

MANAGEMENT FUNDAMENTALS



CORPORATE GOVERNANCE

TRANSPARENCY > FAIRNESS > RESPONSIBILITY > ACCOUNTABILITY

The principles of transparency, fairness, accountability and responsibility, which define our corporate governance understanding, constitute the basis of our business manner, as well as the relations we establish with our stakeholders. Our corporate governance structure, which was formed to ensure that these principles are taken as basis in all our operations and reached its current effective and robust state in light of our 44-year experience in the industry, is the main driver behind the successes we achieve. As Brisa, we support this understanding and structure with nationally and internationally acclaimed standards, as we constantly look for ways to enhance our performance in the field of corporate governance.

The management structure of Brisa consists of a two-step system involving a Board of Directors and an Executive Committee, with the positions of CEO and Chairman of the Board of Directors occupied by different individuals. The Board of Directors, which is elected by the General Assembly, consists of 11 members, of which 3 have executive duties and 2 are independent.

All the members of Brisa Board of Directors are responsible for the performance of the company. The Audit Committee, Corporate Governance Committee, and Committee for the Early Identification of Risks, composed within the body of the Board of Directors, are aimed at assisting the Board of Directors in their respective areas of expertise. The Executive Committee, which is tasked with supporting the Board of Directors in the planning and execution of strategic orientations regarding the operations of our company and in monitoring investments, consists of the CEO, Executive Partner, Technical Groups Director, Assistant General Manager of Finance, Assistant General Manager of Sales, Assistant General Manager of International Markets and OE. The Committee bears the responsibility for the performance of the Company in economic, social and environmental fields.



YOU CAN REACH DETAILED INFORMATION REGARDING THE CORPORATE GOVERNANCE STRUCTURE OF BRISA, MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR LEVEL MANAGERS UNDER THE “CORPORATE” TAB AT WWW.BRISA.COM.TR.

RISK MANAGEMENT

The end goal of the risk management program at Brisa is to ensure the sustainability of our products, services, operations, people, reputation, and financial strength, thereby creating the highest value for our stakeholders. Our risk management works, which occupy a significant position in our corporate strategy, are executed within a structure disseminating to all the employees from the Company Board of Directors; the efficiency of the risk management system is ensured through communication and audit mechanisms.

Our risk management works encompass financial, strategic, operational, compliance risk areas. Brisa Board of Directors is responsible at the highest level for the implementation and maintenance of an effective risk management system within the Company. The Committee for the Early Identification of Risk, selected from among members of the Board of Directors, supports the Board with regard to risk management. The Committee makes situation assessments for critical risks in the bimonthly report it offers to the Board of Directors in light of the information received from the Risk Management Department and the Risk Committee, as well as evaluating the efficiency of the corporate risk management system.

The Executive Committee, functioning under the Board of Directors, acts within a risk-based decision-making systematics. The Committee evaluates risk management reports at the executive meetings regularly held with the participation of directors, proactively tackling risk management issues on the agenda.

The Risk Management Expert, working under the Directorate of Budget and Reporting, is responsible for the early determination of all the risks the Company may encounter, the effective management of these risks, and ensuring their integration with corporate strategies and processes. It functions as a bridge between the senior management and the lower levels of our organization, with regard to risk management processes. The Directorate, which organizes risk evaluation workshops with all its functions managers and employees every year, defines the strategic, financial, operational, and responsibility risks of functions, determines the probable impacts of risks through various scenarios and prioritizes them accordingly, forms strategies and action plans to mitigate the negative impacts of relevant risks, and monitors these actions.

At Brisa, risk management processes aim for the concept of risk and the risks of the corporation to be understood at all the levels of the organization, from senior executives to employees, for the formation of a common risk awareness and the appropriation of risk management responsibilities. Communication works carried out for this purpose are supported with effective auditing mechanisms, international standards and guidelines, primarily ISO31000, are taken as reference in these practices. Communication works are not limited to within the corporation; the knowledge and experience of Brisa in corporate risk management is shared with the business World, universities, and other non-governmental organizations.

In 2015, we aimed to integrate the framework of compliance management in corporate strategies and culture, to ensure that all employees focus on legal compliance and related risks besides their performance in their daily works, and to contribute to the sustainable development of the company with Brisa Corporate Compliance Policy. The Policy involves principles of compliance, such as fair competition, honesty in business relations, avoiding corruption, adopting the principle of sustainability, fair and respectful working conditions.

