



**SUSTAINABILITY  
REPORT**  
**2017 - 2018**

## ■ Corporate Profile

Company name

**Bridgestone Corporation**

Headquarters

**1-1, Kyobashi 3-chome, Chuo-ku,  
Tokyo 104-8340, Japan**

Member of the Board CEO  
and Representative Executive Officer  
Concurrently Chairman of the Board

**Masaaki Tsuya**

Paid-In capital

**JPY 126.3 billion** (As of December 31, 2017)

Sales

(consolidated) **JPY 3,643 billion** (FY 2017)

Employees

(non-consolidated) **13,706** (As of December 31, 2017)

(consolidated) **142,669** (As of December 31, 2017)

Summary of Bridgestone manufacturing plants

**164 plants in 26 nations**  
(Bridgestone Group total as of April 1, 2018)

## ■ Major Products and Operations

### Tires

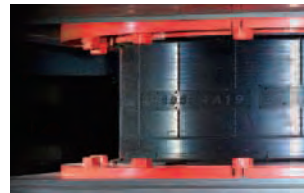
Tires and Tubes for Passenger cars, Trucks and buses, Construction and mining vehicles, Industrial machinery, Agricultural machinery, Aircraft, Motorcycles and scooters and Others  
Automotive parts, Retreading materials and services, Automotive maintenance and Repair services, Raw materials for tires and Others



### Diversified Products

#### <Chemical and industrial products>

Antivibration and noise-insulating materials, Polyurethane foam products, Electro-materials, Industrial rubber products, Building materials, Belts, Hoses and Others



#### <BSAM Diversified Products>

A Business under Bridgestone Americas, Inc. supplying Commercial Roofing materials and Others



#### <Sporting goods>

Golf balls, Golf clubs, Golf wear, Tennis goods and Others

#### <Bicycles>

Bicycles, Other bicycle goods and Others

#### <Others>

Finance and Others



### Solution Business

Leveraging the potential to tightly integrate elements of the company's portfolio. The Bridgestone Group is working on new "solutions" service packages by combining maintenance services, IT/sensing technologies and tires and diversified products to meet the needs of customers and end users.

## Editorial Policy

To communicate initiatives intended to increase corporate value over the medium to long term, the Group reports financial and non-financial information in accordance with the following reporting framework: specifically the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC).

In the following report, intended for a wide range of stakeholders, the Group describes its fundamental management policies for achieving sustainable growth, clarifying the social and environmental issues that it seeks to address and proactively disclosing the initiatives to address those issues. This report discloses non-financial information. It is a companion to the Annual Report, which conveys mainly financial information.

### ➤ Sustainability Report



### ➤ CSR Website



<https://www.bridgestone.com/responsibilities/index.html>

The Sustainability Report 2017-2018 and CSR website are in accordance with GRI (Global Reporting Initiative) Standards (Core option)

### ➤ Annual Report(Operational Review/Financial Review)

[https://www.bridgestone.com/corporate/library/annual\\_report/index.html](https://www.bridgestone.com/corporate/library/annual_report/index.html)

## Period

The Sustainability Report is published annually. This report focuses on data and activities for fiscal 2017 (the period from January 1 to December 31, 2017), although it also includes some information applicable to years before and after fiscal 2017. The contents of the Sustainability Report that are not historical facts are forward looking, aspirational and based on information current as of the date of the Sustainability Report. Actual results may differ materially from those expressed in any forward-looking statement.

## Organizational Coverage

The Sustainability report covers the initiatives of the Bridgestone Group, including Bridgestone Corporation and subsidiaries and affiliates around the world. Throughout the text, "Bridgestone" or "the Company" refers to Bridgestone Corporation, while "the Bridgestone Group" or "the Group" refers to all group companies, including subsidiaries and affiliates around the world. Notes are provided where this distinction does not apply.

## CONTENTS

### 02 Bridgestone History Overview

### 04 Bridgestone by Numbers

### 06 Top Commitment

### 12 Global CSR Commitment

"Our Way to Serve"

Enhancing "Our Way to Serve"

- Interview with Global CSR Enhancement Committee Chairperson

### 18 Priority Areas

case1 Utilizing Digital Tools to Create Common Value With Customers and Society

case2 Contributing to Next-Generation Public Transportation

case3 Supporting Education in Our Communities

case4 Realizing Societies Where Everyone is Able to Live Life to the Fullest

Looking Ahead to the World in 2050

- In harmony with nature
- Value natural resources
- Reduce CO<sub>2</sub> emissions

### 36 Management Fundamentals

Compliance, Fair Competition  
Business Continuity(BCP), Risk Management  
Human Rights, Labor Practices  
Safety, Industrial Hygiene  
Procurement

case5 Effort on Realizing Sustainable Supply Chain

Quality and Customer Value

### 58 Corporate Governance

- Outside Director's Interview

### 64 Bridgestone Group Awards 2018

### 66 Stakeholders Communication

### 67 Third-party Assurance of Environment Data and Social Data

### 68 ESG Data

# ➤ Bridgestone History Overview

The Bridgestone Group is the world's largest tire and rubber company.

Since the early stage of its establishment, the Group started exporting its products as well as overseas marketing research a year after the establishment aiming to globally expand its business. Our history has been formed as we refine our technologies, pursue higher quality and aim to produce better society.

We continue to contribute to solving social issues in an innovative manner respond to the demand of our stakeholders by effectively using our strength and competence, which we have gained through long history.

## Chapter 1.

From foundation to Deming Prize award

## Chapter 2.

Merger, and integration of Firestone

### The corporate culture – Our DNA

### The second foundation

1931

1988

1931

"Bridgestone Tire Company" founded in Kurume, Fukuoka

Founder  
**Shojiro Ishibashi**

Foundation with far  
— Seeing globalization

Named to be a global company

Stone Bridge  
Ishi  
Bashi

↓  
**Bridgestone**



#### For the society

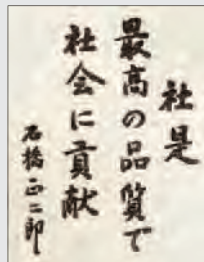
"I am convinced that a simple profit seeking business will never thrive, but a business that contributes to its society and country will be forever profitable."

#### For the society with innovation

"I have set my sights on contributing to the advancement and development of society by constantly seeking insight into the changes of the times, trying to be ahead of the times, and manufacturing products of superior quality."

1968

The Company's motto written by the founder



Serving Society with Superior Quality

1968

Earning Deming Prize



1988

Firestone merger



Headquarters of Firestone at that time

2018

The 30th anniversary after Firestone merger



Chapter 3.

The first phase of management reform

Refinement of the Corporate Philosophy “the Bridgestone Essence”

2006

Chapter 4.

