about 114,000 m<sup>2</sup> of rooftop rainwater of the Izmit Manufacturing Plant. The pond, which is planned to contribute 47,500 m<sup>3</sup> of water annually, will save %10 of the well water annually used by Brisa.

In line with our sustainability goals, we have started to use MBR membrane filter technology to recover the waste generated by the well water filtration system. The waste of the filtration system is recovered with 95% efficiency as a result of this project and re-directed to the water cycle.

We joined amongst the supporters of the United Nations Global Compact’s (UNGC) CEO Water Mandate initiative. We are one of the 8 signatories of the CEO Water Mandate in Turkey.

### **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.

The long-term emission reduction targets we have identified have been approved by the Science Based Targets Initiative, a global initiative. In order to transition to a low carbon economy as part of the combat against climate change, we aim to reduce our direct emissions by 56% in 2030 compared to 2020 and target net zero in 2050.

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

In order to reduce the emission levels resulting from our logistic operations, we prioritize resulting from

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our logistic operations, we prioritize maritime transport, which has less environmental effects, and we plan our routes to reduce emissions further.

We have been carrying on our projects for the reduction of carbon emissions at our İzmit Manufacturing Plant since 2005. We reduced our scope 1 and scope 2 absolute greenhouse gas emissions by 18% in our İzmit plant and 36% in our Aksaray plant in 2022, compared to the 2020 reference year.

In our İzmit production facility, we monitor the temperature in the raw material and production area with the smart heating control system we developed with Skysens and automatically keep it at the optimum level. The system, which can communicate in an area of 80,000 m<sup>2</sup>, prevents 139 tons of CO<sub>2</sub> emissions.

We established a solar energy plant of 3,5 MW capacity at our Aksaray Manufacturing Plant. With over 10,400 solar panels, we supply one-fifth of our energy needs from renewable energy sources. We are preventing 3.075 tons of CO<sub>2</sub> as a result of the establishment of the solar power plant, which has the capacity to power approximately 2.044 homes electricity demand.

Brisa Academy and Museum, which is LEED (The Leadership in Energy and Environmental Design) Gold certified in the concept of smart building, can produce 20-25% of its energy needs in-house. We monitor the amount of energy produced from renewable resources with Energy Scada.

We also started the use of solar powered totems at the Bridgestone Performance Center with the concept of a premium store that we opened in İzmir. We aim to reduce our carbon footprint in dealer and service processes by expanding its applications.

### **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.

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

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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.

In our world, where the amount of carbon emissions is increasingly important, thanks to the new inner liner, tread, and side wall compounds that we have developed to transition to environmentally friendly tyre compounds with lower rolling resistance, we enable significant fuel savings for truck and bus tyres.

### **Respect for Biodiversity**

We are furthering our “Turnalar Hep Uç sun” (“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.

We turn 1.000 kg of organic waste generated in our food halls everyday into 200 kg of fertilizer by composting. As a result of the process, we turn 300 tons of organic waste in to 60 tons of fertilizer on an annual basis. We use the derived fertilizer in our foresting projects in order to diminish the organic load bore by the soil.

#### **Our forestation activities:**

As Brisa, we have implemented the Digital Forest project, which makes a difference in customer experience, in order to contribute to our consumers and the environment. Within the scope of the project implemented in partnership with Tema Foundation, our potential tyre customers and anyone who wishes can visit the [dijitalorman.org](http://dijitalorman.org) address, fill out the information form and plant digital saplings exclusive to their names

We presented 2.600 pine saplings reaching 60 cm that we raised to the İzmit Municipality and moreover we started raising 10.600 new saplings of 40 cm for new forestation projects.

We have raised 2.500 trees, 5000 junipers since the establishment of our Aksaray Manufacturing Plant and planted a further 1.700 saplings. We bring the water required for the watering of these trees from our rainwater pond built within our manufacturing site.