Moreover, every year audit reports are prepared by third parties for the evaluation risks such as fire hazards, natural disasters, production losses, etc. within the organization. In that manner, Brisa Risk Management Rating was evaluated as "Excellent" during the audits carried out in 2017. Evaluation is valid for both İzmit and Aksaray facilities.



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INTERNAL AUDIT AND INTERNAL CONTROL

At Brisa, periodical internal audits and internal control aim to ensure the effective, reliable and continuous execution of Company operations and to contribute to the achievement of the Company's corporate and economic targets. While the integrity, consistency and reliability of the information provided by the accounting and financial reporting system is ensured through audit and control practices, the continuous development of the Company's risk management and corporate governance practices is also guaranteed.

At the head of the Company's internal audit and internal control activities is the Audit Committee, established within the body of the Board of Directors. The Committee, which works in coordination with the Internal Audit Directorate, evaluates the internal audit system through periodical meetings held with the unit, and presents the acquired findings and suggestions to the Board of Directors through regular reports.

The processes to be audited throughout the year are identified in accordance with the results acquired through risk management studies. Sabancı Group SA-ETİK guidelines and Brisa Anti-Bribery and Anti-Corruption Policy constitute significant reference points for the audits, while all audit and control practices were designed to cover the issues of anti-bribery, anti-corruption, and human rights.

In 2018, the auditing of 5 business processes was completed and the results were presented to the Audit Committee as a report.

You can access Brisa Anti-Bribery and Anti-Corruption Policy at <https://www.brisa.com.tr/corporate/anti-bribery-and-anti-corruption-policy> and SA-ETİK Business Ethics Guidelines at <https://www.sabanci.com/en/management-approach/sabanci-group-code-of-business-ethics>

FIGHTING AGAINST BRIBERY AND CORRUPTION

Brisa is against any sort of bribery and corruption. The Policies for Fighting Against Bribery and Corruption of the company are a result of the decisive actions of the company in terms of adapting related laws, regulations, and principles. Brisa's Policies for Fighting Against Bribery and Corruption are prepared as a result of comprehensive risk evaluations and the opinions of key shareholders were taken during the preparation phase. Brisa's Policies for Fighting Against Bribery and Corruption are regularly reviewed for the possibility of new risks.

The principles of SA-ETİK are integrated into all activities and operations with the decisiveness to act with the highest standards about trustworthiness and consistency. Brisa puts forward the importance it places into this subject matter also on the international level with the United Nations Global Compact Agreement it has signed in 2013.

The Brisa Policies for Fighting Against Bribery and Corruption and SA-ETİK principles are announced to all Brisa employees and managers. These documents are continuously available for reach through internal communication channels of the company. Codes of conduct are reminded to employees in order to create employee awareness. These policies are available on our corporate web site to be shared with all our shareholders and business partners.

All our current employee base, along with the new employees who started working for our company share with us a written consent letter that they have read and agreed the SA-ETİK principles and Brisa Policies for Fighting Against Bribery and Corruption. In addition to the above consent letter, the Brisa Policies for Fighting Against Bribery and Corruption are included to the documents that are shared with new employees during their recruitment processes so that they are made aware of the issues and challenges against bribery and corruption.

All of Brisa business processes are prepared and reviewed considering the basic procedures and principles mentioned in the Brisa Policies for Fighting Against Bribery and Corruption and SA-ETİK principles. The internal management of the Brisa Policies for Fighting Against Bribery and Corruption and SA-ETİK principles are conducted together by the Internal Auditing Management, Legal Management, Human Resources and Corporate Development Directorate, and Ethics Regulations Consultant. One of the main purposes of the ordinary audit activities carried within Brisa is to eliminate the risk of corruption. During the audits carried on, risks concerning corruption are thoroughly evaluated and the audit results are reported to authorized departments and in cases where policies against corruption are violated, actions in accordance with internal disciplinary actions and legal regulations are taken. The Auditing Committee is responsible from evaluating the ethical environment of Brisa and control the effectiveness of the processes in terms of their accordance with ethical regulations to independently report the concerning results to the Board of Directors on an annual basis. During 2018, the audits of 34 sub-processes belonging to 5 business units are completed.

The trainings and education sessions in order to increase the awareness of employees from all levels about bribery and corruption are regulated and carried on by SA-ETİK within the governing body of our partner Sabancı Holding. The completion of these trainings and education sessions are obligatory for every employee.

