

# STRONG FOUNDATIONS HEALTHY PERFORMANCE

2020 ANNUAL REPORT



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Anadolu Isuzu, in the light of its strengthening financial structure, continues its activities in line with its growth strategy, thanks to the market diversity and marketing competencies provided by its diversified product portfolio and the unwavering support of its shareholders.

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<https://www.anadoluisuzu.com.tr/en/investor-relations>

# 2020 Highlights

million TRY  
**251.7**  
sustainable gross profit

**51.7**  
million euros  
export volume

**59**  
million TRY  
R&D expenditure

leader in midibus exports for  
**17 years**  
in a row

## Strategy

Strong and Rapid Growth in the Global Market

Towards New Horizons and New Businesses

Strong Customer Value Proposition and Market Positioning

Goal of Increasing Efficiency in all End-to-End Processes

## Introduction

# Corporate Profile

## ANADOLU ISUZU AVERAGE NUMBER OF EMPLOYEES

# 847

AS OF 2020

### ÖZETLE ANADOLU ISUZU

The foundations of Anadolu Isuzu were laid in 1965. Its activities started with the production of light trucks and motorcycles under the name of Çelik Montaj, and the production of koda light trucks continued until 1986.

Anadolu Isuzu assumed its current name through a license agreement signed with Isuzu Motors Ltd. in 1983, and production of Isuzu vehicles started at the Istanbul Kartal Plant in 1984.

Today, Anadolu Isuzu continues its activities as a joint venture of leading groups in Turkey and throughout the rest of the world:

- Anadolu Group (55.40%)
- Isuzu Motors Ltd. (16.99%)
- Itochu Corporation (12.74%)
- Other (14.87%)

Anadolu Isuzu operated in the commercial vehicle segment of the automotive industry, boasting a strong product range, after-sales services with high added value, and a widespread dealer and technical service network. Anadolu Isuzu makes trucks, light trucks, buses and pick-up truck and pursues an ambitious export strategy.

The Company carries out both the manufacturing and marketing of commercial vehicles with production facilities based in Şekerpınar, Çayırova. The annual total production capacity of Anadolu Isuzu's production facilities, built on a 300,000-square-meter land, is 19,000 vehicles per shift.

Providing service to its customers with 93 authorized service providers in 60 provinces across Turkey, Anadolu Isuzu has distributors in more than 40 countries. As of the end of 2020, the average number of Anadolu Isuzu employees is 847. Anadolu Isuzu shares have been traded on BIST since 1997 with the code "ASUZU."

**FOR MORE INFORMATION PLEASE  
VISIT OUR WEBSITE:**

[www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr)

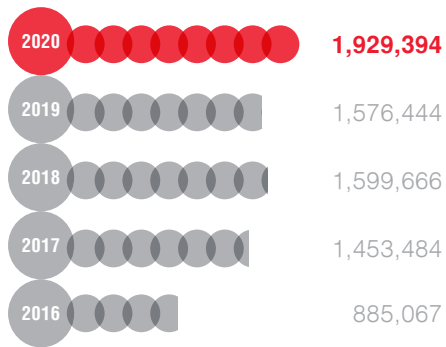


The annual total production capacity of Anadolu Isuzu’s production facilities, built on a 300,000-square-meter land, is 19,000 vehicles per shift.

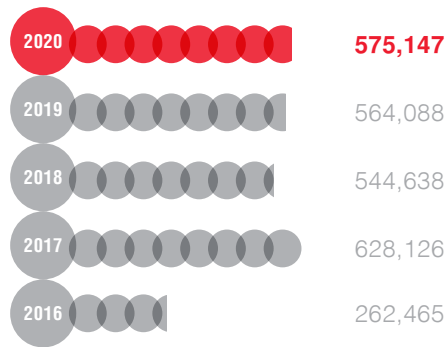


# 2020 Financial and Operational Highlights

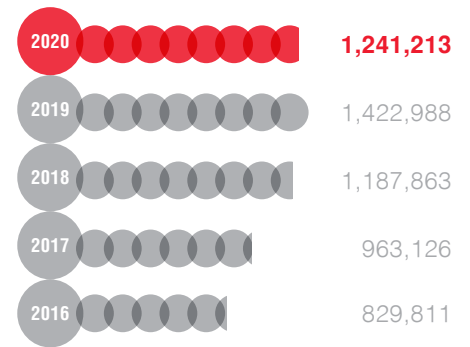
## TOTAL ASSETS (TL thousand)



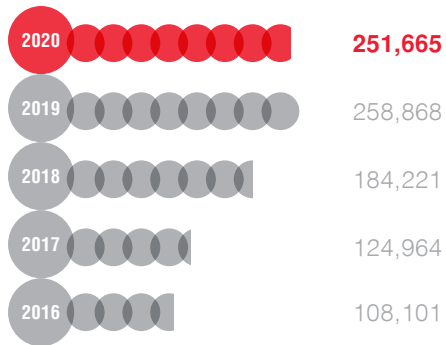
## EQUITY CAPITAL (TL thousand)



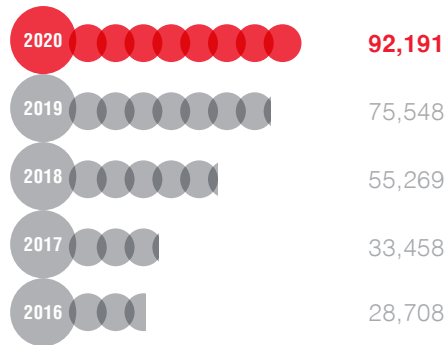
## NET SALES (TL thousand)



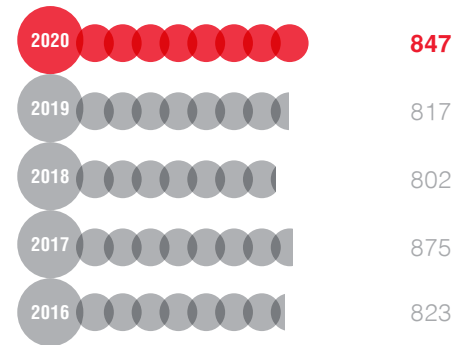
## GROSS PROFIT (TL thousand)



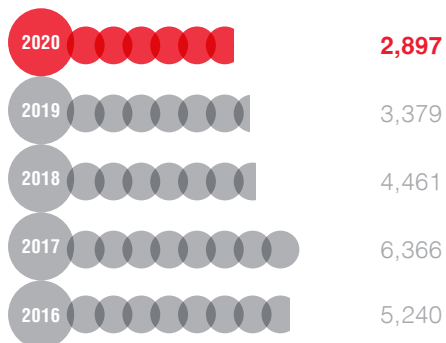
## INVESTMENT EXPENDITURES (TL thousand)



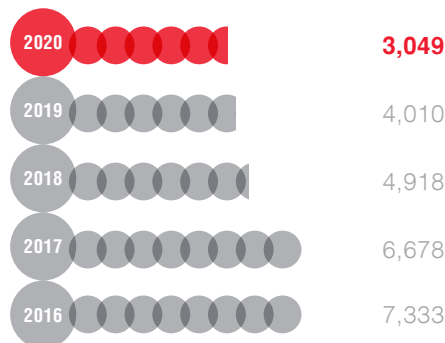
## NUMBER OF EMPLOYEE (Person)



## TOTAL PRODUCTION (Unit)



## TOTAL SALES (Unit)



<b>FINANCIAL DATA (TRY)</b>	<b>2020</b>	<b>2019</b>
Sales Revenue	1,241,213,253	1,422,987,899
Gross Profit	251,665,127	258,868,134
Operating Profit	72,440,582	114,589,212
EBITDA	114,521,328	148,748,427
Profit Before Tax	532,551	2,788,954
Net Profit (Controlling Shares)	13,648,318	21,787,825
<b>PROFITABILITY RATIOS (%)</b>	<b>2020</b>	<b>2019</b>
Gross Profit Margin	20.3	18.2
Operating Margin	5.8	8.1
Net Profit Margin	1.1	1.5
Return on Equity	2.4	3.9
Operating Expenses/Net Sales	14.4	10.1
Financial Expenses/Net Sales	6.2	7.9
EBITDA Margin	9.2	10.5
<b>CURRENT RATIOS</b>	<b>2020</b>	<b>2019</b>
Current Ratio	1.1	1.0
Cash Ratio	0.3	0.2
Liquidity Ratio	0.7	0.7
<b>SOLVENCY RATIOS (%)</b>	<b>2020</b>	<b>2019</b>
Trade Debt-to-Equity Ratio	91.6	74.8
Financial Debt-to-Equity Ratio	62.8	63.6
(Total Trade Debt + Total Financial Debt)/Equity	200.8	163.4
Debt-to-Asset Ratio	70.2	64.2
Equity-to-Asset Ratio	29.8	35.8
<b>MARKET VALUE (TRY)</b>	<b>2020</b>	<b>2019</b>
ASUZU	1,512,000,000	1,022,280,000

## CAPITAL AND SHAREHOLDING STRUCTURE

The shareholding structure of Anadolu Isuzu as of the end of 2020:

<b>SHAREHOLDER'S NAME</b>	<b>CAPITAL (TRY)</b>	<b>SHARES (%)</b>
Anadolu Group	46,535,401.00	55.40
Isuzu Motors Ltd.	14,275,509.00	16.99
Itochu Corporation	10,706,534.00	12.74
Other	12,482,556.00	14.87
Total	84,000,000.00	100.00

# Message from the Chairman



**Tuncay Özilhan**  
Chairman

Dear Stakeholders,

I am happy to present to you the 2020 Annual Report of Anadolu Isuzu.

## **A YEAR LIKE NO OTHER**

The world went into 2020 with positive expectations. Unfortunately, they did not last long. COVID-19, which started to spread around the globe as of January 2020, began to show negative impacts in the world economy very rapidly.

Having emerged in Wuhan, China, the virus had already spread all over the world by March, and it was officially declared a pandemic by the World Health Organization on March 11, 2020. The first case of COVID-19 in Turkey was reported on the same date.

Although 2020 is behind us, the pandemic, which brought the global economy to a standstill, continues to have profound effects on supply chains, production, trade and service cycles, as well as on our daily lives.

Anadolu Isuzu is reinforcing its role as a leader in the automotive industry.

Anadolu Isuzu continued its progress within the scope of its strategic growth plan despite the challenges of 2020. Our total sales were 1,241,213,353 Turkish lira, while our total assets reached 1,929,394,228 with an increase of 22.4 percent.

Long years of experience in the industry, a robust organizational structure and an effective governance model enabled Anadolu Isuzu to achieve an exemplary performance in social, environmental and governance areas, as well as a strong financial performance.



Moving forward with a production approach focused on the expectations of its customers, our Company maintained its market share in most segments and produced satisfactory results in line with the forecasts. Anadolu Isuzu also developed new products and services by leveraging its strong R&D competence, and created a roadmap of growth for the period ahead by introducing them to the market.

## WE THANK OUR FRONTLINE HEALTH CARE WORKERS.

We There is no doubt that the architects of the success achieved in the fight against COVID-19 have been our frontline health workers. The Ministry of Health and legions of health workers throughout the country have worked tirelessly since the beginning of the pandemic.

As Anadolu Group and the Anadolu Isuzu family, we would like to express our gratitude to the esteemed health workers.

## WE ARE MORE THAN READY FOR A SUSTAINABILITY-DRIVEN FUTURE.

Developments in 2020 related to pandemic conditions as well as natural disasters clearly revealed that humanity is faced with challenges that require urgent action.

As the top priority in the World Economic Forum's Global Risks Report 2021, the Climate Crisis lies before us as the number one risk threatening humanity. Combating this risk is an urgent issue that cannot be delayed and must be carried out collectively on a global scale.

Anadolu Isuzu is a prominent stakeholder in the sustainability-focused future vision of Anadolu Group, defined by its brand "From Anadolu to the Future." Our Company continues to strengthen its role in combating the Climate Crisis by taking innovative steps in production and trade cycles.

We create value for all our stakeholders within the scope of our long-term vision and the corresponding sustainable and profitable growth strategy. Anadolu Isuzu continues its efforts to create jobs, export, respond to domestic market demand and, above all, reduce its environmental footprint with an integrated approach.

We believe that we will reach our goals by continuously reinventing ourselves and pioneering change. We will achieve this goal together with our employees, customers, dealers, suppliers and all our business partners. Our corporate competencies, global shareholders, experience, efforts to improve efficiency, well-trained human resources, and our trust in the future of our country and our Company are the main factors that support our will and determination in reaching our goals.

With its advances in the coming years, Anadolu Isuzu will strengthen its presence in national and international markets, create more value for its stakeholders and continue its contributions to the Turkish economy.

On behalf of myself and our Board of Directors, I would like to extend my sincere gratitude to all our stakeholders who contributed to our performance in 2020.

Best regards,

Tuncay Özilhan  
Chairman

# Message from the Automotive Group President



**Anadolu Isuzu will further strengthen its presence in national and international markets with future investments.**

**Bora Koçak**

Automotive Group President

Dear Stakeholders,

**WE ARE DETERMINED TO FURTHER CONTRIBUTE TO ENVIRONMENTAL SUSTAINABILITY AND TO COMBATING THE CLIMATE CRISIS.**

The pandemic experience in 2020 has led to a much deeper consideration of sustainability and the climate crisis. It gives us hope that these phenomena, which are critical for the future of humanity, are being tackled on a global scale for more effective action.

Global warming is one of the most critical problems of our century. It is a fact that the world is getting warmer and this is a development that we can observe in our daily lives. All scientists agree.

While the world was trying to cope with the COVID-19 pandemic, 2020 also brought along climate disasters that affected the lives of millions of people around the world and caused great damage. Humanity has also had to struggle with natural disasters such as hurricanes, floods and forest fires caused by extreme climatic conditions. Studies show that the root cause of all these events is that the average global temperature has risen by 1°C.

The Emissions Gap Report 2020 published by the United Nations Environment Program (UNEP) at the end of 2020 urges us to do more to combat global warming. The same report emphasizes that in order to keep global warming below 2°C until 2030, the international community must turn to environment-friendly energies and afforestation while reviving the economy and take measures that observe the ecological balance.

**Our Company continued to add value to society and the economy in 2020, and focused on improving the satisfaction of its customers in domestic and foreign markets by continuing its activities as a role model in the industry.**

**2,897 VEHICLES MANUFACTURED**

**3,049  
VEHICLES SOLD.**

### **ANADOLU ISUZU FULFILLS ITS RESPONSIBILITIES TO THE FULLEST EXTENT.**

With the corporate structure, competencies and know-how it has accumulated throughout its deep-rooted history, Anadolu Isuzu continues its progress towards the future with determination, an accurate perception of global change and transformation and an agile approach.

Our Company continued to add value to society and the economy in 2020, and focused on improving the level of satisfaction of its customers in domestic and foreign markets by continuing its activities as a role model in the industry. Anadolu Isuzu stands out as a reputable manufacturer not only in Turkey, but also in export markets and especially in Europe. Its products assist millions of individuals in their daily lives.

Considering continuous increase of shareholder value to be one of its priorities, Anadolu Isuzu primarily aims to be an efficient organization that participates in the circular economy and protects all natural resources. Anadolu Isuzu is distinguished with its strong foresight, solid financial structure, ability

to internalize change and professional human resources, and fulfills its responsibilities to the fullest extent by putting on a strong, sustainable and healthy performance in line with its main goals.

With its advances in the coming years, Anadolu Isuzu will strengthen its presence in national and international markets, create more value for its stakeholders and continue its contributions to the Turkish economy.

The energy that Anadolu Isuzu needs to achieve its goals comes from the strong shareholder support, its customers, the tireless efforts of its employees; in other words, it comes from the strong and long-term bond established between the brand and its stakeholders.

### **HEADING TOWARDS THE FUTURE WITH NO COMPROMISE ON OUR RISK-SENSITIVE PERSPECTIVE.**

The developments we experienced in 2020 suggest that the upcoming period will bring along new local and global expansions, risks and job opportunities. By managing risks correctly, we will

carry our Company to the future with a healthy financial structure, while also improving our performance in other aspects of sustainability and further developing our exemplary identity.

As always, we will continue our production activities with an approach focused on developing and increasing the added value we offer to the end consumer. Our continuous goal in this context is to contribute to people's quality of life and develop environment-friendly and ergonomic products, while continuing to reduce our environmental footprint with both our production and our vehicles.

As long as our stakeholders continue with their valued contributions and support, Anadolu Isuzu will continue to produce and share.

Bora Koçak  
Automotive Group President

# Message from the General Manager



**The main goal of Anadolu Isuzu is to become a more efficient company that produces more value for its stakeholders by implementing the required change and transformation in every department of the company across the value chain extending from supply to after-sales services.**

**Tuğrul Arıkan**  
General Manager

## 2020: A MILESTONE?

The coronavirus pandemic declared by the World Health Organization in March brought life in Turkey and the entire world to a halt. Our ways of life and work have changed completely, while face masks, social distancing and hygiene rules have become a major part of our lives. Accelerating the change experienced in the last 20 years, the pandemic has deeply affected production, trade and technology cycles.

While there were disruptions in supply networks and production, sudden changes were observed in the prices of goods, services and raw materials in various geographies. However, as in every crisis, the markets have created new opportunities during the pandemic.

Digitalization and technology have become a decisive factor in this process. As remote access has become the main focus of life, R&D has once again proven to be one of the main determinants of companies' competitiveness.

In summary, it looks like the year 2020 will be remembered as a turnaround point in human history.

## WE THANK OUR FRONTLINE HEALTH CARE WORKERS FROM THE BOTTOM OF OUR HEARTS

Our country has successfully managed this sudden turn of events. The coronavirus outbreak was prevented from becoming a social and economical crisis with a proactive approach and the right measures, as Turkey once again proved the strength of its healthcare infrastructure and human resources.

On behalf of the Anadolu Isuzu family, I would like to take this opportunity to express our gratitude to the Ministry of Health and our frontline healthcare workers who have been working tirelessly since the beginning of the pandemic.

## INDUSTRY OUTLOOK

The trend of localization in production and sales, which has been observed in world trade for the last few years and supported by countries' trade measures, has become even more apparent with the pandemic. Localization in the supply chain, the desire of countries to expand their regional and local trade volumes, and the interruption of international trade due to various measures will remain on the agenda in the years to come.

The performance of the automotive industry across Europe was weaker

**1,242**  
MILLION TRY  
SALES REVENUE  
FROM VEHICLE SALES IN 2020

than in 2019 due to COVID-19, causing the market to contract in the process. In 2020, the automobile market contracted by 24.3 percent, while the light commercial vehicle market contracted by 18 percent. The positive effects of the measures taken in the third quarter were observed towards the end of the year.

While Turkey saw a decrease in automotive production, domestic market sales seem to be gaining momentum. In 2020, total production decreased by 11 percent to 1,297,854. While the contraction in the commercial vehicle group was limited to 8 percent on a unit basis, there was an 8 percent growth in the heavy commercial vehicle group and a 9 percent decrease in the light commercial vehicle group. Analysis of commercial vehicle production shows a decrease on a product group basis in groups other than small trucks and large trucks.

Looking at the sales volumes; total market sales increased by 62 percent to 796,200 units, while sales increased by 78 percent in the commercial vehicle market, 77 percent in the light commercial vehicle market and 82 percent in the heavy commercial vehicle market. Despite the contraction in the previous two years, the sales in truck and bus markets increased as well. On the other hand, Turkey's automotive exports decreased significantly year-on-year, especially due to the contraction of the European markets.

## WE HAVE MANAGED TO CATCH UP WITH THE WINDS OF CHANGE

Having successfully managed the expansions brought along by the year 2020, Anadolu Isuzu achieved a performance that was in line with the forecasts.

The success we achieved this year, despite the pandemic, shows that we made significant gains thanks to the two different perspectives we put into practice, the first of which was possible with focus on human resources, our most valuable asset. Protecting and improving the physical and psychological health of our employees has been our main focus during this pandemic. We defined and successfully implemented the economic health and sustainability of our company as our second perspective.

Anadolu Isuzu started working from the first stage of the global health crisis and has taken critical steps in the process of adapting to the new normal. Handling all the processes of the working environment and rearranging them in line with the pandemic conditions, Anadolu Isuzu not only made the concept of a "virus-free factory" sustainable, but was also able to respond to the commercial vehicle demand thanks to early production.

Anadolu Isuzu solidified its contributions to society by donating to the National Solidarity Campaign "We Are Self-Sufficient, Turkey." In addition, intubation and biological sampling cabinets were manufactured and delivered to hospitals and Provincial Health Directorates in various cities, contributing to the prevention of virus spread in hospitals.

## WE DID NOT COMPROMISE ON OUR ECONOMIC PERFORMANCE.

In 2020, Anadolu Isuzu generated a total sales revenue of 1.24 billion Turkish lira. With € 51.7 million in exports, we achieved a successful performance in a challenging period that was marked primarily by the contraction in the European market. Our company maintained its leading position in midibus exports for its 17th year.

## OUR PORTFOLIO EXPANDED WITH NEW PRODUCTS

During this period, our R&D activities continued at full steam, while new products that respond to market and customer demands were developed and launched.

Kendo, our 13-meter bus that can run on CNG fuel and is compatible with biogas, and our new 8.5-meter midibus Grand Toro, were the new additions to our product family. All of these products were developed at our own R&D center and production began in accordance

## Message from the General Manager

**In order for our growth to be sustainable and long-term, we are transforming our organizational structure into one that is closer to the customer and better understands customer expectations.**

with European quality standards. Both of these models were awarded at the A' Design Award and Competition. Kendo received the Gold A' Design Award, while Grand Toro received the Silver A' Design Award. Our vehicles continue their promotional demo tour in Europe.

Isuzu's representative in the pick-up segment, D-Max, was launched with a new design and equipment features, ushering in a new era for its class.

Anadolu Isuzu continues to make life easier for drivers with its investments in smart transportation systems. Electrical-electronic system architecture (EES), which consists of new software options that offer drivers a comfortable and safe driving experience, has been implemented in our new vehicles Kendo/Interliner and Grand Toro. Electrical-electronic systems that allow transportation and technology to advance together will be standard on all new Anadolu Isuzu vehicles to be rolled off the assembly line in the upcoming period.

At the Summits 3rd International Intelligent Transportation Systems (ITS) Summit organized by AUS Turkey, Anadolu Isuzu was awarded with its project "Driver Fatigue and Distractions," which was developed within the scope of the EES architecture with the goal of protecting public health.

The production of Novociti Life buses, equipped with a driver protection cabin, disinfectant apparatus and seat warning signs, has also started within the scope of the industry's first-ever COVID Prevention Package established by Anadolu Isuzu to protect public health.

In addition, electric 8-meter and 12-meter low-floor public transport buses have been developed and prototypes have been produced. Electric vehicles make urban life comfortable for both passengers and the environment with their silent-running and zero emission advantages.

Anadolu Isuzu became the automotive brand with the highest number of R&D patents with 25 patents in the "R&D 250" prepared by *Turkishtime*, a magazine, showing yet another feat of strength.

### **MANAGING THE CLIMATE CRISIS THE RIGHT WAY**

Although the pandemic proved to be a breaking point, the main trigger of change is actually the climate crisis.

The climate crisis was ranked the top priority in the World Economic Forum's Global Risks Report 2021. In the same report, the pandemic is defined as a risk that may have economic consequences in the medium term and geopolitical consequences in the long term.

The climate crisis is a process that has become concrete as a result of human-made activities and has been gaining momentum to this day. Frequent natural disasters, devastating meteorological events, droughts and forest fires that turn country-sized areas to ash are the consequences of the climate crisis and global warming.

All these developments prompt supranational organizations, countries and economic actors to take action. While the Sustainable Development Goals announced under the leadership of the United Nations constitute the biggest initiative in this regard, it is observed that many countries have taken rapid steps towards regulations such as carbon taxes and the carbon market.

The European Green Deal is one of the most comprehensive frameworks in this direction, as the European continent aims to be carbon neutral in 2050. The plan particularly concerns the countries and industries that will sell goods to the region due to the envisaged border carbon tax implementations. These practices and similar regulatory and legislative changes may affect the global trade balances over time, and the outlook of the world production and supply geography in the medium and long term.

## GLOBAL DISTRIBUTOR NETWORK EXPANDED SIGNIFICANTLY TO INCLUDE **36 DISTRIBUTORS ACROSS 44 COUNTRIES**

### CLIMATE CRISIS AND THE AUTOMOTIVE INDUSTRY

As in many other industries, climate change stands out as one of the most critical issues impacting the automotive industry. In order to avoid the consequences of global warming, the first thing to do is significantly reduce carbon emissions.

The automotive industry is one of the stakeholders of the climate crisis. Various manufacturers worldwide have taken action and announced their commitments to take responsibility and their science-based targets in combating climate change.

In this context, Anadolu Isuzu continues its extensive efforts aimed at combating climate change. We focused on three main headings in relation to combating climate change and transitioning to a low-carbon economy

- Reducing the emissions arising from our production cycle
- Increasing awareness of the climate crisis throughout our supply chain
- Developing and manufacturing vehicles with alternative fuel systems and ensuring vehicle energy efficiency

In this context, Anadolu Isuzu has also been announcing its progress with sustainability reports prepared at global standards for the last two years.

In the upcoming period, Anadolu Isuzu will continue to do its part in combating climate change, while planning and implementing the required R&D and investments, and especially studies to reduce emissions.

### WITH ITS STRONG PRODUCT RANGE AND COMPETENCIES, ANADOLU ISUZU IS READY FOR THE POST-PANDEMIC WORLD

In 2021, Anadolu Isuzu will focus on the efficient use of all resources, meeting all customer expectations and continuity of its corporate development-oriented activities.

As for products, our efficiency-enhancing optimization projects will be commissioned in our processes for products with high added value. In the same context, the work we have started within the scope of digital transformation will continue at full speed.

We will continue to carry our well-deserved reputation in all segments to new dimensions and contribute to the Turkish economy. While developing our identity as a major player, we will crown our efforts in export markets, especially those in Europe, with new breakthroughs. As a production force based in Turkey, we will internalize the advantages (primarily those in logistics) offered by the surrounding geography, and further strengthen the values of stakeholders and shareholders as an efficient and profitable company.

I would like to thank all our colleagues and stakeholders who kept Anadolu Isuzu strong and carried out their work with great devotion despite the challenging conditions of 2020.

We are ready to write new success stories with the support of our shareholders, customers and suppliers.

We look forward to producing and sharing in happier and healthier days!

Best regards,

Tuğrul Arıkan  
General Manager

# Anadolu: Isuzu From Past to Present

**1965**

Çelik Montaj is founded.

**1981**

The title "Anadolu Otomotiv Sanayi" is registered.

**1983**

A technical assistance agreement is signed with Isuzu Motors Ltd.

**1984**

Manufacturing of trucks begins under the Isuzu Motors Ltd. license

**1985**

The first vehicle to be manufactured in Turkey under a Japanese license, the NPR 59, is launched.

**1986**

A partnership agreement is signed between Isuzu Motors Ltd., Itochu Corporation and Anadolu Endüstri Holding, paving the way for the first-ever Turkish and Japanese partnership in the automotive industry.

**1996**

The ISO-9002 certification is obtained. The foundations for the new factory are laid.

**1997**

Company shares begin trading on Borsa Istanbul.

**1999**

Production starts at the new plant in Şekerpınar, Kocaeli. Production of NQR trucks begin.

**2000**

Production of TURKUAZ buses begin.

**2002**

Production of NQR tri-axle trucks begin.

**2008**

A memorandum of understanding, confirming the intention for expanding the cooperation between Isuzu Motors Ltd. and Anadolu Isuzu, is signed in Japan. Production of Anadolu Isuzu's first 9-meter bus, CITIMARK, start. Isuzu Manufacturing Management (IMM), the global joint production system of Isuzu Motors Ltd, is commissioned at the Anadolu Isuzu truck plant.

**2009**

Isuzu celebrates 25th year of manufacturing in Turkey. Our new buses at Euro 4 emission class, NOVO, NOVO LUX and NOVO ULTRA, are introduced. Our N-Series vehicles at Euro 4 emission class, NLR, NLR LONG, NNR, NNR LONG, NPR, NPR LONG and NPR HP, are introduced. Anadolu Isuzu becomes an R&D Center, taking its place among the first accredited R&D Centers in Turkey.

**2016**

The NOVO S, designed specifically for workplace and school transportation, is launched. Within the frame of the EU regulation, the light truck segment sees a transition from Euro 5 to Euro 5b+, while the truck and bus segments sees a transition from Euro 5 to Euro 6. Anadolu Isuzu's new and independent R&D Center was officially opened.

**2017**

Anadolu Isuzu becomes the patent application champion in the first half of the year. Numerous launches are carried out during the year. These include the introduction of the New Isuzu D-Max and the smart mobility system. IMM Certification is updated to cover the entire production range of Anadolu Isuzu. BBC Top Gear recognizes the D-Max as the Pick-Up of the Year.

**2018**

Anadolu Isuzu reaches the highest international sales of the previous 24 years in 2018 with an export volume of \$110 million. The AOS brand is launched. At the A'Design Award & Competition, one of the world's most prestigious design awards, Visigo received the Platinum Award, while Citiport and Novociti Life received the Gold Award, bringing home three awards at once. Anadolu Isuzu expands into the defense industry.

Anadolu Isuzu introduces the domestic 4x2 D-Max to the market and carries out the global launch of its first electric truck.



**1987**

Production of the midibuses designed by AIOS (Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.) starts.

**1989**

Vehicle production begins for municipalities.

**1991**

Production of the NKR-WIDE light trucks starts.

**1994**

Exports begin.

**1995**

Total quality management is introduced. The Japanese share in the Company rises to 35 percent. The title is changed to Anadolu Isuzu.

**2003**

Bus exports to the European Union start. The ISO 9000: 2000 quality certification is obtained.

**2004**

Isuzu celebrates 20th year of manufacturing in Turkey. Sales of D-MAX pick-ups begin. The 20th anniversary sees the production of the 80,000th Isuzu vehicle.

**2005**

The 2000th TURKUAZ bus is rolled off the assembly line. N-Series trucks and light trucks are renovated. D-MAX pick-ups are renovated. The ROYAL bus is named ROYBUS with the addition of a turbo engine.

**2006**

Production of the brand-new TURKUAZ buses begin. Look and engines of NPR, NQR and NQR 3D are renovated. Look and engines of ROYBUS, CLASSIC and URBAN are renovated.

**2007**

The Euro 4 engine begins to be used in the TURQUOISE model exported to EU countries. The front and back designs of the vehicle are renovated. The first 9-meter bus, CITIMARK, is launched. The interior and exterior designs of the D-MAX 4x4 and 4x2 are renovated. The 100,000th Isuzu vehicle rolls off the assembly line.

**2010**

The capacity of NPR, the most significant Anadolu Isuzu vehicle in the truck segment with a gross vehicle weight of 7.5 tons, is increased to 8 tons. Three new NPR models, the NPR 8, NPR 10 and NPR 3D, are launched.

**2011**

The next-generation public transport vehicle, the 9.5-meter CITIBUS, is launched.

**2013**

New VISIGO and renovated NOVO buses are launched.

**2014**

The first domestic pick-up D-MAX rolls off the assembly line. The new 12-meter public transportation vehicle CITIPOINT is launched and production begins.

**2015**

The new 15.7-ton TORA is launched, making the transition to the upper segment in trucks. CITIPOINT is named "most comfortable and ergonomic bus in Europe."

**2019**

Anadolu Savunma brands is showcased at IDEF.

The first sustainability report is published.

Anadolu Isuzu achieves the single biggest midibus export in the Turkish automotive history.

Isuzu breaks its own record in exports.

Anadolu Isuzu is named the "only facility in Europe in the truck and pick-up segment" and "only facility in the world in the bus segment with IM certification."

**2020**

**The third-generation all-new D-Max is launched online. Anadolu Isuzu becomes the leading midibus exporter of Turkey for the 17th year in a row, setting an almost unbreakable record.**

**The new vehicles Kendo/Interliner 13 CNG and Grand Toro are well received by customers.**

**Anadolu Isuzu becomes one of the 21 business partners in seven countries of the "5GMED" project, which will bring a 5G distribution model to the**

**Mediterranean corridor for the mobility of the future.**

**Practices to reduce virus spread in vehicles are put in place within the scope of the COVID Prevention Package.**

# Anadolu Isuzu Shareholders

## Anadolu Group

With the vision of being “the star that connects Anatolia to the world and the world to Anatolia”, Anadolu Group continues its activities in 19 countries with nearly 80 companies and 66 production facilities in the nine sectors: brewing, soft drinks, retail, agriculture, automotive, stationery, quick service restaurants, real estate, and energy. Founded in 1950 by the Yazıcı and Özilhan families, the Group is one of the largest driving forces of the Turkish economy with its substantial figures, production power and diverse projects. Having established partnerships with world-leading brands and companies such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, KIA, McDonald’s, Honda, Honda Marine, Köhler and Johns Hopkins Medicine, the Group continues its operations in line with the mission of becoming a multinational and entrepreneurial group. The Group’s turnover in 2020 was 62.1 billion Turkish lira, while its total assets reached 73.3 billion Turkish lira.