### **We carried out communication projects to increase consciousness towards protection of the environment**

As the first company to have its targets approved by the Science Based Targets Initiative according to the 1,5 Celsius degree scenario, we collaborated with WWF-Turkey, Global Compact Turkey, and TÜSİAD to reduce corporate carbon emissions for the comprehension and generalization of the Science Based Targets Initiative, and shared Brisa’s experiences and future goals with a webinar attended by 431 participants.

### **Brisa employees contribute to preservation of the environment with office projects**

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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.

The Brisa Sustainability Team took action to support the “Plastic-free July” project, started a campaign including all Brisa. Brisa employees put their waste plastics through the plastic chipper to contribute to the Brisa scholarship fund offered to students. Moreover, Brisa aims to support “Spinal Cord Paralysis Association” with electric wheelchairs through the plastic bottle caps gathered as a result of the “Plastic-free July” project.

We placed an e-waste box at our Altunizade Office location in order to collect and recycle defected and/or unused electronic devices. We are targeting to donate the revenues we will receive from the collected e-waste to the Brisa Members’ Education Support Association (BMÖÖD) in order to provide scholarships to students.

**We continuously improve our conditions and to invest into innovation in order to provide our employees a comfortable and safe working environment.**

### **3.2 Occupational Health and Safety**

We completed our transformation towards the new occupational health and safety standard of ISO 45001 at our İzmit and Aksaray facilities within the context of our occupational safety approach, which features amongst the values of our company being our most important priority. In addition to this development, we always comply with legal procedures and standards with regards to the risks of occupational health and safety and always strive to do more in all our business operations.

Within the scope of the Bridgestone Safety Mission Statement, we carry out awareness-raising activities, systematic and engineering projects in order to prevent occupational accidents at Brisa.

We believe that occupational safety trainings are of great importance in order to provide employees with safe behavioral habits and to turn these habits into their lifestyles. We use the Occupational Safety Simulation Center as an active training center for "Zero Work Accidents" in our facilities. We require every employee who starts to work in production sites to complete these trainings. Within the scope of BRİSA-MEC (Manufacturing Education Center) activities, which we have structured in order to plan and implement the trainings more effectively, we provide "Disaster Prevention (Fire and Earthquake)" and "Occupational Safety and Health" trainings to our employees. We are carrying out the "Basic Occupational Safety Activities" implementations.

We consider the zero-accident performance management of our stakeholders such as sub-employers and suppliers within our agenda. Within this context, we implement the daily work permit system and make periodic field tours to strive for the zero-accident performance of our sub-employers and suppliers. We work continuously towards improving the awareness level of our stakeholders within this group with periodical trainings.

In order to prevent the recurrence of the work accidents that has occurred in the past, we analyze each work accident and prepare prevention plans for each finding we have detected. We give priority to projects such as drills and preventive activities in order to be constantly active in emergency prevention and emergency management.

Our goal is to create an ever-present Occupational Safety culture and to turn it in to a lifestyle.

**Our goal is "No Accidents!"**

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In 2022, we completed 2,000 days in the Tyre Manufacturing 1 department and 500 days in the Raw Material unit without any work accidents.

### **3.3 Human Resources**

#### **Administrative Operations**

##### **Personnel and Blue-Collar Evolvement**

As of December 31, 2022, the number of personnel working in our company with an indefinite term employment contract is 3,429 people. Of this total, 2,590 people are subject to the provisions of the Collective Bargaining Agreement and 820 are excluded from the Collective Bargaining Agreement. 19 people are foreign personnel. In addition, the number of personnel working in our company with a fixed-term employment contract is 2 people.

##### **Collective Labor Agreement Implementation**

The negotiations for the 22<sup>nd</sup> Term of Collective Labor Agreement between our company and the Union of Petroleum, Chemical and Tyre Industry Workers of Turkey (LASTİK-İŞ) started on February 10, 2022, and concluded successfully with an agreement on April 15, 2022, thereby putting into effect the Collective Labor Agreement for a twenty-four-month period as of 01.01.2022.