All Brisa employees and business partners can communicate possible corruption cases with the Ethics Regulations Consultant within the principle of confidentiality. If confirmed corruption cases are detected, cases will be meticulously evaluated from all angles and legal process will be swiftly started. As a result of the decisive approach, the multiangled precautions and effective audits carried on against corruption by Brisa, corruption cases are mostly prevented. During the reporting period, no signs of bribery and corruption were detected.

Accordance to the legal regulations for bribery and corruption by the parties acting in Brisa's stance and all business partners who are servicing Brisa is targeted with the Brisa Policies for Fighting Against Bribery and Corruption. All supplier selection actions include the regulatory fundamentals of the Brisa Policies for Fighting Against Bribery and Corruption. Neither any Brisa employee nor any of its sub employers can be subject to any ill treatment or loss of their rights as a result of not paying bribe or facilitation funds. Brisa does not establish any business relations with suppliers who are included in the black list for any possible reasons. In cases where current suppliers and/or customers are included in the black list, the annulment process of their continuing business agreements is started.

In line with its Fight Against Corruption Program, Brisa requires the appropriate adaptation of its policies from its supplier companies that it is working together with, and further requires its suppliers' employees to internalize the principles based on these policies and carry on their activities in accordance with these policies. Parallel to these requirements, related provisions are adapted to the contracts, which are already signed or will be signed with the supplier companies.

You can reach the Brisa Policies for Fighting Against Bribery and Corruption from the following address; <https://www.brisa.com.tr/corporate/anti-bribery-and-anti-corruption-policy> .This document is also available for reach from our Purchasing Portal by our suppliers.

OUR STAKEHOLDERS

We define individuals, groups, and institutions who are directly and indirectly affected by our operations and who have a direct or indirect impact on our operations as our stakeholders. We establish communication mechanisms, whose method and frequency are determined in accordance with the characteristics of stakeholder groups; we evaluate stakeholder feedbacks acquired through these channels as primary inputs for determining our sustainability strategies and objectives.

Periodically organized vision meetings, meetings held with our business partners and practices actualized within the context of sectoral collaborations are among the primary platforms where we come together with our stakeholders. We receive feedback from public institutions within the context of the Ministry of Science, Industry and Technology Tyre Subcommittee (LAK), of which we execute the presidency, and Tyre and Life Safety workshops within the body of the Ministry of Transportation, Maritime Affairs and Communication. We regularly attend European Tyre and Rim Technical Organization (ETRTO) and European Tyre and Rim Manufacturers' Association meetings concerning tyre regulations as a full member.

We transparently offer our sustainability performance to the views of our stakeholders through the sustainability reporting practice we carry out every year. We receive the feedbacks of our stakeholders regarding our reporting practice through the evaluation application we call "External Committee Evaluation", we identify areas of potential improvement and make action plans to be reflected in our next report.

COMMUNICATION WITH STAKEHOLDERS

Sabancı Employees	Sabancı Extranet, Media,
Employees	Corporat Website, Social Media, Brisa Academy, Mailing List, Digital Internal Communication Platforms, Sabancı Extranet, Media, Corporate Social Responsibility Activities, Corporate and Financial Communication, E-Newsletter
Media	Corporate Website, Corporate Social Responsibility Activities, Advertising and Marketing Studies, Interview and Talks
Investors	Corporat Website, Corporate and Financial Communication, Financial Reports, Investor Presentations, Financial Performance Reports
Local Community	Corporate Social Responsibility Activities, Donations and Sponsorships, Annual Reports
NGOs	Corporate Website, Various Memberships, Joint Projects
Universities	Corporate Website, Scholarships and Training Opportunities, Sponsorships and Supports
Business Partners	Corporate Website, Social Media, E-Academy, Media, Corporate and Marketing Communication, Brisa Academy, Dealer Meetings, E-Newsletter
End Users	Corporate Website, Social Media, Media, CSR Activities, Advertisement and Marketing Studies
Customers	Meetings and Conferences, Annual Reports, E-Newsletter
State Institutions	Government Audits, Annual Reports, Meetings and Conferences
Suppliers	Face to Face Meetings, Annual Reports, Supplier Audits, Supplier Honoring Ceremonies
Potential Members of Brisa	Corporate Website, Social Media, Conferences, Campus Presentations

VALUE CHAIN

At Brisa, we act with the purpose of creating value added for all the components of our value chain; we design the best journey ahead together with our stakeholders. We carry out practices supervising the lifecycle of our products and services in accordance with our sustainability approach; we rigorously manage our social, environmental and economic spheres of influence. While meeting the expectations of our customers, business partners and suppliers through responsible value chain practices, we also accompany the social and economic development of the societies of which we are a part. We create new and effective business models with the understanding of innovation, which is an integral part of our corporate culture and business processes; we constantly further the value we create for our company and value chain.