The second phase of management reform

Management Goal - A truly global company/ “Dan-totsu” in each and every aspects of our business

2012

To the future

2011

Refinement of the Corporate Philosophy “the Bridgestone Essence”

**企業理念**  
The Bridgestone Essence

使命  
Mission  
最高の品質で社会に貢献  
Serving Society with Superior Quality

心構え  
Foundation

誠実協働  
Seijitsu-Kyocho  
(Integrity and Teamwork)

進取独創  
Shinshu-Dokuso  
(Creative Pioneering)

現物現場  
Genbutsu-Genba  
(Decision-Making Based on Verified, On-Site Observations)

熟慮断行  
Jukuryo-Danko  
(Decisive Action after Thorough Planning)

**BRIDGESTONE**

2008

Bridgestone Group Awards



2010

Bridgestone Group Global TQM Conference

2015

Completed the Bridgestone Essence Framework

企業理念  
The Bridgestone Essence

品質  
Quality  
お客様至上の品質  
Superior Quality with Superior Quality

心構え  
Foundation

誠実協働  
Seijitsu-Kyocho  
(Integrity and Teamwork)

進取独創  
Shinshu-Dokuso  
(Creative Pioneering)

現物現場  
Genbutsu-Genba  
(Decision-Making Based on Verified, On-Site Observations)

熟慮断行  
Jukuryo-Danko  
(Decisive Action after Thorough Planning)

**BRIDGESTONE**

Quality Mission Statement

安全  
Safety  
安全は常に第一  
Safety First, Always

安全経営  
Safety Management

安全文化  
Safety Culture

安全意識  
Safety Awareness

安全行動  
Safety Action

安全成果  
Safety Results

**BRIDGESTONE**

Safety Mission Statement

環境  
Environment  
環境にやさしい社会  
Environmentally Friendly Society

環境経営  
Environmental Management

環境意識  
Environmental Awareness

環境行動  
Environmental Action

環境成果  
Environmental Results

**BRIDGESTONE**

Environmental Mission Statement

2013

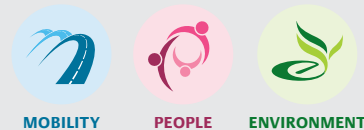
Establishment of the Global Executive Committee (Global EXCO)



2017

Practice of Bridgestone Essence — Unveiled a refined global CSR commitment, “Our Way to Serve”

Our Way to Serve



2014

Bridgestone becomes Official Worldwide Olympic Partner



2016

Bridgestone becomes a Tokyo 2020 Paralympic Gold Partner

# Bridgestone by Numbers

## Scope of the Report Note about the Numerical Data

Organizations Covered: Bridgestone Corporation and its consolidated subsidiaries and affiliates. The scope covered may vary depending on the subject. Such cases are noted individually.

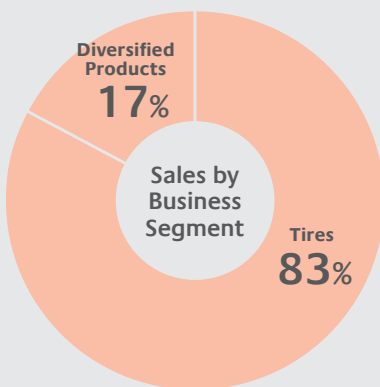
Period Covered: Fiscal year ending December 31, 2017

## Financial Highlights



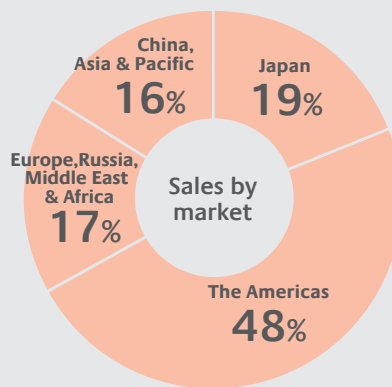
> Net sales (consolidated)

**3,643** billion yen



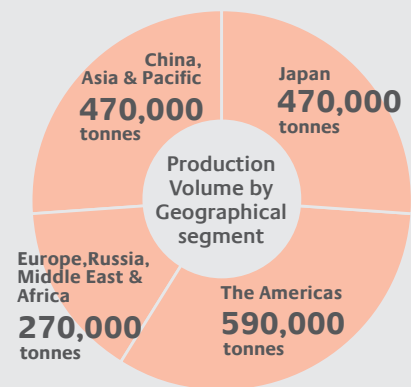
> Business development

more than **150** countries



> Tire production volume (Tonnage of Rubber)

more than **1.8** million tonnes



## Non-Financial Highlights

> Resource productivity improvement (Base year:2005)

**↑ 37%**



> Recycled waste ratio\*<sup>1</sup>

**90%**



> Amount of reclaimed rubbers

**20.4** thousand tonnes



> Energy consumption per unit of sales

**1,276** GJ/100 million yen



> Volume of recycled water\*<sup>1</sup>

**426** million m<sup>3</sup>

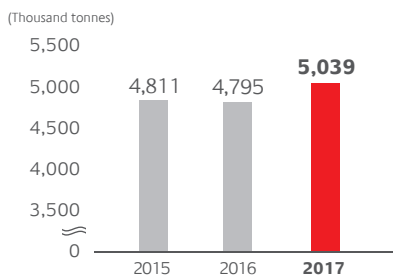


> CO<sub>2</sub> emission reduction ratio in the operations and products' after-use (compared to the year 2005)

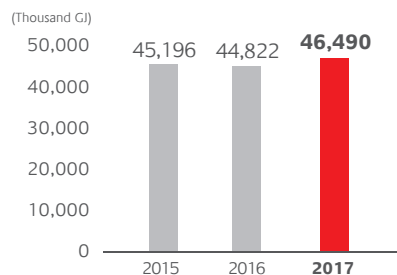
**35%**



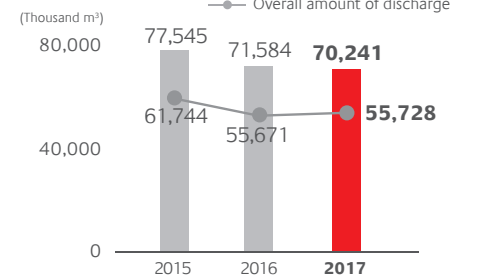
> Amount of raw material used



> Total consumption of energy\*<sup>1</sup>



> Total water intake/Total water discharge\*<sup>1</sup>



> Major sustainability ranking and rating

(As of May 2018)

Ranking/Rating System	Assessment
● DJSI (Dow Jones Sustainability Index) World	selected
● CDP Climate Change 2017	A-
● CDP Water 2017	A
● CDP Supplier Engagement Rating 2018	A

> Number of employees (as of December 31, 2017)



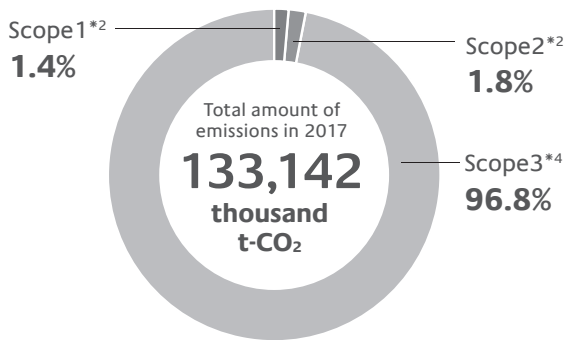
> Average age\*<sup>3</sup> **39.8** years-old

> Average years of employment\*<sup>3</sup> **13.9** years

> Sites with ISO 9001 certification\*<sup>5</sup> **99.0%**

> Sites with ISO 14001 certification\*<sup>2</sup> **98.7%**

> Amount of greenhouse gas emissions



\*1 Indicates locations that have obtained ISO 14001 certification

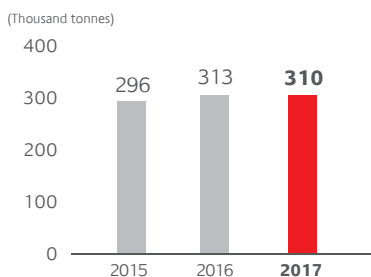
\*2 Indicates manufacturing plants that have obtained ISO 14001 certification

\*3 Bridgestone Corporation Only

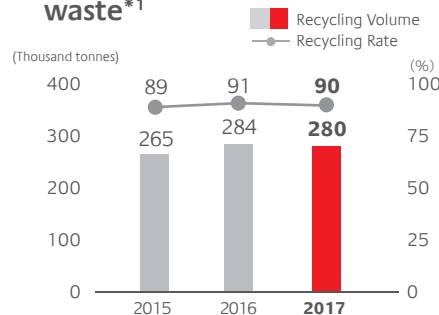
\*4 Category 8, 13 and 15 are excluded of the 15 categories in SCOPE 3 of the GHG protocol