Operating in various fields such as agriculture, education, health, sports, culture and arts and tourism within the frame of its social responsibility approach, the Group contributes to society through the Anadolu Foundation, Anadolu Health Center and Anadolu Efes Sports Club. With the From Anadolu to the Future brand established in 2019, the Group carries out comprehensive studies that showcase its vision for a sustainability-oriented future.

With its culture of partnership with global brands and multi-national companies, expertise in branded consumer products, experience as a major regional player in a wide geography and a strong understanding of corporate governance, Anadolu Group adds value to every field of operation with its sustainability approach while it continues its rapid and healthy growth.



### The star that links Anatolia to the world and the world to Anatolia



Undertaking strategic investments in beer, soft drinks, retail and agriculture, Anadolu Group’s operations embrace a broad range of sectors that also include automotive, stationery, quick-service restaurants, real estate and energy.

# ANADOLU GROUP

Introduction

## OUR FOUNDING PHILOSOPHY

### COLLECTIVE MIND



The business philosophy of our Group stems from the collective mind of our founders and it is based on a culture of cooperation and collective decision-making. The diversity of our employees and our stakeholders strengthens our collective mind. We enrich our collective mind by embracing different ideas and competencies and combining them with our experience from the past. We conduct our business with collective mind, we decide together and we build our future together with our collective mind.

## OUR VALUES

### WE ALWAYS FOCUS ON HUMAN



In the foundations of our management perspective and stakeholder relations, there is always a human-oriented approach. We respect our people, esteem and support their ideas. We invest in the development of our employees and recognize their needs to provide a desirable working environment for them. We always prioritize quality and endeavour to present our people the best in every area.

### WE MANAGE OUR BUSINESS WITH A FAIR AND EGALITARIAN APPROACH



Our group is formed by reliable, honest, ethical and responsible individuals. Our companies adopt a fair and egalitarian approach in all their activities, decisions and implementations in and out of their organizations. We do not allow discrimination on any subject. We are transparent and accountable in all our actions. We take possession and responsibility of our business.

### WE LEAD INNOVATION WITH OUR ENTREPRENEURIAL SPIRIT



With an innovative and entrepreneurial spirit, we always support innovation and embrace change. We work with passion and excitement to grow and develop our business. We encourage our employees to be creative and empower them to experiment. We endeavor to keep up with change and be a pioneer in new developments. With a visionary perspective, we make future-oriented investments.

### WE STRIVE TO PRODUCE VALUE IN A SUSTAINABLE MANNER



In all our operations, we strive to produce value in a sustainable manner for our world and our stakeholders. In addition to the economic value we produce, we are always involved in activities that will create positive impact on social and environmental areas. Our principal mission is to fulfil our responsibility to carry our people and our society forward and leave a better world to the future generations.

Activities in 2020

Corporate Governance

Financial Information



ANADOLU GROUP

## Anadolu Isuzu Shareholders



### Isuzu Motors Limited: A Global Leader in Commercial Vehicles and Diesel Engines Isuzu Motors Ltd. was founded in 1916.

#### **ISUZU MOTORS LIMITED: A GLOBAL LEADER IN COMMERCIAL VEHICLES AND DIESEL ENGINES**

#### **ISUZU MOTORS LTD. COMMENCED OPERATIONS IN 1916.**

One of the representatives of Japanese culture possessing the necessary virtues such as discipline, harmony, loyalty and business ethics, Isuzu Motors Ltd. takes its name from the Isuzu River near the Ise Shrine of Mie, the oldest shrine in Japan.

Isuzu Motors Ltd. is one of the leading commercial vehicle and diesel engine makers in Japan and the entire world. Sold in more than 130 countries around the world, Isuzu products lead the market in at least one product category in 23 countries.

#### **ISUZU MOTORS LTD. FOCUSES ON R&D AND ITS CUSTOMERS**

Aiming to provide high-quality products and services to its customers and develop new technologies that will contribute to the requirements of the industry, Isuzu Motors Ltd. produced Japan's first-ever air-cooled diesel engine 100 years ago, and has always made a difference with its pioneering, predictive and innovative structure.

Prioritizing R&D in its growth strategy, the company has focused on diesel engines for more than 70 years. Throughout its history, Isuzu Motors Ltd. has provided its customers and the global industry with a variety technological innovations in the field of diesel engines.

Having produced more than 26 million diesel engines to date, Isuzu Motors Ltd. has an annual production capacity of more than 1 million diesel engines worldwide.

With a wide range of products, the company manufactures products ranging from a 1,000 cc power unit to 24-liter heavy-duty vehicles and marine engines.

As one of the largest diesel engine manufacturers in the world with three other European manufacturers, Isuzu Motors Ltd. has also made a name in environment-friendly diesel technology research.

For more information about Isuzu Motors Ltd, please visit [www.isuzu.co.jp/world](http://www.isuzu.co.jp/world).



**ITOCHU CORPORATION: A GLOBAL GIANT DATING BACK TO 1858**

**GOOD FOR THE SELLER, GOOD FOR THE BUYER, GOOD FOR SOCIETY**

Founded in 1858 by a linen merchant named Chubei Itoh. Itoh's business culture, which adopts the Sampo Yoshi management philosophy that aims to be "good for the seller, good for the buyer and good for society," has evolved in 150 years into today's ITOCHU-style sustainability.

Today, Itochu Corporation is a global group that provides services with more than 100,000 employees at 120 different locations in 63 countries. The company has investments in various industries such as textile, metals, machinery, energy, chemicals, mining, forestry products, information technologies and finance.

With more than 200 affiliates and more than 100 subsidiaries, Itochu Corporation provides service with its Istanbul branch as well as its Ankara office, which opened in 1963.

**A SOLUTION PARTNER THAT TAKES ON MAJOR PROJECTS IN TURKEY**

Supporting mega projects around the world as a solution partner, Itochu Corporation specializes in generating



financial resources. Contributing to the advancement of developing countries, the company has played a role in the implementation of major projects in Turkey such as the Haliç Bridge, the Fatih Sultan Mehmet Bridge and Bursa Thermal Power Plant.

Itochu Corporation reinforces its presence with more than 150 years of experience, international perspective

and strength. As part of its mission of respecting the individual, society and the future with its commitment to global benefit, the company carries out infrastructure projects in developing countries, and assumes critical roles in the continuous development of societies and individuals through social responsibility projects.

For more information about Itochu Corporation, please visit [www.itochu.co.jp/en](http://www.itochu.co.jp/en).



# Anadolu Isuzu Product Portfolio

## PICK-UPS

### VERSATILE DMAX

Introduced with the motto “redesigned for your dreams,” D-Max is a pick-up that stands out with its superior safety features and off-road capability. With various difference-making features, the D-Max is a versatile vehicle that provides added value to SMEs and tradespeople, and responds to the needs of individual users with its state-of-the-art features and driving comfort. D-Max makes a difference with its powerful Isuzu engine, safety, modern design and state-of-the-art features, and provides benefits to its users for years to come.

## TRUCKS

### WIDE PRODUCT RANGE

Anadolu Isuzu truck group offers a wide range of products that live up to customer demands and expectations with numerous features. Standing out with Anadolu Isuzu’s widespread after-sales network and affordable spare parts, the trucks are popular among customers thanks to their low total cost of ownership.



## LIGHT TRUCKS

### A PARTNER FOR SMEs

Offering transport efficiency and comfort for customers in all segments, and primarily for SMEs, Anadolu Isuzu light trucks come in two customer-favorite models.

## MIDIBUSES BUSES

### PRODUCTS FOR EFFICIENCY AND PROFITABILITY

Anadolu Isuzu produces midibuses and buses that provide solutions for public transportation, tourism and shuttle transportation. Isuzu buses are designed and manufactured with the goal of presenting an efficient and profitable business model to the operator and providing a comfortable and safe travel experience to passengers and on-board personnel.

Anadolu Isuzu aims to offer economic solutions to its users with its midibuses developed for workplaces, schools, tourism and public transportation, and with technical and equipment features that meet a wide range of industry requirements.

Anadolu Isuzu offers its customers comfort, safety and driving pleasure with its high-value product range.

D-MAX stands out with its powerful engine, robustness, aesthetic appearance, superior safety measures, comfort and functionality, and appeals to the eye with its modern design.



NPR  
NPR Long  
NPR10  
NPR10 Long  
NPR3D

TORA  
TORA Long  
NQR 90  
SEYİT

**HEAVY TRUCKS: UP FOR THE CHALLENGE**

Anadolu Isuzu produces trucks suitable for challenging military environments. Anadolu Savunma trucks provide superior performance on rough terrain with their modular infrastructures ranging from 4x4 to 20x20.

N-Wide  
N-Wide Long



Grand TORO  
Turkuaz/Turquoise  
Novo/Novo S  
Novo Lux/Novo Ultra

Novo Citi  
Novo Citi Life  
Novo Citi VOLT



Citiport 18  
Citiport 18 CNG  
Citiport 12  
Citiport 12 Hyper  
Citiport 12 CNG

Kendo/Interliner 13 CNG  
Kendo/Interliner 12.3  
Visigo  
Visigo Hyper  
Visigo Interurban

# Characteristic, Bold and Smart D-Max

The third-generation all-new D-Max was launched in 2020. Offering equipment, traction system and gear options, the new Isuzu D-Max has a powerful 1.9-liter Isuzu engine.

## ISUZU D-MAX FOR ALL BUMPY RIDES

The new D-MAX, manufactured with more than 100 years of Isuzu experience in vehicle design and production, comes with two different traction systems (4x2 and 4x4), two different transmission options (six-speed manual and six-speed automatic) and four different equipment options (V-GO, V-LIFE, V-JOY and V-CROSS).

Put on the Turkish market in 2004, the D-MAX has sold a total of 35,190 units by the end of 2020.

## LOAD CARRYING AND TOWING CAPACITIES OF D-MAX

The load carrying capacity of Isuzu D-MAX varies between 1,075 and 1,120 kilograms depending on the model. It has a towing capacity of 2,500 kilograms in 4x2 models and 3,500 kilograms in 4x4 models.

## VERSATILE D-MAX

The versatile D-MAX is a strong business partner that provides solutions for both SMEs and tradespeople, and responds to the needs of individual users. D-MAX was designed for the combination of comfort and functionality with its sporty look, LED daytime running lamps and standard accessories.

D-MAX offers a comfortable ride and maximum safety with its equipment and technical features.

Providing 163 ps, 360 Nm/2000-2500 rpm flat torque, the 1.9-liter D-MAX's engine is not only powerful, but also durable and economical. Allowing the driver to have full control of the steering wheel, the vehicle draws attention with its new LED daytime running lamps, heated front seats, electric driver seat, keyless entry and starting system, high-

## D-MAX offers a comfortable ride and maximum safety with its equipment and technical features.

beam assist, adaptive cruise control, traffic sign recognition system, turn assist, self-leveling headlamp system, lane keeping support, hill start assist and hill descent control, smart cruise control, dual-zone automatic digital air conditioning, central airbag and electric wing mirrors foldable with the press of a button.

The 9-inch touchscreen multimedia system that offers wireless Android Auto and Apple CarPlay support is offered as standard equipment in the equipped D-MAX models.

In addition to superior safety systems such as EBD, ABS, BAS, ESC and TCS, the D-MAX comes with an impact-absorbing overhang, impact-absorbing bars that reduce impact from the sides, and a reinforced cabin frame.

With the D-MAX, Anadolu Isuzu introduced the groundbreaking "shift-on-the-fly" system that enables switching to the 4x4 mode with a single button. Continuously improving its engineering advantages, D-MAX generates the same power as its predecessor with its new 1.9-liter diesel engine, 6-speed manual and automatic transmission options, while offering lower fuel consumption, a silent cabin and a comfortable ride. The 1.9-liter engines in 4x4 models also offer Motor Vehicle Tax advantages.





# SUITABLE FOR URBAN ROADS

The versatile D-Max is a strong business partner that provides solutions for both SMEs and tradespeople, and responds to the needs of individual users.

D-MAX was designed for the combination of comfort and functionality with its sporty look, LED daytime running lamps and standard accessories.



# Truck Group

Anadolu Isuzu truck group offers a wide range of products that live up to customer demands and expectations with numerous features. Standing out with Anadolu Isuzu's widespread after-sales network and affordable spare parts, the trucks are popular among customers thanks to their low total cost of ownership.

## TORA

Equipped with an Isuzu engine, producing diesel engines in the highest quantity and durability worldwide, TORA is supported by engine, turbo and intercooler features that boost its power and torque. In addition to the extremely quiet 210 PS engine, the vehicle also provides fuel savings.

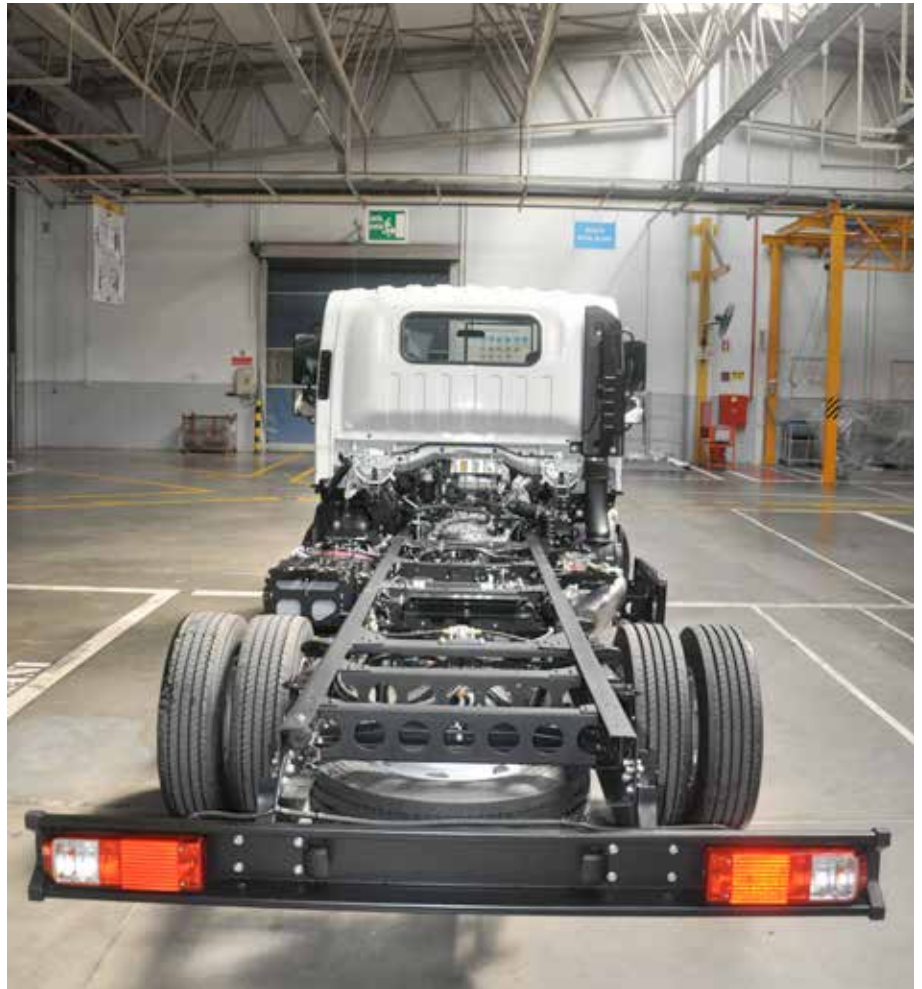
## NPR

With a useful chassis length of 4.2 meters and a gross vehicle weight of 7.5 tons, the NPR fully meets the needs of drivers with its next-generation, low fuel consumption Isuzu engine, while providing high performance at the same time. With 150 PS engine power and 375 Nm torque, the Isuzu engine draws attention with its high fuel efficiency.

## NPR LONG

Introduced in 2016, THE NPR LONG has a useful chassis length of 4.9 meters. With high maneuverability, it serves as an ideal truck for those who want volume and performance while driving around the city. With a modern and renewed exterior design, the vehicle provides driving comfort and a comfortable range of motion with its wide view and interior volume.

**From comfort to capacity, from efficient transportation to durability and safety, the Anadolu Isuzu truck group offers a wide variety features.**



## WIDE PRODUCT RANGE, WIDE AFTER-SALES NETWORK

Anadolu Isuzu truck group offers a wide range of products that live up to customer demands and expectations with a variety of features. Standing out with a widespread after-sales network and affordable spare parts, Anadolu Isuzu trucks are popular among customers thanks to their numerous advantages.



# LARGE LOAD CARRYING CAPACITY AND SUPERIOR MANEUVERABILITY

From comfort to capacity, from efficient transportation to durability and safety, the Anadolu Isuzu truck group offers a wide variety features. Anadolu Isuzu trucks also provide companies with increasing added value in terms of transportation expenses.



# Truck Group

## NPR10

NPR10 trucks make drivers feel the performance with 190 PS engine power and 510 Nm torque. With a gross vehicle weight of 9,800 kilograms and an air brake system, the NPR10 is the choice of those looking for the best in urban transportation. The vehicle is popular due to its ambitious features such as full air front and rear disc brake system, large load carrying capacity and superior maneuverability.

## NPR10 LONG

Attracting experienced drivers, the NPR10 LONG is preferred for urban and close interurban distances. In addition to its dynamic and flexible structure, the vehicle provides its customers with a full air brake system, low operating costs, lower fuel consumption, less maintenance requirements, more load carrying capacity and more storage space, and it is widely popular in public and private sectors.

## NPR3D

The NPR3D stands out with its large load carrying capacity and cost-effectiveness. Allowing passage through narrow streets, the NPR3D provides significant features such as large carrying load capacity with the third axle, gross vehicle weight of 12,500 kilograms, 190 PS power and 510 Nm torque, full air, dual-circuit disc brake system, electronic braking limitation, automatic brake pad adjustment and safety systems such as AEBS, ABS, ASR and ESC.



# Light Truck Group

Indispensable for urban transportation with their high maneuverability and durability, Isuzu light trucks are designed to meet any and all customer needs.



Indispensable for urban transportation with their high maneuverability and durability, Isuzu light trucks are designed to meet any and all customer needs. Successfully passing through any road under the heaviest loads, Isuzu light trucks continue to be solid partners.

## **N-WIDE**

Providing ease of use with its wider and deeper cabin and emphasizing driver comfort with its advanced suspension system, the N-WIDE stands out with its useful chassis length of 3.5 meters and the next-generation, powerful and durable Isuzu engine with 150 PS engine power and 375 Nm torque.

## **N-WIDE LONG**

In addition to requiring less maintenance, the N-WIDE LONG also offers advantages such as affordable spare parts and fuel savings. With its useful chassis length of 4.3 meters, the N-WIDE LONG offers a solution for those who want large volume.

# EFFICIENT TRANSPORTATION, COMFORTABLE USE

Anadolu Isuzu light trucks offer transport efficiency and comfort for customers in all segments, and primarily for SMEs. The agile light trucks produced by Anadolu Isuzu also meet the volume needs of individual and fleet users.



# Buses and Midibuses

## VISIGO

VISIGO, Anadolu Isuzu's 9.5-meter long tourist bus, has become popular both in Turkey and abroad with its aesthetic interior/exterior design and first-class comfort. The bus offers an ideal solution for small tour groups looking for a luxurious trip with a passenger capacity of 35 to 39 people.

## VISIGO INTERURBAN

Sharing the same platform with VISIGO, VISIGO INTERURBAN offers solutions for the needs of personnel transportation rather than tourism with its unique interior design and more economical comfort. The VISIGO INTERURBAN at Class2 can also carry standing passengers. VISIGO INTERURBAN is a disabled-accessible vehicle, as it comes with an additional middle door and wheelchair lift.

VISIGO models, lengths and engine power:

- VISIGO / 9.5 m, 248 hp
- VISIGO HYPER / 9.6 m, 320 hp
- VISIGO INTERURBAN / 9.5 m, 248 hp
- VISIGO INTERURBAN HYPER / 9.6 m, 320 hp

## CITIPORT 18 & CITIPORT 12

Public transportation vehicle CITIPORT is the biggest bus manufactured by Anadolu Isuzu. The vehicle offers unique solutions for the needs of municipal and private public bus carriers serving in the public transportation sector. CITIPORT, which won "Europe's most ergonomic and comfortable vehicle" award at the Busworld Kortrijk 2015 International Fair in Belgium, stands out from its counterparts with its aesthetic exterior design and spacious interior layout. Articulated CITIPORT 18, the largest of the CITIPORT family, has a carrying capacity of 155 passengers. The other member of the product family, CITIPORT 12, comes with a 341 horsepower engine in the HYPER version.

CITIPORT models, lengths and engine power:

- CITIPORT 18 / 18 m, 370 hp
- CITIPORT 18 CNG / 18 m, 320 hp
- CITIPORT 12 / 12 m, 300 hp
- CITIPORT 12 / HYPER 12 m, 341 hp
- CITIPORT 12 / CNG 12 m, 320 hp
- CITIPORT 12 / EURO 5.12 m, 289 hp

## KENDO/INTERLINER

With a length of 13 meters, the Kendo/Interliner offers an ideal solution for close interurban transportation, school buses and personnel shuttles. The Kendo/Interliner has become popular with its comfort, technology, equipment, aerodynamics and modern design. While protecting nature with its environment-friendly CNG engine, it also contributes to customer profits with low fuel consumption.

- 63 passengers, 13 CNG
- 59 passengers, 12.3 diesel
- Kendo/Interliner models, lengths and engine powers:
- Kendo/Interliner 13 CNG / 13m, 320 hp
- Kendo/Interliner 12.3 / 12.3m, 370 hp

## CITIBUS

Another solution Anadolu Isuzu offers for public transportation is the 9.5-meter CITIBUS. Thanks to its affordable price, low fuel consumption and operating costs, and durable infrastructure and superstructure, it is widely used in low population areas and lines where there is no need for a 12-meter bus.

CITIBUS models, lengths and engine powers:

- CITIBUS / 9,5 m, 211 hp
- CITIBUS EURO 5 / 9,5 m, 204 hp

## GRAND TORO

Developed by Anadolu Isuzu in line with the personnel and tourism transportation requirements in Turkey and Europe, the Grand Toro emerges as an innovation in the 8.5-meter midibus segment. A size above the Turkuaz midibuses with a higher 35 to 37 passenger capacity, the Grand TORO provides comfort for its passengers together with low fuel consumption, and modern interior and exterior design. Grand TORO can be manufactured with VIP and elevator configurations for special projects.

Grand TORO models, lengths and engine powers:

- Grand TORO Euro6 / 8.5 / 206 hp
- Grand TORO Euro6 Class2 / 8.5 / 206 hp
- Grand TORO Euro6 RHD / 8.5 / 206 hp

## TURKUAZ

A size above the NOVO class midibuses with a passenger capacity of 31 to 33 people, TURKUAZ is the ideal midibus for the tourism industry. Offering plenty of comfort to both the driver and the passenger with its appearance, interior design, luggage capacity and standard equipment, TURKUAZ is known as the flagship of midibuses used for tourist transportation.

TURKUAZ can be produced with VIP and elevator configurations for special projects.

TURKUAZ models, lengths and engine powers:

- TURKUAZ EURO 5~6 / 7.7 m, 190 hp
- TURKUAZ INTERURBAN EURO 5~6 / 7.7 m, 190 hp
- TURKUAZ EURO 2 / 7.7 m, 175 hp



# AESTHETIC DESIGN, MAXIMUM PASSENGER COMFORT

Anadolu Isuzu buses offer efficient transportation and comfortable use.

Anadolu Isuzu buses are widely used in many areas from public transportation to tourism.



## LOW FUEL CONSUMPTION AND LOW OPERATING COST

With their low fuel consumption and low operating costs, Anadolu Isuzu midibuses appeal to customers in all segments.

In addition to their agile structures, midibuses meet the needs of individual and fleet users and serve as one of the most popular transportation solutions in personnel transportation services.

## Buses and Midibuses

### NOVO / NOVO S

With its capacity of 27 to 29 passengers, the NOVO S midibus has been popular throughout the industry with its low fuel consumption and operating costs. Thanks to its more durable engine and higher level of passenger comfort compared to minibuses, it has become one of the most popular transportation solutions for shuttle services.

NOVO models, lengths and engine powers:

- NOVO EURO 6 / 7,3 m, 190 hp
- NOVO EURO 5 / 7,3 m, 155 hp

### NOVO LUX / NOVO ULTRA

Sharing the same platform with NOVO S, yet boasting a higher level of comfort with its interior design and standard equipment, the NOVO LUX appeals to workplace and tourism carriers who want to offer their passengers a more comfortable travel experience. Offering versatile use with its advanced equipment, the vehicle serves both workplace and touristic purposes. The rear air suspension offered with the NOVO ULTRA version provides even more comfort.

NOVO LUX/ULTRA models, lengths and engine powers:

- NOVO LUX/ULTRA EURO 5 / 7,3 m, 155 hp
- NOVO ULTRA INTERURBAN EURO 6 / 7,3 m, 190 hp

### NOVOCITI

With a length of 7.5 meters, the NOVOCITI addresses the needs of urban transportation in lower population towns and historical metropolises with narrow streets with its superior maneuverability, low investment, operating costs and fuel savings. NOVOCITI is also the first vehicle in its class to have a wheelchair ramp. NOVOCITI is the best-selling model domestically in its segment and demonstrates the same level of success in foreign markets.

NOVOCITI models, lengths and engine powers:

- NOVOCITI EURO 6 / 7,5 m, 190 hp
- NOVOCITI EURO 5 / 7,5 m, 155 hp

### NOVOCITI LIFE

NOVOCITI LIFE was developed to deliver a new look to the existing NOVOCITI model in line with the changing living conditions and new requirements in the city. While maintaining the maneuverability, low operating cost and fuel economy of the previous model, the vehicle eliminated all obstacles in urban travel with its low floor made possible with its rear-engined monocoque body. Thanks to its design that removes all steps, urban transportation has become easier than ever for elderly passengers and those with walking disabilities.

NOVOCITI LIFE uzunluk ve motor gücü:

- NOVOCITI LIFE / 8 m, 186 hp

### NOVOCITI VOLT

Designed as a 100 percent electric vehicle for the midibus segment, the Isuzu Novociti Volt offers a silent and comfortable journey with zero carbon emission thanks to its fully-electric drive system. Included in the category of environment-friendly vehicles, the Novociti Volt is equipped with Acoustic Vehicle Alerting Systems (AVAS) aimed at ensuring the safety of pedestrians, preventing noise pollution and increasing awareness.

Offering two different battery capacities to the user, Novociti Volt provides a range of up to 300 km with a battery capacity of 211 kWh, and a range of 380 kilometers with a battery capacity of 268 kWh. Thanks to the positioning of the battery packs on the ceiling, the vehicle's range can be extended or shortened. The electric motor located at the rear end of the vehicle has a power of 255 kW and a torque value of 2355 Nm.

NOVOCITI VOLT models, lengths and engine powers:

- Eight meters, low floor
- e-motor 255 kW, 2355 Nm
- 211 kWh and 268 kWh LFP Battery



## ARMORED AND NON-ARMORED TRUCKS FOR THE DEFENSE INDUSTRY

Anadolu Isuzu produces armored and non-armored heavy trucks for the defense industry under the Anadolu Savunma brand.

With superior cross-country capabilities, high strength and suitability for multiple purposes, these vehicles are produced with all-domestic facilities to serve the logistics activities of the Turkish Armed Forces.



# Defense Industry

Anadolu Savunma is the brand used by Anadolu Isuzu in the production of heavy trucks for the defense industry. Anadolu Savunma produces armored and non-armored trucks from 4x4 to 14x14 to meet the logistics requirements of the Armed Forces.

## 8x8 Tactical Wheeled Vehicle

Able to reach a speed of 90 kilometers per hour with engine options ranging from 400 hp to 600 hp, the 8x8 Seyit Tactical Wheeled Vehicle has a range of 500+ km and 120-cm fording, 60% gradeability and 30% side slope capability. While the 8x8 TWV offers a carrying capacity of up to 16 tons per axle with its superior axle technology, it stands out as the most suitable solution for transporting sensitive heavy loads on rough terrain with its independent suspension.

## 8x8 Container Carrier

Providing superior cross-country capabilities, high strength and suitability for multiple purposes in order to ensure continuous logistics supply for the Turkish Armed Forces in combat areas, and timely transportation of firepower to desired areas, the 8x8 Seyit Container Carriers are produced using all-domestic facilities and provided to the Armed Forces.

## 8x8 Recovery Vehicle

Providing superior cross-country capabilities and high strength in order to aid the Turkish Armed Forces in rescue missions, the 8x8 Seyit Recovery Vehicles are produced using all-domestic facilities and provided to the Armed Forces.

## Concealed Armored D-MAX

With its ballistic protection and floor protection against explosives, the Concealed Armored D-MAX BR6 provides safe transportation of personnel along with high performance and comfort.

## Concealed Armored Minibus

With its ballistic protection and floor protection against explosives, the Concealed Armored Minibus provides safe and comfortable transportation of our security forces.



# Turkish and the Global Economy

The Central Bank of the Republic of Turkey (CBRT) has observed positive effects on the value of TRY and country risk premiums as it has shifted towards a tighter monetary policy in the second half of the year.

## THE PANDEMIC SETS THE AGENDA FOR GLOBAL ECONOMY.

The global economy, which is yet to recover in 2020, has entered a challenging period as the COVID-19 pandemic has turned into an economic crisis. While the restrictive measures taken to prevent the pandemic around the world caused a halt in the entire production cycle and global trade, starting from the supply chain, global economic activity took a big hit; especially in the second quarter of the year. The steps for normalization in the third quarter of the year allowed economic activity to gain momentum. However, as the number of cases increased again in the last quarter of the year, the negative effects on the macroeconomic outlook once again became evident.

## EXPANSIONARY MONETARY POLICIES CONTINUE.

While many countries announced large-scale support packages in order to mitigate the effects of the pandemic on the economy, central banks turned to expansionary monetary policies. Central banks of developed countries provided significant liquidity to the markets with low interest rates and large asset purchases.

At the end of 2019, the Federal Reserve gradually cut the policy rate from 1.50 percent to 1.75 percent to 0.00 percent and 0.25 percent, while The European Central Bank (ECB) kept the deposit facility rate at -0.50 percent.

Although expansionary policies created an abundance of liquidity in the markets, high outflows were observed in the portfolio investments in developing countries in parallel with the decline in the global risk appetite. Risk premiums also showed significant increases.

The IMF's October 2020 report predicts a contraction of 4.4 percent for the global economy due to the pandemic.

## THE GROWTH OF THE TURKISH ECONOMY BOUNCED BACK IN THE THIRD QUARTER.

While it was continuing to grow in the first quarter of 2020, the Turkish economy, like many others, has lost momentum with the pandemic. According to seasonally-adjusted and calendar-adjusted data, the GDP that grew by 4.5 percent on an annual basis in the first quarter experienced a sharp contraction of 9.9 percent in the second quarter. With monetary and financial support, the third quarter saw rapid economic recovery with an

annual growth of 6.7 percent. Private sector consumption and investment expenditures played a big role in this economic recovery, while net foreign demand limited growth.

Inflation, which was on a moderate course in the first half of the year due to weak demand, started to rise in the second half of the year due to the volatility in exchange rates and the demand-boosting effect of the normalization process, and closed the year in double digits (14.6 percent).

In the second half of the year, the CBRT abandoned the course of low interest rates it had maintained during the pandemic and switched to a tighter monetary policy, increasing the interest rate up to 17 percent at the end of the year. This approach has had positive effects on the value of Turkish lira and the country's risk premiums.

While our foreign trade deficit has increased with the effect of the sharp contraction in our main export market of Europe, the current account balance is deteriorating in line with the decrease in tourism revenues. Along with the current account deficit, the need for increased external financing and weakening capital flows are adversely affecting the foreign exchange reserves.

# Industry Outlook

**Automotive industry exports decreased by 17 percent in 2020 to \$ 25.9 billion, while maintaining first place in export rankings with a share of 15 percent of total exports.**

## **AUTOMOTIVE SALES SHOW STRONG MOMENTUM DESPITE THE DECREASE IN PRODUCTION.**

After entering a challenging period due to the pandemic that started in March 2020 and caused a crisis due to a halt in production, the automotive sector has recovered rapidly and exceeded the expectations with its sales volume. However, automotive exports decreased year-on-year, especially due to the contraction of the European markets.