CUSTOMER HEALTH AND SAFETY DURING PRODUCT LIFECYCLE

At Brisa, our product responsibility understanding is based on a managerial approach involving the whole product lifecycle, from the procurement of raw materials used in manufacturing to the end user. In this regard, we carry out improvement activities in relation to product safety, we rely on internationally accepted quality standard and management systems in the production stage, and we introduce our products to the market with the highest safety standards. We work to offer fuel efficient and safe tyres with low noise level; we act with the purpose of creating high value added for our customers.

Our Management System Certifications

Brisa production facilities and headquarters ISO 9001:2015, ISO/IEC 27001:2013

Brisa İzmit production facility and headquarter IATF16949:2016

Brisa İzmit production facilities holds the OHSAS 18001:2007, ISO14001:2015 management system certifications.

Moreover, our production facilities, headquarter and the water and carbon emission inventories located at the sales points at our own possession are prepared and verified according to the ISO14064-1:2006 and ISO14046:2014 standards.

The accurate and transparent information of our stakeholders regarding our products constitutes one of the essential requirements of our approach in both customer health and safety and responsible marketing. Within the scope of the Tyre Labeling System, our primary reference in this regard, which entered into force in 2012 within the framework of the law of harmonization code of the European Union, tyre performance is evaluated under 3 main criteria, namely fuel efficiency, wet grip and exterior noise. While we fully support these criteria, which reflect 30% of tyre performance in terms of environmental responsibility and driving safety, we also inform our customers regarding other significant criteria.

We focus on many parameters in the areas of economy, safety and comfort with the mission of providing vehicle owners with a balanced performance. Instead of product information works that emphasize a single performance criterion, we provide information that will allow drivers to opt for tyres that are suitable for their driving habits and the road and climate conditions they use their vehicles in.

In addition to all these information works, we also regularly inform the Ministry of Environment and Urbanization regarding the raw materials we use in production in accordance with the Regulation Concerning the Inventory and Control of Chemicals. In the reporting period, there were no cases of noncompliance with regulations and rules regarding product and service information and labeling.

Wet Gripping

Wet gripping represents a significant indicator in terms of our performance in the area of traffic safety. In accordance with our responsible marketing understanding, we transparently share information regarding this parameter, which is significant for reducing traffic accidents during winter months, on all our product labels.

We consistently increase the share of our products with a label value of "C and over" for this parameter in our sales portfolio. During the reporting period, we reached the 86% share we identified for the consumer products in the previous period and we achieved 87% level. We determined are targeting to 89% target level for this share in 2019.

	Label Value	2012	2013	2014	2015	2016	2017	2018	2019 Target
Wet Grip	C and over	70%	69%	73%	81%	83%	84%	87%	89%
Class (WET)	E-F-G	30%	31%	27%	19%	17%	16%	13%	11%

The share of our "C and over" products for commercial tyres is 87%.

Bridgestone will use self-driving cars for Silent Tyres

The recent regulations on tyre noise in Europe, Asia and Japan aim to reduce tyre related noises during driving. Bridgestone brand partnered with ZMP to use automatic-driving technology in noise reduction tests. Bridgestone and ZMP completed successful tests by using human power for automatic driving in Bridgestone test tracks previously. Now, with the addition of noise tests to automatic driving tests, we aim to enhance the quality of our products by enhancing the accuracy of tyre tests without relying on the ability of test pilots. Bridgestone will perform various tyre performance tests in its own test centres with test pilots in addition to testing noise levels of tyres with automatic driving technologies. New automatic driving vehicle RoboCar® Mini Van and new generation Bridgestone tyres will be used in test centres to move vehicles using automatic driving technologies. With this new deal, in 2019, tyre noise tests will be conducted by using self-driving technologies in SAE-Level 4.

Local production spurt from Brisa: 112-year-old international tyre brand Dayton is manufactured in Turkey

Brisa markets Dayton, a 112-year-old global brand that meets with customers under Bridgestone Group, since 2014. With the aim to increase local production rate that is currently 94% with investments in engineering, R&D and technology, Brisa started manufacturing Dayton tyres in İzmit plant in 2017, contributing to local production power of Turkey. Brisa produced 13-18 rim Dayton tyres in automobile segment in 20 different sizes and 2 patterns and 30 different sizes and 2 patterns in light commercial vehicle segments in Turkey.