##### **Rights and Fringe Benefits Provided for Employees**

The company provides benefits such as bonuses in the amount of 4 months' gross salaries, Personal Retirement Fund, and health insurance to both employees covered within and out of the scope of the Collective Labor Agreement, while it provides life insurance only for employees out of the scope of the Collective Labor Agreement, where as it provides fuel allowance, religious holiday allowance, annual leave allowance, maternity allowance, death benefit, marriage benefit, tuition benefit, family-food benefit, shopping voucher, child allowance for only employees within the scope of the Collective Labor Agreement. In addition, all employees are provided with food and transportation services.

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

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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 strengthening in the change period.

While we carry on adding value to business life in line with our smart culture strategy, we simultaneously study for the future of work. We leave an imprint for the future by supporting the Brisa journey of our employees with development and leadership programs.

Our “Future of Work” journey, which we initiated with a people focused approach, continued through 2022. The “Future of Work” journey represents a multi-dimensional and comprehensive transformation that will even empower Brisa more to be one of the best examples in its own industry and related industries in the national and international arenas. We are targeting a Brisa that is preferred and advised as an employer through its leadership of its industry with Business Models, Business Atmosphere, and Work Force. We aimed at designing a Future of Work Journey that is engraved to the company’s DNA and will ceaselessly continue to reach our target and beyond. We carried out projects with 12 agile teams, 100+ Future of Work Developers, and 400+ participants. We stated that We are Creating the Future Together and offered our employees trainings such as “From Interstage to No Titles” – New Generation Career Structures, “Code Your Own Robot” – Power Automate Trainings, “Transitive Career Opportunities”, and “HR Analytics Solutions”. Our ultimate target is to encourage 7 out of 10 Brisa employees to advise working at Brisa and to become the company most desired to work at.

During 2022, we relentlessly continued our strong communication and projects geared towards transformation to Smart Culture designed for our employees and carried on exclusive meetings and projects.

- In the 2022 Targets and Vision Meeting that was held online, Brisa CEO, Haluk Kürkçü, and Vice President of the Executive Board, Naohisa Yoda, passed on our products and services at our tyre center and our future vision beyond tyres.
- Brisa organized a R&D day between May 31<sup>st</sup> – June 1<sup>st</sup>. The event, which took place with the participation of Brisa and Sabancı Holding Senior Management, was followed online by 400 people.
- Our company, which considers risk management as an important step in its strategic business plan, brought its employees together in a meeting organized for risk management. During the meeting, risks effecting the business world and climate change related risks were shared with real-life examples.
- Brisa employees exchanged ideas at the Learning Agility event organized by the Education and Development team, which is one of the project teams that is part of the Future of Work For You at Brisa.
- The Brisa Future of Work Leadership team held the first session of the LEAP (Leadership Execution through Awareness and Practice) program designed for the Brisa leaders.
- A meeting, where teams of every size included in the Future of Work #foryou held with the participation of 11 groups shared what they have done until now and their future plans, was held.
- The “Would You Recommend Someone” (Brini ÖnerSEN) program was started to add new talents to Brisa and to include Brisa employees’ views into the process.
- We started the Buddy program in order to accelerate and support the adaptation process of new employees, who started their careers at Brisa. New Brisa employees, start their Brisa journeys during their first week together with their volunteering Buddys.