In 2020, total production decreased by 11 percent and automobile production decreased by 13 percent, with the production of 1,297,854 units and 855,043 units, respectively.

Total market sales increased by 62 percent to 796,200 units, while automobile market sales increased by 58 percent to 610,109 units.

## **THE COMMERCIAL VEHICLE MARKET HAS GROWN.**

In 2020, production decreased by 8 percent in the commercial vehicle group, increased by 8 percent in the heavy commercial vehicle group and decreased by 9 percent in the light commercial vehicle group.

Analysis of the production of commercial vehicles carrying freight and passengers based on product groups shows a 47 percent increase in small trucks, 20.3 percent increase in large trucks, 19 percent decrease in midibuses, 7 percent decrease in light trucks/pick-ups, 17 percent decrease in minibuses and 14 percent decrease in buses.

Looking at the sales volumes; sales increased by 78 percent in the commercial vehicle market, 77 percent in the light commercial vehicle market and 82 percent in the heavy commercial vehicle market. Despite the contraction in the previous two years, the sales in truck and bus markets increased as well. The truck market sales increased by 96 percent to 21,045 units, while the bus market sales increased by 51 percent to 1,047 units.

## **THE AUTOMOTIVE INDUSTRY HAS MAINTAINED ITS FIRST PLACE IN EXPORT RANKINGS WITH A SHARE OF 15 PERCENT.**

According to the data by Uludağ Exporters' Association (UIB), the automotive exports in 2020 decreased by 17 percent to \$ 25.9 billion, but the industry maintained its first place in export rankings with a share of 15 percent in total exports. In 2020, 916,543 vehicles were exported, 596,616 of which were automobiles, making up 71 percent of the total production. Exports decreased by 26.8 percent on a unit basis year-on-year. Automobile exports decreased by 28 percent, while commercial vehicle exports decreased by 24.5 percent.

While 319,927 commercial vehicles were exported in 2020, decreases can be observed in all segments. Contraction was 48.6 percent in the midibus segment, 22.3 percent in the minibus segment, 23.5 percent in the bus segment, 30.3 percent in the truck segment and 24.5 percent in the light truck segment.

# Activities

# in 2020

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## SUSTAINABLE PERFORMANCE



Anadolu Isuzu continued its activities in 2020 in line with its global vision.

The Turkish automotive market has experienced a downturn due to the volatile global and national economic conditions.

During this period, Anadolu Isuzu has further strengthened its financial structure and achieved healthy operational performance.

## Activities in 2020

# 2020 in Brief

Anadolu Isuzu continued its activities in 2020 in line with its global vision. The company's total turnover increased to 1.24 billion Turkish lira in 2020.

## MARKET SHARE

MIDIBUSES	TRUCKS	PICK-UP	BUSES	LIGHT TRUCKS
<b>30.9%</b>	<b>10.9%</b> 6~16 t: 37.4%	<b>7.4%</b>	<b>0.7%</b>	<b>5.6%</b>

Anadolu Isuzu continued its activities in 2020 in line with its global vision. The company's total turnover increased to 1.24 billion Turkish lira in 2020.

Despite the pandemic, as well as the fluctuations caused by national and global economic conditions and the corresponding downturn in the Turkish automotive industry, Anadolu Isuzu maintained its financial stability in 2020 and achieved a healthy level of operational performance.

Moreover, the company has pursued stabilizing financial strategies against fluctuating exchange rates and interest rates throughout the year, and continued its activities to reinforce shareholder value with a risk-based approach.



# Export Activities

In 2020, Anadolu Isuzu's export revenues were € 51.74 million, with € 48.36 million coming from vehicle sales and € 3.38 million coming from spare parts sales.

## 51.74 MILLION IN EXPORT REVENUES DESPITE COVID-19.

As of the first quarter of 2020, schools and workplaces around the world were closed, public transportation took a hit and the tourism industry experienced record losses due to the COVID-19 pandemic. The EU market, one of Anadolu Isuzu's biggest export markets, contracted by 28 percent during the pandemic. On the other hand, the contraction in non-European markets was even greater.

Despite all these undesired developments in the industry, the Company exported 563 vehicles in 2020 and managed to keep its export revenues at € 51.74 million. Out of Anadolu Isuzu's export turnover in 2020, € 48.36 million came from vehicle sales and € 3.38 million came from spare parts sales.

Midibus sales remained the flagship of Anadolu Isuzu's exports.

In 2020, sales to the top 10 countries comprised 89 percent of Anadolu Isuzu's total exports, while France (40 percent), Poland (10 percent) and Bulgaria (7 percent) took the first three places in terms of turnover.



## ANADOLU ISUZU'S MARKET SHARE IN EXPORTS AMONG OTHER DOMESTIC BRANDS IN THE SEGMENT WAS 29.4%

In 2020, Anadolu Isuzu's market share in exports among other domestic brands in the segment was 29.4 percent. The company maintained its first place in midibus segment exports among all domestic and foreign brands, thus leading Turkish midibus exports for the 17th time and setting an almost unbreakable record.

## THE HIGHEST CONTRIBUTION TO MIDIBUS EXPORTS IN 2020 CAME FROM NOVOCITI LIFE AND TURKUAZ.

Anadolu Isuzu maintained stable sales in the midibus product group in 2020. Turkuaz and Novociti Life models were particularly beneficial for exports, selling 169 units in total. With a market share of 55 percent, Anadolu Isuzu remained the champion of Turkish midibus exports in 2020 by standing out from the competition.

## Export Activities

**In 2020, Anadolu Isuzu continued its search for new markets in different geographies, especially in Western and Eastern Europe. The first vehicle deliveries in 2020 were made to the Maltese and Swedish markets.**

### **DEVELOPMENT AND DIVERSITY IN THE EXPORT GEOGRAPHY CONTINUES AT FULL STEAM.**

In 2020, Anadolu Isuzu continued its search for new markets in different geographies, especially in Western and Eastern Europe. The first vehicle deliveries in 2020 were made to the Maltese and Swedish markets.

In 2020, a Citiport contract worth € 47.3 million was signed with a new business partner in Taiwan for delivery in five years.

### **FRANCE EMERGED AS THE BIGGEST EXPORT MARKET OF ANADOLU ISUZU IN 2020.**

With 160 units sold in 2020, France emerged as the biggest export market of Anadolu Isuzu. Anadolu Isuzu became the highest-selling Turkish brand in minibuses and midibuses segments for France in 2018 and 2019, and maintained this level of success in 2020 by reaching the first place among the competition in the same segment, with a market share of 48 percent.

### **ANADOLU ISUZU RANKED 120TH AMONG THE TOP 1,000 EXPORT COMPANIES OF TURKEY.**

Ranking 152 places higher compared to the previous two years in the "Top 1,000 Export Companies of Turkey" list published in 2020 by Turkish Exporters Assembly (TIM), Anadolu Isuzu completed 2019 in 120th place.

### **ANADOLU ISUZU IS OFF TO A GREAT START WITH ITS NEW VEHICLES.**

The brand-new Kendo/Interliner 13 CNG and Grand Toro, launched online due to pandemic conditions in 2020, received great interest from the customers. Although the vehicles were put on the market in the last quarter, a total of 30 Kendo/Interliner 13 CNGs and 19 Grand Toros were sold. The first Kendo/Interliner 13 CNG deliveries were made to Bitola, Macedonia with six units.

### **OUR PROMOTIONAL ACTIVITIES CONTINUED DESPITE ALL THE CHALLENGES BROUGHT BY COVID-19.**

The demo tours of Grand Toro and Kendo/Interliner 13 CNG, which were put on the market in 2020, started in October in France. As many fairs were either postponed or canceled, the most crucial promotion channels became the online launch events and the demo tours planned across Europe. Covering 22 countries in total, the European Demo Tour is planned to continue until July 2021.

Despite all the negative developments, the Italian distributor Officine Mirandola represented the Company by participating in Bus Expo held in Rimini on October 14–16.

### **OUR TRUCK EXPORTS CONTINUED IN 2020.**

In addition to buses and midibuses, the exports of trucks also continued in 2020, as 48 more Anadolu Isuzu trucks hit the European roads.

### **WE MADE OUR BIGGEST DELIVERY FOR NORTH AFRICA IN 2020 TO MOROCCO.**

Anadolu Isuzu won the tender held for 38 buses in Morocco, carrying the tender success in Europe to the African continent.

### **ANADOLU ISUZU PROVIDED PURPOSE-BUILT VEHICLES TO THE MINISTRY OF NATIONAL EDUCATION OF BULGARIA.**

As the choice of the Bulgarian Ministry of Education for more than 11 years, Anadolu Isuzu carried out yet another major school bus delivery operation with Isuzu midibuses in 2020. Isuzu Turkuaz midibuses, which will be used for shuttle transportation in many big cities and especially in Sofia, offer maximum safety and comfort to both their drivers and passengers. During this period, 10 vehicles to be used by the Ministry of Defense were also delivered.



**POLAND AND GEORGIA PURCHASE MORE NOVOCITI LIFE VEHICLES.**

Making its name throughout Europe with the deliveries to Georgia and Poland in 2019, Novociti Life remained the most popular solution partner of municipalities in 2020, as a significant number of Novociti Life vehicles were sold to Poland, Georgia and the Czech Republic.

**NEW DISTRIBUTOR COLLABORATIONS PLAY A MAJOR ROLE IN EXPORTS.**

Anadolu Isuzu, whose primary goal is to develop customer-oriented, innovative products and services, is determined to create and maintain a strong sales and service network that offers quick and proactive solutions for its customers.

While the Company was operating in 22 countries with 15 distributors at the end of 2016, it reached 36 distributors and 44 countries by the end of 2020. Anadolu Isuzu's goal in the upcoming period is to increase the number of countries served to 60, and increase the number of distributors in the process.

Anadolu Isuzu emphasizes synergistic collaboration with its foreign distributors, who act as the driver of export activities. The Company promotes its products in international markets through distributors, and sells the products through these channels.

Although it was not possible to meet with the distributors face-to-face due to the pandemic in 2020, we held

online meetings, continuously provided information about the new vehicles and the current situation, and supported their activities. Online evaluation meetings were held with the distributors every week on a region basis, and the developments in the market were closely monitored.

In 2020, new distributor collaborations were established in the Maltese and Serbian markets, and a new sub-distributor was appointed in Sweden. The positive effects these steps will have on marketing and sales will also be observed in 2021.

# Our Export Performance

## NUMBER OF VEHICLES SOLD

# 166

FRANCE

# 45

MOROCCO

# 43

ITALY

## 2020 CİRO DAĞILIMI (segment bazında)

▶ MIDIBUS 49%

▶ BUS 41%

TRUCK 3% ◀

SPARE PARTS 7% ◀



**In 2020, Anadolu  
Isuzu operated in  
44 countries with  
36 distributors.**



# Marketing and Dealer Network Development Activities

Anadolu Isuzu evaluates and fulfills all requests made via the call center and digital channels.



## ANADOLU ISUZU ALWAYS PRIORITIZES CUSTOMER SATISFACTION.

Prioritizing customer satisfaction at all times, Anadolu Isuzu evaluates and fulfills all requests made via the call center and digital channels. In addition, it regularly asks its dealers and authorized services for their opinions, and further strengthens its ties with the dealer organization by carrying out studies and improvements in line with the relevant opinions.

Anadolu Isuzu collaborated with dealers and services in the preparation of the data required for the Message Management System and ensured that all data is recorded in the system.

## ANADOLU ISUZU CONTINUES TO DEVELOP ITS DEALERS AND SERVICES THROUGH DISTANCE TRAINING.

Within the frame of COVID-19 measures, Anadolu Isuzu quickly revised its dealer and service training program and carried out all the plans through distance training. Aimed at vehicle sales and service consultants, these efforts have enhanced the professionalism of dealer and service personnel.

Distance training sessions allowed for providing information on automotive technology, product, system usage, the Personal Data Protection Law and the e-Commerce Law.

## THE AREAS OF DEVELOPMENT FOR DEALERS ARE DETERMINED WITH AUDITS.

Having started in 2019 and carried out by an independent company, the dealer audits continued in 2020. After being inspected for their corporate identity, facility, sales management, organization, sales process, website, second-hand vehicle operations, after-sales and COVID-19 measures, the dealers have seen their strengths and areas of development. Accordingly, they have started working to improve the areas determined.



## Anadolu Isuzu continues its efforts to ensure continuity in customer satisfaction and turn it into customer loyalty.



### WE KEEP IN TOUCH WITH OUR CUSTOMERS WITH EFFECTIVE CUSTOMER RELATIONSHIP MANAGEMENT.

Anadolu Isuzu continues its efforts to ensure continuity in customer satisfaction and turn it into customer loyalty. Its main goal is to create customer ambassadors and make Anadolu Isuzu an ever-growing family.

Anadolu Isuzu is committed to providing personalized and exclusive service and a good experience to all customers. Thanks to its strong CRM structure, it has managed to monitor customers from every channel and create a loyal customer base. In addition, it takes quick and confident steps to reach new customers in the market.

### COLLABORATION WITH DEALERS AND AUTHORIZED SERVICES IN THE FIGHT AGAINST COVID-19.

Since the declaration of the global pandemic, intensive communication and support activities have been carried out with dealers and authorized services in the fight against COVID-19. Accordingly, guides were prepared for dealers and services, and the subject was kept on top of the agenda with regular flow of information. Products required by dealers and services for hygiene such as face shields, face masks and disinfectant stands, were made and provided for their use.

### EFFORTS FOR DEALER STANDARDIZATION STAYED THE COURSE.

Standardization works, carried out to make showrooms more modern, appealing and useful, continued in 2020. Both dealers and authorized services were supported in the renovation of their buildings and facilities.



# After-Sales Services

With a service network that covers all corners of Turkey, Anadolu Isuzu focuses on fulfilling the after-sales demands and expectations of customers in all segments in the best and fastest manner possible.

## CONTINUOUSLY IMPROVING CUSTOMER SATISFACTION

With a service network that covers all corners of Turkey, Anadolu Isuzu focuses on fulfilling the after-sales demands and expectations of customers in all segments in the best and fastest manner possible.

With the belief that the actual service starts after the sale, Anadolu Isuzu continued to expand its after-sales services in 2020 and further improved its high level of customer satisfaction. According to the results of the satisfaction survey conducted with customers throughout the year, the domestic customer satisfaction rate has increased to 90 percent.

In order to minimize the effects of COVID-19 on authorized services and customers and ensure business continuity, Anadolu Isuzu was in close contact with the entire service network, and came together with services that could not be visited on-site with online meetings. COVID-19 measures were meticulously applied at the authorized services and inside the vehicles, protecting the health of both the service personnel and the customers.

OVERSEAS:  
35 COUNTRIES,

123

AUTHORIZED SERVICES

Digital transformation studies continued in this period, as well as the commissioning of remote technical training, a new online communication system for foreign distributors, domestic dealer online system developments, notification system for vehicles out of service due to malfunction/spare parts, transition to tablet check sheets in service/distributor development and audits, and remote connection and technical support (PRO-EYE) systems.

Anadolu Isuzu owes a great deal of its sustainable customer satisfaction to its after-sales service team that stands out with their widespread service network and tireless efforts.

IN TURKEY:  
60 PROVINCES

93

AUTHORIZED SERVICES

As of the end of 2020, Anadolu Isuzu's domestic service network consists of 93 points operating in 60 provinces. Anadolu Isuzu delivers services with high added value to its customers abroad through 123 authorized service dealers in 35 countries.

The integration of innovative solutions into processes continues at full steam to manage import and export operations between continents and countries in a healthy manner.

Under the COVID-19 conditions that include many variables such as changing demand, prices, supply times, suppliers' production capacity and parts, Anadolu Isuzu has strengthened its spare part requirement planning and inventory control system with digital transformation for rational use of its existing resources, while providing regular service to its customers.

**AKÜ VE SİLECEKLERDE  
%20 İNDİRİM,  
%100 GÜVEN!**

31 Ekim tarihine kadar Isuzu yetkili servislerine gelin. %100 orijinal akü ve silcek süpürgelerinde geçerli %20 indirim kaçırmayın.

**ANADOLU ISUZU**

**ISUZU'DA KIŞA  
HAZIRLIK BAŞLADI**

**EK FIRSATLAR**

- Ücretsiz Isuzu 3 bakış noktası
- Ücretsiz Araç Dezenfektasyonu
- Bakım yaptırana Aydınlatma seti hediye
- Ücretsiz Isuzu Sağlık Raporu
- Ücretsiz 40 nokta kontrol
- 2500 TL üzerindeki harcamalara Isuzu yelek hediye

**EKO bakım**  
Motor yağı ve 40 nokta kontrol  
**389₺**  
İsuzu yetkili servislerde

**İsuzu yetkili serviste**  
**%20**  
İndirim

1-30 Kasım tarihleri arasında Isuzu yetkili servislerinde **EKO BAKIM PAKETİ** ile ayrı ayrı maksimum 389 TL'ye başlayan 40 nokta kontrol, 40 nokta kontrol paketlerinde %20 indirim fırsatları kaçırmayın! Isuzu'da kışa hazırlık başladı!

Kampanyaya katılmak için Isuzu yetkili servislerine ulaşın. %20 indirim sadece Isuzu yetkili servislerde geçerlidir.

**ANADOLU ISUZU**

▶ Introduction

▶ Activities in 2020

Within the frame of digital transformation, inventory management and planning tools were developed, creating added value for spare part availability.

Anadolu Isuzu has organized periodic campaigns to further increase customer satisfaction, which has always been a top priority.

The service campaigns have also attracted a great deal of interest on global platforms.

Isuzu Japan campaign brochures were translated into English and shared with other distributors as examples.



▶ Corporate Governance

▶ Financial Information

# Supply Chain

In line with customer demands, the production of hundreds of different models in five different vehicle segments at two plants and four separate assembly lines at the same location is carried out with precise plans.

## A KEY FUNCTION THAT CONTRIBUTES TO THE COMPETITIVENESS OF ANADOLU ISUZU

Anadolu Isuzu's supply chain activities cover three main functions.

- Production Planning
- Domestic and overseas purchasing,
- Internal and External Logistics

The Company's Supply Chain Directorate aims to contribute to the competitiveness of the Company by meeting the changing and diversifying customer expectations and demands in the most affordable and fastest manner.

In line with customer demands, the production of hundreds of different models in five different vehicle segments at two plants and four separate assembly lines at the same location is carried out with precise plans.

## A SUPPLY APPROACH COMPATIBLE WITH PRODUCTION CONDITIONS

While Anadolu Isuzu sells mass-produced trucks, light trucks and pick-ups, midibuses and buses are mostly sold with tailor-made production. The Company has restructured all of its material requirement planning, supply and integrated logistics systems to fully and optimally meet the requirements of this trend.

Anadolu Isuzu is a company that sets its sight on exports and carries out the majority of its exports to Europe, which demands high quality. Accordingly, the Company establishes its entire



supply network with suppliers that meet the high quality expectations of the European market.

### ALMOST 40,000 DIFFERENT INPUTS

While 23,000 items with different domestic and overseas requirements are used in production planning, 15,000 items are supplied to meet the requirements for spare parts.

### COLLABORATION WITH 375 SUPPLIERS

In order to operate in the relevant markets under the most competitive conditions, Anadolu Isuzu emphasizes optimum material supply in terms of costs, quality and logistics. As of the end of 2020, Anadolu Isuzu works with 300 suppliers from Turkey and 75 suppliers from abroad.

With 20 percent of the suppliers, commercial relations have been ongoing for more than 30 years. Most of the domestic suppliers are located in the Marmara Region. The Company also has strategically significant suppliers in other regions of Turkey, and especially in the Aegean.

Our trade collaboration with both domestic and overseas suppliers of major product groups has been mutually expanded with long-term agreements. Under this value chain created with a win-win approach, our commercial relations with our suppliers have been transformed into strategic business partnerships.

### LOCAL CONTENT RATES

One of Anadolu Isuzu's main goals is to increase the local content rates in all products.

### WORKS FOR DEFENSE PROJECTS

In addition to exports, Anadolu Isuzu has also started to take part in defense projects for the Turkish Armed Forces. Within the scope of the goal of developing domestic and national solutions suitable for these projects, the Company has directed its existing suppliers to this field and started joint R&D activities.

In addition to the existing facilities and capabilities of the supply portfolio, new sub-system manufacturers suitable for the requirements of defense projects have been included in the system and validation processes have been completed.

### INCREASING END-TO-END EFFICIENCY

Anadolu Isuzu Supply Chain Directorate closely follows technological innovations in order to optimize supply and logistics operations, and aims to increase efficiency with electronic monitoring and control systems.

### DIGITAL TRANSFORMATION, INDUSTRY 4.0

Anadolu Isuzu Supply Chain Directorate has a structure that closely follows technological developments and aims to adapt them to the relevant processes.

Digital solutions that are most suitable for today's needs are determined and incorporated into its structure, primarily with smart shelf and collection systems, online shipment tracking, direct supply methods and advanced planning systems.

### EFFICIENCY PROVIDED BY THE MILK-RUN SYSTEM

Anadolu Isuzu widely uses the Milk-Run system in Marmara and the Aegean with the aim of maintaining its logistics performance at the highest level. Every passing period, the Milk-Run system becomes more essential for the Anadolu Isuzu supply chain, with management and reporting provided using the digital system.

### THE INCREASING SIGNIFICANCE OF TRANSPORT

While most of the imports are provided by sea through Japan-Thailand, the type and volume of supplies from different geographies is increasing day by day. Accordingly, the ratio and significance of road transport among other modes of transportation is increasing for Anadolu Isuzu. Airlines have a small share in supply modes.

Anadolu Isuzu provides full integration with its customers in product delivery, serving four continents and 26 countries in export vehicle logistics, and three continents and 25 countries in spare parts logistics. As a precaution against increasing transportation costs, the Company always looks for different transportation methods and aims to be an organization that carries out trailblazing practices in the industry.

# R&D at Anadolu Isuzu

Within the scope of its corporate strategy, Anadolu Isuzu prioritizes and continuously invests in R&D activities.

## R&D IS ONE OF THE BUILDING BLOCKS OF THE ANADOLU ISUZU STRATEGY.

Increasing national and international competition and changing demand increase the significance of R&D and innovation efforts for all economic actors. Reducing the foreign dependency of companies, R&D enables the development of innovative technologies and contributes to the national economy.

Increasing the competitiveness of companies in domestic and international markets, R&D studies boost total performance in many areas such as cost management, efficiency and customer satisfaction, and especially sustainability. R&D centers, which allow companies to improve their competitive thresholds, are also essential for adapting to world technologies in product and production quality.

Companies operating in the automotive industry, intertwined with technology, closely follow the rapidly developing and changing trends and customer expectations and carry out studies accordingly.

## ANADOLU ISUZU R&D CENTER

Within the scope of its corporate strategy, Anadolu Isuzu prioritizes and continuously invests in R&D activities.

As one of Turkey's first R&D centers to be registered by the Republic of Turkey Ministry of Industry and Technology, the foundations of Anadolu Isuzu R&D Center date back to 2009. Prior to 2009, the center operated as an engineering department.

With the investment made in 2015, Anadolu Isuzu R&D Center attained a modern building with a full array of technological equipment and turned into a fully-equipped R&D center.

## ANADOLU ISUZU REGARDS R&D AS A FUNCTION THAT CONTRIBUTES TO THE COMPANY'S BOTTOM LINE AND SUSTAINABLE FUTURE.

With 6,220 square meters of indoor area, the modern building of the R&D Center has one of the largest new test centers in Turkey and Europe, a prototype workshop, and office & meeting spaces.

Reporting to the General Manager, the R&D Center Directorate consists of two directorates, 10 supervisors and 23 teams conducting activities in the following areas:

- Vehicle Development
  - o Power Pack Systems
  - o Moving Parts
  - o Air Conditioning Systems
  - o Armor Systems
  - o Interior Trim
  - o Exterior Trim
  - o Defense Industry Project Management
  - o Custom Vehicles Workshop
- Product and Verification
  - o Testing, Virtual Analysis
  - o Homologation
  - o Methodology
  - o Operational Documentation
  - o System
  - o P&D
  - o Custom Vehicles
  - o Prototype Workshop
- Electrical-Electronic Systems
  - o Software
  - o Hardware
  - o New Systems
- Design Office
- Commercial Vehicles Project Management
- Intellectual Property Rights and Incentives



With 136 employees, the R&D Center continues to offer innovative products and services on an international platform with its dynamic and expert human resources, and creates value for the customers.

### NEW PRODUCTS THAT COME TO LIFE WITH STRONG R&D SUPPORT

Anadolu Isuzu continued to develop and launch new products that respond to market and customer demands in 2020, a year with intense alternative fuel vehicle projects and R&D activities related to E&E systems. A CNG-fueled version was developed for the 18-meter diesel-fueled model, and the transition to EuroVI-D emission for the 12-meter CNG-fueled model was completed. Development activities for the low-floor 8-meter electric vehicle continued with maximum efforts. Furthermore, development activities for the 12.3-meter diesel-fueled Intercity vehicle were completed in order to provide a full range of products. The versions with right-hand drive, wheelchair ramp, and the WC version

highly popular in the European market, were completed to boost the sales of the 8.5-meter intercity midibus in overseas markets.

Designing the technological equipment and applications of its vehicles specifically to meet the expectations of different countries and different customers, Anadolu Isuzu continues to invest in smart transportation systems. Taking its investments in this field one step further, Anadolu Isuzu implemented the EES (Electrical-Electronic System) Architecture project with the goal of making life easier for drivers. Developing new features and new software options to be applied in all new vehicles produced within the scope of EES Architecture, Anadolu Isuzu has started to include these features in Interliner and Grand Toro.

The most significant feature of the new products developed at Anadolu Isuzu R&D Center is that they are natural gas or electric vehicles with low emission

levels in line with Anadolu Isuzu's sustainable environmental strategies. The 8.5-meter Toro project is a 35-seat, low-fuel-consumption and low-emission intercity midibus, while the 13-meter Kendo/Interliner CNG is a 63-seat, natural-gas, Class2-type intercity bus. The entire design of the vehicle was carried out by a Turkish design team at the Anadolu Isuzu R&D Center.

In addition, electric 8-meter and 12-meter low-floor public transport buses have been developed and prototypes have been produced. Electric vehicles make urban life comfortable for both passengers and the environment with their silent-running and zero emission advantages.

### Anadolu Isuzu invests in the mobility of the future as a partner in the 5GMED project.

Anadolu Isuzu has been one of the 21 business partners in seven countries of the "5GMED" project, which will bring a 5G distribution

## Anadolu Isuzu'da Ar-Ge



model to the Mediterranean corridor for the mobility of the future. Within the scope of the project, which is funded by the European Commission and will be implemented by November 2023, Anadolu Isuzu has started to develop the first vehicle equipped with 5G-communicating devices and capable of L2+ autonomous driving. With the project, the Company also aims to make significant achievements in the field of domestic engineering and domestic know-how.

### **Anadolu Isuzu Receives the “Way of Mind in Transportation Award”**

Focusing on adapting innovation and technological innovations to its products and services, Anadolu Isuzu continues its leading role in the commercial vehicle industry with its competence in R&D and innovation.

Anadolu Isuzu was awarded in the “Electrical-Electronic Software Development” category with NC Life by the Turkish Electronic Industry Association in 2019, and received the “Way of Mind in Transportation Award” with its project “Driver Fatigue and Distractions” at the SummITS 3rd International Intelligent Transportation Systems (ITS) Summit in 2020.

### **ANADOLU ISUZU CONTINUES ITS SUCCESS IN THE AUTOMOTIVE INDUSTRY IN THE TURKISH PATENT LEAGUE.**

Anadolu Isuzu maintains its success in the automotive industry with the patents it has secured within the scope of its R&D studies.

Anadolu Isuzu has applied for a total of 359 patents and 60 designs registrations to date. The Company holds six utility patents and 62 patents registered by the Turkish Patent Institute. In 2020, 21 patents and four utility patents were registered.

### **IMPROVED EXPORT PERFORMANCE WITH R&D SUPPORT**

R&D also continued its efforts to support exports.

In addition to the information obtained, the tender specifications of potential markets were also examined, and efforts were accelerated to adapt the vehicles in Anadolu Isuzu product portfolio and under development to current and potential customer demands. In this context, the vehicles were developed and designed safely, quickly and at high quality, while considering the tender deadlines.

### **CONFERENCES AND COLLABORATIONS WITH UNIVERSITIES**

Anadolu Isuzu R&D center continues its collaboration with Middle East Technical University (METU), Istanbul Technical University (ITU), Yıldız Technical University, Bartın University, Sabancı University, Okan University and Gebze Technical University, some of the best universities in Turkey.





## The medium and long-term goal of Anadolu Isuzu R&D Center is to further improve its added value and its efforts carried out in synergistic cooperation with other departments.

Within the scope of the projects developed with the aforementioned institutions, the Company focuses on university-industry collaboration, and makes it possible to work with expert academicians.

Communication with TTOs (Technology Transfer Offices) has been further strengthened in order to support collaboration platforms and close contact with universities.

On the other hand, the Anadolu Isuzu employees continuing their master's and doctorate studies are provided with the support they need to realize their dissertations within the frame of company-university collaboration.

Having participated in various national and international conferences in 2019, R&D Center officials have contributed to Anadolu Isuzu's recognition on national and international platforms. The number of conferences attended in 2020 was 14.

### **MORE PROJECTS ARE BEING FUNDED BY THE SCIENTIFIC AND TECHNOLOGICAL RESEARCH COUNCIL OF TURKEY (TUBITAK) ...**

TUBITAK's main functions include developing industrial research and technology, supporting and encouraging innovations and establishing university-industry relations. Programs and activities planned to perform these functions are carried out by the Technology and Innovation Grant Programs Directorate (TEYDEB).

Carrying out projects with the support of TEYDEB, Anadolu Isuzu also offers undergraduates and doctoral students opportunities to gain experience at the R&D Center within the scope of industry-university collaboration.

Anadolu Isuzu continued the project it started in 2019 within the frame of the international EUREKA and made two H2020 applications in 2020, having the 5GMed project accepted.

### **FUTURE GOALS**

The medium and long-term goal of Anadolu Isuzu R&D Center is to further improve its added value and its efforts carried out in synergistic cooperation with other departments in line with market needs and customer expectations.

R&D will also continue to implement the necessary systems for vehicles by adapting to potential security and emission regulations to be introduced within the frame of legislation and laws, and continue its activities for expanding and developing the product range by following the most recent technologies.

The R&D Center also focuses on providing the necessary support to Anadolu Isuzu's efforts in new segments, such as the defense industry and electric vehicles.

# Production

**In 2020, the delivery speed of truck and bus assembly plants improved respectively by 16 percent and 47.5 percent year-on-year.**

## LEAN PRODUCTION

In 2020, the delivery speed of the truck factory improved by 16 percent year-on-year.

A production efficiency increase of 4 percent year-on-year was achieved at the bus assembly plant. In 2020, the delivery speed of the bus assembly plant improved by 47.5 percent year-on-year.

## WITHIN THE SCOPE OF ISUZU KAIZEN WORKS...

With Kaizen (Continuous Improvement) works, one of the major steps for the IM (Isuzu Monozukuri) System, system improvement is planned and completed with focus on efficiency, quality, ergonomics, cost reduction and process. In Kaizen project works, it is essential to ask the opinions of employees at all levels and involve them in the process in order to produce effective and permanent solutions and sustain the application. Within the scope the Kaizen works, we proactively make worker- and environment-friendly technological investments.



Anadolu Isuzu Technical Directorate has adopted the Japanese Kaizen philosophy since its establishment, and has contributed significantly to employee improvement projects.

As every single idea matters at the Kaizen workshop, we ensure that the suggestions of the employees for the improvement of the production processes are brought to life.

The 793 Kaizen applications in 2020 achieved efficiency, occupational safety, quality and cost gains.

At the beginning of 2020, a project was carried out for a new layout at the assembly lines. With the project;



- We established an infrastructure that will be able to meet the needs and expectations of assembly lines throughout the next 10 years.
- We established infrastructure for EV and CNG vehicles.
- We achieved a capacity increase in production.
- We harmonized production lines with new models.

The project allowed for various modernizations, increased quality and efficiency, and commissioning of ergonomic solutions. Some of these works include;

- **Welding and cutting robot**  
Thanks to this advanced robot, cutting and welding of the bus bodies have become more precise and efficient.
- **Beam setter improvement**  
Parallel alignment of headlamps for vehicles has been made controllable with the system, allowing for traceability and digitalization.