Lassa Greenways

In field tests, compared to its most budget friendly competitors, Lassa Greenways provides 45% saving for car owners by tripling the distance covered. Turkey's solid tire Lassa's tests prove that Greenways is the most economical and sustainable tire choice in the long run.

RESPONSIBLE SUPPLY CHAIN PRACTICES

As a company that aims at disseminating its sustainability understanding throughout its value chain, we attach importance to the social, environmental and economic performances of our suppliers, we actualize a series of communication, training and audit activities characterized as responsible supply chain practices. With our ever-expanding supply chain, we constantly contribute more to the economic development of our operational geography; we set an example for our business partners in our supply chain through works we carry out under the headings of human rights, employee rights, occupational health and safety, business ethics and environmental impacts.

Procurement

At Brisa, we collaborate with suppliers who respect the society and environment, we prefer institutions that are sensitive towards climate change, conduct energy efficiency works, provide their employees with healthy and safe workplaces and respect basic human rights when selecting our suppliers. We promote the social, environmental and economic performances of our suppliers who adopt our sustainability understanding, thereby ensuring improvement in our operational processes and achieving mutual benefit.

In 2015, we have composed the "Brisa Responsible Purchasing Policy" in order to cooperate with our stakeholders in our value chain with regard to sustainability management and to enhance sustainability awareness among our suppliers. In accordance with our policy, we expect our suppliers to adopt our approaches in the issues of human rights, employee rights, occupational health and safety, business ethics and environmental impacts. We demand suppliers whom we determine to be noncompliant to present a remediation plan in order to ensure compliance with the policy. We end our commercial relationship with suppliers that do not conform to the compliance process or fail to realize the remediation within the allotted time, thereby ensuring the compliance of our suppliers with our policies.

The Brisa Responsible Purchasing Policy, which can be accessed from our website and our Purchasing Portals, was re-shared with our suppliers in 2018 for the purpose of reviewing their compliance with this document in all of their activities and approval was obtained from 1,324 suppliers.

Supplier Portal

Our Supplier Portals are the primary communication mechanism we have formed for our stakeholders in our supply chain. At the portals, that were established for the purpose of achieving effective and transparent communication, SA-ETİK Business Ethics Principles, Brisa OHS Policy and Responsible Purchasing Policy, Business Excellence Policy, Information Security Policy and AntiBribery and Anti-Corruption Policy documents are available for suppliers' access.

A significant portion of the raw materials we consume in our production processes only exist at certain parts of the world. Pursuant to our local supply policy, we conduct localization works for import-dependent raw materials, we look for ways to increase our contribution to the national economy. As a result of our nationalization efforts in all sales operations, we raised our domestic supplier ratio to 93.8% and our domestic supply ratio actualized as 41% during reporting period.

During the audits in the reporting period, no current or probable negative environmental impact was identified in our supply chain.

All companies, from whom we purchase more than six raw material shipments during a half year, are evaluated by our Purchasing, Technology, Quality Assurance, Occupational Safety and Environment departments at the end of the half year, within the context our Supplier Management System and Supplier Quality Scoring Standards. The results of these evaluations as well as opportunities for improvement are shared with our suppliers and the remedial actions planned by our suppliers are monitored. At the end of every year, we review the total performance of our suppliers throughout the year on the basis of half year evaluation results and the raw material related quality problem records of our suppliers and we identify the best performing, most in need of improvement, and audit candidates among suppliers. In result of this annual evaluation, we share their areas of potential improvement with our suppliers and we form our annual supplier audit plan. Besides, we reward our best performing suppliers with a "Thank You Letter". During the reporting period, we evaluated 97 of our raw material suppliers and we awarded 6 of our suppliers with a "Congratulations Note" due to their performances.

The surveys filled out by relevant Brisa employees regarding suppliers, from whom we procure machine, equipment and services, are evaluated by our Internal Purchasing Department. We consider suppliers, who exceed 0.1% of non-raw material purchases or 50 item orders annually, within the scope of the annual evaluation system. During the reporting period, 1,077 suppliers delivering the required results for the identified criteria among 178 companies were evaluated by the 742 questionnaires filled out by 293 of our employees in addition to the grading scheme automatically calculated by our system. We have rewarded our ten best performing suppliers with thank you letters, and our best supplier with a thank you plaque.