\*5 Sites targeted by Bridgestone for ISO 9001 certification

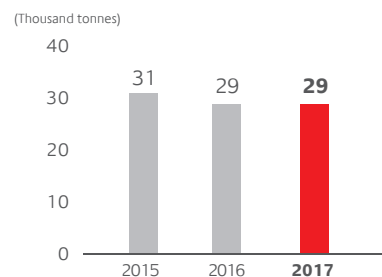
> Volume of generated waste\*<sup>1</sup>



> Volume and ratio of recycled waste\*<sup>1</sup>



> Volume of waste sent to landfill\*<sup>1</sup>



# Our Way to Serve



**The Bridgestone Group continues to work toward a sustainable society as it aspires to become a truly global company.**

The Bridgestone Group launched its new global corporate social responsibility (CSR) commitment “Our Way to Serve” in March 2017. It is part of our comprehensive management reform agenda initiated in 2012 and is key to delivering on our Mission of “Serving Society with Superior Quality.” We have made steady progress over the past year to ensure that “Our Way to Serve” becomes embedded within the culture of our Group. Going forward, we will continue to work toward that goal by identifying and implementing new business models, such as becoming a solutions provider. This will create common value for our customers and society. Taken together, these actions will contribute to a sustainable society, a goal we can all embrace.

Member of the Board  
CEO and Representative Executive Officer.  
Concurrently Chairman of the Board  
**Masaaki Tsuya**

A handwritten signature in black ink, appearing to read 'M. Tsuya', written in a cursive style.

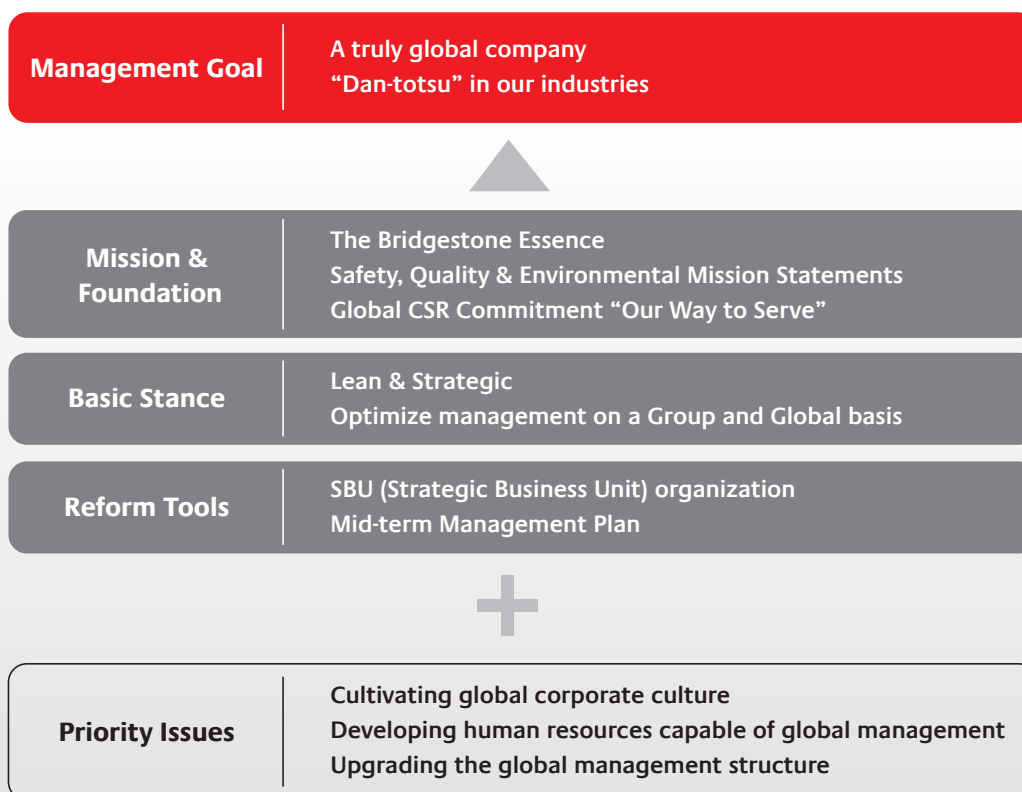


# Sound Structure for Continuing Management Reform

## Establishing a Sound Structure to Take Our Reforms to the Next Level

While the global economy showed moderate recovery in 2017, it continued to be subject to external forces that limited its improvement, including continued uncertainty in the political and economic climate and a succession of natural disasters in different parts of the world that caused damage on an unprecedented scale. Combined with revolutionary and evolutionary changes in the mobility sector, 2017 was a challenging year for us. We must prepare for the potential of many more turbulent years, as the Bridgestone Group—and in fact all businesses—will continue to face accelerating changes in the global economy and in our industries. Given these circumstances, it is imperative that we continue with our management reform agenda. And the Group believes its road to success—and the achievement of its goals to become a truly global company and Dan-totsu in all aspects of its business—continues to be based on commitment to its Mission and Foundation Framework, which has at its heart the Company philosophy of “Serving Society with Superior Quality” and dedication to the foundations contained within the Bridgestone Essence.

### Reform Framework



Our accomplishments in 2017 include the continuing enhancement of our corporate governance, which reinforces our management structure, and the launch of our new global CSR commitment “Our Way to Serve.” This commitment builds upon our earlier CSR work and is a key component of the Bridgestone Essence Framework, which is central to our goal of taking management reforms to the next level. The Group also heightened its business execution through the reinforcement of its global management structure, which has stimulated open and constructive discussions, resulting in more effective decision-making. These efforts have resulted in steady progress, strengthening the efficiency and effectiveness of both the management and business execution of the Bridgestone Group.

## Management Reforms: Three Priority Issues

By focusing on the three priority issues, the Bridgestone Group has made substantial progress in advancing its management reforms:

The Bridgestone Group is focused on the continuous improvement of its distinctive CSR and Quality Management (Safety/Disaster Prevention, Environment and Quality) activities. This year marks a significant 50-year milestone in the Group’s journey toward cultivating a healthy corporate culture. Fifty years ago, Bridgestone established its company motto, “Serving Society with Superior Quality,” which is now also its Mission within the Bridgestone Essence. Also, in 1968, the Company was awarded the prestigious Deming Prize in the field of Total Quality Management and embarked on a journey to modernize its management processes, systems and governance. Along this 50-year journey, it has institutionalized and operationalized a number of elements that form the basis of its corporate DNA, leading it to where it is today.

It also recognizes that its DNA will evolve and strengthen in response to the environment, the marketplace, competition, technology and the political systems within which it operates in the next half century and beyond. A clear example of this evolution is the development of the refined Mission and Foundation Framework including “Our Way to Serve,” which will help define what “Quality Management” needs to be in the future.

# Implementation of a Revitalized Global CSR Commitment: “Our Way to Serve”

---

The Bridgestone Group is committed to enhancing its business domains and delivering value to its stakeholders, all while fulfilling its Mission of “Serving Society with Superior Quality.” In light of those goals, we formulated “Our Way to Serve” to establish the structure and articulate the ideals to achieve these ambitions in the coming years.

## VISION

**Understanding that Serving Society with Superior Quality is our heritage and our mission, and embracing our responsibility to future generations as a global leader in our industries, Bridgestone and its teammates around the world employ innovation and technology to improve the way people move, live, work and play.**

Over the past year since its launch, we have taken every opportunity to educate our employees—all around the world—about “Our Way to Serve,” the reason for its creation, what it aims to achieve and the need for each individual’s commitment to this initiative. We firmly believe that to deliver on the responsibility to society, every employee, no matter their role or where they work, must embrace our CSR philosophy contained within “Our Way to Serve” and support the principles and values contained within this commitment.