## The 793 Kaizen applications in 2020 achieved efficiency, occupational safety, quality and cost gains.

- **Passage of vehicles between stations**  
The brand-new push-pull devices have made it possible for vehicles to be towed ergonomically.
- **Side window mounting manipulators**  
Transport and assembly of heavy glasses have been facilitated with vacuum carriers and vacuum stands.
- **Vehicle software traceability and**  
seamless installation of the correct vehicle software via SAP have been provided.
- **Elevating platforms (Glass filling stations),**  
Glass intermediate filling assembly has been combined in a single station for ergonomic improvement.
- **Generalizing the central vacuum cleaning system,**  
The existing system has been expanded and the capacity has been increased for cleaner production lines and vehicles.

# Anadolu Isuzu and the Environment

As a result of all the efforts, the VOC values in 2020 showed a 14 percent year-on-year improvement.

## ANADOLU ISUZU ENVIRONMENTAL POLICY

Anadolu Isuzu is committed to establishing a sustainable environmental management system by continuously improving the environmental performance of its manufacturing activities, products and services, not disturbing the natural balance of resources, complying with the necessary regulatory obligations and the expectations of the related parties, preventing environmental pollution at its source, and aims to continuously protect the environment in line with these objectives.

## ANADOLU ISUZU ENVIRONMENTAL MANAGEMENT SYSTEM

Anadolu Isuzu carries out various projects regarding climate change and consumption of natural resources in consideration of internal and external matters. The Anadolu Isuzu Environmental Management System, which contributes to organizations in order to have them manage their own environmental problems and produce solutions for general issues, highlights leadership, commitment, purpose, risks and opportunities.

Based on the IM (Isuzu Monozukuri) philosophy, Anadolu Isuzu carries out continuous improvements and sustainable productivity studies in line with the goal of achieving excellence

in quality and production with sustainability. Accordingly, the goal is to assign employees for rapid identification and commissioning of projects, and have them take responsibility.

## ANADOLU ISUZU SHARES ITS ENVIRONMENTAL PERFORMANCE WITH ITS EMPLOYEES.

Anadolu Isuzu continuously improves its environmental performance with numerous projects and studies. The Company shares its environmental performance results with its employees with the Environmental Bulletin prepared with monthly data.

Adopting sustainability as its corporate culture, Anadolu Isuzu evaluates and rewards the projects inspired by employees' opinions on the environment in the competitions held at regular intervals.

## 14% REDUCTION IN VOC EMISSIONS.

Anadolu Isuzu continuously monitors and controls the volatile organic compounds (VOCs) released into the atmosphere due to its manufacturing activities.

The company annually reports the cumulative VOC values to the Republic of Turkey Ministry of Environment and Urbanization and carries out short-term and medium-term projects to reduce these values.

In 2020, efficiency and savings projects were carried out for the use of chemical products, and solvent consumption amounts were kept under control with a tracking system. Chemical usage was optimized in trucks and buses, and significant progress was made in terms of VOC emissions and chemical consumption. As a result of all the efforts, the VOC values in 2020 showed a 14 percent year-on-year improvement.

Anadolu Isuzu aims to lower the VOC limits within the scope of the European Union's climate change efforts. In 2020, the company continued its extensive efforts for the transition to the new legal limits.

## GREENHOUSE GAS EMISSIONS ARE CONTINUOUSLY MONITORED.

Anadolu Isuzu focuses on reducing the energy consumption and greenhouse gas emissions at Şekerpınar manufacturing facility. In this context, the company conducts studies to minimize the impact of its processes and products on the environment.

In the light of current process and energy consumption data, Anadolu Isuzu's production facility continued to be a low-emission facility in 2020.

The course followed in the efforts to reduce greenhouse gas emissions is parallel with energy efficiency and savings projects.



### OUR CARBON FOOTPRINT WAS CALCULATED IN 2020.

In 2020, the ISO 14064:2006 Organization Carbon Footprint Calculation for 2019 was carried out. Projects that will reduce carbon footprint in the short and medium term are currently in the works.

### WATER CONSUMPTION PER VEHICLE HAS BEEN REDUCED BY 15.26%.

With every passing day, environmental conditions such as climate change and global warming make it more difficult to access usable water resources. Aiming for the sustainability of water resources, which will become more crucial than all other resources in the future, Anadolu Isuzu conducts studies to reduce water consumption in its processes.

The major projects carried out in the cataphoresis section of the paint shop and the tracking system used in the

garden irrigation system have shown positive results in reducing water consumption. Compared to the previous years, these studies allowed for a 15.26-percent reduction in the amount of water consumed per vehicle.

Anadolu Isuzu plans to continue the projects with department-based water consumption tracking throughout the organization.

The treatment facility, which has been in operation since the establishment of the Anadolu Isuzu factory, has two different wastewater treatment systems (i.e. industrial and domestic). The treatment of industrial wastewater is carried out in a continuous wastewater treatment plant based on chemical treatment processes. Chemical (continuous) wastewater comes from three different sources (acid-alkali wastewater line, industrial oil water line, paint shop wastewater line).

The discharge water quality of the wastewater treatment facility complies with the wastewater discharge standards specified for industrial wastewater resources within the scope of the Water Pollution Control Regulation applicable in Turkey.

The control of pollution parameters is carried out with daily analysis at the laboratory inside the facility.

With internalized technological and environment-friendly practices, the pollutant values of the Anadolu Isuzu wastewater treatment plant remain far below the limits stipulated in the legislation applicable in Turkey.

As a result of the improvement projects carried out for water consumption, Anadolu Isuzu achieved reductions in both the amount of water entering the wastewater treatment plant and treatment chemical consumption in 2020.

# Anadolu Isuzu and the Environment

**On November 5, 2020, the Anadolu Isuzu Factory received the Zero Waste Certificate from the Ministry of Environment and Urbanization for the manufacturing facility in Çayırova.**

## **25% REDUCTION IN WASTE GENERATION PER VEHICLE**

Anadolu Isuzu provides process controls to prevent production waste at the source, the first level of the waste hierarchy. In order to achieve this goal, targets have been expanded to ensure continuous control of all processes. Waste tracking is carried out with a department-based waste inventory management system. In this context, the practice of line-based waste controllers continued in the production departments, and projects were realized to reduce the waste generated by each department's own process. In addition, targets were set for production based on the product life cycle principle.

All employees at the truck and bus assembly plants were provided with waste management training and activities were carried out to raise awareness. The waste sorting system was strengthened with a zero waste approach in offices and dining halls. With the new system, all waste bins can be inspected.

According to 2020 data, Anadolu Isuzu achieved a 25-percent reduction in specific waste consumption per vehicle.

## **ZERO WASTE TARGET**

On November 5, 2020, the Anadolu Isuzu Factory received the Zero Waste Certificate from the Ministry of Environment and Urbanization for the manufacturing facility in Çayırova.

Within the frame of the Zero Waste Regulation, studies continue for the Zero

**Anadolu Isuzu focuses on reducing the energy consumption and greenhouse gas emissions of its manufacturing facility and conducts studies to minimize the impact of its processes and products on the environment.**

Waste Management system, which will ensure the effective management of raw materials and natural resources, and the protection of a sustainable environment as well as human health. With the measures taken within the scope of the pandemic, the consumption of disposable plastics have increased, and the Blue Cap Project was started to make the best of this situation.

## **ENVIRONMENTAL AWARENESS IS SUPPORTED WITH TRAINING AND INFORMATIVE ACTIVITIES.**

Anadolu Isuzu provides regular environmental training for its employees in order to increase environmental awareness. All environment and ADR training of Company employees was completed through relevant conferences. In addition, the knowledge provided in training was reinforced with specific exercises. A total of 2502 person-hours of environmental training was provided in 2020.

Up-to-date informative notes on environmental issues are shared and announcements are made on digital screens installed in common areas of the Company.

In 2020, comprehensive efforts were carried out to raise the awareness of stakeholders, as well as factory employees. In accordance with the new Waste Oil Management Regulation, training sessions were organized on the necessary steps for obtaining the Engine Oil Change Point Certificate with the participation of all dealers and services.

## **ENVIRONMENTAL AWARENESS ACTIVITIES**

The pandemic has led to online training sessions, as activities continued to raise the awareness of climate change, zero waste and water management.

In 2020, Anadolu Isuzu served as the Chairman of the OSD Environment Committee, evaluated and followed up on the up-to-date national and international legislation together with other automotive companies, and worked on action plans.

Within the scope of sustainability studies, an EMS tracking system was established to contribute to the development of suppliers' environmental management systems. Within the scope of this project, compliance with legal regulations and environmental footprints have been followed for all suppliers.

# Industry 4.0 and Digitalization Projects

Introduction

Started with the MES - Phase 1 project in 2020, the smart factory vision of Anadolu Isuzu will be continued with the MES - Phase 2 project in 2021.



## GOAL TO CONTINUOUSLY INCREASE EFFICIENCY IN THE PRODUCTION AND TRADE CYCLE

Anadolu Isuzu continues its efforts for digitalization initiated to create more efficient business models.

Started with the MES - Phase 1 project in 2020, the smart factory vision of the Company will be continued with the MES - Phase 2 project in 2021.

In Phase 1, the most critical aspects of tailor-made manufacturing, "bringing dynamic information to the operator level" and "real-time 3D production tracking", were completed with the factory's digital twin. In Phase 2, studies are carried out rapidly with the objectives of creating Big Data by duplicating the collected and stored data, analyzing each data in detail, and supporting energy and environmental sustainability policies in order to continuously increase efficiency in production processes.



Anadolu Isuzu takes firm steps towards creating a leading and unique smart factory concept with these projects and various digitalization projects carried out with the same goal.

## DIGITAL ACCESS TO OPERATION INSTRUCTIONS (PRODUCTION)

As the production employee's guide in assembly processes and the biggest strength in our zero defect policy, operation instructions are accessible from the digital screens installed on the lines in MES-Phase 1. This way, the operation instructions that form an essential part of production were made easily available, highly visual and in line with our vision of paperless production.

## TIMER PRO

Line balances achieved thanks to the video-based process analysis implemented in 2020 contribute to the efforts to improve efficiency.

## AUTOMATIC DIFFERENTIAL OIL FILLING SYSTEM

Thanks to the automatic differential oil filling system, improvements were achieved in high filling accuracy, filling speed, control and follow-up processes.

Activities in 2020

Corporate Governance

Financial Information

# Industry 4.0 and Digitalization Projects

Developed under Anadolu Isuzu together with a local start-up, the ARIS application is the first quality control application with Augmented Reality (AR) to be used in the automotive key market.



## ARIS - AR-SUPPORTED QUALITY CONTROL

In order to make control processes fast and technological, the ARIS application was commissioned with Augmented Reality technology, enabling part availability control and detection of major deviations/errors by overlaying CAD files with tablet camera footage.

Developed under Anadolu Isuzu together with a local start-up, the ARIS application is the first quality control application with Augmented Reality (AR) to be used in the automotive key market. This project received the “Best Digital Project” award at the Bi-Fikir innovation festival, and the second prize in the Inventors category. The development of the project will continue with Phase 2 and Phase 3 studies.



## ELECTRO-OPTIC BODY MEASUREMENT SYSTEM

With the electro-optical measurement system commissioned in 2020, vehicle bodies of up to 13 meters are measured at a precision level of 0.2 mm, and deviations according to CAD data are recorded digitally.



This system was commissioned to enable the supply chain to behave in a flexible and scenario-based manner against today's rapidly-changing environmental conditions.

### ISUZUM - DIGITALLY-RUNNING MOBILE PLATFORM

The digital work environment has been enriched with this application, which provides a communication platform where all white-collar and blue-collar employees can participate. As the application also provides self-service, it allows for a higher level of interaction.

Anadolu Isuzu takes firm steps towards creating a leading and unique smart factory concept with these projects and various digitalization projects carried out with the same goal.



### DigiSu: A ROBOT EMPLOYEE

The digital collar DigiSu was employed in 2020. Initially intended for routine tasks, the robot employee DigiSu answers employee questions on certain subjects, and allows for self-service of specific services. DigiSu can work on 3D drawings in R&D, and also fulfill various employee demands such as learning employees' annual leave balance.



### ProEye: REMOTE TECHNICAL SUPPORT SERVICE

The now-active ProEye application allows authorized services to receive live support by connecting to the AIOS service team's computer via AR glasses, tablets, mobile phones or computers. More than 50 national/international remote support services were provided throughout the year.



### ADVANCED PLANNING

This system was commissioned to enable the supply chain to behave in a flexible and scenario-based manner against today's rapidly changing environmental conditions. Optimizing production and material plans in different scenarios according to sales plans, the system takes flexibility to the next level.



# Industry 4.0 and Digitalization Projects

The Advanced Kit Delivery system was commissioned to ensure the quick and seamless supply and follow-up of the correct parts to the lines.

### BOSS ABROAD

The dealer automation system, developed to digitize the processes of foreign distributors with the Company, was commissioned. This system covers all distributor processes, from ordering to inventory management, warranty claims and PDI procedures.

### BOSS - SERVICE SOFTWARE INTEGRATION

The integration of the accounting software used by the services and the BOSS dealer automation system will allow for time and cost savings, as well as an increase in data quality.



### WEB CONFIGURATOR

The configurator, where customers can create their own bus and receive offers online, will first be available to distributors. The application, in which internal processes, pricing structure, product catalog, and product features intersect, will also allow the customer to better understand the products.



### e-PURCHASING (INDIRECT)

The application has made the indirect purchasing process traceable and analyzable, and enabled the automation of control points such as budget controls, invoice entries, and so on. Thanks to its accessibility in the mobile environment, the application also enables processes to proceed rapidly and securely, regardless of the environment.

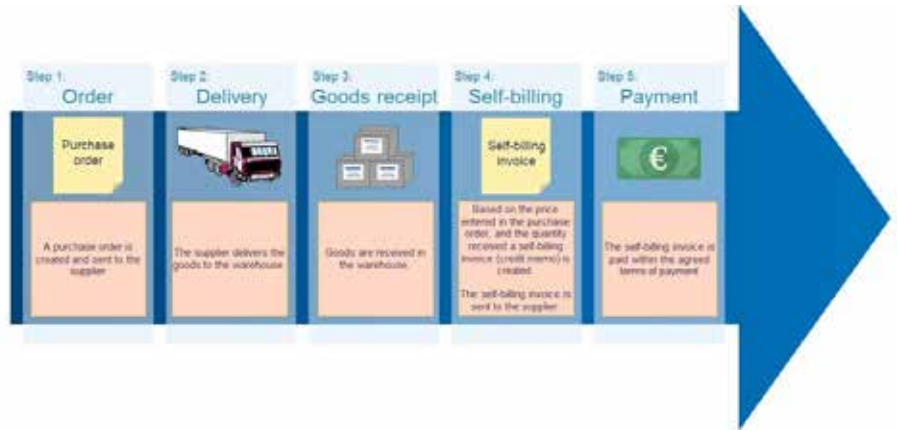




**SELF-BILLING**

The system was commissioned to improve the procurement process and speed up the billing process. In addition, all stakeholders are provided with gains such as faster year-end closures and quicker payment of suppliers.

Supplier Order Management Portal Moving the order process to the digital environment has allowed for minimizing Excel and email traffic, establishing a supplier-SAP connection with data input through the supplier portal system, preventing data-value losses, and fully monitoring the effects of budget changes with accurate and instant manager reports.



**ADVANCED KIT DELIVERY**

The system was commissioned to ensure the quick and seamless supply and follow-up of the correct parts to the lines. The plan for Phase 2 in 2021 is to ensure that all product supplies are IoT-based.

In 2020, more than 80 projects, including those mentioned above, went live. Anadolu Isuzu continues its rapid digital transformation.



**MISSING PARTS COCKPIT**

Instant and future information regarding missing-critical parts can be easily accessed from the cockpit screens, eliminating the need for manual tracking.



# IM Global Leader Company

**In-line control systems for effective quality management at the factory, quality assurance of the supplied parts, torque management and feedback meetings constitute the most critical pillars of the IM system.**

## IM (ISUZU MONOZUKURI) GLOBAL LEADER COMPANY

The IMM system built in 2000 was updated as the IM system in 2019. With the goal of having Isuzu become a “global leader company” in the commercial vehicle segment, the IM system provides global quality assurance by producing ISUZU vehicles worldwide based on an equivalent production management and quality system, regardless of the production facility.

- Focus on the customer,
- Continuous improvement,
- Sustainability in production and quality,
- In-line control systems for effective quality management at the factory, quality assurance of the supplied parts,
- torque management and feedback meetings
- constitute the most critical pillars of the IM system.

Plants manufacturing with the Isuzu brand within the scope of the IM system are periodically audited by Isuzu-Japan auditors. Production facilities that successfully pass the audit are awarded an IM certificate and their high quality production is officially registered.

## IM TRAINING

Within the scope of IM training, Anadolu Isuzu organizes workshop-based training sessions in accordance with

the requirements, and offers technical training to improve the competencies and manual skills of its employees.

## IM AUDITS

IM internal audits, which were suspended during the pandemic, were resumed in December 2020 in accordance with social distancing rules and by taking the necessary measures.

The 5S audits, the scope of which was developed and implemented in 2017, continued in 2020. Audits were carried out at 65 separate stations conducted in parallel at truck and bus assembly plants. In 2020, after-sales services and warehouses were also included within the scope of the audits.

## IM CERTIFICATE

Anadolu Isuzu was awarded a new IM certificate for truck, pick-up and bus assembly plants in 2019. The certificate is valid until May 2021.

Anadolu Isuzu's truck and pick-up assembly plant is the only one in Europe, and its bus production facility is the only IM-certified Isuzu factory in the world.

## ANADOLU ISUZU TECHNICAL TRAINING - COMPETENCE/SKILL ASSESSMENT AND DEVELOPMENT STUDIES

With the technical training and evaluation workshops established within Anadolu Isuzu, efforts to meet the training needs of the employees continued in 2020.

Workshop-based technical training and activities were carried out to meet the needs of Anadolu Isuzu with a training staff of experts at the workshops, which were designed in consideration of the industry's requirements and the expectations of export markets.

## MAIN HEADINGS OF THE TRAINING

- Training sessions on ergonomics, assembly, painting and welding were provided to improve operator skills and knowledge.
- On-the-job training was carried out in order to increase the efficiency of personnel planning in assembly lines. The vast majority of the workers at truck and bus assembly plants were rotated.
- A development-training program was organized for all group leaders to increase their technical and leadership skills.
- Operator-based improvement studies continue within the scope of the completed ergonomics training and evaluation.

In 2020, a total of 12,500 person-hours of internal training was provided to 350 operators under seven training subjects such as ergonomics and manual skills training, which was made mandatory for new employees, and OHS-ergonomics, Kaizen, and problem solving training for group leaders.

# Anadolu Isuzu Energy Policy

Anadolu Isuzu enerji politikasının temel hedefi, uzun vadeli çevresel ve ekonomik sürdürülebilirliktir.

Anadolu Isuzu aims to work to increase energy efficiency and savings in production activities, support the supply of energy-efficient and environment-friendly products, equipment and services, recommend energy-efficient options for the design and revision of facilities and processes, increase awareness for all employees by providing information and training on the efficient use of energy and environmental awareness, and increase long-term environmental and economic sustainability through its efforts by reducing energy consumption and costs.

## ENERGY PERFORMANCE IN 2020

Various projects were implemented at the Anadolu Isuzu Factory to increase energy efficiency, and the factory increased energy efficiency by 16.4 percent in 2020.

On the other hand, energy consumption values per vehicle were adversely affected due to changes in production plans under the pandemic conditions of 2020, exceeding the target value.

## ANADOLU ISUZU IS FOCUSED ON CONTINUOUSLY IMPROVING ITS ENERGY PERFORMANCE.

Anadolu Isuzu continuously improves its energy performance with various projects and practices. Considering energy performance to be a major component of competition on a global scale, the Company always aims to do better in this area.

In 2020, efforts for saving energy continued at Anadolu Isuzu. Actions were taken for potential improvements and the fast-return Quick-Win projects were carried out.

Anadolu Isuzu monitors the energy consumption of its various departments in real-time over the energy system. This cycle allows the Company to determine any problems in energy consumption or potential savings. The Company also designs and implements short-term, medium-term and long-term development/improvement activities.

The consumption data of the locations with high energy consumption are shared with heads of departments on a daily basis for immediate evaluation of the energy performance.

In 2020, department-based training and information meetings were held at Anadolu Isuzu to increase employee awareness on energy.

The Boiler Scada project will be carried out at Anadolu Isuzu in the upcoming period. The project aims to optimize consumption with an effective monitoring system.

## PROJECTS FOR IMPROVEMENT OF ENERGY CONSUMPTION PER VEHICLE

In 2020, Anadolu Isuzu carried out electrical energy efficiency projects in various fields. Highlights from these studies are given below.

- Compressed air installation and lighting revisions were performed at the bus factory with Layout work. Compressed air installation was made more efficient by installing larger diameter pipes and a ring line.
- The transition to LED lighting was completed for more efficient energy use and homogeneous lighting.
- High-pressure pumps were selected and installed in order to increase energy efficiency at the paint shop.
- The more-efficient LED luminaires were introduced to factory production and storage areas.
- The burners of bus and truck paint drying ovens were revised for more efficient energy consumption.
- With green purchasing management, the Company procured machinery and equipment with high energy efficiency.
- In 2020, Anadolu Isuzu took an active role in the OSD energy efficiency working group. The studies allowed for the evaluation of the actions regarding automotive industry facilities, one of the subjects in the National Energy Efficiency Action Plans.

# Human Resources

Anadolu Isuzu observes equal opportunity and diversity in all human resources practices, and emphasizes the concepts of creativity and innovation.

## ANADOLU ISUZU HUMAN RESOURCES MISSION

Anadolu Isuzu strives to improve the qualifications of its employees by increasing their motivation and loyalty, contribute to the profitability of the Company and to add value to the future of the organization.

## ANADOLU ISUZU HUMAN RESOURCES VISION

Serving as a strategic business partner that offers competitive advantage.

Anadolu Isuzu's Human Resources strategy is carried out within the frame of the following core policies:

- Providing the Company with human resources that offer a global perspective and the right skill set.
- Creating a work culture and human resources systems that strive to do better by working as a team and
- with knowledge in a business environment based on open communication and trust.
- Contributing to organizational efficiency and development.
- Strengthening the employee engagement culture.
- Creating a popular and people-oriented employer brand.



Anadolu Isuzu wants its employees to be people who think globally, remain open to teamwork and communication, emphasize development, analyze and take initiative, and act in accordance with a business and customer-oriented working principle. On the other hand, the Company prioritizes leadership, strategic thinking and managerial efficiency competencies in its executive candidates.

## AN APPROACH THAT PROMOTES INNOVATION, NON-DISCRIMINATION AND EQUAL OPPORTUNITY

Anadolu Isuzu, in light of its values and corporate culture, embraces a “people first” approach, regardless of language, religion, race or gender.



Equality of opportunity, which is also included in the working principles of the Anadolu Group and implemented without compromise, is supported throughout the organization. The Company ensures equality of opportunity and diversity in all HR practices, starting from the hiring process and proceeding with wages and careers. Anadolu Isuzu also values creativity and innovation.

**AIMING TO BECOME AN EMPLOYER OF CHOICE**

Anadolu Isuzu aims to become an employer of choice in the jobs market with its HR practices.

The number of Anadolu Isuzu employees was 847 in 2020. The total number of employees at the company's R&D Center was 136 in the same period.

**ANADOLU ISUZU SUPPORTS THE PARTICIPATION OF WOMEN IN THE WORKFORCE.**

With Anadolu Isuzu's employment approach implemented in line with the goal of ensuring the equality of women and men, the number of women in the total number of employees increased by 38 percent in five years.

Continuing to work on women's employment, Anadolu Isuzu Human Resources also implements projects to increase the satisfaction and standards of current female employees in the work environment.

**ANADOLU ISUZU PERFORMANCE MANAGEMENT SYSTEM**

The Anadolu Isuzu Performance Management System allows teams and individuals to boost their performance and improve their competencies. Contributing to Company success, the Performance Management System focuses on the development of employees in addition to business results, and provides feedback on the strengths and areas of development for all employees.

Performance criteria and annual performance targets for employees are determined within the frame of the decisions taken by the Anadolu Isuzu Board of Directors.

**CONTRIBUTIONS OF ORGANIZATIONAL DEVELOPMENT ACTIVITIES**

Emphasizing organizational development activities at all times, Anadolu Isuzu continued to work on organizational designs that will serve the Company's strategic goals, and implemented new business models in 2020.

**HIGHLIGHTS FROM THE TRAINING SESSIONS IN 2020...**

With the training and development activities carried out for continuous improvement and development, Anadolu Isuzu aims to strategically improve all employees in the relevant areas of focus.

Prioritizing continuous training and development in its human resources system, Anadolu Isuzu aims to expand the vision of its employees and support their technical skills, knowledge, and personal development.

Needs for development are determined within the scope of the competence assessment system in line with the feedback received from managers and colleagues, as well as the outputs of manager-employee interviews and HR planning meetings. Short-term and long-term training and development plans are made accordingly.

Organizational development programs are carried out under Akademi Isuzu in order to support young talents and raise new leaders.

# Human Resources



The Leadership Development Program was designed together with Sabancı University in order to support First Level Managers and Team Leaders in their managerial competencies and their progress in creating a common management understanding and language unity, while enabling the review of their leadership skills and their views on the business and potential issues with an understanding of integrity.

The One-on-One Financial Coaching program was started with the goal of explaining how to interpret the statements with financial transactions, handle analyzes and applications, improve the financial literacy of each manager, even if they are not directly involved in financial management, and allowing them to observe the effects of the actions of their own department on Company results and financial statements with a holistic approach.

Occupational health and safety, accident investigation and risk analysis training sessions were organized in order to provide a healthy and safe environment, reduce occupational accidents and diseases, provide information about the occupational risks faced by employees and the necessary measures to be taken against these risks, and raise awareness on occupational health and safety.



Within the scope of Management Systems, training sessions were carried out for the ISO 9001/14001 Integrated Management System Requirements and the 27001 Information Security Management System.

The Data Analytics Competency Program was started to be able to respond to the current needs in the organization and its ways of doing business in line with the changing world, focus on "Continuous Improvement and Development" to go one step further, boost the ability of solving problems with tools such as data utilization, artificial intelligence, machine learning and so on, and raise awareness in this area for all employees.

With a focus on supporting the synergy between Anadolu Group Companies and the organizational development of the Group, a process was developed to bring together employees from different companies and contribute to their development. Having started with the inventory valuation carried out at the end of 2019, this process continues with a comprehensive Development Program.

In order to raise earthquake awareness, 380 employees were put through a 7.4 magnitude earthquake for 20 seconds in the Kandilli Observatory Mobile Earthquake Simulation Training Truck.



In order to increase the efficiency of the performance evaluation process, Effective Feedback and Result Orientation training was organized with the participation of all managers.

Operator development activities continued with training programs in different fields, as 1,334 employees received a total of 8,688 hours of training within the scope of disaster, fire, first aid, OHS and environmental training sessions.

Thanks to Mess and TISK Online academy platforms, all employees participated in the competency development and online coding training designed for children. The development journey was continued by providing access to content in many areas from leadership, communication, personal efficiency to information technologies via online education platforms.

The 360 Degree Leadership Styles Assessment is conducted for team leaders, managers and directors.

The results of this assessment allow for the detection of strengths and areas for development in leadership styles and formation of the corresponding development plans.





## THE IMPORTANCE OF INTERNAL COMMUNICATION AND EMPLOYEE SATISFACTION

Emphasizing internal communication, Anadolu Isuzu Human Resources publishes its human resources policies and procedures on a portal that is accessible to employees.

Employee satisfaction and loyalty surveys are conducted at the Company at regular intervals. Furthermore, employees are given the opportunity to share their innovative ideas via an e-platform with the goal of maintaining healthy communication between the employee and the management team.

Surveys are conducted with an online application to get the opinions and suggestions of the employees on different issues. With this structure, allowing employees to answer the survey on both their smartphones and computers, it is possible to get their opinions on the desired subject at any time. Employees can make suggestions through the online platform. These suggestions are evaluated by HR and feedback is provided to the employee.

Internal communication and social dialogue platforms were strengthened and developed with our “Happiness Team”, which allows the performance of actions upon evaluating development areas with common sense. Within the scope of the Anadolu Group Employee and Family Support Program, employees can get information and support on any matter from experts by calling the support line whenever they want. With the online dietitian application, employees can ask their assigned dietitian questions about their eating habits, and have them create a special diet.

The Company launched the new intranet “ISUZUM” that allows for the management of all internal processes.

With the ISUZUM application, all processes from payroll viewing to overtime and leave entries, lunch lists, and surveys are accessible to all employees anytime, anywhere.

Within the scope of the Environment Day, informative content created in consideration of today and tomorrow and emphasizing that “where we do matters just as much as what we do” was sent to the employees.

As part of the event that took place on International Working Women’s Day, a day was spent in the Şile Ovacik Village and the place and importance of women in production was highlighted once again while experiencing natural life and sustainable agriculture.

At Anadolu Isuzu, the power of working together to innovate and develop and the story of successfully producing and gaining strength from each other was shared with all employees through a video created with disabled employees.

On December 3, the International Day of Persons with Disabilities, employees with disabled children and their spouses were reminded with little surprises that they have the Company’s support.

# Human Resources



## UNIVERSITY-INDUSTRY COLLABORATION PROJECTS

With university-industry collaboration projects, the goal is to attract a qualified workforce to Anadolu Isuzu. Within the scope of the project, senior university students are provided with long-term project internships and on-the-job training internships in various departments, and are subsequently provided with employment at the Company.

Internship programs for the next term were redesigned as Talent Pick-Up Experience and Plus.

In 2020, 48 students were provided with project internships in Production, Quality Control, Human Resources, Supply Chain and R&D departments within the scope of Talent Pick-Up Experience, and 12 students were provided with workplace internships within the scope of Talent Pick-up Plus.

Within the scope of Chief Young Officer (CYO), the internship program initiated by Anadolu Holding based on real work experience, six students had internships at Anadolu Isuzu for three months in the R&D, Marketing and Corporate Communication, Sales, Export Directorate and Information Technologies Directorate departments. The interns transformed their internship experiences into projects and conveyed



their achievements to their managers and teammates.

With the Networking and Inspirational Stories of Winners seminars organized within the scope of the CYO program, they were guided to a successful working life.

Creating volunteer brand ambassadors on campus by increasing the Company awareness among young talents that form a significant portion of Anadolu Isuzu's customers, consumers and human resources, and creating synergy by utilizing the fresh ideas of young talents in projects planned in line with real business requirements were among the biggest subjects of focus in 2020.

With these efforts, Anadolu Isuzu aims to:

- Create volunteer brand ambassadors on campus by increasing brand awareness among young talents,
- Recruit those we have been able to experience the performances, perspectives and corporate culture compliance of,
- Achieve our business targets in the shortest time and in the most effective way by bringing the best to our organization at an early stage,
- Ensure the development of the organizational skills of our managers who will coach the interns, and the



development of an organizational culture that is open to learning and teaching,

- Create synergy by using the fresh ideas of young talents in projects planned in line with real business requirements.

## VOCATIONAL HIGH SCHOOL-INDUSTRY COLLABORATION PROJECTS

Within the scope of vocational high school-industry collaboration, 40 senior students studying at industrial vocational high schools were offered internship opportunities in Anadolu Isuzu.

In 2015, the Anadolu Isuzu Paint Technologies Workshop was established at the Küçükyalı Vocational and Technical Anatolian High School, providing significant support to vocational education.

The goal of the project is to train qualified painting professionals who are willing to follow and implement innovations, know practical applications as well as theoretical knowledge, adopt occupational health and safety rules, and act with environmental awareness. The project also contributes to the development of the qualified human resources required by the industrial sector.



**With Industry 4.0, automation in factory production processes provides a great advantage in terms of reducing costs, accelerating production and increasing user satisfaction.**

Anadolu Isuzu continued its support for the project in 2020, contributing to the development of students' competencies. As of 2020, a total of 56 students have graduated from the Workshop.

### PROMOTIONAL ACTIVITIES AT UNIVERSITIES

Anadolu Isuzu sponsors case studies by participating in the career days of Turkey's leading universities.

With Tech Tour, Anadolu Isuzu is introduced to students and academicians from all over Turkey and abroad. The explanation of the technologies utilized, the discovery of R&D and production areas, and the answers given by the expert and experienced staff allow visitors to find out about Anadolu Isuzu. During the year, technical trips were organized for Doğuş University, Düzce University, Gazi University and Istanbul Technical University student clubs and Vocational High School students, sharing information about the activities and the experiences of the expert staff.