In the reporting period, there was no supplier whose contract was terminated due to non-compliance with basic human rights or business ethics principles.

Subcontractor Approach

The criteria of respect for basic human rights, legal compliance, and conformance to our business ethics principles constitute the basis for our subcontractor approach. In line with this approach, which we take as basis for selecting the subcontractor companies we will cooperate with, we carry out communication, training, and audit activities aimed at our subcontractors.

We make an effort for employees of subcontractor companies to achieve healthy, safe and dignified working conditions; we monitor the accident free performance of the companies. We also inform subcontractor employees about our organizations and processes in accordance with their position, task and responsibilities; we provide them with trainings in the areas of occupational health and safety, professional-technical equipment, and environment.

Environmentally Friendly Logistics Operations

In accordance with our sustainability approach, which considers the whole lifecycle of our products and services, we engage practices that will minimize the environmental impacts of our storage and distribution operations. We prioritize seaway and railway transportation, which have less environmental impact, in our logistics operations; we consistently decrease the weight of land transportation in all our operations. We choose optimal locations for our warehouses to ensure more transfers with less fuel consumption; we also extend the use of electric forklifts in our warehouse operations to reduce our emission amount.

During the reporting period, we carried on 80% of our logistics activities by maritime lines, 4% by railways and decreased the ratio of road haulage transport by 37% compared to that of 2008 levels.

ENVIRONMENTAL APPROACH

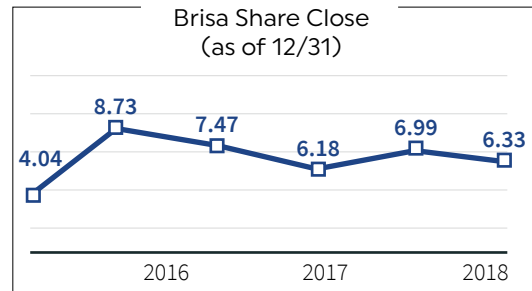
Sustainability constitutes the basis of our business manner. In addition to the benefit we create by designing our processes with a focus on sustainability, we also constantly keep our environmental impact under control. Carrying out production in harmony with nature, by minimizing the impacts of production processes on natural resources and climate change, is the primary objective of our environmental management systems. We set targets in order to improve these objectives and related realizations, periodically monitor our performance, and actualize improvement works in line with our management systems.

Our commitment to “a business manner beyond legal requirements”, which is one of our sustainability priorities aimed at furthering our environmental performance, is our most important guide in this field. With this understanding, we closely follow both national and international standards and meet their requirements with a performance beyond expectation; we strive to enhance this positive impact we create to include our value chain. We reinforce our ISO 14001 Environmental Management Systems practices with ISO 14064 Verification of Greenhouse Gases, ISO 14046 Water Footprint Verification, ISO 50001 Energy Management Systems practices. As a result of our proactive approach, we became the first institution in Turkey, and the second in Europe, to be entitled for ISO 14001 Environmental Management Systems Certification. Thanks to our pioneering works in water savings and reporting, we became the first company in Europe to be entitled to receive ISO 14046 Water Footprint Standard certification.



GENERATING AND DISTRIBUTING MORE ECONOMIC VALUE

As a result of our responsible manufacturer understanding we create value for our shareholders in different areas and share this created value with them. One of those value creation areas is the economic value that we create. In addition to the financial value we create as a result of our operations, we further create value with our investments, projects and products.



The combined annual growth rate of the BRISA stock traded on the Stock Exchange Istanbul over the last 5 years was 9.4%. Industrial Index grew by 11% in the same period; while the BIST Index contracted by 6.1 percent year on year.

During 2018, we invested 18.7 million US Dollars for our second manufacturing plant, which is being constructed at the Aksaray Organized Industrial Zone. The total investment made for our Aksaray manufacturing plant until today totals up to 274.1 million US Dollars.

The seismic isolators, which we have introduced to the market as of 2015, prevent loss of life and property by providing high earthquake resistance and vibration damping in buildings where they are applied. Bridgestone seismic isolators, which are manufactured from rubber and metal raw materials with superior technology, are used in many areas including hospitals, road structures, research and information centers, as well as residential buildings of differing elevation.

In eleven years, 900 million TL was contributed to the national economy by means of end-of-life tyres collected from the market. With regard to the collection of worn out tyres that are turned into floor covering for children's parks and artificial turf for football fields, as well as being used as fuel in the cement sector, we act with the awareness of our responsibility as Brisa. In this regard, we support the process of collecting, in compliance with regulations, and recycling of worn out tyres for the benefit of the environment and economy carried out by Tyre Industrialists Association (LASDER).