To ensure its comprehensive implementation, we have also built a collaborative network under the authority of the Global Executive Committee (Global EXCO), the highest body of business execution within the Group. These committees include the Global CSR Enhancement Committee (GCEC), the governing and oversight body for “Our Way to Serve,” as well as the Global Quality Management Committee (QPMC), which is charged with governance and oversight for the company’s Quality Management commitment\*. This network will facilitate coordination among area- and function-specific Working Groups and regional Strategic Business Unit (SBU)/CSR management in order to ensure consistency and coordination of effort.

\* see Page 17

# Addressing Social Issues and Fulfilling the Expectations of Society

---

## Sustainable Society and the Bridgestone Group

Sustainable corporate growth is not possible without a sustainable society. Relatively recently, governments around the world have begun to identify and implement programs intended to address the issues facing the creation of a sustainable society. For example, in 2015 the United Nations (UN) adopted the Sustainable Development Goals (SDGs) and the COP 21 Paris Agreement, which became effective in 2016. It calls for a substantial cut in CO<sub>2</sub> emissions in order to limit the increase in global temperatures to less than 2 degrees Celsius in this century.

Taking into account these and other programs and initiatives and utilizing the framework provided by “Our Way to Serve,” the Bridgestone Group must demonstrate its social responsibility by recognizing the economic, social and environmental impact of its global value chain and take appropriate measures to mitigate impacts that negatively affect the establishment of a sustainable society. It must also work to create common value for customers and society by tapping into its strengths and expertise.

## Corporate Responsibility to Address Environmental and Social Issues

Now incorporated as a key component of the Mission & Foundation Framework, the Environmental Mission Statement of the Bridgestone Group, refined in 2011, is focused on three objectives: being in harmony with nature, valuing natural resources and reducing CO<sub>2</sub> emissions. The Group took a further step in 2012 and formulated its long-term Environmental Vision. This vision looks ahead to the year 2050 and is based on the concept of “decoupling\*,” which is advocated by the United Nations Environmental Programme (UNEP). As a company in the automotive industry, the Group pays close attention to the impact of CO<sub>2</sub> emissions and has been implementing Group-wide activities focused on reducing not only the emissions produced through customers’ use of its products but also emissions generated during its tire production operations. In 2010, to support its long-term Environmental Vision, the Group adopted the mid-term goal of reducing emissions generated by the customer’s use of a tire enough to outweigh emissions generated by raw material procurement, manufacturing and the tire’s after-use by 2020. It is steadily progressing toward this ambitious mid-term 2020 goal. Moving forward, it will continue to take additional steps to reduce CO<sub>2</sub> emissions generated by the use of its products in combination with reducing CO<sub>2</sub> emissions from its operations to achieve both its 2020 mid- and 2050 long-term goals.

\* decoupling population increase and economic development from environmental footprint(see Page 29)

In addition to its focus on environmental issues, the Bridgestone Group takes a holistic view of sustainability and places importance on addressing social problems and concerns, such as human rights, safety and responsible labor practices, along the value chain. As a Co-Chair company and member of the Tire Industry Project (TIP), operating under the umbrella of the World Business Council for Sustainable Development (WBCSD), in November 2017 Bridgestone participated in the announcement of a new tire industry initiative that will focus on bringing sustainable natural rubber closer to reality. The Bridgestone Group also announced a new Global Sustainable Procurement Policy in February 2018, reflecting its commitment to procurement practices that drive actions to realize long-term environmental, social and economic benefits. The Policy recognizes that as the world's largest tire and rubber company, Bridgestone has a responsibility to be a leader in sustainability, and that in order to fully deliver on this responsibility, Bridgestone needs and expects its suppliers and partners to work with the Company in pursuit of sustainable supply chains. This requires never-ending efforts and collaborations with all industry players; Bridgestone is fully committed to these efforts.

## **To Become a Solutions Provider**

The Bridgestone Group has always used innovation to develop a wide range of products and services. It remains committed to utilizing these competencies in connection with the development and implementation of business solutions that can address social issues while fulfilling customer expectations. The result will be high quality, innovative benefits for its customers, a positive impact on society and recognition from its customers and end users that Bridgestone is a trusted solutions provider. “Our Way to Serve” will help the Bridgestone Group achieve its aspirational goals to benefit society and fulfill its responsibility in all its business domains.

As it works to become a “truly global company,” it will continue to focus on securing sustainable growth, earnings and competitiveness. At the same time, the Group will proactively address social issues, identify ways to fulfill society's expectations and contribute to the realization of a sustainable environment and society. Through active dialogue with a wide range of stakeholders, it aims to create common value for its customers, end users, employees and society.

# Our Way

## VISION

“Understanding that Serving Society with Superior Quality is our heritage and our mission, and embracing our responsibility to future generations as a global leader in our industries, Bridgestone and its teammates around the world employ innovation and technology to improve the way people move, live, work and play.”

### Our Heritage and Mission

**Serving Society  
with Superior Quality**

### Our Strengths and Competencies

Thousands of Teammates  
**Worldwide**

**Global Network**

Industry **Leadership**

Innovation  
Solutions  
Technology

Aspir  
Enga  
World

### Based on **Managem**

Compliance,  
Fair Competition

Business  
Continuity (BCP),  
Risk Management

Human Rights,  
Labor Practices

## Background



With growing awareness about the environment and sustainability, increasing global population, climate change and SDGs, social expectations regarding the roles that individual corporations play in ensuring the future health of the world have been increasing.

Through “Our Way to Serve,” Bridgestone aims to meet these expectations, and as an industry leader, fulfill its responsibilities for the future.

# to Serve

Strategic Vision  
 Management  
 Challenges & Social Issues

### Improving the Way People Move, Live, Work and Play

- 
**Enhancing Mobility**  
 Smarter, safer, more accessible
- 
**Supporting People and Communities**  
 Be supportive, approachable, comfortable
- 
**Advancing Environmental Stewardship**  
 Be responsible

## Management Fundamentals

- Safety, Industrial Hygiene
- Procurement
- Quality and Customer Value

## To Continue “Serving Society with Superior Quality”

“Our Way to Serve” is closely linked to the mission of the Bridgestone Essence of “Serving Society with Superior Quality.” It refines and builds upon the Group’s 10 years of success and learning from its 22 CSR Focus Points. Through “Our Way to Serve” we leverage our strengths and competencies—thousands of teammates worldwide, a global network, industry leadership and a history of innovation—to improve the way people move, live, work and play. “Our” refers to the individual leaders and employees at all levels of Bridgestone’s worldwide organization, while “Serve” means all team members incorporating the Priority Areas and Management Fundamentals into their consciousness and plans as they work, fulfill their roles and go about their everyday duties. “Our Way to Serve” is the core of the Bridgestone Group’s business and the guiding principle for everything it does.

### Development Process



- #### Main International Guidelines and Initiatives Referenced
- Outside opinion (WBCSD, etc.)
  - ISO26000
  - OECD Guidelines for Multinational Enterprises
  - SDGs
  - WBCSD Vision 2050
  - Guidelines and research reports from international agencies (UN, etc.)

“Our Way to Serve” was developed by referencing outside opinions, international guidelines and initiatives, and employee surveys matching these to stakeholder needs, social problems and the issues facing the Bridgestone Group.