With Industry 4.0, automation in factory production processes provides a great advantage in terms of reducing costs, accelerating production and increasing user satisfaction.

This allows for production processes and the world of production to be developed and changed, and the production area that benefits from the power of digital technologies is reshaped with the advancement of technology.

Anadolu Isuzu carried out its event plans for 2020 with focus on quality systems and Industry 4.0 based on the digitalization of production. In this context;

- The Company attended the 27th ITU EMOS, organized with the main theme of "The Age of Duel" for the discussion of Society 5.0, agility, lean manufacturing and many other subjects concerning the industry.
- The Company met with the talents of the future at the Career Plus event for a day full of experiences, opportunity and fun.
- The Company participated in the 22nd National Quality Days held within the scope of StarsUp'20, the most entertaining entrepreneurship festival in Turkey.
- The Company participated in the Izmir Energy Summit at Ege University within the scope of "System Engineering in Electric Vehicles."

- The Company participated in the 15th National Mechanical Engineering Career Summit - Makinistanbul at Istanbul Technical University.
- The Company participated in Human Resources, Engineering and Industry 4.0 summits centered on the future, careers and success.
- The Company came together with students from Gedik University, the engineers of the future, as part of an Instagram live broadcast.
- The Company participated in the Okan University Career Fair for an outlook of talent and career to the future.
- The Company participated in the online interview simulation at Beykent University.
- The Company participated in the Business Point event at Bahçeşehir University for subjects ranging from interviews to resumes, industry information and projects.
- The Company participated in the "Transformation Camp" organized by ITU Audit and Consultancy Club and Economy Club.

# Human Resources



- The Company got together with young talents who are setting out for success in the field of engineering at the “Management and Engineering Days” organized by Istanbul Technical University.
- The Company was involved in the discussion of trends such as Big Data, IoT and Machine Learning at the “Data Days” organized by Bilkent University Operational Research Club.
- The Company answered the questions of university students at the “YMG+ Electrical and Electronics” event organized by the METU Productivity Club.
- The Company came together with university students to speak with them about brand management, branding, sales and digital marketing processes at the Branding and Marketing Summit organized by the Hacettepe Economic Community.
- The Company met with university students and discussed with them about armor systems and the future of the industry at the Yıldız Talks event organized by the Yıldız Technical University Machinery Technologies Club.

- The Company got together with university students and talked to them about all things HR at the 10th Human Resources Seminar organized by the Eskişehir Technical University Industry and Productivity Club.

- The Company came together with university students hoping to take a step forward in their careers and future at the LGCAREER event organized by the Marmara University Leadership and Governance Club.

## UNION RIGHTS AND COLLECTIVE BARGAINING AGREEMENT AT ANADOLU ISUZU

Relations with blue-collar employees at Anadolu Isuzu are regulated within the scope of a collective bargaining agreement.

Birleşik Metal İş Union is the bargaining agency at Anadolu Isuzu. There is one Head Representative and three Union Representatives elected from within the Company.

These representatives are obliged to follow the demands, complaints and problems of blue-collar workers, represent workers in committees such as the Disciplinary Board and the

Occupational Health and Safety Board, and observe their legal rights within the limits set by law and the Collective Bargaining Agreement signed between Birleşik Metal İş Union and the Turkish Employers' Association of Metal Industries (MESS).

## PROFESSIONAL COMPETENCY CERTIFICATION STUDIES

In accordance with the communiqué published by the Republic of Turkey Ministry of Labor and Social Security, the Vocational Qualification Certification process started at Anadolu Isuzu in 2016. Workshop-based training was carried out in order to train qualified personnel for the automotive industry and grade employees based on their efforts.

The process for written (theory) and practical examination was started for the Portal Crane and Hoist Operator Certificate within the frame of the Compulsory Professional Qualification Process. A total of 262 employees completed the certification process.

After this process, the operators were entitled to receive the professional competence certificates approved by the Vocational Qualifications Authority.



It continues to provide bi-fikir with the creative and innovative ideas that Anadolu Isuzu started with the Quality Circle studies and transformed into corporate culture with active participation of employees from every field.

### **BİFİKİR APPLICATION AND bi-fikir FESTIVAL**

The bi-fikir Application and bi-fikir Festival stand out as platforms where Anadolu Group employees present their innovative ideas, develop their creativity as individuals and teams, and provide added value to Group companies.

These platforms aim to develop the creativity and innovative qualities of the employees as individuals and teams, and include these characteristics in the organizational culture.

It continues to provide bi-fikir with the creative and innovative ideas that Anadolu Isuzu started with the Quality Circle studies and transformed into corporate culture with active participation of employees from every field.

At the latest event of bi-fikir, the innovation program of Anadolu Group, the "ARIS" project by the quality control team won the "Best Digital Project" award and second prize in the Inventions Category.

Anadolu Isuzu also supported the "Roof Paneling" project at the bi-fikir KAP Final where the innovative projects of university students were awarded.

The goal with bi-fikir KAP is to carry the innovation approach of Anadolu Group beyond the group structure, strengthen the employer brand, and collect & implement useful, innovative and viable project proposals from university students for group companies with open innovation.

### **A POOL OF CREATIVE IDEAS AT KAIZEN DAYS.**

At Kaizen days, Anadolu Isuzu employees made presentations in support of development, and the employees with a consistently increasing number of projects were presented with plaques.

Anadolu Isuzu always supports and encourages creative-innovative ideas, starting with the Quality Circle and Kaizen studies and turning into the Company culture over time. As of the end of 2020, works were carried out for more than 800 projects within the scope of Kaizen studies.

### **AG AKADEMİ: DISTANCE LEARNING PLATFORM**

Anadolu Isuzu Human Resources carries out pioneering works in digitalization in order to create an infrastructure for a qualified workforce and provide innovation environments for technology development.

**ANADOLU ISUZU  
R&D CENTER**

**136  
EMPLOYEES**

**ANADOLU ISUZU**

**847  
AVERAGE NUMBER OF  
EMPLOYEES**

# OHS/Employee Safety

Anadolu Isuzu has adopted “zero occupational accidents” as a permanent goal with the maintenance of safe working areas and employee awareness.

## ANADOLU ISUZU OCCUPATIONAL HEALTH AND SAFETY POLICY

The Anadolu Isuzu Occupational Health and Safety Management System is based on the joint participation and support of all employees.

In addition to fulfilling the obligations and other requirements of the Occupational Health and Safety legislation, we are working to create a safe work environment, improve the health and safety awareness of employees, prevent and treat work accidents, injuries and occupational diseases. We are aware that it is our responsibility to protect the health and safety of our subcontractors, suppliers, interns, visiting guests and all other stakeholders.

As Anadolu Isuzu, we undertake that we will follow and support the sustainability and continuous development of a healthy and safe working environment in line with our targets for occupational health and safety, ensure continuous improvement by eliminating hazards and reducing Occupational Health and Safety risks, and do everything necessary to prevent health problems for our employees.

## OCCUPATIONAL HEALTH AND SAFETY TARGETS OF ANADOLU ISUZU

Anadolu Isuzu regards human health and safety as a top priority. The Company has adopted “zero occupational accidents” as a permanent goal with the maintenance of safe working areas and employee awareness.

Working with the goal of “zero occupational accidents,” Anadolu Isuzu decreases the injury frequency rate (IFR) every passing year. Thanks to the focus on occupational safety and healthy targets, the injury frequency rate in 2020 was the same as 2019, while showing a decrease of 74 percent compared to 2015 and a decrease of 10 percent compared to 2016.

With the near-miss notification system, it is ensured that the working environments are evaluated from the eyes of the employees and the areas open to improvement are determined on-site.

## ANADOLU ISUZU PUTS SAFETY BEFORE EVERYTHING ELSE.

Anadolu Isuzu works to remind the importance of OHS practices for a safe and healthy working environment with sketches and dramas performed during the Occupational Health and Safety Week.

It is one of Anadolu Isuzu's top priorities to touch people's lives by carrying out activities that improve and support ergonomic conditions in the working environment.

# Covid-19: Anadolu Isuzu's Approach and Measures

Having started in Wuhan, the capital of China's Hubei Region on December 1, 2019, the virus outbreak spread rapidly around the world. The virus, which can be transmitted from person to person, was named SARS-COV2 (COVID-19). After subsequent developments, COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. With the declaration of the pandemic, cases and casualties were experienced in Turkey as well as in most of the other countries, restrictions and strict measures were put into effect and a relentless fight was initiated against the virus. As of March 11, 2021, the date of this report, the number of confirmed cases worldwide is over 117 million, with a death toll of more than 2.5 million people.

With its strong healthcare system and modern infrastructure, Turkey has succeeded in leaving the first wave of the pandemic behind with relatively few casualties and a low number of patients. The pandemic, which turned into an unprecedented global crisis, caused a slowdown in production

**Anadolu Isuzu, Turkey's commercial vehicle manufacturer, has followed a proactive approach under the pandemic conditions, adopted a management style specific to COVID-19, and quickly realized its measures and efforts for cooperation.**

in our country as well as throughout the entire world, greatly affecting the business processes in all industries. In this process, the government has prioritized the protection of employment, full functioning of the economic and commercial cycle, and maintenance of economic stability. In addition, a nation-wide support campaign was initiated with substantial participation from individuals and institutions.

While the virus protection/defense mechanism designed on the basis of masks, distance and hygiene has been rapidly realized on an individual and institutional basis, practices such as working from home, shift arrangements and social assistance programs have been effectively implemented throughout Turkey.

In addition to affecting daily life, it is now clear that the global health crisis will also have dire consequences for the global economy. Having updated its global economic growth forecasts for 2020, the IMF finally revised its World Economic Outlook for January 2021 as -3.5 percent. Anadolu Isuzu, Turkey's commercial vehicle manufacturer, has followed a proactive approach under the pandemic conditions, adopted a management style specific to COVID-19, and quickly realized its measures and efforts for cooperation.

Anadolu Isuzu has embodied its sensitivity in this regard by developing new practices in order to protect its employees and stakeholders and fulfill its responsibility to the society with its people-oriented management style.

# Covid-19: Anadolu Isuzu's Approach and Measures

Within the scope of its relations with society, Anadolu Isuzu focuses on value sharing and development activities for a wide range of people, from healthcare professionals to end users of vehicles.

## EMPLOYEES

The existence of Anadolu Isuzu depends on its employees. Acting with this awareness, the Company has evaluated the reality of the pandemic from sustainability and OHS perspectives and implemented various measures focused on minimizing the risk of contamination among employees. These measures include;

- Working from home
- Travel restrictions
- Employee support programs
- Retirement support programs
- In-house protective measures

## BUSINESS PARTNERS (DEALERS AND SERVICES)

During the pandemic, Anadolu Isuzu has worked closely with its business partners, one of the key elements of its value chain. In addition to awareness-raising and perception development efforts, the Company has also provided online training and technical support. These efforts include;

- Measures for the workplace
- Measures for the customer
- Measures to protect personnel
- Cleaning, disinfection and ventilation
- Remote technical support
- Remote technical training

## CORPORATE CITIZENSHIP

Within the scope of its relations with society, Anadolu Isuzu focuses on value sharing and development activities for a wide range of people, from healthcare professionals to end users of vehicles.

In cooperation with Garenta, KIA and KNS Automotive, intubation and biological sampling cabinets have been produced and delivered to hospitals and Provincial Health Directorates in many cities in Turkey in order to protect healthcare workers and reduce the spread of the virus in the hospital environment.

During the pandemic, healthcare professionals have been provided with gifts of appreciation.

As the commercial vehicle manufacturer of Turkey, Isuzu engineers some of its vehicles with a long-term perspective thanks to its advanced R&D infrastructure.

Focused on the sustainability of public health, these research studies include packages consisting of products and applications aimed at reducing the spread of the virus. These packages have been designed for application on new vehicles as well as Isuzu vehicles that are still in use.

## COMMUNICATION

Anadolu Isuzu uses all communication channels with a focus on increasing awareness and perception about the pandemic.

The General Manager sends emails and SMS messages to all employees regarding the significance of COVID-19, its current status and the relevant measures.

All business lines, dealers and Isuzu authorized services are sent emails about the relevant measures at regular intervals.

Considering that the pandemic may continue to affect our lives in the upcoming period, Anadolu Isuzu will continue its protective, preventive and constructive activities in human, workplace and value chain axes with its human-oriented management style and responsibility to society, and will implement new measures if necessary.



# Social Awareness Projects at Anadolu Isuzu

Anadolu Isuzu regards social responsibility activities as a major part of its corporate identity, and reveals its contributions in this regard with the voluntary participation of its employees.



Anadolu Isuzu reaches out to every segment of society and every point of trade with its vehicles, which assume different roles in the life and trade cycle. Based on this simple fact, Anadolu Isuzu regards social responsibility activities as a major part of its corporate identity.

Anadolu Isuzu carries out social responsibility activities in order to increase the welfare of individuals and create sustainable and permanent value for society. The Company fully supports social development activities through cooperation. The Company focuses on volunteering in its social responsibility activities.

Anadolu Isuzu is an active member of the Private Sector Volunteers Association (OSGD), which operates with the aim of spreading the sense of corporate volunteering in the private sector and carrying it out in a sustainable and systematic manner.

## **ANADOLU ISUZU CONTINUES TO SUPPORT WITH ITS VEHICLES THE TRAVELING LIBRARY PROJECT STARTED BY THE INCI FOUNDATION IN 2015.**

With a vehicle transformed into a library, Anadolu Isuzu has been providing books for primary school students in financially strained regions of Izmir since 2015. The library in the vehicle allocated by Anadolu Isuzu includes 1,238 books provided by the Bornova Public Library. Aiming to get children to develop the habit of reading, the project brings students together with child writers and supports the language development of children with various workshops. Within the scope of the project, 18,124 students were interacted with, and 7,129 books were borrowed in the 2019~2020 academic year.

## **ANADOLU ISUZU EMPLOYEES VOLUNTEER IN PROJECTS FOR EDUCATION, ENVIRONMENT AND DISABILITIES.**

Anadolu Isuzu has been carrying out its social responsibility activities with the contribution of an increasing number of volunteer employees every year since 2014.

Efforts within the scope of Social Awareness Projects focus particularly on education, environment and disabilities.

Competitions are organized on the Environment Day in order to improve our environment, and during the Occupational Safety Week to reinforce the "zero occupational accidents" perspective and increase safety awareness.

Unused clothes, unread books and unused toys are left in colorful favor boxes on the ground floor of Anadolu Isuzu Headquarters before they meet their new owners. With the wonderful feeling of producing and sharing, Company employees put all of their good intentions in boxes.

The clothes and toys collected in these boxes are sent to the Anadolu Foundation.

## **HIGHLIGHTS FROM THE ANADOLU ISUZU SOCIAL AWARENESS PROJECTS IN 2020**

Within the scope of the zero waste project, wastes are disposed of in the right places according to their types and recycling begins then and there. In addition, paper and plastic cups were replaced with glass cups.

After the Izmir Earthquake, an aid truck was sent to Izmir to provide food for earthquake victims.

# Board of Directors



From left to right: Orhan Özer, Tuncay Özilhan, Recep Yılmaz Argüden, Ahmet Murat Sele, Ahmet Boyacıođlu.

Toshiyuki Abe, Hidekazu Noto, Kozo Yamaguchi, Reo Sawada, Kamil Ömer Bozer, Özdemir Osman Kurdaş did not participate in the photo shoot.

Board of Directors resume information can be found on page 82-84.



From left to right: Efe Yazıcı, Hurşit Zorlu (Anadolu Grubu İcra Başkanı), Kamilhan Süleyman Yazıcı, Talip Altuğ Aksoy.

# Board of Directors

## Tuncay Özilhan

### Chairman

Tuncay Özilhan was born in Kayseri. He graduated from Saint-Joseph Private French High School and Istanbul University Faculty of Economics, and then completed his MBA in business administration at the Long Island University in the USA. He started his business life as the General Manager of Erciyas Biracılık in 1977, and went on to serve as the Brewing Group Coordinator and subsequently the General Coordinator of Anadolu Endüstri Holding. Özilhan was appointed as the CEO of Anadolu Group in 1984 and continued his duties under this position until February 2017. He has been serving as the Chairman of the Board of Anadolu Group since May 2007. Özilhan is also the Chairman of the Board of Anadolu Foundation and various Anadolu Group companies. Having served as the President of TÜSİAD from 2001 to 2003, Özilhan still serves as the Chairman of the High Advisory Council of TÜSİAD, Member of the Board of DEİK, Chairman of the Executive Board of the Turkey-Russia Business Council, Estonian Honorary Consul and Chairman of the Anadolu Efes Sports Club. Özilhan holds "The Order of the Rising Sun, Gold and Silver Star," one of the most prestigious decorations presented by the Japanese government, and decorations from the Ministry of Foreign Affairs of the Republic of Estonia.

## Kamilhan Süleyman Yazıcı

### Vice Chairman

Kamil Yazıcı holds a bachelor's degree in business administration from Emory University in the United States and an MBA from the American Institute of Business and Economics (AIBEC) in Russia. Yazıcı started his career in 2000 at the Anadolu Group Financial Affairs Department, and went on to serve at the Anadolu Efes Russia Marketing Department from 2003 to 2005. He was appointed the new Product Development Manager in 2005. Continuing his duties in Russia as Logistics System Manager from 2006 to 2008, Yazıcı was appointed Supply Chain Director in 2008, and Development Director in 2010. Yazıcı started working as the General Manager of Anadolu Efes Moldova in 2011, and served as the Market Development Director of Anadolu Efes from 2014 to April 2017. Yazıcı continues to serve as a Member of the Board and Vice Chairman at Anadolu Group companies.

## Talip Altuğ Aksoy

### Member

Talip Altuğ Aksoy has a bachelor's degree in economics from Oglethorpe University in the United States. Aksoy started his career in 1995 as Assistant Financial Affairs Specialist at Anadolu Group, and was then appointed as the Group's Financial Affairs Specialist in 1996. He worked as Human Resources and Fund Management Specialist from 1998 to 2000. Having worked as Efes Industrial Sales and Marketing Director from 2000 to 2003, Aksoy became the Trade and Export Director of Efes Beer Group in January 2003. Aksoy served as the Supply Chain Director of Efes Brewing Group from June 2008 to November 1, 2011. He has been serving as the Purchasing and Logistics Director of the Group since 2006. Talip Altuğ Aksoy was appointed the General Manager of Efes Turkey in November 2011, and continued to serve under this role until January 1, 2017. He continues to serve as a Member of the Board at Anadolu Group companies.

## Efe Yazıcı

### Member

Efe Yazıcı graduated from George Washington University Department of Business Administration in 1999, and earned his MBA from Sabancı University in 2003. Having served as the Assistant Fund Manager at Merrill Lynch from 1997 to 1999, Yazıcı joined Anadolu Group in 1999. Serving in various roles at ABank, Anadolu Endüstri Holding, TurkeCom, Anadolu Efes and Efes Moscow from 1999 to 2002, Efe Yazıcı worked at Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. from 2003 to 2014, under the roles of Export Specialist, Export Supervisor, Marketing Supervisor, Marketing Manager, Sales Manager and Export Manager, respectively. Serving as the General Manager of Antgıda A.Ş. since 2015, Efe Yazıcı is a Member of the Board of Billur Tuz A.Ş.

## Özdemir Osman KURDAŞ

### Member

Özdemir Osman Kurdaş was born in 1960. He graduated from TED Ankara College in 1977 and from Boğaziçi University Department of Mechanical Engineering in 1981. He also received his MSc in Mechanical Engineering from Boğaziçi University in 1983. Having worked at Isuzu Motors Ltd. in Yokohama, Japan from 1984 to 1986, Kurdaş worked as a design specialist at the Anadolu Isuzu factory under Anadolu Group from 1986 to 1988. He is the founder and partner of GSD A.Ş. and has been serving as the CEO of the company since 1988. He was one of the founders of the Industrial Automation Manufacturers' Association (ENOSAD) in 2005 and served as the Vice President of the association. Kurdaş has been on the board of directors of Kamil Yazıcı Yönetim ve Danışma A.Ş. since its establishment.

**Recep Yılmaz Argüden****Member**

Providing management consultancy services to various national and international companies on business excellence, institutionalization and sustainability, Dr. Yılmaz Argüden is the founder of ARGE Danışmanlık and continues to serve as its Chairman. In addition to serving as the Chairman of the Rothschild investment bank in Turkey, he has served on the Boards of more than 50 companies in various countries. Having started his career at Koç Holding R&D Center, Dr. Yılmaz Argüden went on to serve as Strategic Analysis Specialist at The RAND Corporation, and worked with 20 countries at the World Bank Loans Department as Division Supervisor. Upon the invitation of the government in 1988, Dr. Argüden returned to Turkey and carried out the country's Privatization Program until 1990. Dr. Argüden served as the Prime Minister's Chief Economic Advisor in 1991. Having shared his experiences in books, columns and strategy lessons at Boğaziçi University, Koç University and Turkish War Colleges, Dr. Argüden has served in international positions such as Member of the High Advisory Board of the IFC Global Corporate Governance Forum and Vice Chairman of the Corporate Governance Committee of Business at OECD (BIAC). He led the establishment of the non-profit Argüden Governance Academy. He was elected the Chairman of the National Advisory Board Network and served on the UN Global Compact Board of Directors. He founded and/or led various non-governmental organizations such as KalDer, The Educational Volunteers Foundation of Turkey, Private Sector Volunteers Association, BÜMED, Turkish Economic and Social Studies Foundation (TESEV), Turkey-U.S. Business Council, and Turkey-Canada Business Council. Having received various awards in categories such as Strategic Leadership, Outstanding Citizenship and Distinguished Career, Dr. Argüden was listed among the "100 Global Leaders of the Future" by the World Economic Forum for his efforts to improve the state of the world.

**Kamil Ömer Bozer****Member**

Ömer Bozer was born in Istanbul in 1958. He graduated from METU Department of Business Administration and received his master's degree from Georgia State University. Bozer started his career as a trainee in Koç Group in 1983 and later served as Assistant General Manager and General Manager at Maret and Düzey Pazarlama, and became the General Manager of Migros in 2002. At Koç Group, Bozer served as the President of the Food, Retail and Tourism Group from 2005 to 2006, the President of the Food and Retail Group from 2006 to 2008, and the President of the Food, Retail and Tourism Group again from 2008 to 2011. Kamil Ömer Bozer is a Board Member at Anadolu Group companies and an Independent Board Member at Söktaş Tekstil, Tüpraş, Arçelik and Boyner Perakendecilik. Kamil Ömer Bozer is a non-executive member in accordance with the CMB Corporate Governance Principles, and is not an independent member.

**Ahmet Boyacıoğlu****Member**

Ahmet Boyacıoğlu was born in born in 1946. He received his bachelor's degree from the METU Faculty of Administrative Sciences Department of Business Administration. Boyacıoğlu started his career in Efes Beverage Group in 1973. From 1973 to 2005, he served as Regional Sales Manager for Bursa, Sales Manager of Ege Biracılık ve Malt San. A.Ş, General Manager of Güney Biracılık ve Malt San. A.Ş, General Manager of Ege Biracılık ve Malt San. A.Ş, Eastern Europe President, International Brewing Operations Group President, and Strategy and Business Development Director. Boyacıoğlu was appointed the President of the Efes Brewing Group in May 2005 and retired February 1, 2007. Boyacıoğlu currently serves as a Member of the Board of Directors at some of the Anadolu Group companies.

**Hidekazu NOTO****Member**

Hidekazu Noto was born in 1963. He graduated from Chuo University Department of Economics. Noto joined Isuzu Motors in 1986. He worked at the Personnel Administration Department from 1990 to 1994, Domestic Sales Department from 1994 to 1998, Domestic Business 1st Section General Group from 1998 to 1999, and Corporate Planning Office from 1999 to 2005. Noto served as Assistant General Manager, President and Operations Director at Isuzu Commercial Vehicles America between 2005 and 2011. Having served as General Manager at the Sales Planning Department and Southeast Asia Sales Department from 2012 to 2017, and as President and Representative Director at Isuzu Vietnam from 2017 to 2020, he has been serving on the Executive Board of the Sales Division since April 2020.

## Board of Directors

### **Kozo Yamaguchi**

#### **Member**

Kozo Yamaguchi was born in 1955 in Hiroshima, Japan. After graduating from Yokohama National University Faculty of Engineering in 1978, he started his career in 1978 at Isuzu Motors Ltd. in Japan. He served as Isuzu's Heavy-Duty Truck Development Manager between 1978 and 1995, Medium-Duty Truck Development and Engineering Group Leader between 1995 and 2000, Bus Development and Engineering Group Leader between 2000 and 2004, General Manager of Chassis Development and Engineering for all trucks between 2004 and 2008, General Manager of Bus Production Planning and Development between 2008 and 2014, and as J-Bus Operations Manager at the Department of Bus Body Development between 2014 and 2017. He has been in charge of bus production and planning at Isuzu Motor Ltd. since 2017.

### **Toshiyuki Abe**

#### **Member**

Toshiyuki Abe was born in 1960. He graduated from Sophia University Department of Electrical and Electronics Engineering, and completed the Columbia Business School Senior Executive Program in 2009. Abe worked at the Power Plant and Machinery Department of Itochu Corporation between 1983 and 1989, at the Ankara Liaison Office between 1989 and 1994, at the Power Plant and Machinery Department once again between 1994 and 2000 and at the Environment, Power and Infrastructure Projects Department between 2000 and 2004. He went on to serve as Assistant General Manager and General Manager of the Environment and Energy Line Communication Group between 2004 and 2007, General Manager of the Infrastructure and Utility Solutions Group between 2007 and 2011, and General Manager and Senior General Manager at the Nuclear Power Project Development Group between 2011 and 2017. He has been serving as Assistant General Manager, Plant Project, Marine & Aerospace Division at Itochu Corporation since April 2017.

### **Reo Sawada**

#### **Member**

Sawada was born in 1985. He completed his undergraduate education at Kobe University Department of Russian Studies. He started his duties at Itochu Corporation as a Sales Representative at the Russian Automotive Department in 2008, and went on to serve as the Assistant to the General Manager of Suzuki Motors Rus LLC in Moscow, Russia between August 2012 and August 2013, Assistant to the General Manager of Suzuki Motors Rus LLC in Almaty, Kazakhstan between August 2013 and July 2014, and Project Leader for Isuzu between July 2014 and August 2019. Reo Sawada has been working as Advisor to the General Manager at Anadolu Isuzu since August 2019.

### **Ahmet Murat Selek**

#### **Independent Member**

Ahmet Murat Selek has a bachelor's degree from Boğaziçi University Department of Mechanical Engineering, and a master's degree from the Cornell University (USA) Department of Mechanical Engineering. Murat Selek started his career in 1983 as a Purchasing Specialist at Enka İnşaat. Having served as the Planning and Commercial Activities Manager of Çukurova Ziraat between 1986 and 1987, Selek made the transition to Otoyol Sanayi A.Ş. in 1987 and served as the Project Coordinator and Foreign Procurement Manager of Otoyol Sanayi A.Ş. until 1992. Starting to serve as Assistant General Manager of Marketing, Sales and After-Sales Services at Tofaş in 1992, Selek went back to Otoyol as General Manager between 2003 and 2007, and then started working at Karsan Otomotiv, where he served as CEO between 2008 and 2016, and as a Management Consultant between 2016 and 2017. Selek continues his career as a Strategic and Corporate Management Consultant. Selek meets all of the independent member criteria in the CMB Corporate Governance Principles.

### **Orhan Özer**

#### **Independent Member**

Orhan Özer graduated from Middle East Technical University Department of Business Administration in 1982, and went on to serve as Supervisor at Oyak-Renault Otomobil A.Ş. between 1984 and 1986, Manager at H.Ö. Sabancı Holding between 1986 and 1991, and Assistant General Manager at Goetze İstanbul Segman A.Ş. between 1991 and 1995. He joined the Toyota family in 1995 and served as Assistant General Manager at Toyota Otomobil Türkiye A.Ş. between 1995 and 2002, Vice President at Toyota Motor Europe between 2002 and 2008, Senior Assistant General Manager at Toyota Otomobil Türkiye A.Ş. between 2008 and 2010, and General Manager at Toyota Otomobil Türkiye A.Ş. between 2010 and 2016. Özer meets all of the independent member criteria in the CMB Corporate Governance Principles.

# Senior Management



From left to right: Hasan Yusuf Teoman, Hakan Kefođlu, Ařkin İnci, Ali Pedram Salihi, Murat Sever, Arif Özer, Hakan Özenç, Leyla Ayşegül Örs Bingöl, Yusuf Tuđrul Arıkan, Fatma Aksoy Özek, Kemal Özer

Senior management team resume information can be found on page 86-87.

# Senior Management

## **Bora Koçak**

### **Automotive Group President**

Bora Koçak was born in Ankara in 1969. He graduated from Ankara Atatürk Anatolian High School in 1985, the Mechanical Engineering Department of the Naval Academy in 1989 and the Advanced Management Program at Harvard Business School in 2007. He served as Chief Technical Officer in Technical Management Positions in the Turkish Navy between 1989 and 1996. He respectively served as Training Supervisor, After-Sales Services Supervisor Supervisor and After-Sales Services Manager at Çelik Motor Ticaret A.Ş. between 1996 and 1999, and continued to serve at the same company as Kia Product Manager between 1999 and 2001, and Kia-Honda-Lada Product Director between 2001 and 2005. He served as the General Manager of Citroen Baylas Otomotiv A.Ş. between July 2005 and 2008, and General Manager of Mazda Motor Europe (Turkey) between 2008 and 2010. Having worked as the General Manager of Çelik Motor Ticaret A.Ş. from 2010 to July 2016, Bora Koçak was appointed the President of Anadolu Group Automotive Group on August 1, 2016. Koçak is also a Board Member at the Automotive Distributors' Association (ODD) and MESS.

## **Yusuf Tuğrul Arıkan**

### **General Manager**

Born in Germany in 1963, Y. Tuğrul Arıkan graduated from Sankt Georg Austrian High School, and then from Boğaziçi University Department of Business Administration. Arıkan started his career in 1986 at Pfizer. He went on to serve as the General Manager of CBS Printaş and Deputy General Manager of Türk Ytong. In 2002, he started working as the Finance Director of Olmuksa A.Ş., a joint venture of Sabancı Holding and International Paper, and became the General Manager of Olmuksa in 2007. Having served as General Manager at Anadolu Isuzu since March 18, 2013, Arıkan is a member of the Turkish Society for Quality (KALDER), the European Federation of Corrugated Board Manufacturers (FEFCO), the Turkish Corrugated Cardboard Industrial Association (OMUD), the Turkish Marine Environment Protection Association (TURMEPA), the Private Sector Volunteers Association, and the Business Council for Sustainable Development Turkey.

## **Fatma Aksoy Özek**

### **Chief Financial Officer**

Fatma Aksoy Özek was born in 1981 in Uşak. She graduated from Denizli Anatolian High School in 1999, and Hacettepe University Department of Business Administration (English) in 2003. She earned her master's degree in Accounting and Finance at the Middle East Technical University in 2008, and her MBA at the Cass Business School in London in 2015. She served as Assistant Financial Control and Reporting Specialist at Aselsan A.Ş. between 2004 and 2005, and as an Auditor at PricewaterhouseCoopers between 2005 and 2008. She served as an Audit Specialist at the Anadolu Group Audit Coordination Office between 2008 and 2009, Audit Manager in the Anadolu Group Audit Department between 2009 and 2012, Internal Audit Manager at Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. between 2012 and 2016, and Internal Audit Manager at Çelik Motor Ticaret A.Ş. between 2016 and 2018. She has CIA, SMMM and CRMA certificates.

## **Hakan Özenç**

### **After-Sales Services Director**

Hakan Özenç was born in 1968 in Gölcük. He graduated from Ankara Atatürk Anatolian High School in 1986, and METU Department of Mechanical Engineering in 1990. He completed the Marmara University Executive Development Program in 1999, and his Executive MBA at Sabancı University in 2006. Özenç worked at Anadolu Isuzu respectively as Quality Control Engineer, Quality Control Supervisor, Material Supply Supervisor, Bus Production Supervisor and Production Manager between 1994 and 2006, and as R&D Manager between 2007 and 2013. Having served as Technical Director in charge of Production, Quality Control, Production Planning and Stock Control from 2014, Özenç has held the position of After-Sales Services Director since the beginning of 2020.

## **Arif Özer**

### **R&D Director**

Arif Özer was born in 1971 in Frankfurt. He graduated from Izmit Technical High School in 1989, and Yıldız University Department of Mechanical Engineering in 1993. In 1996, he did his master's degree on Advanced Manufacturing Techniques at the University of Salford. Özer worked at Anadolu Isuzu respectively as Material Supply Engineer, Quality Control Supervisor, Quality Control Manager, Material Supply Manager and After-Sales Services Manager between 1996 and 2013. Having served as R&D Manager between 2013 and 2015, he has been working as R&D Director since May 2015.