OCCUPATIONAL HEALTH AND SAFETY

Implementing our Occupational Health and Safety approach in all our processes and providing a safe working environment for our employees through our practices aimed at realizing our “Zero Working Accident”, “Zero Occupational Disease” and “Zero Fire” targets are among our primary priorities. For this reason, we are constantly monitoring and evaluating the performance of our processes in this regard and performing periodical reporting. Our active facilities hold OHSAS 18001 certification.

The knowledge and accumulations of Sabancı Holding and Bridgestone Corporation in the area of Occupational Health and Safety are significant guidelines for Brisa. We closely follow national and international Occupational Health and Safety standards and fulfill our legal liabilities in full. Our occupational safety performance is monitored by our Occupational Health and Safety committee, where all of our workforce is represented, on a monthly basis. Analyses of work accidents and plans for preventing recurrences are prepared by the committee together with the Occupational Safety and Environment Committee.

Bridgestone Safety Mission Statement

In the context of Bridgestone Safety Mission Statement, we implement practices under the main headings of enhancing sensitivity (human behavior oriented improvements), engineering precautions (machine and infrastructure oriented improvements) and systemic works. We reinforce the importance we attach to the issue with our participation in initiatives and the roles we assume. We take active role in the Occupational Health and Safety Work Group of Turkish Business World and Sustainable Development Association. The Occupational Health and Safety Committee constituted by Sabancı Holding Tyre and Tyre Reinforcement Group companies is maintained under the leadership of Brisa.

Target “0 Accident”!

1,581 days in Brisa Experiment Center, 11 days in Auxiliary Facilities section, 3,773 days in Product Control-1 section, 1,130 days in Technology group, 1,114 days in Mold equipment section, 1,640 days in 2nd Maintenance section and 3.643 days in 8. Maintenance section completed without an occupational accident.

Our 3S works, which constitute the basis for accidentfree and efficient production works, aim for the constitution of an accident-free workplace with no fire starters, reduction of wastes and performance of error-free production. As of the previous reporting period, we are applying our 3S program in all our production fields. In addition to our 3S program, we are identifying and evaluating hazards that might be caused by our operations within the scope of our risk analysis practices, and we developing preventions accordingly. In all fields, expansion studies have been applied 100% within the scope of 3S studies.

BRISA-MEC (Manufacturing Education Center)

Brisa-MEC is an organization that was established to develop and implement training programs aimed at enhancing the basic skill levels and awareness of our Technical Group employees. We provide our employees with trainings in 6 essential areas at our Manufacturing Education Center. In addition to these basic trainings, Team Leader Development trainings with the coordination of the Department of Human Resources, as well as extra trainings arising from needs are also provided to our employees at our center.

We provide our employees with a 26-hour training in 8 headings, such as occupational safety, fire and disaster prevention, as part of our standard training program aimed at raising awareness among our blue-collar employees. We aim for all our blue-collar employees to have received the trainings within the scope of the Standard training program by 2018 year-end. During the reporting period, we provided 876 hours of business ethics and 322 hours of code of conduct, 281 hours of competition law and 676 hours of information security and 280 hours of business continuity training.

Within the scope of "Job Security Simulation" trainings we have developed in order to raise awareness about the risks of work safety and production in our blue-collar employees, we provided training to 945 of our employees during the reporting period so that all of our employees were trained in this scope in total. In the upcoming reporting period, we plan to complete the training of all blue-collar job security simulations with renewed content from the beginning to the end of 2019.

We do not limit our Occupational Health & Safety practices with Brisa employees. We assume a similar responsible approach against subcontractors / suppliers, visitors and interns operating in our field.

As of the year 2015, a majority of subcontractor employees have become Brisa employees. These works, which were previously being conducted by subcontractor companies, are being performed under the roof of Brisa following the given date.

Dealer Occupational Safety Audit Works

As part of the dealer integrated auditing program for the prevention of working accidents at dealers, who are our business partners, our business partners are audited by a third party independent institution within the framework of the annual plan. As Brisa, we expect our business partners to take actions resulting from auditing programs and finalize them.

EMPLOYEE RIGHTS

Providing a working environment that will meet our employees' expectations, where they will be productive in prosperity and they will enjoy working is among our primary responsibilities. In accordance with this understanding, we regularly make evaluations in consideration of the views and feedbacks of our employees in relevant issues. With the awareness that our employees are the most important component of the successes we achieve, we take the rights of our employees into consideration to the utmost degree.