\* Global Executive Committee

## The Importance of the UN SDGs for Bridgestone

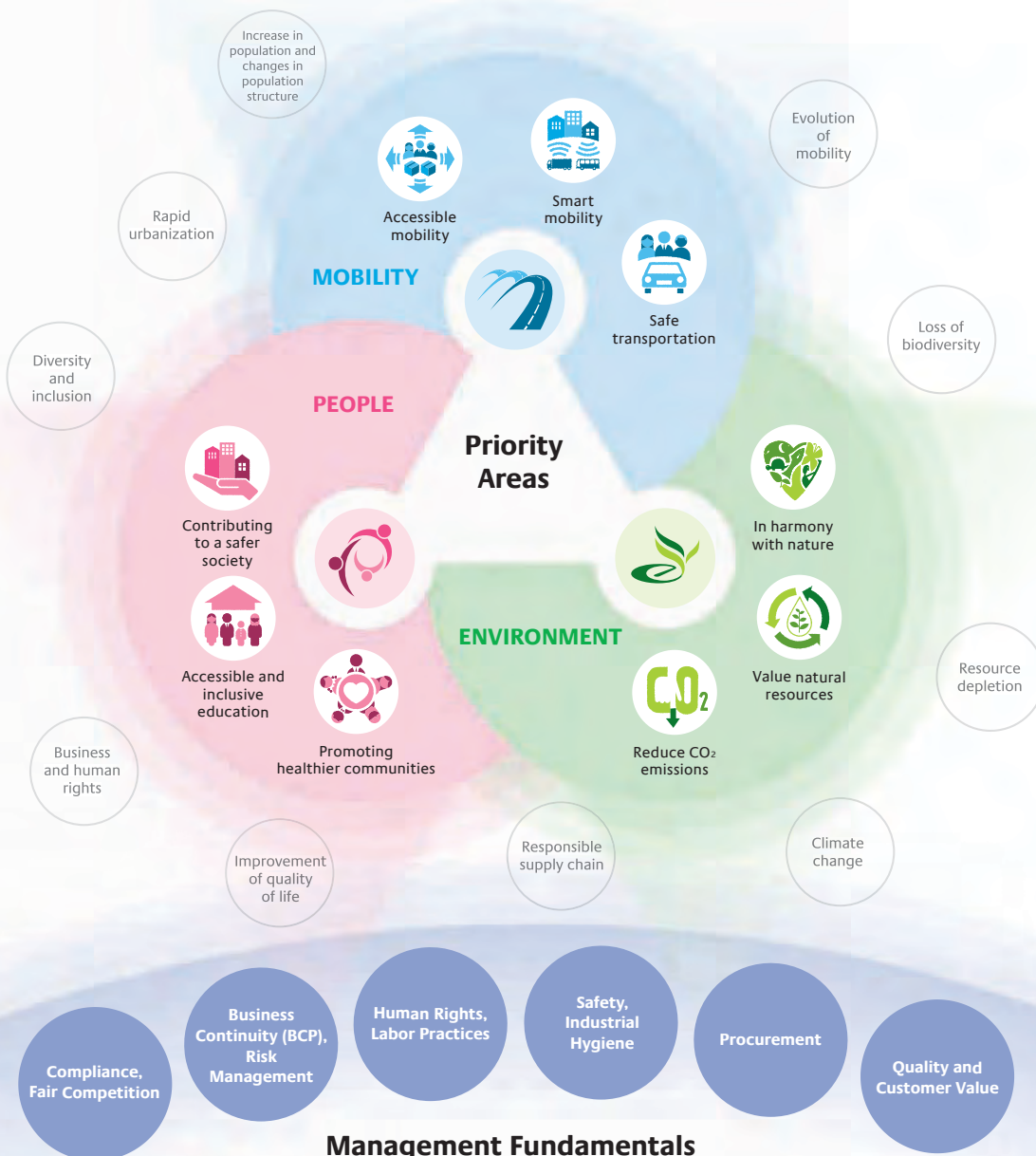
The SDGs adopted at the UN Sustainable Development Summit in 2015 are a set of 17 global goals with 169 specific targets to realize a sustainable world. The Bridgestone Group is working to help achieve these goals as part of its responsibility as a global corporation.

The Bridgestone Group compared its business operations as well as its policies and measures for sustainability in order to identify areas where it can leverage its strengths and capabilities to help resolve problems. And the Group is actively pursuing measures for solutions.



□ The areas in which we can contribute

## Priority Areas and Management Fundamentals of “Our Way to Serve”





# Relationship Between “Our Way to Serve” and the Management Reform Priority Issues for

## Priority Areas

Areas in which the Bridgestone Group can utilize its strengths and competencies to generate common value (value for both customers and society) through innovation and cutting-edge technology

## Management Fundamentals

Areas for measures essential as a responsible corporation, such as compliance with ISO26000, and adherence to basic rules and social norms

Areas of particular contribution / impact from the beneficiary's perspective

Priority issues related to business models, and the source of value creation and competitive advantage

### Global CSR Commitment Our Way to Serve

		Global CSR Commitment <u>Our Way to Serve</u>			
		Priority Areas			Management Fundamentals
		MOBILITY	PEOPLE	ENVIRONMENT	<ul style="list-style-type: none"> <li>● Compliance, Fair Competition</li> <li>● Business Continuity (BCP), Risk Management</li> <li>● Human Rights, Labor Practices</li> <li>● Safety, Industrial Hygiene</li> <li>● Procurement</li> <li>● Quality and Customer Value</li> </ul>
		<ul style="list-style-type: none"> <li>● Rapid urbanization</li> <li>● Increase in population and changes in population structure</li> <li>● Evolution of mobility</li> </ul>	<ul style="list-style-type: none"> <li>● Diversity and inclusion</li> <li>● Business and human rights</li> <li>● Improvement of quality of life</li> </ul>	<ul style="list-style-type: none"> <li>● Loss of biodiversity</li> <li>● Resource depletion</li> <li>● Climate change</li> <li>● Responsible supply chain</li> </ul>	
<b>Priority Issues for Management Reform</b> <sup>*2</sup>	<b>Cultivating global corporate culture</b> <ul style="list-style-type: none"> <li>● Advance brand strategy</li> <li>● Innovation (technology, business model, and design)</li> <li>● Continuous Kaizen</li> </ul>	<ul style="list-style-type: none"> <li>● Globally coordinated brand strategies</li> <li>● Olympic and Paralympic Partner</li> </ul>			
		<ul style="list-style-type: none"> <li>● Establish an R&amp;D structure</li> <li>● Open innovation (industry-government-university cooperation), technological innovation</li> <li>● Shift from products to solutions</li> </ul>			
		<ul style="list-style-type: none"> <li>● Continual improvement in all aspects of management</li> <li>● Efforts to realize a sustainable society</li> </ul>			
	<b>Developing human resources capable of global management</b>	<ul style="list-style-type: none"> <li>● Facilitation of programs designed to cultivate global leaders</li> <li>● Utilization of Global EXCO<sup>*1</sup></li> </ul>			
	<b>Upgrading the global management structure</b> <ul style="list-style-type: none"> <li>● Governance: enhancement of governance systems</li> <li>● DP business: expansion of the Diversified Products businesses</li> </ul>	<ul style="list-style-type: none"> <li>● Pursue global management issues utilizing Global EXCO<sup>*1</sup> and committees</li> <li>● Reform and development of diversified diversified</li> </ul>			

\*1 Global Executive Committee    \*2 see Page 7

# Enhancing “Our Way to Serve”

## ■ Interview with Global CSR Enhancement Committee Chairperson



**We are making  
“Our Way to Serve”  
an integral part of the  
Bridgestone culture.**

### Christine Karbowski

Vice President and Senior Officer of  
Bridgestone Corporation

Deputy Chair, Chief Administrative Officer, Chief Risk Officer  
and Executive Vice President of  
Bridgestone Americas, Inc.

## ■ Key person Interview



### Yuichi Nakada

Vice President and Officer  
Japan Tire SBU Business Planning,  
Japan Tire SBU Quality Management and Chief Quality Officer,  
Japan Tire Concurrently COO, Japan Tire SBU Bridgestone Corporation

“Our Way to Serve” is deeply ingrained at Japan Tire as a guideline for longer-term business planning and improvement activities. Japan Tire is helping to solve customer problems and social issues throughout the value chain to prepare for the coming mobility society and the dramatic changes in industry and social values.