## **Aşkın İnci**

### **IT Director**

Aşkın İnci was born in 1979 in Dinar. He graduated from Ankara Alparslan Anatolian High School in 1997 and from METU Department of Mathematics in 2002. He earned his master's degree in Engineering Management at METU Department of Industrial Engineering in 2010. Having worked at MAN Türkiye between 2003 and 2010, İnci served as Business Solutions Manager at Hidromek A.Ş., and IT Manager at Eczacıbaşı Building Products Group. He began working at Anadolu Isuzu in 2017 as IT Manager, and has been working as the Company's IT Director since 2020. He also leads the Digital Transformation of our Company.



**Hasan Yusuf Teoman****Sales Director**

Born in 1965 in Istanbul, Yusuf Teoman graduated from Moda High School in 1982 and Istanbul Technical University Department of Mechanical Engineering in 1987. He completed the Marmara University Business Management Certificate Program in 1988, and did his MBA at Georgia College in 1990. He served respectively as Assistant Sales Coordinator and Regional Coordinator for Iran, Israel, Syria, Jordan and Iraq at Ram Diş Ticaret A.Ş. between 1991 and 2002, as Industry Manager at DHL Express between 2002 and 2003, respectively as Export Manager, Project Coordinator and Sales & Marketing Director at Iveco Otoyl Sanayi A.Ş. between 2003 and 2008, and respectively as Business Development Director, After-Sales Services Director and Sales Director at Iveco Araç Sanayi ve Ticaret A.Ş. between 2008 and 2017. Yusuf Teoman started working at Anadolu Isuzu in May 2017 as the Director of the Trucks and Pick-Ups Business Division, and has been continuing his duties as Sales Director since July 2018.

**Mustafa Kemal Özer****Supply Chain Director**

Mustafa Kemal Özer was born in 1966 in Ankara. He graduated from Yıldız Technical University Department of Industrial Engineering in 1987. Özer worked at Anadolu Isuzu as Production Planning Engineer, Production Planning Supervisor, Production Planning and Inventory Control Manager, Material Supply Manager and Purchasing Manager between 1990 and 2015, and was appointed as Purchasing Director in May 2015. Having served in this position until May 2017, he has been working as the Supply Chain Director of Anadolu Isuzu since May 2017.

**Leyla Ayşegül Örs Bingöl****Human Resources Director**

Leyla Ayşegül Örs Bingöl was born in Istanbul in 1981. She graduated from Italian High School in 2000 and England Middlesex University Department of Human Resources in 2004. She served as Assistant Personnel Manager at Sofra London between 2001 and 2004, Researcher at Nicholson International Consultancy between 2004 and 2005, Recruitment and Fundraising Manager at İzmir Tesco Kipa A.Ş. between 2005 and 2006, Human Resources Specialist and subsequently Human Resources Supervisor at Anadolu Endüstri Holding A.Ş. between 2007 and 2011, Human Resources Manager at Çelik Motor Ticaret A.Ş. between 2011 and 2015, and Human Resources Director at Anadolu Efes Türkiye between 2015 and 2018. Ayşegül Örs Bingöl has been serving as Human Resources Director at Anadolu Isuzu since August 2018.

**Hakan Kefoğlu****Export Director**

Hakan Kefoğlu was born in Istanbul in 1979. He graduated from Istanbul German High School in 1998 and Koç University Department of Business Administration in 2003. Before joining our Company, he worked as an Advisor at IBS between 2001 and 2004, and as Foreign Trade Specialist and Foreign Trade Supervisor at Mey İçki between 2005 and 2009. He served as the Export and National Chain Stores Manager of Doluca Şarapçılık between 2009 and 2010. Kefoğlu, who served at Anadolu Group as Export Development Manager and Export Manager between 2010 and 2015, has been working at Anadolu Isuzu as Export Director since May 2015.

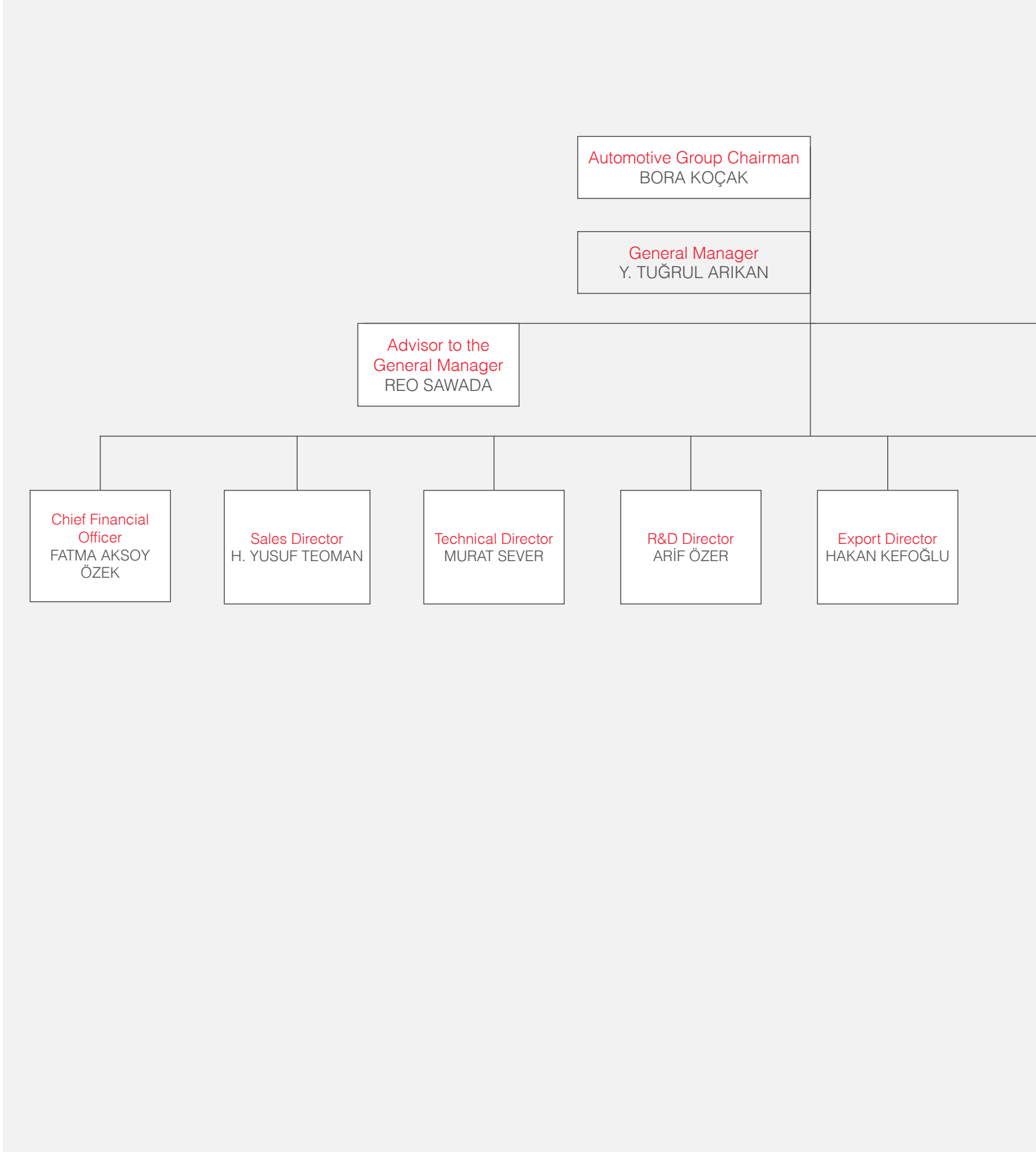
**Murat Sever****Technical Director**

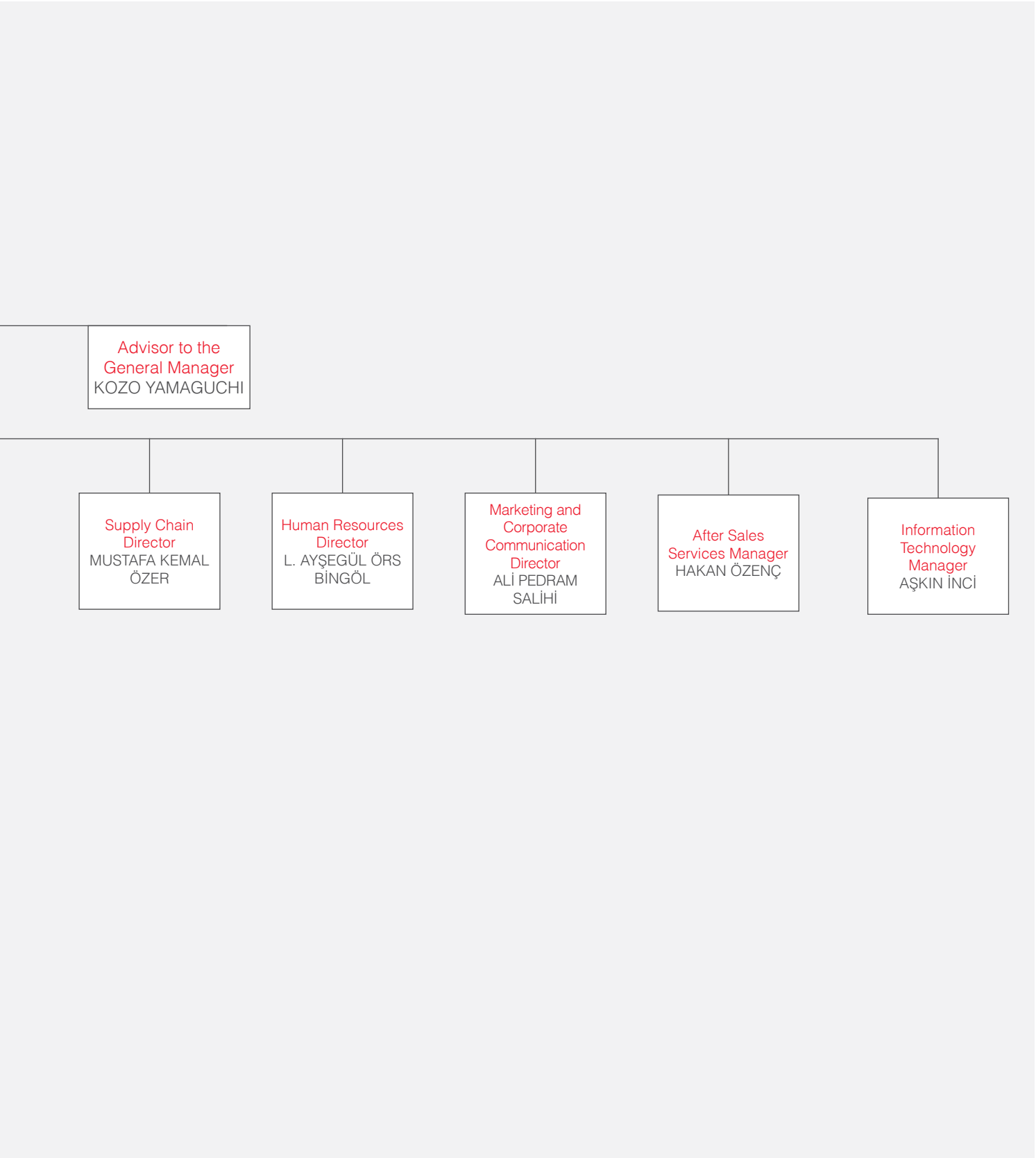
Murat Sever was born in 1977 in Üsküdar. He graduated from Hüseyin Avni Sözen Anatolian High School in 1994, received his bachelor's degree at Uludağ University Department of Industrial Engineering Department in 1998, and his master's degree at Istanbul University Department of Business Administration in 2007. Sever started his career in 1998 at Vepa Firça San. Tic. A.Ş. as Product Manager. He served at our Company's Production Planning and Control Department as Stock Control Engineer between December 2000 and August 2006, Production Planning Engineer between August 2006 and January 2011, Production Planning Supervisor between January 2011 and January 2015, Truck & Pick-Up Production Manager between January 2015 and February 2018, and Bus Production Manager between February 2018 and January 2020. Since 2020, he has been working as Technical Director in charge of Quality Control, Bus Production, Truck Production and Utility Services.

**Ali Pedram Salihi****Marketing and Business Development Director**

Ali Salihi received his bachelor's degree at Boğaziçi University Department of Psychology, and did his MBA at Bahçeşehir University. He worked at Doğuş Otomotiv-Volkswagen Ticari Araç as Marketing Communications Specialist between 2005 and 2007, and Marketing Communications Manager between 2007 and 2009. Salihi then made the transition to the Audi brand under Doğuş Otomotiv, serving as Marketing Manager between 2009 and 2011, and Manager of the Product and Pricing Team between 2012 and 2015. Having worked as Marketing Manager in charge of Renault Passenger Cars and Commercial Vehicles at Renault MAİS between 2015 and 2018, Salihi started working as Marketing Manager for five countries at BASF Türk in November 2018. Ali Salihi has been serving as Marketing and Business Development Director at Anadolu Isuzu since February 2020.

# Organizational Chart





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Ticaret Sicil No : 304099

## YÖNETİM KURULUNUN YILLIK FAALİYET RAPORUNA İLİŞKİN BAĞIMSIZ DENETÇİ RAPORU

Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. Genel Kurulu'na

### 1) Görüş

Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. 'nin 1 Ocak 2020 – 31 Aralık 2020 hesap dönemine ait tam set finansal tablolarını denetlemiş olduğumuzdan, bu hesap dönemine ilişkin yıllık faaliyet raporunu da denetlemiş bulunuyoruz.

Görüşümüze göre, yönetim kurulunun yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulunun Şirketin durumu hakkında yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

### 2) Görüşün Dayanağı

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK) tarafından yayımlanan Türkiye Denetim Standartlarının bir parçası olan Bağımsız Denetim Standartlarına (BDS'lere) uygun olarak yürütülmüştür. Bu Standartlar kapsamındaki sorumluluklarımız, raporumuzun Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumlulukları bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Etik Kurallar) ve bağımsız denetimle ilgili mevzuatta yer alan etik hükümlere uygun olarak Şirketten bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etiğe ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

### 3) Tam Set Konsolide Finansal Tablolara İlişkin Denetçi Görüşümüz

Şirketin 1 Ocak 2020 – 31 Aralık 2020 hesap dönemine ilişkin tam set finansal tabloları hakkında 26 Şubat 2021 tarihli denetçi raporumuzda olumlu görüş bildirmiş bulunuyoruz.

### 4) Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Şirket yönetimi, TTK'nın 514 ve 516 ncı maddelerine göre yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

- a) Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.

Deloitte, İngiltere mevzuatına göre kurulmuş olan Deloitte Touche Tohmatsu Limited ("DTTL") şirketini, üye firma arasındaki şirketlerden ve ilişkili tüzel kişiliklerden bir veya birden fazlasını ifade etmektedir. DTTL ve üye firmalarının her biri ayrı ve bağımsız birer tüzel kişiliktir. DTTL ("Deloitte Global" olarak da anılmaktadır) müşterilere hizmet sunmamaktadır. Global üye firmalarımızla ilgili daha fazla bilgi almak için [www.deloitte.com/about](http://www.deloitte.com/about) adresini ziyaret ediniz.

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# Deloitte.

## 4) Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu (Devamı)

- b) Yıllık faaliyet raporunu; şirketin o yıla ait faaliyetlerinin akışı ile her yönüyle finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıtacak şekilde hazırlar. Bu raporda finansal durum, finansal tablolara göre değerlendirilir. Raporda ayrıca, şirketin gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.
- c) Faaliyet raporu ayrıca aşağıdaki hususları da içerir:
- Faaliyet yılının sona ermesinden sonra şirkette meydana gelen ve özel önem taşıyan olaylar,
  - Şirketin araştırma ve geliştirme çalışmaları,
  - Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, aynı ve nakdi imkânlar, sigortalar ve benzeri teminatlar.

Yönetim kurulu, faaliyet raporunu hazırlarken Ticaret Bakanlığının ve ilgili kurumların yaptığı ikincil mevzuat düzenlemelerini de dikkate alır.

## 4) Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK hükümleri çerçevesinde yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulunun yaptığı irdelemelerin, Şirketin denetlenen finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıtıp yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

Yaptığımız bağımsız denetim, BDS'lere uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanması ile bağımsız denetimin, faaliyet raporunda yer alan finansal bilgiler ve Yönetim Kurulunun yaptığı irdelemelerin finansal tablolarla ve denetim sırasında elde edilen bilgilerle tutarlı olup olmadığına ve gerçeği yansıtıp yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirir.

Bu bağımsız denetimi yürütüp sonuçlandıran sorumlu denetçi Koray Öztürk'tür.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Koray Öztürk, SMMM  
Sorumlu Denetçi

İstanbul, 11 Mart 2021

# Other Information About Activities

## ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş.

### 1) GENERAL INFORMATION

Reporting Period:	January 1, 2020 – December 31, 2020
Company Title:	Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş.
Trade Registration No.	173921
MERSIS No:	0068006909500014
Head Office:	Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü 34771 Ümraniye/İstanbul
Factory Address:	Şekerpinar Mah. Otomotiv Caddesi No:2 41435 Çayırova/Kocaeli
Tel:	+9008502001900
Fax:	+9002626588556
Website:	www.anadoluisuzu.com.tr

### Capital Structure

As of December 31, 2020, the Company's capital is 84,000,000 Turkish lira. There was no change in the capital amount in the current period.

As of December 31, 2019 and December 31, 2020, the shareholders' shares and their ratio in capital are as follows.

Shareholder	12.31.2019		12.31.2020	
	Share Amount	Share Ratio	Share Amount	Share Ratio
AG ANADOLU GRUBU HOLDİNG A.Ş.	46,535,401	55.40%	46,535,401	55.40%
ISUZU MOTORS LTD.	14,275,509	16.99%	14,275,509	16.99%
ITOCHE CORPORATION	10,706,534	12.74%	10,706,534	12.74%
OTHER	12,482,556	14.87%	12,482,556	14.87%
TOTAL	84,000,000	100.00%	84,000,000	100.00%

### Direct or Indirect Subsidiaries of the Company and Their Share Ratios

The Company's subsidiary and partnership ratios are as follows.

Subsidiary	12.31.2019	12.31.2020
	Share Ratio (%)	Share Ratio (%)
Ant Sınai ve Tic. Ürünleri Paz. A. Ş.	100.00%	100.00%

### 2) MANAGEMENT AND ORGANIZATION

#### Board of Directors:

The Company's Board of Directors consists of a Chairman, a Vice Chairman and 12 members, adding up to a total of 14 members. All of the members of the Board of Directors were elected at the Ordinary General Assembly Meeting on April 15, 2020, to serve until a new Board of Directors is formed at the next Ordinary General Assembly Meeting.

Members of the Board of Directors and their job descriptions are as follows:

Name	Duty
Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice Chairman
Talip Altuğ Aksoy	Member
Efe Yazıcı	Member
Özdemir Osman Kurdaş	Member
Kamil Ömer Bozer	Member
Recep Yılmaz Argüden	Member
Ahmet Boyacıoğlu	Member
Reo Sawada	Member
Toshiyuki Abe	Member
Hidekazu Noto	Member
Kozo Yamaguchi	Member
Orhan Özer	Independent Member
Ahmet Murat Selek	Independent Member

#### Duties of Board Members and Executives Outside the Company

There are no rules established by the Company for the Board Members on assuming other duties outside the Company, but the regulations stipulated in the Corporate Governance Principles apply.

The Company's Board of Directors convened eight times throughout the period.

#### Committees Established Within the Board of Directors

Pursuant to the provisions included in both the Turkish Commercial Code and the Communiqué on Determination and Implementation of the Principles of Corporate Governance issued by the Capital Markets Board, the Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee were established for the fulfillment of the duties and responsibilities of the Board of Directors. Regulations regarding the working principles of the committees are published on our corporate website.(www.anadoluisuzu.com.tr)

Following the election of the new Board Members at the Ordinary General Assembly Meeting held on April 15, 2020 and in line with the Board of Directors resolution dated April 16, 2020, the following committee members were determined in line with the Corporate Governance Principles published by the Capital Markets Board.

#### Corporate Governance Committee

Ahmet Murat Selek	Chairman
Mehmet Hürşit Zorlu	Member
Özdemir Osman Kurdaş	Member
Recep Yılmaz Argüden	Member
Ali Osman Mağal	Member

The duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee.

The Corporate Governance Committee convened four times throughout the year.

#### Audit Committee

Ahmet Murat Selek	Chairman
Orhan Özer	Member

The Audit Committee convened four times throughout the year.

## Other Information About Activities

### Early Detection of Risk Committee

Orhan Özer	Chairman
Talip Altuğ Aksoy	Member
Kamil Ömer Bozer	Member

The Early Detection of Risk Committee convened twice throughout the year, and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. The Early Detection of Risk Committee informed the Board of Directors about its activities with a total of six bimonthly reports throughout the year.

### Company Management

Senior management team and their job descriptions as of December 31, 2020:

Name	Duty
Bora Koçak	Automotive Group President
Yusuf Tuğrul Arıkan	General Manager
Fatma Aksoy Özek	Chief Financial Officer
Hakan Özenç	After-Sales Services Director
Arif Özer	R&D Director
Aşkın İnci	IT Director
Hasan Yusuf Teoman	Sales Director
Hakan Kefoğlu	Export Director
Murat Sever	Technical Director
Mustafa Kemal Özer	Supply Chain Director
Ali Pedram Salihi	Marketing and Business Development Director
Leyla Ayşegül Örs Bingöl	Human Resources Director

### Financial Benefits Offered to Senior Managers

The benefits (salaries, bonuses, social benefits, premium, severance pay, notice pay) provided to our senior managers in 2020 added up to 12,068,117 Turkish lira.

### Human Resources and Employment

As of December 31, 2020, our Company employs a total of 863 people, with 329 white collar and 534 blue collar workers. (December 31, 2019: 802 employees, with 288 white collar and 529 blue collar workers).

### Internal Audit Activities

The Internal Audit Manager answers to the Audit Committee at the functional level, and to the General Manager administratively. The effectiveness of the Company's internal control system is also monitored through internal audits. The findings and risks identified with the internal audit carried out in 2020 were communicated to the Company's senior management and the relevant departments together with suggestions for improvement.

### Risk Management and Internal Control Mechanism

Risk Management and Internal Control System at Anadolu Isuzu is under the responsibility and control of Company management. The Corporate Risk Management function, which operates to provide assurance and consultancy to the management on these issues, reports directly to the Early Detection of Risk Committee.

Anadolu Isuzu Senior Management identifies critical opportunities and threats that may arise in terms of achieving the Company's targets within the frame of Corporate Risk Management and manages them in accordance with the risk appetite of our Company. Corporate Risk Management is a systematic and disciplined process that is established to determine Anadolu Isuzu's business strategies. It is influenced by all Company employees and covers all Company practices.



With the coordination of the Corporate Risk Management function, the risks that may arise for the goals of the Company are submitted to management for their consideration, and priority risks are identified. Priority risks, and action plans aimed at reducing these risks, are shared with the Early Detection of Risk Committee to be submitted to the Board of Directors. The management and continuity of this process integrated with strategic business plans is supported by technological infrastructure.

Some of the methods we use to manage our risks are as follows:

Performance and risk indicators are used as an early warning system to monitor risks and take the necessary measures on time. The SAP system, which is integrated into all processes within the Company, is an effective technological decision support system used for this very purpose.

This allows for instantaneous monitoring of activity results, elimination of human errors, early detection of risks and increased efficiency of the internal control system. At the same time, the internal communication system with high-level technology provides the opportunity to quickly intervene in any problem and produce solutions.

Business continuity and crisis management studies are carried out and supported by effective insurance management in order to prevent and reduce losses arising from risks that may cause business and production interruptions, such as natural risks and supply chain problems.

Investments are made in backup systems to prevent system damage and data loss in case of any extraordinary situation.

In addition, the Company instantly monitors environmental factors and extraordinary situations and investigates their causes, and continuously takes measures to minimize any risks.

The Internal Audit Department regularly reviews the company's risk management and internal control system within the frame of its risk-based audit plan, and reports to the Audit Committee and Company Management:

- Accuracy and reliability of Financial and Operational Information
- Efficiency of operations
- Protection of company assets
- Ensuring compliance with laws, regulations and contracts

### Selection of Independent Audit Firms

After the relevant evaluations and consulting the Audit Committee, the Board of Directors selected DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (member of Deloitte Touche Tohmatsu Limited) as the independent audit firm for the fiscal year of 2020 in line with the Turkish Commercial Code and Capital Market regulations. This resolution by the Board of Directors was approved at the Ordinary General Assembly meeting dated April 15, 2020.

### Forward-Looking Assessments

Anadolu Isuzu continues its efforts to strengthen its position in foreign markets, open up to new markets by leveraging the global sales network of its partner Isuzu Motors Ltd, and increase the number of export countries and export turnover. The most significant dynamic of the Company in 2020 is, yet again, its strong export structure. Defense industry will be another area of focus for the Company.

Our company aims to expand its product portfolio and increase profitability with successful R&D projects. The Company also aims to expand testing services by opening testing activities at the R&D Center to various companies inside and outside the industry.

## Other Information About Activities

### Investments Made in 2020

Investments totaling 92.2 million Turkish lira were made in January-December 2020.

#### Tangible Fixed Asset Investments

Description (TRY)	2020
Land and Land Improvements	601,557
Facility Machinery and Devices	20,772,575
Vehicles	786,240
Fixtures	83,646
Ongoing Investments	5,863,975
<b>Total Tangible Fixed Assets Investments</b>	<b>28,107,993</b>

#### Intangible Fixed Asset Investments

Description (TRY)	2019
Rights	-
Other Intangible Fixed Assets	4,611,170
Ongoing Investments	59,471,787
<b>Total Intangible Fixed Asset Investments</b>	<b>64,082,957</b>

### Financial Results

Independently audited financial statements showing the operating results of the year 2020 and the relevant footnotes are presented in the relevant sections of the Annual Report. The asset size of Anadolu Isuzu increased by 22.5 percent year-on-year and reached 1.93 billion Turkish lira, while its revenue decreased by 12.7 percent to a net 1.24 billion Turkish lira.

Gross profit decreased by 2.6 percent year-on-year to 252 million Turkish lira, while real operating income was 70.9 million Turkish lira and net profit was 18.2 million Turkish lira.

Our Company closely monitors financial risks and makes sure to keep such risks within the limits determined by the Board of Directors and the Audit Committee. The basic policies applied for certain risks are explained in the footnotes of the financial statements together with information on the nature and levels of the risks.

Financial Data (TRY)	2020	2019
Sales Revenue	1,241,213,253	1,422,987,899
Gross Profit	251,665,127	258,868,134
Operating Profit	72,440,582	114,589,212
EBITDA	114,521,328	148,748,427
Profit Before Tax	532,551	2,788,954
Net Profit (Controlling Shares)	13,648,318	21,787,825

<b>Profitability Ratios</b>	<b>2020</b>	<b>2019</b>
Gross Profit Margin	20.3	18.2
Operating Margin	5.8	8.1
Net Profit Margin	1.1	1.5
Return on Equity	2.4	3.9
Operating Expenses/Net Sales	14.4	10.1
Financial Expenses/Net Sales	6.2	7.9
EBITDA Margin	9.2	10.5

<b>Current Ratios</b>	<b>2020</b>	<b>2019</b>
Current Ratio	1.1	1.0
Cash Ratio	0.3	0.2
Liquidity Ratio	0.7	0.7

<b>Solvency Ratios</b>	<b>2020</b>	<b>2019</b>
Trade Debt-To-Equity Ratio	91.6	74.8
Financial Debt-To-Equity Ratio	62.8	63.6
(Total Trade Debt + Total Financial Debt)/Equity	200.8	163.4
Debt-to-Asset Ratio	70.2	64.2
Equity-to-Asset Ratio	29.8	35.8

<b>Market Value (TRY)</b>	<b>2020</b>	<b>2019</b>
ASUZU	1,512,000,000	1,022,280,000

It is out of question that company capital is unpaid, and the company is excessively indebted.

**No amendments to the Articles of Association was made in 2020.**

### Production

Anadolu Isuzu continues production in the truck, light truck, midibus, bus and pick-up segments. Unit production decreased in 2020 by 14 percent year-on-year to 2,897 units.

	<b>2020</b>	<b>2019</b>
Trucks	1,649	1,079
Light Trucks	3	340
Pick-Ups	65	465
Midibuses	934	1,174
Buses	246	321
<b>Total Production</b>	<b>2,897</b>	<b>3,379</b>

## Other Information About Activities

### Domestic Sales - Exports

Anadolu Isuzu continues its vehicle sales with 24 sales points spread throughout the country and distributors in more than 40 countries. In 2020, a total of 3,049 vehicles were sold; 2,486 to the domestic market, and 563 to foreign markets.

Domestic Sales	2020	2019
Trucks	1,691	1,059
Light Trucks	3	386
Pick-Ups	243	614
Midibuses	539	424
Buses	10	4
<b>Total Domestic Sales</b>	<b>2,486</b>	<b>2,487</b>

Exports	2020	2019
Number of Vehicles	563	1,523

During this period, efforts were continued to develop and diversify export regions to take advantage of the new opportunities that may arise due to the circumstances.

### After-Sales Services

With a service network that covers all corners of Turkey, Anadolu Isuzu focuses on fulfilling the after-sales demands and expectations of customers in all segments in the best and fastest manner possible.

Improving customer satisfaction

With a service network that covers all corners of Turkey, Anadolu Isuzu focuses on fulfilling the after-sales demands and expectations of customers in all segments in the best and fastest manner possible.

With the belief that the actual service starts after the sale, Anadolu Isuzu continued to expand its after-sales services in 2020.

The Company further improved its high level of customer satisfaction in 2020. The results of the satisfaction survey conducted with customers showed that the domestic customer satisfaction rate for Anadolu Isuzu remained high in 2020.

Anadolu Isuzu owes a great deal of its sustainable customer satisfaction to its after-sales service team that stands out with their widespread service network and tireless efforts.

As of the end of 2020, Anadolu Isuzu's domestic service network consists of 93 points operating in 63 provinces. Anadolu Isuzu vehicles abroad are served with 123 authorized service points in 35 countries.

### Other Activities and Information

- There are no administrative or judicial sanctions imposed on the Company and its management body, as there are no practices contrary to the provisions of the legislation.
- Our company held its 2019 Ordinary General Assembly Meeting on April 15, 2020. The resolutions made during the General Assembly and the meeting minutes are published on our website and the Public Disclosure Platform. No extraordinary general meeting was held throughout the year.
- There is no lawsuit filed against the Company that could affect its financial status and activities. Provisions for lawsuits filed against the Company as of December 31, 2020 and not concluded as of the balance sheet date are disclosed in the footnotes of our financial statements.
- There was no special audit conducted during the accounting period. There are no penalties arising from public audits.
- There is no legal action taken for the benefit of our main partners and their affiliates, with the guidance of our partners. There is no taken or avoided measure for the benefit of our main partners or their affiliate companies (TCC Regulations Art. 11).
- The Company did not acquire its own shares during this period.

### 3) EVENTS AFTER THE BALANCE SHEET DATE

None.

### 4) DIVIDEND DISTRIBUTION POLICY

Our Company distributes dividends in accordance with the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations

and other relevant regulations and the article on dividend distribution of our Articles of Association.

Our Company distributes at least 50 percent of its distributable dividends as cash and/or bonus shares every year.

Except for the investments and other fund needs required for the long-term growth of the Company, and the special cases required by extraordinary developments in economic conditions, maintaining this dividend policy is among the main objectives of our Company.

Decisions for dividends are taken separately for each accounting period by the Board of Directors and submitted to the General Assembly for approval. Dividend distribution starts on the date determined by the General Assembly, provided that the date is before the end of the year in which the General Assembly Meeting was held. The Company may consider distributing advance dividends in accordance with the provisions of the current legislation or paying the dividends in equal or different installments.

Within the frame of our efforts for compliance with the Corporate Governance Principles, we decided to handle this as a written policy in 2005. In accordance with the Capital Market's Communiqué on Dividends (Series: II-19.1), the revised dividend policy approved with the Board of Directors Resolution dated March 21, 2014 and published in the Public Disclosure Platform on the same date was approved at the General Assembly Meeting dated April 17, 2014.

Since the financial years 2017, 2018 and 2019 resulted in losses, no dividend distribution was made in 2020 for these years.