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- We held a “Power Automate Training” for a pilot group of 12 people in order to keep pace with the dynamics of swiftly changing and developing digital world. Participants gained the competency to use “no code/low code platform” and to automatize simple processes using Digital Assistant Robi.
- The Work Break Time Social Sharing Platform, Witamin continued online under the coordination of Brisa Academy.
- Guests were hosted, who will contribute to the development of employees working in different fields, with Brisa Academy’s “Learning Break” program.
- The Tracers organization that Brisa organizes every month, with which Brisa employees share their various projects with senior management and all Brisa employees, and the Emergers organization that Sabancı Holding Industry companies organize together bi-monthly continued with all strength.
- The Brisa Innovation Team (BIT) consisting of 18 Brisa volunteers, who guide the innovation projects held within Brisa, organized Lean Feasibility Mentorship trainings in order to more systematically follow and increase the commercialization rate of projects more systematically.
- Brisa’s in-house entrepreneurship program Rocket Focus, focusing on the needs of the marketing team, got together in order to realize new business ideas.
- Brisa employees added new exemplary projects to the “Brikim” program, with which their projects are turned into academic articles.
- Following the principle of “One For All Brisa” (“Brimiz Hepimiz İçin”), Brisa organized April 23<sup>rd</sup> events for the children of Brisa employees, and also organized online events for Mothers and Fathers Days.
- Brisa organized a Back-to-School webinar to support its employees, who are parents, and their children during the back-to-school period.
- Brisa carried out an organization with Hale Acun on World Environment Day and we all listened to how we can consciously separate waste and make the process a part of our lives.
- Brisa held various events and informative projects on the Remembrance Day of the Earthquake of August 17<sup>th</sup> to refresh the memory of its employees with regards to earthquake and “lifesaving precautions”.
- Brisa competed in the 2022 Corporate Games with the participation of 94 Brisa employees in 11 categories. Brisa participants took the first place in cycling, women’s swimming, and women’s orienteering categories, while they took the second place in basketball and volleyball categories. The moments, when Lassa Tyres Cycling team helped a stranded car, became viral on social media and Lassa Tyres Cycling team won the Fair Play Award as well due to this act. At the end of the event, Brisa has been chosen as the company with the best team spirit and has been deemed worthy of the “Team Spirit” Award.

### **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.

Brisa continued its empowerment programs for female employees working at the service points of its dealers, collaborations with CSOs geared towards education, and collaborations with schools at our local operation areas through Brisa Academy, the company’s online education and learning platform.

The activities of Brisa Members’ Education Support Association (BMÖDD), which has been established to support students in need of help to proceed their education, is being continued with the voluntary

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participation of our employees.

**Support for Social Gender Equality**

“Heroes of the Customer” comprehensive training program, which we have implemented for the female employees of our dealers to raise customer experience experts, graduated its new graduates.

The “If YOU Want to Design” (Tasarlamak İsterSEN) Ideathon , which we organize every year for female engineering candidates, has been organized with the theme “How can cooperation and togetherness be achieved amongst employees working in different locations in the hybrid working model” this year.

Brisa is supporting Sabancı Foundations “Women Establishing the Future” project geared towards NEET (Not in Education, Employment, or Training) women between the ages 18-29 by preparing three different education sets. The trainings taking place on the Opportunities Map, which can be accessed at the [www.geleceginikurangenckadinlar.org](http://www.geleceginikurangenckadinlar.org) address, include many topics ranging from artificial intelligence to big data, and digital efficiency to creative thinking.

Brisa announced its Sales Manager Candidate program designed to empower the presence of women in business life with the principle “We secure women’s business life journeys”, with which it started this journey.

**Sabancı volunteers and female engineering students came together for the “Sabancı Republican Mobilization” under the leadership of Mrs. Güler Sabancı**

Sabancı Holding Chairperson of the Board, Mrs. Güler Sabancı, Sabancı Group CEO, Mr. Cenk Alper, Industry Group President, Mr. Cevdet Alemdar, Law & Compliance Group President, Mrs. Şebnem Önder, and Finance Group President, Mr. Orhun Köstem visited Brisa’s İzmit Manufacturing Plant. Following the visit, female engineers from Brisa and other Sabancı companies got together with female engineering students from Kocaeli University in the “One for All, Today is for Female Engineers” (“Brimiz Hepimiz İçin, Bugün Kadın Mühendisler İçin”) event, organized by Brisa with the Kocaeli Women Entrepreneurs Initiative within the context of the Sabancı Republic Mobilization. Mrs. Güler Sabancı spoke at the event stating that the participation of women in the work force is very important and that today female engineers are working in Sabancı companies in every field from production to R&D, from digital technologies to sustainability, and that women have successfully realized many different game-changing, challenging engineering tasks that required creativity. At the end of her speech, Mrs. Güler Sabancı invited female engineering candidates to seize their university degrees and participate in business life.