### James DeMouy

Vice President of  
Environmental, Health  
Safety and Sustainability  
Bridgestone Americas, Inc.

We are aligning our global environmental priorities to be consistent with the global business activities of Bridgestone and to achieve our longer term “Our Way to Serve” objectives. Our immediate challenge is supporting the roll-out and implementation of the Global Sustainable Procurement Policy (see Page 52-53).



### Martha White

Vice President,  
Human Resources and CSR,  
Bridgestone EMEA

We are a very broad and diversified region. Thanks to “Our Way to Serve” which serves as a clear guideline, our extended CSR network of colleagues and committees are now aligning their projects related to our People priority area. They are focusing on impactful projects that address health, safety and education issues in our communities. Today, we are also working on ensuring we link our activities with the goals and KPI’s defined by the UNSDG’s.



### Paul Choo

Vice President,  
Human Resources & CSR  
Bridgestone Asia Pacific Pte. Ltd.

As a part of the Bridgestone’s global CSR & Sustainability team, I am privileged to contribute to the continuous improvement of our distinctive CSR and Quality Management (Safety/Disaster Prevention, Environment, and Quality) activities. In our home base of Asia, the End-of-Life Tyres (ELT) challenge is a pressing issue, and we need to find solutions that offer a positive impact for the environment and local communities.

— **What is your role as GCEC chairperson?**

My role is to help facilitate the efforts of the Working Groups (WGs), to give them guidance from a global enterprise perspective of the Company's strategy and then to allow them to find ways to influence the strategy from the perspective of CSR. I provide encouragement, high level direction and support to the members of the WGs.

Often I step back and ask, "Are the WGs in fact delivering on their missions?". From my vantage point, I am able to observe cross-cutting themes and challenges, provide support, and help teams ensure they're performing consistently within their approved missions.

— **How do you see CSR for Bridgestone after launching "Our Way to Serve"?**

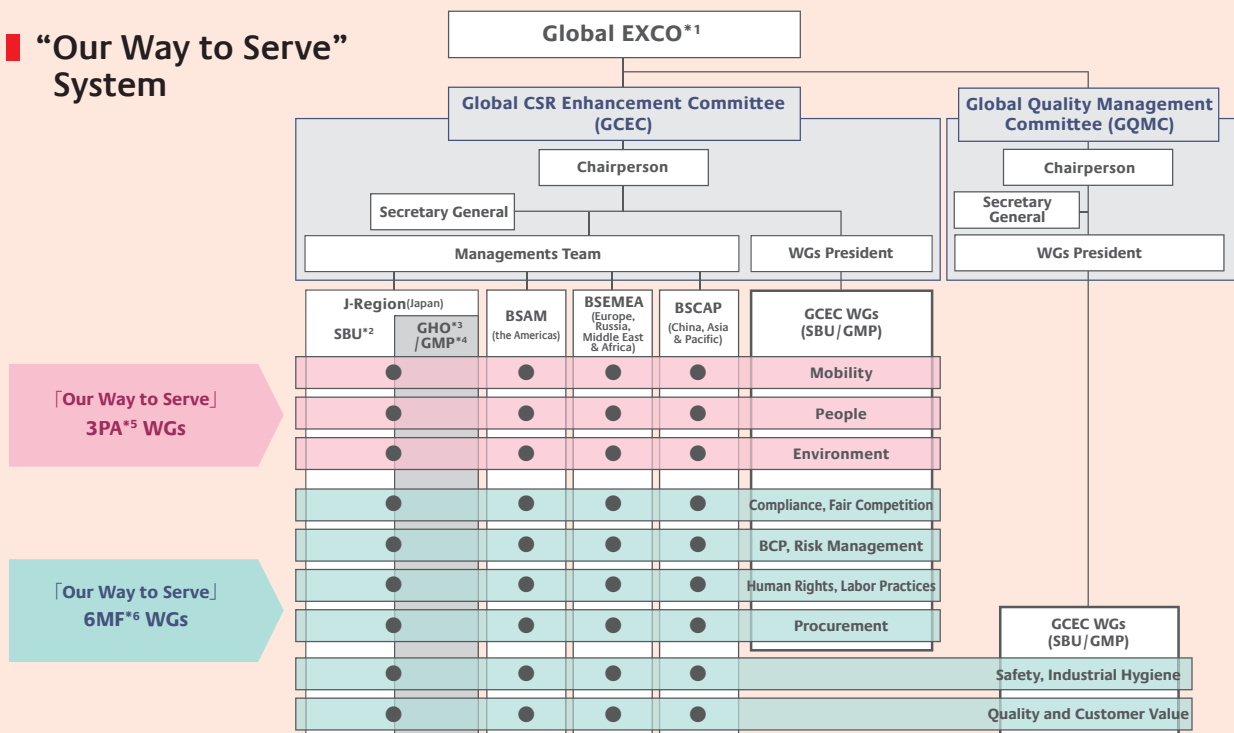
There is a good deal of excitement and energy around "Our Way to Serve" as a simplified and enhanced CSR

initiative With "Our Way to Serve," we are able to clearly define the areas where we as a company can contribute and really make a difference, which I see as one of this new initiative's primary benefits

— **What is the next challenge?**

To continue to build on "Our Way to Serve" in a way that incorporates evolving social needs. We need to make sure that as society evolves our CSR focus evolves so we can better address the enhancing needs. We also must ensure that we don't lose momentum. Right now, there is energy around "Our Way to Serve," so we need to maintain that energy and focus so we can build on it. Those to me are the primary two challenges. Although we had a successful launch in 2017, but that is just the beginning and the first baby step of a long journey. We must truly integrate "Our Way to Serve" into Bridgestone's culture and into everything that we do.

■ **"Our Way to Serve" System**



\*1 Establishment of the Global Executive Committee \*2 Strategic Business Unit \*3 Global Head Office \*4 Global Management Platform  
 \*5 Priority Areas \*6 Management Fundamentals

# Priority Areas



## Mobility

### To accelerate sustainable mobility innovations through advanced technologies and solutions

Mobility is just as important to human progress as it is to everyday life. The ability to safely, efficiently and affordably travel between two points helps drive the economy forward while enhancing the way we live, work and play.

Through high-performance mobility, we can improve quality of life in our cities with better public transportation, reduced congestion and increased accessibility while at the same time reducing chances of transportation-related accidents. By using resources more efficiently, we can help deliver a safer and smarter transportation experience while we improve social and environmental outcomes across the globe.



## People

### Employ our strengths to support our communities and enhance the way people live, learn and work

As a global leader, seeking to build a truly global company, Bridgestone touches a diverse array of communities across the world. By enhancing how people live, learn and work, the company strives to have a positive impact on the communities in which it operates at the global and local levels.

Acting on these commitments and working with our various partners, we will help build safer, healthier communities and make education more accessible and inclusive. We will build on our strengths and competencies to serve communities today and in future generations.



## Environment

### To help ensure a healthy environment for current and future generations...

As a global leader, seeking to build a truly global company, Bridgestone's business presence spans multiple countries, with hundreds of production, development and corporate locations employing thousands of teammates worldwide.

With the social and environmental impacts of climate change, resource scarcity, and nature's degradation becoming more clear, our communities and customers are demanding we act to address these challenges in our everyday operations.

This will contribute to building a sustainable society by balancing operations with environment, being in harmony with nature, and improving the quality of life for all.



### Accessible mobility

Making smooth and seamless mobility available.



### Smart mobility

Utilizing unique technologies to improve the way people /goods move.



### Safe transportation

Utilizing unique technologies to enhance safe mobility.