# 2020 Affiliated Company Report

## ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş. BOARD OF DIRECTORS

### 2020 AFFILIATED COMPANY REPORT PREPARED UNDER ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

In accordance with Article 199 of the Turkish Commercial Code No. 6102 that entered into force on July 1, 2012, the Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Board of Directors is obliged to prepare a report on the Company's relations with the controlling shareholder and its affiliates in the previous year of operation within the first three months of the year of operation, and include the conclusion of this report in the annual report.

The necessary explanations on the transactions carried out by Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with the related parties are included in Footnote No. 26 of the financial reports.

"The report, dated March 11, 2021 and prepared by the Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Board of Directors, shows no transactions carried out by Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with the controlling shareholders and their affiliates through the guidance of the controlling Company or with the intention of achieving results for the benefit of the controlling Company or its affiliates, and no measures taken or avoided for the benefit of the controlling Company or its affiliates. It shows that in all transactions carried out with the controlling shareholder and its affiliates in 2020, a counter act at arm's length was carried out in every transaction in accordance with the known terms and conditions to ensure that the operation is carried out in a competitive manner under the market conditions at the time of the transaction, there are no measures taken or avoided to cause damage to the Company in favor of our Company's controlling shareholder and its affiliates, and there are no actions or measures within this frame that would require offsetting."

# Corporate Governance

## SECTION I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### 1. Statement of Compliance with Corporate Governance Principles

All activities of our company are carried out in compliance with all legal regulations and the “Corporate Governance Principles” regulated by the CMB. In addition to the information on our Company’s practices for each of the subjects mentioned in the Corporate Governance Principles, this Statement of Compliance with Corporate Governance Principles includes justified explanations of cases where these principles have not been applied (if any), the conflicts of interest arising due to the failure to fully comply with these principles (if any), and explanations regarding whether there are plans to make changes in our Company’s management practices in the future within the frame of these principles.

Our Company deems it a strategic necessity to take all necessary measures in line with the requirements of the “Corporate Governance Principles” disclosed to the public by the Capital Markets Board. Our Company complied with the “Corporate Governance Principles” published by the CMB during the operation period of January 1, 2020 – December 31, 2020, except for certain principles outside of the ones we are obliged to comply with, as specified below. There is no conflict of interest arising from the non-applicable matters summarized below. In addition, the Corporate Governance Compliance Report (URF) and the Corporate Management Information Form (KYBF), prepared in line with the CMB’s Resolution No. 2/49 dated January 10, 2019, can be accessed through the Corporate Governance section on the Public Disclosure Platform.

(<https://www.kap.org.tr/sirket-bilgileri/ozet/861-anadolu-isuzu-otomotiv-sanayi-ve-ticaret-a-s>)

In accordance with Article 4.6.5 of the Corporate Governance Principles, the remuneration and all other benefits provided to the members of the Board of Directors and managers with administrative responsibilities are disclosed to the public with the annual report. However, the statement was not prepared on an individual basis as in previous years, but in a manner that includes the distinction between the Board of Directors and the managers with administrative responsibilities.

- There is no written compensation policy for employees that is required in accordance with Article 3.1.2 of our Company’s “Corporate Governance Principles.” The Company takes the utmost care to protect the right to compensation of the employees within the frame of the principles in the Labor Law, as well as Anadolu Group Working Principles.
- Except for special cases and footnotes, financial statement notifications that need to be disclosed to the public in accordance with the capital market legislation are not currently disclosed simultaneously in English and Turkish on the Public Disclosure Platform. The plan is to include the aforementioned statements on the PDP in English in the upcoming period.

Ahmet Murat SELEK  
Head of the Corporate Governance  
Committee

Hurşit Zorlu  
Member of the Corporate Governance  
Committee

Recep Yılmaz Argüden  
Member of the Corporate Governance  
Committee

Özdemir Osman Kurdaş  
Member of the Committee

Ali Osman MAĞAL  
Member of the Corporate Governance  
Committee

# Corporate Governance

## SECTION II - SHAREHOLDERS

### 2.1. Investor Relations Department

The personnel with name, contact and license information provided below are responsible for the investor relations department of our Company established under the Chief Financial Officer.

Working under Fatma Aksoy Özek in 2019, the Investor Relations Department has been working under Neşet Fatih Vural, who was appointed as Chief Financial Officer, as of January 1, 2021.

Ali Osman Mağal - Investor Relations Department Manager/Finance Manager

Phone: +908502001900

Email: investorrelations@isuzu.com.tr

License: Capital Market Activities Level 3 License  
Corporate Governance Rating License

Hami Engin Çöpoğlu - Member of Investor Relations Department/Financial Control and Reporting Manager

Phone: +908502001900

Email: investorrelations@isuzu.com.tr

The Investor Relations Department works primarily to ensure communication between the Board of Directors and shareholders, and to ensure the exercise of shareholder rights. In this context, issues such as making material disclosures on matters stipulated in accordance with the Capital Market legislation, preparing periodic information notes on the activities in order to inform investors, providing the content of the Company website, creating an annual report and meeting the written/verbal information requests of the shareholders are under the responsibility of the Investor Relations Department.

During this period, the Investor Relations Department answered questions from investors and provided the necessary explanations. During this period, more than 50 applications were made to the department, and the number of questions asked increased upon the publishing of the financial statements, announcement of the date for the Ordinary General Assembly Meeting and other material disclosures.

The Corporate Governance Committee oversees the works of the Investor Relations Department. In this context, the committee determines the standards and basic principles of investor relations, annually reviews these standards and principles and compliance and makes the necessary suggestions to the Board of Directors. The report prepared by the Investor Relations Department regarding the activities and submitted to the Committee at each Corporate Governance Committee meeting is also submitted to the Board of Directors by the committee. Four committee meetings were held in 2020.

### 2.2. Exercise of Shareholders' Right to Information

#### Information Requests of Shareholders from the Company

In line with its information policy, our Company ensures the complete and timely notification of all shareholders with all the information required for the proper exercise of their shareholding rights. Information requests from shareholders are evaluated within this frame. Transfer of information takes place within the scope of the content previously disclosed to the public.

Talks were held to ensure that domestic and foreign, corporate and individual investors, shareholders and analysts were informed about our Company's operating results, performance and other developments during the period, and all issues determined in accordance with the Capital Market legislation were announced to the public through material disclosures and press releases.

The questions answered within the scope of the information requests directly from the shareholders or intermediary institutions during the periods of financial statement announcements were about the Company's financial statements, the market structure, the change in the market, the development of the Company's market share and the new projects for the future and corresponding investments.



### Assessment of Shareholder Information Requests and Announcement of Developments to Investors

Information requests from shareholders are answered immediately. The Company's website includes detailed information about the Company's capital structure, trade registry information, articles of association, organizational structure, periodic activities and financial statements, and the material disclosures made during the period.

In addition, our Company responds to the questions conveyed through the contact form on the website, one by one, in the shortest possible time and in line with the information disclosed to the public, especially to those asked by domestic individual investors.

### Appointment of Special Auditors

Our Company's articles of association do not contain any provisions that make it difficult to conduct a special audit, and the Company management avoids any action that would make it difficult to conduct a special audit. Our Company acts in accordance with the relevant provisions of the TCC regarding the exercise of the right to request a special audit. There was no shareholder request for the appointment of a special auditor in 2020.

### 2.3. General Assembly Information

Our Company organizes its General Assembly meetings in accordance with all principles under the "General Assembly" heading of the Corporate Governance Principles.

Our Company held its Ordinary General Assembly meeting for 2019 at 2 p.m. on April 15, 2020 at "Esenkent Mahallesi Deniz Feneri Sokak No: 4 Ümraniye 34776 Istanbul" with the participation of 85 percent of the partners.

Shareholders were invited to the General Assembly meeting at least three weeks before the meeting date with an advertisement in the national newspaper. In addition, written invitations were sent out to the registered holders.

Information on the Company's operating results is made available to the shareholders at the Company headquarters and Company factory at least three weeks before the General Assembly Meeting. After the financial statements are disclosed to the public, the information regarding the financial statements is also announced on the Company website. During the Ordinary General Assembly meeting, the chairman made sure to convey the agenda items in an impartial, detailed, clear and understandable manner. The chairman ensured that every question asked by the shareholders at the General Assembly meeting outside of the scope of trade secrets was answered directly at the General Assembly meeting, and there were no questions not related to the agenda or too comprehensive to be answered immediately at the Ordinary General Assembly meeting.

In accordance with Article 1.3.7 of the Corporate Governance Principles, there were no transactions performed within the scope of the Company's field of operation by persons with privileged access to Company information on their own behalf and which must be communicated to the General Assembly.

The agenda of the General Assembly was prepared in a manner that each item would be under separate headings and agenda items would be clear to not cause different interpretations. Expressions such as "other" and "various" were avoided in the agenda. The information provided before the General Assembly meeting was provided in reference to the relevant agenda items.

While the meeting agenda was being prepared, there were no issues that the shareholders conveyed to the Company's Investor Relations Department in writing for inclusion in the agenda. Likewise, the shareholders, CMB and/or other public institutions and organizations related to the Company did not make any requests for the inclusion of any items in the agenda.

The total number of shares and voting rights reflecting the Company's shareholding structure as of the date of the announcement of the General Assembly meeting were published on the Company's corporate website.

(www.anadoluisuzu.com.tr)

# Corporate Governance

Invitation to the General Assembly is made at least three weeks in advance in the national newspaper and trade registry gazette. In addition, the decision of the Board of Directors regarding the invitation of the General Assembly to the meeting and the meeting agenda are published on the Public Disclosure Platform, the Electronic General Meeting System and the Company's website. In order to increase the participation of the shareholders, the General Assembly meetings are held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the least cost possible. In addition, information regarding the decisions taken in the General Assembly is published on the Public Disclosure Platform and the Company's website after the meeting.

Members of the Board of Directors, other relevant persons, officials and auditors responsible for the preparation of the financial statements were present at the General Assembly Meeting in order to provide the necessary information and answer questions.

Although there is no such provision in the articles of association, General Assembly meetings are open to the public, including the stakeholders and the media. Except for the Company officials mentioned in the previous paragraph, no stakeholders or media members attended the Ordinary General Assembly meeting held on April 15, 2020.

Although our Company does not have a policy dedicated to donations and aids, this issue is regulated in detail in the articles of association. A separate item was added to the General Assembly agenda regarding the donations and aids made during the period, and the shareholders were informed about this issue at the meeting.

During the period, there was no transaction seeking the majority vote of the independent Board members for decision by the Board of Directors and left to the General Assembly due to the failure to achieve the majority vote.

In line with the provision of the mandatory Corporate Governance Principle No. 1.3.6 in the CMB Communiqué No. II-17.1 stating that "if the controlling shareholders, board members, managers with administrative responsibilities and their spouses and second-degree relatives by blood or marriage carry out a transaction that may cause a conflict of interest with the partnership or its subsidiaries and/or carry out a commercial transaction within the scope of the line of business of the partnership or its subsidiaries on their own or someone else's account or enter another partnership operating in the same line of business as an unlimited partner, these transactions are included in the General Assembly agenda as separate items for detailed information on the subject and recorded in the minutes of the General Assembly Meeting," the partners were informed that there were no major transactions in this context during the year.

The minutes of the meeting and the list of attendees were announced to the public on the same day of the meeting via the Public Disclosure Platform. The minutes of the General Assembly Meeting and the list of attendees are kept available for the information of shareholders on our corporate website.

## 2.4. Voting Rights and Minority Rights

### Privilege in Voting Rights

There is no practice in our Company that makes it difficult for shareholders to exercise their voting rights, and within the frame of the provisions of the Turkish Commercial Code regarding the electronic general meeting, the necessary mechanisms are established to provide every shareholder, including those outside the country, with the opportunity to exercise their voting rights in the easiest and most convenient way possible.

According to the Company's Articles of Association, there is one right to vote for each share in the General Assembly, and there is no privilege on voting.

There is a regulation in the current articles of association of the Company regarding the election of the board members;

The Company is managed by a Board of Directors consisting of 14 members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and the Capital Market Legislation.

For the Board of Directors, the General Assembly elects four members from the candidates nominated by the Group B shareholders, eight members from the candidates nominated by the Group A shareholders, and the other members from the candidates nominated by any shareholder.

Anadolu Group signed a joint venture agreement between its foreign partners Isuzu Motors Limited, and Itochu Corporation in 1985 and Isuzu Motors Limited became a licensing partner. This cooperation, which includes technology transfer, was realized with the participation of foreign partners in the management in a non-majority partnership structure.

### Mutual Participation

The Company does not have a mutual participation relationship with any organization.

### Representation of Minority Interests in Management

Our Company takes the utmost care in the exercise of minority rights. In line with the Corporate Governance Principles, the independent members of the Company's Board of Directors are capable of performing their duties without being under any influence, and accordingly contribute to the objective management of the Company and ensure the protection of minority rights.

Although minority rights can also be granted to those who have an amount less than one-twentieth of the capital in accordance with the Corporate Governance Principles, there is no provision in our Company's Articles of Association that expands the scope of minority rights compared to the legally determined measures.

## 2.5. Dividend Rights

### Privileges on Company Profit Participation

There is no privilege granted to shareholders regarding participation in the profits of the Company.

### Company Dividend Distribution Policy

Our Company distributes dividends in accordance with the provisions of the Turkish Commercial Code, the Capital Market Regulations, Tax Regulations and other relevant regulations and the article on dividend distribution of our Articles of Association.

Our Company distributes at least 50 percent of its distributable dividends as cash and/or bonus shares every year.

Except for the investments and other fund needs required for the long-term growth of the Company, and the special cases required by extraordinary developments in economic conditions, maintaining this dividend policy is among the main objectives of our Company.

Decisions for dividends are taken separately for each accounting period by the Board of Directors and submitted to the General Assembly for approval. Dividend distribution starts on the date determined by the General Assembly, provided that the date is before the end of the year in which the General Assembly Meeting was held. The Company may consider distributing advance dividends in accordance with the provisions of the current legislation or paying the dividends in equal or different installments.

Within the frame of our efforts for compliance with the Corporate Governance Principles, we decided to handle this as a written policy in 2005. In accordance with the Capital Market's Communiqué on Dividends (Series: II-19.1), the revised dividend policy approved with the Board of Directors Resolution dated March 21, 2014 and published in the Public Disclosure Platform on the same date was approved at the General Assembly Meeting dated April 17, 2014.

The dividend distribution policy is included in the annual report. The dividend distribution policy is also published on the Company's corporate website.

Within the frame of the principles in the Capital Markets Board's (CMB) Dividend Communiqué (II-19.1), the provisions of our Company's Articles of Association and the dividend distribution policy disclosed to the public by our Company, our Company does not have any distributable net profits in the consolidated financial statements of 2019 prepared in accordance with the Turkish Commercial Code and CMB regulations, which is why no dividend distribution was made for the 2019 operation period in 2020.

# Corporate Governance

## 2.6. Transfer of Shares

There are no provisions restricting the transfer of shares in the Company's Articles of Association, and our Company does not have any practice in place that makes it difficult to transfer the shares freely.

## SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

### 3.1. Company Website and Its Content

The Company's corporate website is [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr). The website is available in both Turkish and English.

Information about privileged shares is not specified separately since it is included in the Articles of Association, and other issues specified in the Corporate Governance Principles are included in the website in a comprehensive manner. The information on our Company's website is consistent with the statements made in accordance with the provisions of the relevant legislation, and does not contain any conflicting or incomplete information.

Except for special cases and footnotes, financial statement notifications that need to be disclosed to the public in accordance with the capital market legislation are not currently disclosed simultaneously in English and Turkish on the Public Disclosure Platform. The plan is to include the aforementioned statements on the PDP in English in the upcoming periods.

### 3.2. Annual Report

Our Company's annual reports are prepared in a thorough manner that will enable the public to find complete and accurate information about the activities of the Company, and include the information under Article 2.2.2 of the Corporate Governance Principles in addition to the matters specified in the legislation and other sections of the Corporate Governance Principles.

## SECTION IV - STAKEHOLDERS

### 4.1. Informing Stakeholders

#### Informing Stakeholders

Stakeholders are individuals, institutions or interest groups such as employees, creditors, customers, suppliers, trade unions, various nongovernmental organizations that have an interest in the Company's achievement of its goals or in its activities. Our Company protects the rights of the stakeholders in its procedures and activities, which are regulated by legislation and mutual agreements. In cases where these rights are not protected by legislation and mutual agreements, the Company shows utmost care to protect the interests of the stakeholders within the frame of goodwill and bounds of possibility. Our Company acts in accordance with the Corporate Governance Principles in its relations with stakeholders and has established all the relevant mechanisms.

If there is a conflict of interest between stakeholders or a stakeholder is involved in more than one interest group, a balanced policy is followed to protect the relevant rights with the goal of protecting each right separately.

Our Company implements the provisions of the relevant legislation in the use of mechanisms such as compensation of stakeholders. There is no written compensation policy for employees that is required in accordance with Article 3.1.2 of our Company's "Corporate Governance Principles." The Company takes the utmost care to protect the right to compensation of the employees within the frame of the principles in the Labor Law, as well as Anadolu Group Working Principles.

Ensuring the satisfaction of stakeholders by producing timely and applicable solutions to problems related to employees and other stakeholders is one of the most critical policies of the Company. Our employees, suppliers, customers and consumers are informed on the relevant issues in different ways.

#### Communication of Stakeholders with the Corporate Governance Committee and Audit Committee

Stakeholders can report the Company's transactions that are in violation of the legislation and not ethically appropriate to the Corporate Governance Committee or the Audit Committee through the office of the Chief Financial Officer and Internal Audit Directorate.

## 4.2. Stakeholders' Participation in Management

### Studies on Stakeholders' Participation in Management

Models that support the participation of stakeholders in Company management, especially for the Company's employees, are developed in a manner that does not disrupt the activities of the Company. An open platform is provided for shareholders to state their positive or negative opinions about the Company at the General Assembly Meetings that are open to the participation of shareholders. In addition, the contact form on the Company website and the telephone line of the Investor Relations Department also provide an effective communication mechanism for shareholders.

Our employees can share their suggestions for adding value to our organization with the management through the Anadolu Group Innovation Portal "bi-fikir." The Human Resources Request and Improvement Line is actively used by our employees for general or improvement requests regarding the services offered by Human Resources. In addition, the Employee Satisfaction and Loyalty Survey, regularly conducted to support our employees' participation in management, is a channel where employees can express their general or improvement requests for the relevant institution.

Within the scope of Kaizen improvement studies and quality circles, the company carries out works aimed at improving the activities with employee participation.

Dealers and suppliers are asked for their opinions at annual meetings, and these opinions are considered in strategic plan studies.

Our Company takes all kinds of measures to ensure customer satisfaction in marketing and sales of goods and services. Requests for the goods and services purchased by the customer are rapidly evaluated, and our customers are informed about delays without waiting for the deadline. Quality standards are followed for all goods and services, as the Company emphasizes maintaining a certain level of standard in all its operations. Certain guarantees of quality are provided for this very purpose. The Company ensures the confidentiality of customer and supplier information and treats them as trade secrets. Stakeholders are asked for their opinions in critical decisions that may have consequences for them.

## 4.3. Human Resources Policy

### Human Resources Policy

Our Company's Human Resources Policy was established in line with Anadolu Group Human Resources Quality Policies and announced to all employees.

### Anadolu Isuzu Human Resources Mission

The Company strives to improve the qualifications of its employees by increasing their motivation and loyalty, contribute to the profitability of the Company and to add value to the whole organization.

### Anadolu Isuzu Human Resources Vision

Serving as a strategic business partner that offers competitive advantage.

Anadolu Isuzu's Human Resources strategy is carried out within the frame of the following core policies:

- Providing the Company with human resources that offer a global perspective and the right skill set.
- Creating a work culture and human resources systems that strive to do better by working as a team and with knowledge in a business environment based on open communication and trust.
- Contributing to organizational efficiency and development.
- Strengthening the employee engagement culture.
- Creating a popular and people-oriented employer brand.

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Anadolu Isuzu wants its employees to be people who think globally, remain open to teamwork and communication, emphasize development, analyze and take initiative, and act in accordance with a business and customer-oriented working principle. On the other hand, the Company prioritizes leadership, strategic thinking and managerial efficiency competencies in its executive candidates.

## **In the light of its values and corporate culture,**

Anadolu Isuzu, in light of its values and corporate culture, embraces a “people first” approach, regardless of language, religion, race or gender.

Equality of opportunity, which is also included in the working principles of the Anadolu Group and implemented without compromise, is supported throughout the organization. The Company ensures equality of opportunity and diversity in all HR practices, starting from the hiring process and proceeding with salaries and careers. Anadolu Isuzu also values creativity and innovation, as the Company is managed with a dynamic, innovative and transparent approach.

## **Anadolu Isuzu aims to become an employer of choice in the market with its HR practices.**

As of the end of 2020, Anadolu Isuzu has a total of 863 employees. As a result of the emphasis on research and development studies, the total number of employees at the R&D Center is 125.

## **An approach that promotes women’s labor force participation**

With Anadolu Isuzu’s employment approach implemented in line with the goal of ensuring the equality of women and men, the number of women in the total number of employees increased by 18 percent in two years.

Continuing to work on women’s employment, Anadolu Isuzu Human Resources also implements projects to increase the satisfaction and standards of current female employees in the work environment.

## **Contributions of the Performance Management System**

Performance criteria and annual performance targets for employees are determined within the frame of the decisions taken by the Anadolu Isuzu Board of Directors.

The Anadolu Isuzu Performance Management System allows teams and individuals to boost their performance and improve their competencies. Contributing to Company success, the Performance Management System focuses on the development of employees in addition to business results, and provides feedback on the strengths and areas of development for all employees.

## **Steps taken for organizational development**

Emphasizing organizational development activities at all times, Anadolu Isuzu continued to work on organizational designs that will serve the Company’s strategic goals and implemented new business models in 2020.

## **Contributions of training and development activities**

With the training and development activities carried out for continuous improvement and development, Anadolu Isuzu aims to strategically improve all employees in the relevant areas of focus.

Organizational development programs are carried out under Akademi Isuzu in order to support young talents and raise new leaders.

A total of 9,944 hours of training was provided to employees at Anadolu Isuzu in 2019, and the average training time per person was 12 hours.

### The importance of internal communication and employee satisfaction

Emphasizing internal communication, Anadolu Isuzu Human Resources publishes its human resources policies and procedures on a portal that is accessible to employees.

Employee satisfaction and loyalty surveys are conducted at the Company at regular intervals. Furthermore, employees are given the opportunity to share their innovative ideas via an e-platform with the goal of maintaining healthy communication between the employee and the management team.

Surveys are conducted with an online application to get the opinions and suggestions of the employees on different issues. With this structure, allowing employees to answer the survey on both their smart phones and computers, it is possible to get their opinions on the desired subject at any time. Employees can make suggestions through the online platform. These suggestions are evaluated by HR and feedback is provided to the employee.

Competitions are organized on the Environment Day in order to improve our environment, and in the Occupational Safety Week to reinforce the “zero occupational accidents” perspective and increase safety awareness.

Employees who took part in Anadolu Isuzu’s environmental projects and answered the questions correctly in the OHS knowledge contest were awarded within the scope of Isuzu Extraa.

The forum theater was organized to raise awareness and promote behavioral changes for occupational health and safety.

Anadolu Isuzu employees celebrated April 23 National Sovereignty and Children’s Day at the Istanbul Toy Museum with their children.

Children of employees were gifted paint sets for the new school year.

Eighty women employees got together at the dinner hosted on International Working Women’s Day. On Father’s Day, Anadolu Isuzu employees came together with Ozan Güven for a special chat.

At the picnic, a day full of music, entertainment, games and sharing was spent with the employees and their families.

Employees who have contributed to Anadolu Isuzu for years were presented with seniority rewards.

Disabled employees came together at the Bowling Tournament held on December 3, International Day of Persons with Disabilities. Employees with children with disabilities and their spouses were reminded with little surprises that they have the Company’s support.

Game tickets were handed out as usual within the scope of the cooperation with Galatasaray and Anadolu Efes sports clubs.

### University-industry collaboration projects

With university-industry collaboration projects, the goal is to attract a qualified workforce to Anadolu Isuzu. Within the scope of the project, senior university students are provided with long-term project internships and on-the-job training internships in various departments, and are subsequently provided with employment at the Company.

Within the scope of Chief Young Officer (CYO), the internship program initiated by Anadolu Holding based on real work experience, six students had internships at Anadolu Isuzu for three months in the R&D, Marketing and Corporate Relations, Sales, Export Directorate and Information Technologies Directorate departments. The interns transformed their internship experiences into projects and conveyed their achievements to their managers and teammates.

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Creating volunteer brand ambassadors on campus by increasing the Company awareness among young talents that form a significant portion of Anadolu Isuzu's customers, consumers and human resources, and creating synergy by utilizing the fresh ideas of young talents in projects planned in line with real business requirements were among the biggest subjects of focus in 2019.

## Vocational high schools-industry collaboration projects

Within the scope of vocational high school-industry collaboration, 35 senior students studying at industrial vocational high schools were offered internship opportunities in Anadolu Isuzu.

In 2015, the Anadolu Isuzu Paint Technologies Workshop was established at the Küçükalyalı Vocational and Technical Anatolian High School, providing significant support to vocational education.

The goal of the project is to train qualified painting professionals who are willing to follow and implement innovations, know practical applications as well as theoretical knowledge, adopt occupational health and safety rules, and act with environmental awareness. The project also contributes to the development of the qualified human resources required by the industrial sector.

Anadolu Isuzu continued its support for the project in 2019, contributing to the development of students' competencies. As of 2019, a total of 46 students have graduated from the Workshop.

## Promotional activities at universities

Anadolu Isuzu sponsors case studies by participating in the career days of Turkey's leading universities.

With Tech Tour, Anadolu Isuzu is introduced to students and academicians from all over Turkey and abroad. The explanation of the technologies utilized, the discovery of R&D and production areas, and the answers given by the expert and experienced staff allow visitors to find out about Anadolu Isuzu. During the year, technical trips were organized for Doğuş University, Düzce University, Gazi University and Istanbul Technical University student clubs and Vocational High School students, sharing information about the activities and the experiences of the expert staff.

With Industry 4.0, automation in factory production processes provides a great advantage in terms of reducing costs, accelerating production and increasing user satisfaction.

This allows for production processes and the world of production to be developed and changed, and the production area that benefits from the power of digital technologies is reshaped with the advancement of technology.

Anadolu Isuzu carried out its event plans for 2019 with focus on quality systems and Industry 4.0 based on the digitalization of production. In this context;

- Anadolu Isuzu R&D Center, R&D Design Process and Innovation approach were explained to young engineers at the Career Plus event.
- At the IDC Manufacturing Summit, the future of manufacturing was examined from the perspective of digital transformation and Industry 4.0.
- Industry 4.0 and the future of the industry were discussed at the ITU Electric Vehicles Summit.
- Anadolu Isuzu and the experience of working at Anadolu Isuzu were explained at the Yıldız Technical University National Quality Event.
- During the industry days at Istanbul Technical University, the careers and the future of young talents were examined together with Company executives in the areas of automotive, defense and space industries.
- In the Automotive Days Event organized by the Kocaeli University Engineering Club, the Company talked to students about their careers.
- 4. The Company took part at the battery technologies in the transportation industry panel at the Battery Technologies & Energy Systems Workshop.



- At the International Defense Industry Fair IDEF'19 Career Day, the Company met with students interested in the career opportunities at Anadolu Isuzu.
- Anadolu Isuzu supported universities in the final stages of the TÜBİTAK Efficiency Challenge, which aims to improve the use of alternative energy in vehicles.
- At the Young Executive Academy, the Company talked to young talents about the future.
- With the Virtual Career Fair platform, the Company had the opportunity to interview more than 100 students.
- The Company attended the Kocaeli Human Resources and Employment Fair and Career Day in April for three days.
- The Company participated in the COOP Internship program of the Okan University Career Center, and received the "Most University-Friendly Company" award.

### Union Rights and Collective Bargaining Agreement at Anadolu Isuzu

Relations with blue-collar employees at Anadolu Isuzu are regulated within the scope of a collective bargaining agreement.

Birleşik Metal İş Union is the bargaining agency at Anadolu Isuzu. There is one Head Representative and three Union Representatives elected from within the Company.

These representatives are obliged to follow the demands, complaints and problems of blue-collar workers, represent workers in committees such as the Disciplinary Board and the Occupational Health and Safety Board, and observe their legal rights within the limits set by law and the Collective Bargaining Agreement signed between Birleşik Metal İş Union and the Turkish Employers' Association of Metal Industries (MESS).

### Professional Competency Certification Studies

In accordance with the communiqué published by the Republic of Turkey Ministry of Labor and Social Security, the Vocational Qualification Certification process started at Anadolu Isuzu in 2016. Workshop-based training was carried out in order to train qualified personnel for the automotive industry and rank employees based on their efforts. By 2019, 293 employees were certified within this scope.

The process for written (theory) and practical examination was started for the Portal Crane and Hoist Operator Certificate within the frame of the Compulsory Professional Qualification Process. A total of 262 employees were included in the certification process.

In total, 112 operators working at Anadolu Isuzu took the Professional Competence Exams according to the job descriptions at their workshops and completed the exams successfully. After this process, the operators were entitled to receive the professional competence certificates approved by the Vocational Qualifications Authority.

### bi-fikir Application and bi-fikir Festival

The bi-fikir Application and bi-fikir Festival stand out as platforms where Anadolu Group employees present their innovative ideas, develop their creativity as individuals and teams, and provide added value to Group companies.

These platforms aim to develop the creativity and innovative qualities of the employees as individuals and teams, and include these characteristics in the organizational culture.

It continues to provide bi-fikir with the creative and innovative ideas that Anadolu Isuzu started with the Quality Circle studies and transformed into corporate culture with active participation of employees from every field.

Anadolu Isuzu hosted the finals for the best projects in 2019 for bi-fikir, the innovation program of Anadolu Group.

The "Additional Panic Stop System" project supported by Anadolu Isuzu received second prize at the bi-fikir KAP Final where the innovative projects of university students were awarded.

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## A pool of creative ideas at Kaizen days.

At Kaizen days, Anadolu Isuzu employees made presentations in support of development, and the employees with 32 percent more projects than in the previous year were presented with plaques.

Anadolu Isuzu always supports and encourages creative-innovative ideas, starting with the Quality Circle and Kaizen studies and turning into the Company culture over time. Since 2014, the Company has provided monetary benefits of more than 3 million Turkish lira with more than 100 projects and rapid applications.

## Distance learning platform “AG AKADEMI”

Anadolu Isuzu Human Resources carries out pioneering works in digitalization in order to create an infrastructure for a qualified workforce and provide innovation environments for technology development.

## 4.4. Codes of Conduct and Social Responsibility

### Codes of Conduct

Since its foundation, Anadolu Group has had a consciously implemented, managed and maintained corporate culture. In addition to knowledge and experience, this corporate culture shared by all managers and employees also includes future expectations and strategies that are in line with today's conditions. Providing the best services and products for everyone and passing on its reputation to future generations form the fundamental values of Anadolu Group.

Adhering to legal rules and ethical values in business and social life, working based on trust, producing quality, accurate and reliable results, acting in accordance with the established beliefs, rules and thoughts, and respecting nature and the environment are indispensable components of the Anadolu Isuzu corporate culture.

Our Company activities are carried out within the frame of Anadolu Group Working Principles available on our corporate website. Our Company is also a member of the Ethics and Reputation Society of Turkey. Our Company has an Ethics Committee chaired by the General Manager, and holds evaluation meetings at regular intervals.

On the other hand, in order to reinforce compliance with the capital market legislation and corporate governance practices at Anadolu Group, a group that is widely recognized and trusted in domestic and foreign capital markets, the Company employees are reminded of their obligations arising from the legislation in relation to insider trading within the scope of the Anadolu Group Working Principles prepared for Group companies. Since we are a public company, there is a “Blackout Period” prohibiting the trading of the relevant Company's shares for those who have access to insider information.

## Social Responsibility Activities

Anadolu Isuzu reaches out to every segment of society and every point of trade with its vehicles, which assume different roles in the life and trade cycle. Based on this simple fact, Anadolu Isuzu regards social responsibility activities as a major part of its corporate identity.

Anadolu Isuzu carries out social responsibility activities in order to increase the welfare of individuals and create sustainable and permanent value for society. The Company fully supports social development activities through cooperation. The Company focuses on volunteering in its social responsibility activities.

Anadolu Isuzu is an active member of the Private Sector Volunteers Association (OSGD), which operates with the aim of spreading the sense of corporate volunteering in the private sector and carrying it out in a sustainable and systematic manner.