**Contributing to the environment and education with our volunteers**

- We carried out the Goodness Codes platform in collaboration with İyilik Kazansın Social Initiative. Brisa employees earn Brisa goodness codes following the completion and sharing of every single Tracers project. The 2% of the total of every shopping activity completed using Brisa goodness codes turn into goodness for children as donations to the Koruncuk Foundation.
- Within the context of the Sabancı Republican Mobilization;  
We completed the assembly of bicycles that will be gifted to Darüşşafaka students at our İzmit Manufacturing Plant with the voluntary participation of 299 Brisa employees.  
The employees of Arvento, which Brisa acquired, and Brisa dealers assembled the chairs and desks of Ankara Gökçeyurt Yibitaş Primary and Secondary School’s kindergarten class, and also participated to the funding of the class’s general requirements.  
Brisa employees, together with 2.000 Sabancı Volunteers ran the Istanbul Marathon for “Goodness” with the “Worth to run for goodness” motto.  
391 volunteers planted 500 saplings at the Aksaray Manufacturing Plant.
- Brisa started a new project in collaboration with the Köstebek company for the collection and recycling of defected or unused electronic gadgets. The e-waste box placed in a common use area is the new

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address for every type of electronic gadgets that will contribute to recycling. Brisa is aiming to provide scholarships to students through Brisa Members' Education Support Association (BMÖÖD) with the revenues to be earned from the collection of the e-wastes.

- 49 Brisa volunteers and their families from İzmit, Aksaray and Istanbul locations collected more than 100 plastic bags on the World Cleanup Day.

**We came together with senior high school and university students throughout the year and contributed to their academic careers**

- Brisa managers came together with METU Chemical Engineering Community, Sabancı University MBA, and Koç University students, in addition to Digital Engineering Camp participants at the Camp'22 Spotlight seminar, and shared their experiences in manufacturing, finance, marketing and sales, and digitalization topics.
- We held the third-year organization of If You Want to Design (Tasarlamak İsterSEN) online Ideathon designed for university students under the spotlight of Mobility topic.
- Brisa CCO, C-level managers, and game-changers came together university students at Koç University's career event, KAMP'22, where workshops, rehearsal interviews, case study competitions were held. In the event, Mrs. Güzel shared her experiences in the international arena with regards to ways of doing business, marketing and sales giving examples from her own career journey.
- The Digital Engineering Camp event took place between January 28<sup>th</sup> - 30<sup>th</sup>. Brisa Information Systems Manager, İlker Şahin, participated to the event as a speaker, which brought together professionals from different industries. In the event that took place with the participation of 510 students, information about technologies used at Brisa and future planning were passed on together with important suggestions for the engineers of the future.
- Brisa organized an inter high school environment competition at the Aksaray Manufacturing Plant in order to increase environmental and sustainability awareness of students.

**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.

## **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 2022 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 “2022 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;

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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 2022, published the related detailed reports to inform shareholders and stakeholders on [www.kap.gov.tr](http://www.kap.gov.tr) and the Company's website, [www.brisa.com.tr](http://www.brisa.com.tr). In this regard;

- The 2021 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 2022 has been fixed as one percent (1%) of the net profit, as approved by the General Assembly.
- Directors and Officers Liability Policy for Board Members and Executives numbered 269697544, 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, 2022 with the Policy numbered 320541806 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

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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. 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, Neslihan Döngel Özlem, 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 Karakiş and the Corporate Governance Committee Rapporteur Özcan Akyazı, serves as Financial Planning and Analysis Manager including responsibility of Investor Relations Department. Another member of the department is Nora Sabah.