➤ **Case 1** ..... p.20

**Utilizing Digital Tools to Create Common Value With Customers and Society**

➤ **Case 2** ..... p.22

**Contributing to Next-Generation Public Transportation**



### Contributing to a safer society

Building safer communities through services, products, and company and individual initiatives.



### Accessible and inclusive education

Expanding education and training opportunities in order to develop job and life skills.



### Promoting healthier communities

Promoting access to the resources people need to lead healthier lives.

➤ **Case 3** ..... p.24

**Supporting Education in Our Communities**

➤ **Case 4** ..... p.26

**Realizing Societies Where Everyone is Able to Live Life to the Fullest**



### In harmony with nature

To contribute to biodiversity through habitat enhancement, and through environmental education and research.



### Value natural resources

To continually improve natural resource conservation through operational improvements and product design.



### Reduce CO<sub>2</sub> emissions

To continually reduce emissions of Greenhouse Gases, including CO<sub>2</sub>, from our products' complete lifecycle.

➤ **Looking Ahead to the World in 2050** ..... p.28

- In harmony with nature
- Value natural resources
- Reduce CO<sub>2</sub> emissions

# Utilizing Digital Tools to Create Common Value With Customers and Society



Smart mobility



Value natural resources

## Global Development of Digital Solutions

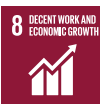


### Social Issues

Social issues linked to mobility include traffic accidents, traffic congestion and regional disparities caused by insufficient access to transportation among others.

These issues continue to deepen amid concerns over difficulties in coping with conventional mobility given the projected progression of the aging of society and population growth. In the transportation and mining industries, there are issues surrounding cost and work efficiencies associated with the inspection, management and maintenance of tires.

Contribution to Sustainable Development Goals



8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors



11.2

By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons



### The Bridgestone Approach

The Bridgestone Group contributes to safe customer operations and the minimization of costs related to tires through solution businesses that proactively utilize Information and Communication Technology (ICT) and other state-of-the-art technologies.

In addition, the Group will support customers and next-generation mobility by combining big data acquired and accumulated through the use of digital tools and its unique technologies to optimize the quality and effectiveness of its products.

### Fleet solutions

### Mining solutions



**TREADSTAT™**  
TIRE AND RIM MANAGEMENT SOLUTION

**B-TAG**

### Improving the efficiency and productivity of tires for construction and mining vehicles



Tire and wheel management software for construction and mining vehicles. Contributes to increased efficiencies related to tire maintenance, higher safety and lower costs through links to Bridgestone B-TAG (Monitoring tool of tire air pressure and temperature).

## We will move forward focused on new value possibilities led by digitization

Bridgestone is focusing efforts on solutions businesses using digitization. Moreover, the most important consideration is the pursuit of added value that only a tire manufacturer can deliver. Advances in hardware technologies are also important, yet we are also exploring the use of data to meet customer needs and contribute to the resolution of social issues. As digitization expands throughout the industry, we believe it is important to be able to continue to be Dan-Totsu.

It is important to be unconstrained by conventional systems and continuously strive to address various needs and social issues. By constantly moving forward, we will strive to create new value.



**Yukio Saegusa**

Executive Officer and CDO  
In charge of the  
Digital Solutions Center  
Bridgestone Corporation

### Digital platform managing information related to customer and tires

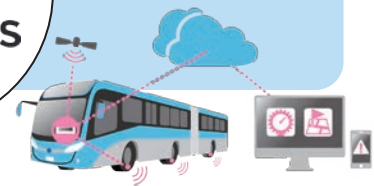
Using tablets and other terminals to access and manage basic information related to customer tire usage conditions and maintenance status on worksites, it is possible to visualize customer and tire-related information.



Digital tools creating new value

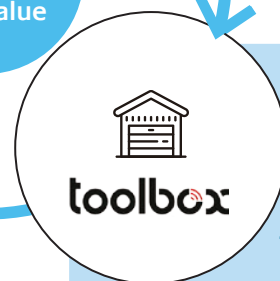
### Remote monitoring of tire conditions in real time

The Group will contribute to safe operation and more efficient tire maintenance using sensors to measure truck and bus tire air pressure and temperatures as well as real-time remote monitoring through a network.



### Visualization and rationalization of the retread process

A management tool for visualizing and rationalizing the retread process by ascertaining and analyzing retread process information in real time. The Group will contribute to increased productivity and product quality by managing retread construction, quality, inventory and other information.



### The Group will analyze information after operation to propose optimal tire usage

By checking and analyzing customer maintenance and tire conditions with proprietary monitoring technologies, the Group can recommend the most appropriate tires and usage methods to customers with a higher degree of precision.



## Creating new value through solutions using digital tools

The Group not only creates customer value by resolving problems faced by customers, such as minimizing costs related to safe operation and tires, it also creates social value by reducing environmental impacts through the use of retread tires. Through solutions using digital tools, it is engaged in the evolution of mobility supporting safer and more comfortable movement.



Accessible mobility

# Contributing to Next-Generation Public Transportation

## Development of Tires and Curbs which Contribute to Barrier-Free Bus Transport



### Social Issues

The importance of public transportation will continue to increase, especially amid urbanization, aging societies, and the growing seriousness of environmental issues. For bus transportation modes such as fixed-route buses and Bus Rapid Transit (BRT)\*<sup>1</sup>, barrier-free boarding and departure is an issue.

There is a demand for proper contact with the curb to minimize gaps between bus stops and buses as far as possible so that the elderly, those in wheelchairs, riders with baby strollers and all other passengers are able to get on and off the bus smoothly with peace of mind. At the same time, public transportation must also run on time and operate economically.

\*<sup>1</sup> BRT is an express bus rapid transit system that utilizes articulated buses and special traffic lanes to provide regular and rapid service. This eco-friendly, next-generation urban transport system has been adopted mainly in emerging countries in recent years and is spreading into developed countries as well.

Contribution to Sustainable Development Goals



9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all



11.2

By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons



## The Bridgestone Approach

The Bridgestone Group is engaged in research and development activities aimed at improving a bus's proximity to the curb to minimize as far as possible the gaps between bus stops and buses. This is achieved by having the tires come in contact with the curb when passengers are getting on and off the bus. The Group developed special barrier-free concept tires and next-generation curbstones to smoothly and stably bring buses to the curb. It is promoting studies aimed at realizing barrier-free riding for customers with a goal of commercializing this system by 2020.



**Dr. Fumihiko Nakamura**

Transportation and Urban Engineering Research Group  
Yokohama National University

## How will transportation systems support cities of the future? It is a very meaningful endeavor to provide answers to the question.

Improving how fixed-route buses come in contact with the curb at bus stops does not simply improve the way people who use wheelchairs get on and off the bus; it is a technology that provides all bus riders with an easier way to get on and off the bus. Being able to get on and off the bus smoothly will shorten the time buses stop at bus stops and contribute to increasing the speed at which buses travel, resulting in a shorter overall time required for bus trips. For buses to smoothly arrive at and depart from bus stops, we must measure the effects of combining ingenious curbstone designs, tire designs and road surfaces. With members of the Bridgestone research team who possess a solid track record of research related to bus tire construction and those of us in the research group studying urban transportation planning, the ability to tackle this subject is a very meaningful endeavor that will provide answers to questions about how transportation systems will support cities of the future. I would like to express my deep gratitude to everyone involved at Bridgestone for giving us this opportunity.