Anadolu Isuzu employees volunteer in projects for education, environment, and disabilities.

Anadolu Isuzu has been carrying out its social responsibility activities with the contribution of an increasing number of volunteer employees every year since 2014.

Efforts within the scope of Social Awareness Projects focus particularly on education, environment and disabilities.

Competitions are organized on the Environment Day in order to improve our environment, and during the Occupational Safety Week to reinforce the "zero occupational accidents" perspective and increase safety awareness.

Unused clothes, unread books and unused toys are left in colorful favor boxes on the ground floor of Anadolu Isuzu Headquarters before they meet their new owners. With the wonderful feeling of producing and sharing, Company employees put all of their good intentions in boxes.

The clothes and toys collected in these boxes are sent to the Anadolu Foundation.

## SECTION V - BOARD OF DIRECTORS

### 5.1. Structure and Formation of the Board of Directors

The Company's Board of Directors consists of a Chairman, a Vice Chairman and 12 members, adding up to a total of 14 members. In accordance with the Company's Articles of Association, the Board of Directors elects a Chairman and a Vice Chairman every year. Management and representation affairs can be distributed among the Board Members. The chairmen and members of the committees are determined. The Board of Directors is authorized to make decisions on this matter.

Currently, there is no executive Board member in the Company's Board of Directors.

The resumes of the Board Members, including their duties outside the Company, are available both in the 2020 annual report and on our Company's website.

Current Board Members and their job descriptions are as follows:

# Corporate Governance

Current Board Members and their job descriptions are as follows:

Name	Duty	Current Duties Outside the Company
Tuncay ÖZİLHAN	Chairman	Chairman of the Board at AG Anadolu Grubu Holding A.Ş., Chairman, Vice Chairman and Member of the Board at Anadolu Group Companies
Kamilhan Süleyman YAZICI	Vice Chairman	Vice Chairman at AG Anadolu Grubu Holding A.Ş., Board Member at Anadolu Group Companies
Efe YAZICI	Board Member	Board Member at Anadolu Group Companies
Talip Altuğ AKSOY	Board Member	Board Member at Anadolu Group Companies
Özdemir Osman KURDAŞ	Board Member	GSD A.Ş. CEO, Kamil Yazıcı Yönetim ve Danışmanlık A.Ş. Board Member
Kamil Ömer BOZER	Board Member	Board Member at Anadolu Group Companies
Recep Yılmaz ARGÜDEN	Board Member	Board Member at Anadolu Group Companies
Ahmet BOYACIOĞLU	Board Member	Board Member at Anadolu Group Companies
Reo SAWADA	Board Member	Itochu Corporation – Managerial Position
Toshiyuki ABE	Board Member	Itochu Corporation – Managerial Position
Hidekazu Noto	Board Member	Isuzu Motors Limited – Managerial Position
Kozo YAMAGUCHI	Board Member	Isuzu Motors Limited – Managerial Position
Ahmet Murat SELEK	Independent Board Member	Selek Strategic and Corporate Management Consultancy Company – Managerial Position
Orhan ÖZER	Independent Board Member	

## Independent Members and Independence Criteria

During the period, there was no development that prejudiced the independence of independent members. Individuals elected as independent members of the Board of Directors have not been registered and announced on behalf of a legal entity.

## Duties of Board Members Outside the Company

There are no rules established by the Company for the Board Members on assuming other duties outside the Company, but the regulations stipulated in the Corporate Governance Principles apply.

## 5.2. Operating Principles of the Board of Directors

Our Company's Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner in accordance with the Corporate Governance Principles. The Company's Board of Directors convened 10 times throughout the period. Out of all meetings, one was held with the participation of 14 members, four were held with 12 members and five were held with 10 members.

The Board of Directors plays a leading role in maintaining effective communication between the Company and its shareholders and resolving any disputes, and continues to work in close cooperation with the Corporate Governance Committee and Investor Relations Department for this purpose.

In accordance with the Company's Articles of Association, the Board of Directors elects a Chairman and a Vice Chairman every year. The Chairman is responsible for managing the meetings of the Board of Directors, ensuring regular negotiations and having the meeting minutes recorded. While the powers of the Chairman/Board Members and Company executives are defined in the Company's Articles of Association, no single person in the Company has unlimited authority.

## Determination of the Board of Directors Agenda and the Call

In accordance with Article 4.4.1 of the Corporate Governance Principles, the Board of Directors convenes as often as it can to efficiently fulfill its duties. The ordinary meeting dates of the Board of Directors are determined in the annual calendar and announced to the members. In accordance with our Company's Articles of Association, the majority of the total number of members is present at the Board of Directors meetings, and decisions are taken with the majority vote after hearing the opinions of the members.

## Informing the Board Members

Board Members are informed about Company activities by the General Manager.

## Inclusion of the Justification for the Opposing Votes in the Record

As a requirement of the Corporate Governance Principles, the minutes of all Board meetings are recorded. In the meetings, the Board of Directors discusses not only the performance in the previous period or developments in the current period, but also matters regarding future growth plans, competition strategies, human resources and organizational structure. While not all of the relevant issues are resolved, the minutes are not disclosed to the public, as the disclosure of the resolved issues may lead to certain speculations. On the other hand, all critical issues resolved by the Board of Directors are announced to the public via material disclosure.

The method and frequency of the Board of Directors meetings, meeting and decision quorum, the method of objection to the Board resolutions and the issues regarding the validity of the Board resolutions are clearly stated in the Articles of Association.

The agenda of the Board meetings consists of the issues decided in the previous Board meeting for further discussion in the next board meeting, and the issues determined by senior management. Matters that need to be discussed by the Board are forwarded to the Chief Financial Officer and brought together to set the agenda of the next meeting. The ordinary meeting dates of the Board of Directors are determined in the annual calendar and announced to the members. Before each meeting, Board members are informed again about the issues included in the meeting agenda through formal information letters and reports.

If necessary, the Board of Directors may convene more than once in a single month. The Chairman, Vice Chairman and each Board member have the right to call a Board meeting and/or add certain issues to the agenda of the relevant meeting by notifying all other Board members at least fifteen (15) days in advance. Board meetings may be held at the Company's head office, or some other location inside or outside Turkey as decided at an ordinary meeting with the Board's quorum.

The opinions of the members who could not attend the meeting but have sent their opinions in writing are notified to other members. In accordance with the Turkish Commercial Code, the Board of Directors may also take decisions without holding a meeting. The meeting and decision quorum specified in the Company's Articles of Association are also valid for such decisions.

The secretary services of the Board of Directors are carried out by the Company's Chief Financial Officer. If there are reasonable and detailed grounds for opposing votes regarding the questions asked by the Board Members at the meetings and issues with different opinions, these are included in the record. In accordance with the Corporate Governance Principles, members must attend the Board of Directors meetings in person.

Board members do not have voting and/or veto powers in case of tied votes. Each Board member, including the Chairman, has one vote. None of the members has the power to break a tied voting.

The Company's Board of Directors evaluates its own performance at regular intervals. The self-evaluation of the Board of Directors is carried out once a year to reflect the individual performance of the Board members. Self-evaluation is also used to determine the competencies required by the Company's Board of Directors within the frame of the changing and developing global business conditions, and take action accordingly.

## Related Party Procedures

In accordance with the Corporate Governance Principles, Board decisions regarding critical related party procedures are taken with the approval of the majority of the independent members.

## Executive Liability Insurance

Damages caused to the Company due to the faults of the Board Members during their duties are insured with a policy of \$ 25,000,000 in coverage.

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## 5.3. Number, Structure and Independence of the Committees Established by the Board of Directors

### Corporate Governance Committee:

The Corporate Governance Committee, established in accordance with the Communiqué, consists of four members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while members elected were Mehmet Hurşit Yazıcı, Özdemir Osman Kurdaş, Recep Yılmaz Argüden and Ali Osman Mağal, who serves as the Investor Relations Manager of our Company, in accordance with the provision in Article 4.5.3 of the Corporate Governance Communiqué (Series: II-17.1) dated January 3, 2014 stating that “specialists who are not Board members may join committees other than the Audit Committee.”

The duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee.

The Corporate Governance Committee convened four times throughout the year.

In accordance with the Corporate Governance Communiqué, the Corporate Governance Committee regulation approved by the Board of Directors is published on our corporate website. ([www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr))

### Audit Committee:

The Audit Committee, established in accordance with the Communiqué, consists of two members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while Independent Board Member Orhan Özer was elected as a member.

The Audit Committee is responsible for taking all necessary measures to ensure that any internal and independent audit is performed adequately and transparently.

The Audit Committee convened four times throughout the year.

In accordance with the Corporate Governance Communiqué, the Audit Committee regulation approved by the Board of Directors is published on our corporate website. ([www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr))

### Early Detection of Risk Committee:

The Early Detection of Risk Committee, established in accordance with the Communiqué, consists of three members. Independent Board Member Orhan Özer was elected the Chairman of the Committee, while members elected were Talip Altuğ Aksoy and Kamil Ömer Bozer.

The tasks of the Committee include early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the necessary measures regarding the detected risks, and carrying out studies for risk management.

The Early Detection of Risk Committee convened twice throughout the year, and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. The Early Detection of Risk Committee informed the Board of Directors about its activities with a total of six bimonthly reports throughout the year.

The regulation on the working principles of the Early Detection of Risk Committee was determined by the Board Resolution No. 2013/28 dated July 23, 2013, and is published on our corporate website. ([www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr))

### Members Joining Multiple Committees

In accordance with the Communiqué on Determination and Implementation of the Principles of Corporate Governance (Series: IV-56) issued by the Capital Markets Board, all members of the Audit Committee, the Chairman of the Early Detection of Risk

Committee and the Chairman of the Corporate Governance Committee were all elected among Independent Board Members. There are two independent members on the Board of Directors, and at least one out of every two members serves in all three committees. In addition, Recep Yılmaz Argüden serves in the Corporate Governance Committee and Kamil Ömer Bozer serves in the Early Detection of Risk Committee, offering their profound knowledge and experience.

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

##### The Company's financing resources and risk management policies

In addition to its cash and capital, Anadolu Isuzu also uses long-term Turkish lira and foreign currency (Euro) loans from Turkish and foreign banks to finance its investments.

The principles of Anadolu Isuzu risk management policies are included in the relevant article of the Corporate Governance Principles Compliance Report.

##### Explanations regarding the main components of the Group's internal audit and risk management systems for the preparation process of consolidated financial statements

The Internal Audit Department under Anadolu Isuzu audits all companies and units consolidated periodically every year. The business plan of the department is approved annually by the Audit Committee and revised depending on the developments experienced during the year. The internal audit, performed in all companies subject to consolidation, is carried out according to the standards published by the Global Institute of Internal Auditors.

##### Risk Management and Internal Control Mechanism

Risk Management and Internal Control System at Anadolu Isuzu is under the responsibility and control of Company management. The Corporate Risk Management function, which operates to provide assurance and consultancy to the management on these issues, reports directly to the Early Detection of Risk Committee.

Anadolu Isuzu Senior Management identifies critical opportunities and threats that may arise in terms of achieving the Company's targets within the frame of Corporate Risk Management and manages them in accordance with the risk appetite of our Company. Corporate Risk Management is a systematic and disciplined process that is established to determine Anadolu Isuzu's business strategies. It is influenced by all Company employees and covers all Company practices.

With the coordination of the Corporate Risk Management function, the risks that may arise for the goals of the Company are submitted to management for their consideration, and priority risks are identified. Priority risks, and action plans aimed at reducing these risks, are shared with the Early Detection of Risk Committee to be submitted to the Board of Directors. The management and continuity of this process integrated with strategic business plans is supported by technological infrastructure.

Some of the methods we use to manage our risks are as follows:

- Performance and risk indicators are used as an early warning system to monitor risks and take the necessary measures on time. The SAP system, which is integrated into all processes within the Company, is an effective technological decision support system used for this very purpose.
- This allows for instantaneous monitoring of activity results, elimination of human errors, early detection of risks and increased efficiency of the internal control system. At the same time, the internal communication system with high-level technology provides the opportunity to quickly intervene in any problem and produce solutions.
- Business continuity and crisis management studies are carried out and supported by effective insurance management in order to prevent and reduce losses arising from risks that may cause business and production interruptions, such as natural risks and supply chain problems.
- Investments are made in backup systems to prevent system damage and data loss in case of any extraordinary situation.
- In addition, the Company instantly monitors environmental factors and extraordinary situations and investigates their causes, and continuously takes measures to minimize any risks.

# Corporate Governance

The Internal Audit Department regularly reviews the company's risk management and internal control system within the frame of its risk-based audit plan, and reports to the Audit Committee and Company Management:

Accuracy and reliability of Financial and Operational Information

- Efficiency of operations
- Protection of company assets
- Ensuring compliance with laws, regulations and contracts

## 5.5. Strategic Targets of the Company

While the Board of Directors manages and represents the Company by keeping the risk, growth and income balance of the Company at the most appropriate level with a rational and cautious risk management approach, primarily considering the Company's long-term interests, it is also responsible with ensuring that the Company achieves its determined and publicly disclosed operational and financial performance targets. In this context, the relevant directorates create annual budgets and business plans each year and submit them to the Board of Directors through the office of the Chief Financial Officer. The results achieved by operating in accordance with these plans throughout the year are continuously compared with the budget approved by the Board of Directors, and the reasons for deviations are investigated.

In the process of establishing the annual strategic targets, the Company's Board of Directors firstly approves the basic assumptions and strategic targets established after the relevant studies.

During the implementation process, the Board of Directors monitors the comparative results of the Company's activities with its strategic targets in the light of the monthly activity reports and the information obtained directly at the Board meetings.

## 5.6. Financial Rights

### Criteria Used in Determining the Rights of Board Members

In accordance with the Articles of Association, it is not possible to pay dividends to Board members.

As stated in the Articles of Association, the compensation of Board Members is determined by the General Assembly. The Board of Directors is authorized to elect the senior executives who will take part in the management of the Company, specify their powers, wages and other rights, and conclude/break agreements with them.

On the other hand, in accordance with the decision taken at the Ordinary General Assembly Meeting held on April 15, 2020, a net annual salary of 146,000 Turkish lira will be paid to each of the independent Board members to maintain their independence throughout their term of office.

There are no other compensation or benefits provided to the Board of Directors.

### Compensation and Benefits Provided to the Company's Senior Employees

In accordance with Article 4.6.5 of the Corporate Governance Principles, the compensation and all other benefits provided to the members of the Board of Directors and senior managers are disclosed to the public with the annual report. However, the statement was not prepared on an individual basis, but in a manner that it would include the distinction between the Board of Directors and the managers with administrative responsibilities.

The Board of Directors carries out the studies necessary to ensure that senior managers receive reasonable wages according to market conditions. The compensation policy prepared for this purpose is included in ANNEX-2.

### Loans to Board Members and Executives

The Company has not provided any Board member or executive with a loan or credit, has not extended the duration of any loans or credits, has not improved the terms of loans, has not extended credits under the name of personal loan through a third party and has not given guarantees such as sureties.



# Sustainability Principles Compliance Report

Principle	Status (Yes/No/Partially)	Source/Access link	Description
<b>A. General Principles</b>			
<b>A1. Strategies, Policies and Goals</b>			
The Board of Directors determines material ESG issues, risks and opportunities and creates ESG policies accordingly. Directives, business procedures and so on, may be prepared within the Partnership for effective implementation of the relevant policies. The Board of Directors decides these policies and discloses them to the public.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	Anadolu Isuzu will continue its efforts to increase the effectiveness of its sustainability policies in 2021.
Determines the Partnership Strategy in line with ESG policies, risks and opportunities. Determines and publicly discloses its short and long-term targets in line with the partnership strategy and ESG policies.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	Anadolu Isuzu anticipates setting short-term and long-term targets in line with its sustainability policy and strategies. Efforts for this principle will continue in 2021.
<b>A2. Implementation/Monitoring</b>			
Determines and publicly discloses the committees/units responsible for the implementation of ESG policies. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year, and in any case within the time period determined for the public disclosure of the annual activity reports in the relevant Board regulations.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a> <a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a>	Anadolu Isuzu will continue its structuring efforts to increase the effectiveness of its sustainability activities in the upcoming period.
Creates and publicly discloses implementation and action plans in line with the determined short-term and long-term goals.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a> <a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a>	Anadolu Isuzu will continue its efforts to fully comply with this principle in the upcoming period.
Determines the ESG Key Performance Indicators (KPI) and explains them on a yearly basis. Presents KPIs together with national and international industry comparisons in the presence of verifiable data.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a> <a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	Anadolu Isuzu will continue its efforts to present its KPIs together with national and international industry comparisons to fully comply with this principle.
Explains the innovation activities that improve the sustainability performance for business processes or products and services.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a>	
<b>A3. Reporting</b>			
Reports and publicly discloses the sustainability performance, goals and actions at least once a year. Explains the information on sustainability activities within the scope of the annual report.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
It is essential to share information that is important for stakeholders in understanding the position, performance and development of the partnership in a direct and concise manner. Can separately explain detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	

# Sustainability Principles Compliance Report

Principle	Status (Yes/No/ Partially)	Source/Access link	Description
Shows maximum care in terms of transparency and reliability. Objectively explains all kinds of developments in priority issues in disclosures and reports within the scope of a balanced approach.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Specifies the activities related to the United Nations (UN) 2030 Sustainable Development Goals.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains the lawsuits filed and/or concluded for environmental, social and corporate governance issues.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
<b>A4. Verification</b>			
If verified by independent third parties (independent sustainability assurance providers); discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	Anadolu Isuzu will continue its efforts to expand the scope of external verification of the sustainability performance indicators included in its sustainability reports.
<b>B. Environmental Principles</b>			
Explains the policies and practices, action plans, environmental management systems (ISO 14001) and programs in the field of environmental management.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/environment">https://www.anadoluisuzu.com.tr/en/sustainability/environment</a> <a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Follows and explains environmental laws and other relevant regulations	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/environment">https://www.anadoluisuzu.com.tr/en/sustainability/environment</a>	
Explains the limitations related to the environmental report within the scope of the Sustainability Principles together with the reporting period, reporting date, reporting conditions and data collection process.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains the highest authority, relevant committees and duties in the partnership on the issues of environment and climate change.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains the incentives offered for the management of environmental issues, including the achievement of the goals.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	Anadolu Isuzu will continue its efforts to establish mechanisms to fully comply with this principle.
Explain how environmental problems are integrated into business goals and strategies.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains the sustainability performance for business processes or products and services, and the activities that improve this performance.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains how environmental issues are managed throughout the partnership value chain and integrates suppliers and customers into its strategies.	No	-	Anadolu Isuzu will continue its efforts to fully comply with this principle.

Principle	Status (Yes/No/ Partially)	Source/Access link	Description
Explains whether it is included in the policy-making processes on environmental issues (sectoral, regional, national and international), its cooperation with the relevant associations, organizations and nongovernmental organizations, its duties (if any) and the activities it supports.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Reports information related to the environmental impact in the light of environmental indicators [greenhouse gas emissions (Scope-1/Direct, Scope-2/Energy indirect, Scope-3/Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts].	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Describes the standard, protocol, methodology and base year details used to collect and calculate data.	Partially	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains the status of the environmental indicators (increase or decrease) for the reporting year in comparison with previous years.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Sets and explains short-term and long-term goals aimed at reducing the environmental impact. It is recommended that these goals are determined in a scientific manner as suggested by the United Nations Conference of the Parties on Climate Change. Provides information on the subject if there is progress in the reporting year.	No	-	
Explain the strategy and actions to combat the climate crisis.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/about/sustainability-policy">https://www.anadoluisuzu.com.tr/en/about/sustainability-policy</a> <a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains the program or procedures to prevent or minimize the potential negative impact of its products and/or services; explains the actions of third parties to reduce greenhouse gas emissions.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a> <a href="https://www.anadoluisuzu.com.tr/en/about/sustainability-policy">https://www.anadoluisuzu.com.tr/en/about/sustainability-policy</a>	
Explains the actions taken to reduce the environmental impact, total number of its projects and initiatives and the provided environmental benefits and cost savings.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Reports the data for total energy consumption (excluding raw materials) and explains the energy consumption under Scope-1 and Scope-2.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	

# Sustainability Principles Compliance Report

Principle	Status (Yes/No/Partially)	Source/Access link	Description
Conducts studies on increasing the use of renewable energy and transitioning to zero or low carbon electricity, and explains these studies.	Partially		In the medium-term and long-term, the goal is to reduce the emissions from electricity consumed from the grid by utilizing renewable energy sources such as solar and wind energy. Cost feasibility studies were carried out for the Energy Market Regulatory Authority official Green Tariff (YETA), and no projection could be made since it was determined to not be feasible. Currently not applicable.
Explain the renewable energy production and usage data.	No		Currently not applicable.
Carries out energy efficiency projects and explains the amount of energy consumption and emission reduction accordingly.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Reports the amounts, sources and procedures of water withdrawn, used, recycled and discharged from underground or above-ground (total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, and so on).	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	No		Currently not applicable.
Explains the carbon credit information accumulated or purchased during the reporting period	No		Currently not applicable.
Explains the details if carbon pricing is applied within the partnership.	No		Currently not applicable.
Explains all compulsory and voluntary platforms where it discloses environmental information.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
<b>C. Social Principles</b>			
<b>C1. Human Rights and Employee Rights</b>			
The Corporate Human Rights and Employee Rights Policy ensures full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and the legal framework and regulations governing human rights and working life in Turkey. Publicly discloses this policy and the corresponding roles and responsibilities.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/about/hr-policy">https://www.anadoluisuzu.com.tr/en/about/hr-policy</a>	
Provides equal opportunity in recruitment processes. Includes fair workforce, improvement of labor standards, women's employment and inclusion issues (such as not discriminating against women, men, religious belief, language, race, ethnic origin, age, disability, refugee status, and so on.) in its policies, while considering the effects on supply and value chains.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	

Principle	Status (Yes/No/Partially)	Source/Access link	Description
Describes the measures taken along the value chain for the protection of certain economic, environmental, social factors (low-income groups, women, and so on) or minority rights/equality of opportunity.	Yes	-	
Reports developments regarding discrimination, inequality, human rights violations, involuntary servitude and corrective practices. Explains the regulations for the prevention of child labor.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains policies regarding investment in employees (training, development policies), compensation, benefits, right to unionize, work/life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. Regularly explains the activities carried out to ensure employee satisfaction.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a> <a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Creates and publicly discloses occupational health and safety policies. Explains accident statistics and the precautions taken to prevent work accidents and protect the health of employees.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/about/occupational-health-and-safety">https://www.anadoluisuzu.com.tr/en/about/occupational-health-and-safety</a>	
Creates and publicly discloses personal data protection and data security policies.	Yes	<a href="https://www.anadoluisuzu.com.tr/hakkimizda/kisisel-verilerin-korunmasi">https://www.anadoluisuzu.com.tr/hakkimizda/kisisel-verilerin-korunmasi</a>	
Creates and publicly discloses the ethical policy (including studies for business, work ethics, compliance processes, advertising and marketing ethics, open disclosure, and so on).	Yes	<a href="https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-harmony-reports">https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-harmony-reports</a>	
Explains the studies carried out within the scope of social investment, social responsibility, financial inclusion and access to finances.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a> <a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a>	
Organizes information meetings and training programs on ESG policies and practices for employees.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
<b>C2. Stakeholders, International Standards and Initiatives</b>			
Carries out its sustainability activities while considering the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society, nongovernmental organizations, and so on).	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Regulates and publicly discloses the customer satisfaction policy for the management and resolution of customer complaints.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/about/quality-policy">https://www.anadoluisuzu.com.tr/en/about/quality-policy</a>	
Conducts stakeholder communication continuously and transparently; explains the purpose, subject and frequency of communication with the stakeholders, and the progress made in sustainability activities.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	

# Sustainability Principles Compliance Report

Principle	Status (Yes/No/ Partially)	Source/Access link	Description
Publicly discloses the adopted international reporting standards [Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) and so on].	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Publicly discloses the international organizations or principles it is a signatory or member of [(Equator Principles, the United Nations Environment Programme Finance Initiative (UNEP-FI), the United Nations Global Principles (UNGC), the United Nations Principles for Responsible Investment (UNPRI), the International Capital Market Association (ICMA), Green/Sustainable Bond Principles, and so on].	No		Currently not applicable.
Makes concrete efforts to be included in the Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, and so on).	No	-	Anadolu Isuzu is not included in any sustainability index as of the reporting period.
<b>D. Corporate Governance Principles</b>			
Shows the maximum effort to comply with all Corporate Governance principles, as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué (Series: II-17.1).	Yes	<a href="https://www.kap.org.tr/tr/cgif/4028e4a140e95be70140ed43c4fe00a9">https://www.kap.org.tr/tr/cgif/4028e4a140e95be70140ed43c4fe00a9</a>	
Determines its corporate governance strategy in consideration of sustainability, environmental impact and the relevant principles.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/policy">https://www.anadoluisuzu.com.tr/en/sustainability/policy</a>	
Takes the necessary measures to comply with the principles regarding the stakeholders and strengthens the communication with the stakeholders as stated in the Corporate Governance Principles. Consults the stakeholders while determining measures and strategies for sustainability.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Works on raising awareness on sustainability through social responsibility projects, awareness activities and training.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports">https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports</a> <a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Strives to be a part of the international standards and initiatives on sustainability and contribute to the relevant studies.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/sustainability/reports">https://www.anadoluisuzu.com.tr/en/sustainability/reports</a>	
Explains policies and programs against bribery and corruption and the principle of tax integrity.	Yes	<a href="https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-harmony-reports">https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-harmony-reports</a>	

# Annex: 1

## Evaluation of the Working Principles and Effectiveness of the Board Committees

With the Board decision taken on April 16, 2020 in accordance with the Corporate Governance Principles after the election of the Board members at the Ordinary General Assembly Meeting held on April 15, 2020;

- Independent Board Member Ahmet Murat Selek was elected the Chairman of the Audit Committee, while Independent Board Member Orhan Özer was elected as a member.
- The Early Detection of Risk Committee consists of three members. Independent Board Member Orhan Özer was elected the Chairman of the Committee, while members elected were Talip Altuğ Aksoy and Kamil Ömer Bozer.
- The Corporate Governance Committee consists of five members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while members elected were Hurşit Zorlu, Recep Yılmaz Argüden, Özdemir Osman Kurdaş and Ali Osman Mağal.

The duties of the Nomination Committee and the Remuneration Committee will be carried out by the Corporate Governance Committee. These matters were disclosed to the public on the Public Disclosure Platform and our Company's website.

In 2020, our Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee effectively performed the duties and responsibilities as required in their own regulations.

In accordance with the annual meeting plans determined and created in their own regulations, deemed necessary for the effectiveness of their efforts in 2020;

The Audit Committee convened four times and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. Accordingly;

Responsible for taking all necessary measures to ensure that any internal and independent audit is performed adequately and transparently and the internal control system is implemented effectively, the "Audit Committee" provided the Board of Directors with its suggestions regarding the issues under its responsibility, including its opinions and suggestions regarding the internal audit and internal control system.

The Corporate Governance Committee convened four times and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. Accordingly;

Established to monitor the Company's compliance with the Corporate Governance Principles, carry out studies to improve this compliance and provide the Board of Directors with suggestions, the "Corporate Governance Committee" determined whether the Corporate Governance Principles are applied in the Company; and if not, the justification for this non-compliance and the conflicts of interest arising due to the same non-compliance. The committee provided the Board of Directors with suggestions on how to improve corporate governance practices and oversaw the work of the Investor Relations Department.

The Early Detection of Risk Committee convened two times. The committee submitted six evaluation reports to the Board of Directors, including its works throughout the year. Accordingly;

Working on the early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the necessary measures regarding the detected risks, and carrying out studies for risk management, the "Early Detection of Risk Committee" examined the Company's risk management systems in accordance with the Corporate Governance Principles and the Early Detection of Risk Committee Regulation.

# Annex: 2

## ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.

### REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. compensation policy for the Board of Directors and senior executives was prepared in order to define the remuneration system and practices and other rights of Board members and senior executives.

Our Company's Chairman and Members of the Board may be paid a fixed monthly fee/attendance fee for their services in these positions. The amount to be paid is determined at the General Assembly meeting. In any case, the independent Board members are paid an amount that will maintain their independence, and the payment plans based on the Company's performance are not used in the remuneration of the independent Board members.

Executive members of the Board of Directors are paid within the scope of the policy determined for senior executives, as detailed below.

The rights provided to the senior executives at our Company are defined within the frame below:

**Monthly Salary:** Determined depending on the market and/or industry conditions, inflation, the position of the manager, their level, qualifications and individual performance, and paid for the duration of the employment contract. Unless there are any changes in market conditions, the monthly salaries are reviewed once a year within the frame of the determined principles, while considering the criteria essential for determining the salaries.

Information about the market and/or industry conditions is collected through generally accepted consultancy organizations, as well as by using data obtained from other sources, while considering the status and future of the Company's goals.

The factors that come into play in determining the level of individual performance are the manager's approach, business style and behaviors, and the completion of the annual goals they have set with their managers.

**Bonuses:** Determined based on the monthly salary. Four months of monthly salary is divided into the periods determined by the Company, and paid for the duration of the employment contract.

**Premium:** Upon exceeding a certain lower limit defined according to certain weights in compliance with the Key Performance Indicators (KPI) determined for the Company's relevant calendar year and approved by the Board of Directors, a certain ratio of the annual total of the monthly salary and bonus payments made to the manager (depending on their position) may be calculated in line with the Company KPIs and individual performance realization rates and paid to the manager as a premium.

**Other Rights:** In line with the organization's defined policies and regulations, benefits such as Health Insurance, Private Pension and so on and other social benefits are provided generally and/or based on certain conditions such as position, qualifications and so on.



# Annex: 3

## STATEMENT OF INDEPENDENCE

- I hereby declare that, with respect to Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. (the Company); Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities at, collectively or individually held more than 5 percent of the capital or voting rights or privileged shares in, or established any commercial interest of a significant nature with, the Company, or with any companies in which the Company has management control or material influence, and with any shareholders having management control or material influence over the Company, or with any corporate entity which are controlled by these shareholders;
- Within the most recent five years, I have neither been a shareholder controlling 5 percent or more, or an employee in an executive position involving major duties and responsibilities nor a Board member, in any company from/to which the Company purchases/sells a significant amount of services or products under the agreements made during such time when services or products were purchased or sold, and particularly in companies involved in the Company's auditing (including tax audit, legal audit, internal audit), rating, or consulting;
- I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member;
- As of the date of election, I am not working on a full-time basis at any public institution or organization, apart from serving as a faculty member, provided that this does not contradict with the legislation governing such institution;
- I am considered a resident of Turkey for the purposes of the Income Tax Law;
- I possess strong ethical standards and professional repute and experience sufficient to enable me to make a positive contribution to the Company's affairs, maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and come to decisions freely while considering the stakeholders' rights;
- I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and fully satisfy the requirements of the duties undertaken;
- I have not served as a member on the Company's Board of Directors for more than six years within the most recent 10 years;
- I am not serving as an independent Board member in more than three of the companies in which the Company, or shareholders having management control over the Company, have management control, or in more than five companies, in the aggregate, traded on the stock exchange;
- I am not registered and announced in the name of the legal person elected as a board member, and therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.

Ahmet Murat SELEK

## Annex: 3

### STATEMENT OF INDEPENDENCE

- I hereby declare that, with respect to Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. (the Company); Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities at, collectively or individually held more than 5 percent of the capital or voting rights or privileged shares in, or established any commercial interest of a significant nature with, the Company, or with any companies in which the Company has management control or material influence, and with any shareholders having management control or material influence over the Company, or with any corporate entity which are controlled by these shareholders;
- Within the most recent five years, I have neither been a shareholder controlling 5 percent or more, or an employee in an executive position involving major duties and responsibilities nor a Board member, in any company from/to which the Company purchases/sells a significant amount of services or products under the agreements made during such time when services or products were purchased or sold, and particularly in companies involved in the Company's auditing (including tax audit, legal audit, internal audit), rating, or consulting;
- I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member;
- As of the date of election, I am not working on a full-time basis at any public institution or organization, apart from serving as a faculty member, provided that this does not contradict with the legislation governing such institution;
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- I am not serving as an independent Board member in more than three of the companies in which the Company, or shareholders having management control over the Company, have management control, or in more than five companies, in the aggregate, traded on the stock exchange;
- I am not registered and announced in the name of the legal person elected as a board member, and therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.

Orhan ÖZER

ANADOLU ISUZU OTOMOTIV SANAYI AND ITS SUBSIDIARY

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2020 AND INDEPENDENT AUDITOR'S REPORT

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**ANADOLU ISUZU**