<b>Contact Persons</b>			
<b>Name Surname</b>	<b>Title</b>	<b>Phone Number</b>	<b>E-mail</b>
Neslihan Döngel Özlem	Chief Financial Officer	0262 316 57 00	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>
Şerafettin Karakiş	Investor Relations Responsible	0212 385 81 64	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>
Özcan Akyazı	Budget and Reporting Manager	0216 547 34 06	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>
Nora Sabah	Budget and Reporting Specialist	0216 544 35 40	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>

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

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answered clearly and explicitly in person or via communication means in line with the Company's Disclosure Policy;

- 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 2022 is given with numbers in the table below:

Number of investors interviewed in conferences and meetings	92	
Number of investors and analysts interviewed with Physical -Video conference		13
Number of teleconferences related to financials	10	

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 2022 and submitted to the Board of Directors on February 22, 2023, pursuant to Article 11 of the Communiqué on Corporate Governance numbered II-17.1 issued by the Capital Markets Board.

In 2022, the company released 40 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 2022, 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.

In 2022, written and mostly verbal information requests have been transmitted by shareholders via telephone, E-mails, and video conferences. 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](http://www.brisa.com.tr)) within the mandatory notification time frames.

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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 2022, 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 2022 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 2021 Shareholders Ordinary General Assembly meeting was held on Friday, March 25, 2022 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 Feyyaz BAL appointed by decree number E-907726394-431.03-00073138588 dated March 24, 2022 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](http://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](http://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 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 2021 figures, financial statements and reports related to 2021, 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

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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; 67.939.300 shares corresponding to the capital amounting to TL 679.393,00 have been represented by acting as principal, and 27.248.060.412,2 shares corresponding to the capital amounting to TL 272.480.604,122 have been represented by acting as representative at Brisa's Ordinary General Assembly meeting. Rate of participation to the General Assembly was 89.5%.

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 2021 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 2021 profits and determining the distribution procedure/dividend ratios, informing about the 2021 donations and aids, determining the donation limit for 2022, 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 2021 was TL 760.786. 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 2022 shall be 1% [one per cent] of the company's net profit.

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 2022.

#### **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.



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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 2021, 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 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 1.004.575.347,51 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 885.463.119,43 for the fiscal period 2021 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

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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](http://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 (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

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- 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 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/TFRS), 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](http://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 2021 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 25, 2022.

## **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](http://www.kap.gov.tr) and [www.brisa.com.tr](http://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

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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.

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](mailto:etik@sabanci.com) or calling (212) 385 85 85, or directly contact Tuğba Gök, Brisa Ethics Consultant, Human Resources and Corporate Development Director at (216) 544 35 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

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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.

In order to manage the relations with blue-collar employees, Remzi Gürgün has been appointed to work in our facilities as the member of Lastik-İş Union’s Kocaeli Branch Board of Directors. Moreover, Barış Bülent Günel (Chief Representative), Hasan Akyüz, Gürkan Yaman, Yasin Özgür, Murat Merdan, and Güven Sedef has been appointed as The Workplace Union Representatives. Representatives regulate relations with employees, and the member of the Branch Board of Directors regulates relations with Representatives and 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 2022, 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*

- Give priority to customer health and safety through product and service lifecycle

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- 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-ETIK)
- 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
- 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 2021 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](http://www.brisa.com.tr)). Brisa, struggles for any kind of malpractice including bribery and corruption within this policy.

**PART 5 – BOARD OF DIRECTORS**

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### **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 2021 held on March 25, 2022 to serve until the Ordinary General Assembly meeting of 2022 to be held in 2023.