Business Relations and Union Rights

We respect our employees' basic rights emanating from constitutional and international agreements, and we make a maximum effort to completely fulfill the responsibilities we bear. In accordance with the importance we attach to our employees' freedom of association and labor peace, we maintain a transparent and continuous communication with the Turkish Union of Petrol, Chemistry and Tyre Industry Workers (Lastikîş), of which all our blue-collar employees are members.

In addition to the wages of employees included in the Collective Labor Agreement and those excluded, we provide them with benefits such as a premium worth their 4-month gross wage, Personal Retirement Insurance (BES), health insurance, and life insurance for those not covered. We provide benefits such as annual leave allowance, maternity benefit, death benefit, matrimony benefit, education support, family-food aid, and child allowance only for employees included in the Collective Labor Agreement. We also provide food and transportation services for all our employees.

Collective Labor Agreement Implementation

The negotiations of the 20 th Term of the Collective Labor Agreement negotiations between the Company and the Turkish Petroleum, Chemicals, and Tyre Industry Laborers Syndicate (Lastik-İş) covering the term between January 1 st 2018 – December 31 st 2019 started on January 11 th 2018 and ended in February 22 th 2018.

Business Ethics Approach

Our business ethics rules are a significant advisor in our decisions and activities. We conduct our operations respecting human rights and workforce principles in accordance with the guidance of SAETİK "Business Ethics Rules". In line with our principle of "Providing Equal Opportunities for People under Equal Conditions", we provide equal opportunities for our employees in all processes throughout their working life. We do not tolerate any form of discrimination; we take careful precautions in our processes.

We continued the Employment and Awareness Projects as well as the Support Projects, which we started in 2013 by becoming a signatory of the United Nations Equality at Work Declaration, this year and we expanded our solution seeking to also include our value chain in accordance with this understanding. We continued our works such as Safe Drive Techniques and various other trainings we provide for our women employees.

We inform our employees regarding our Business Ethics Rules by publishing them on the internal communication portal, distributing printed booklets to all employees and realizing information trainings. Every year, we update the information of our employees regarding business ethic rules through the e-learning program and we renew their commitment to business ethics rules with the "Business Ethics Compliance Declaration" they fill out.

During the reporting period, we offered a total of 2,435 hours of training programs of which 876 hours were business ethics, 322 hours were code of conduct, 281 hours were competition law, 676 hours information security and 280 hours were business continuity trainings.

We completely satisfy the requirements of laws, regulations, labor legislation, and initiatives of which we are member. We expect the full compliance we ensure in the issue of preventing child labor and forced/compulsory labor from our stakeholders in our value chain. In the reporting period, there was no complaint conveyed to us in related issues.

Our Ethics Understanding

Honesty: We conduct our relations with our employees and all our stakeholders on the basis of transparency and honesty.

Confidentiality: We care for the confidentiality of the private information of our customers, employees and other relevant individuals and institutions we work with.

Conflict of Interest: We make use of our Sabancı identity, not for our personal benefit, but to exalt the corporate spirit.

Our Responsibilities: Our responsibility is not only to the benefit of our business and partners, but also to the whole society and humanity.

OUR CORPORATE MEMBERSHIPS

European Foundation for Quality Management	Turkish Automotive Aftermarket Association
The European Tyre and Rim Technical Organization	Corporate Volunteer Association
European Tyre and Rubber Manufacturers Association / European Tyre Industry Coordination Activity	Association of Advertisers
Global Compact Turkey	Construction Equipment Distributors & Manufacturers Association of Turkey
World Wildlife Fund Turkey	Turkey Internal Auditing Institute
Ethics & Reputation Society	Turkish Exporters Assembly
Istanbul Chamber of Industry	Turkey Personnel Management Association
Materials Handling, Storage & Industrial Equipments Association of Turkey	Turkey Quality Association
Business World and Sustainable Development Foundation	Corporate Governance Association of Turkey
Rubber Association	The Union of Chambers & Commodity Exchanges of Turkey
Kocaeli Chamber of Commerce	Turkish Industrialists' and Businessmen's Association
Kocaeli Chamber of Industry	Turkish Association for Seismic Isolation
Tyre Subcommittee	Technology Development Foundation of Turkey
Tyre Industrials' Association	Uludağ Exporters' Association
Tyre Industrials' and Importers' Association	International Investors Association