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 25 March 2022, in accordance with the Board of Directors resolution No. 2022/09 dated 18 February 2022. Upon their nomination for independent membership, independent members of the board 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, 2022, along with their types of membership are as follows:

<b>Name and Surname</b>	<b>Type of Membership</b>	<b>Title</b>
Ahmed Cevdet Alemdar	Executive	Chairman of the Board
Tomio Fukuzumi	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
Daniel Jean Pierre Giroud	Non-executive	Board Member
Haluk Kürkçü	Executive/General Manager	Board Member
Sakine Şebnem Önder	Non-executive	Board Member
Mehmet Tanju Ula	Non-executive	Independent Board Member

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Mehmet Kahya	Non-executive	Independent Board Member
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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 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 22 meetings in 2022, of which four were face-to-face meetings and 26 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 2022 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



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thereof.

Within this framework, the report “Planned Operations with the Related Parties” was prepared in the 2022 financial year and approved by resolution No. 2022/02 of the Board of Directors dated 18 February 2022. 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 2021 and commodity sales/purchases between Brisa and the affiliated institution Bridgestone Europe S.A./N.V. in 2021 has been performed in accordance with market conditions and its counterparts. In a similar vein, the transactions with the affiliated institution in 2022 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 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 269697544 with an insurance coverage of up to 25 million American Dollars and it has been renewed in September 29, 2022 with the Policy numbered 320541806 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. Tomio Fukuzumi serve as member on both Corporate Governance Committee and Early Identification of Risk Committee. Neslihan Döngel Özlem serves as member of Corporate Governance Committee.

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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 2022.

Detailed information about the committees formed within the body of Board of Directors is provided below:

**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 2022/10 on March 29, 2022, 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.

<b>Name Surname</b>	<b>Title</b>	<b>Board Member Status</b>
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 2022 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 2022 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 2022 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,

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- 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.

<b>Name Surname</b>	<b>Title</b>	<b>Board Member Status</b>
Mehmet Kahya	Chairman	Independent Board Member
Mehmet Tanju Ula	Member	Independent Board Member
Haluk Dinçer	Member	Board Member – Non-executive
Tomio Fukuzumi	Member	Board Member – Executive
Neslihan Döngel Özlem	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.

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.

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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 2022.

The Committee's activities in 2022 included:

- Discussed investor relations activities.
- Discussed Company's status on the eyes of investors and analysts
- Roles and Responsibilities of Board of Directors
- Amendments To Be Made In the Articles Of Association
- Discussed ethics policy and procedures

#### **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:

<b>Name Surname</b>	<b>Title</b>	<b>Board Member Status</b>
Mehmet Kahya	Chairman	Independent Board Member
Sakine Şebnem Önder	Member	Board Member – Non-executive
Tomio Fukuzumi	Member	Board Member – Executive

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 4 times a year at a venue the chairman deems appropriate.

The Early Identification of Risk Committee convened 4 times in 2022.

#### **5.4. Risk Management and Internal Control Mechanism**

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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.

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

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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, 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.

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**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**

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.

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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 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, 2022 amount to TL 46.569,8 thousand (2021: TL 18,068,3 thousand).



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In 2022, 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) 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 10.01.2022 made by the Capital Markets Board in the Corporate Governance Communiqué.

The compliance status of Brisa with the Sustainability Principles in 2022 is summarized in the table below.

<b>Type</b>	<b>Full Compliance</b>	<b>Partially Compliance</b>	<b>Not Complied</b>
Common	10	0	-
Environment	25	0	-
Social	15	0	-
Management	2	0	-
<b>Total</b>	<b>59</b>	<b>0</b>	-

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.

2022 Corporate Governance Compliance Report: <https://www.kap.org.tr/en/Bildirim/1116172>

Corporate Governance Information Forms Link: <https://www.kap.org.tr/en/Bildirim/1116171>

Sustainability Principles Compliance Report: <https://www.kap.org.tr/en/Bildirim/1116174>