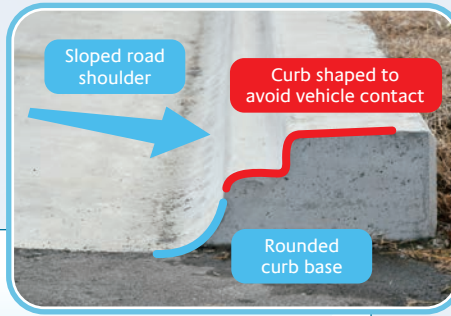




Safe transportation

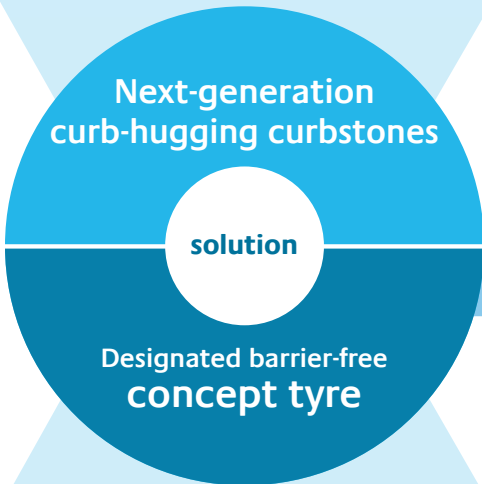


Contributing to a safer society



Step level difference of **33mm**

A road shoulder sloped at the appropriate angle enables smooth and stable contact, while a rounded curbstone base realizes reduced tire abrasion. The curb is shaped so that there is no contact with the vehicle, while the difference in step levels has been lowered from the conventional 58 mm to 25 mm. This further contributes to reducing burdens on passengers with wheelchairs and baby strollers when getting on and off the bus.



**Contributing to the creation of a barrier-free society**

The combination of these new curbstones and concept tires is expected to substantially improve how buses come in contact with the curb. This will not only make getting on and off the bus easier for all passengers, but will also reduce the burden on drivers and contribute to operating buses on time.

As a countermeasure against abrasions on the side of the tire that has repeated contact with the curbstone, the Group devised a technique to change rubber on side only through the application of its retread technology. The new concept tire combines wear-resistance performance (so it does not scrape easily) and low-friction performance (to make the tire slippery) to greatly reduce the amount of abrasion when the tires come in contact with the curbstone, giving it a smooth and stable contact. This also contributes to conserving resources as only one part of the tire needs to be replaced when worn. Getting on and off the bus will become easier for people who have difficulty taking public transportation as well as for the average user, making it an even more convenient way to move people and goods.

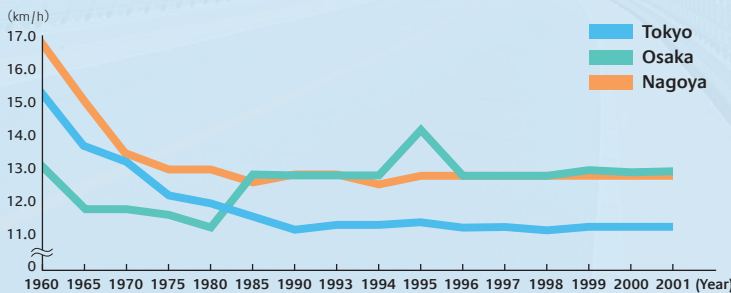


Uses rubber that is difficult to damage

Scheduled speeds of metropolitan buses

Related Data

Bus Scheduled Speed\*2



The average speed of travel by buses on public roads in the 23 ward area of Tokyo is 16.4 km. (1999 Road Traffic Census, Ministry of Land, Infrastructure and Transport)

One method of shortening the length of time a bus is stopped at the bus stop is to increase the scheduled speed of the bus.

Bridgestone initiatives contribute to increasing bus scheduled speeds by reducing the length of time a bus is stopped at the bus stop by shortening the time required for people to get on and off the bus.

\*2 Bus scheduled speed: The actual speed of the bus, upon which bus timetables are based.

# Supporting Education in Our Communities



Accessible and inclusive education

## Supporting Improved Skills and Knowledge by Providing Education and Training Opportunities

Trained people since 2003 **more than 8,000 people**

Education and Training Facility for Employees and Local Stakeholders

### Bridgestone Corporate University Training Center (Argentina)



Established in 2003, Bridgestone Corporate University (BCU) provides education and training opportunities to employees, suppliers, local citizens and other stakeholders. Center was opened in 2015 to foster training and education. Since opening, 508 people have graduated from BCU and more than 8,000 stakeholders have received training.



The Bridgestone Group conducts business 140,000 people and interacts with diverse the world.

These local communities face a variety income disparity and poverty. Education is of life for local communities and employees,



### The Bridgestone Approach

Impacted village residents in India

**4,500 people**

Providing school facilities to children with limited educational opportunities

### Educational support program (India)

In India, many people living in rural areas are deprived of basic educational infrastructure due to economic reasons. Bridgestone provided school facilities and educational materials to children with limited educational opportunities living near the Chakan plant at our affiliate company in India, Bridgestone India Private Limited (BSID). By supporting educational opportunities for children, we help foster educational opportunities that can break the chain of poverty.



Improving local community lifestyles in regions where we conduct business

Contribution to Sustainable Development Goals



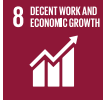
**1.1**

By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day



**4.4**

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship



**8.6**

By 2020, substantially reduce the proportion of youth not in employment, education or training

➤ Number of young people trained **60** students

Contributing to talented human resource development and reducing unemployment rates in local communities

### Builders' Academy (France)

We operate the Builders' Academy educational training program for unemployed people at a production plant in the city of Béthune located in northern France.

Local plant employees become coaches, teaching students manufacturing techniques. Students who complete the program are awarded a certificate from the French government. Through these activities, we engage in the development of human resources with specialized knowledge and skills while securing human resources for the Company. We also partner with government agencies and local NGOs to contribute to lowering unemployment rates, which is becoming a serious social issue.



➤ Number of activities conducted up to date **24** times

Great East Japan Earthquake recovery support efforts

### Wings for Children's Dream (Japan)

This project began in 2011, led mainly by the Ochanomizu Academic Association NPO with the aim of providing long-term support to children who lost their parents or guardians in the Great East Japan Earthquake. Volunteers, mostly students, meet regularly with children who lost their parents or guardians, spending quality time together and building important relationships in these children's lives. In addition to financing, Bridgestone offers its recreational facilities as a place for project activities (summer and winter camps).



## Issues

in more than 150 countries, employs over cultures and local communities throughout

of issues unique to their region, including an important theme in improving the quality leading to the resolution of these issues.

The Bridgestone Group promotes activities utilizing its subject matter expertise and know-how to expand education and training opportunities for people in regions where we conduct business. Through electrical engineering, mechanical engineering, and other education and training opportunities, we support next-generation learning in local communities while securing talented human resources for the Company.

The provision of learning leads to improving the workstyles and lifestyles of Bridgestone Group employees, as well as the people living in regions where our businesses are located. These activities are expected to contribute not only to the creation of a better society, but also the acquisition and development of talented local human resources.

# Realizing Societies Where Everyone is Able to Live Life to the Fullest



Promoting healthier communities



Accessible mobility

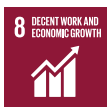
## Developing Technologies and Products That Support Lifelong Vitality

Contribution to Sustainable Development Goals



### Goal 3

Ensure healthy lives and promote well-being for all at all ages



### 8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value



### 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status



### Social Issues

Around the world there are many people who are forced to significantly restrict their physical activities due to disabilities as well as deteriorated physical function caused by aging. In some situations, activity restrictions can cause movement itself to be difficult. The Group recognizes that ensuring people are not isolated from society and able to live an active life are important goals.



Through activities including the research and development of sports prosthesis rubber soles that facilitate safe running on a variety of road surfaces and rubber gloves for wheelchair competitions that efficiently drive the wheels of the wheelchair, Bridgestone also enables people with disabilities to actively participate as athletes. The Bridgestone Group also supports para-athletes by providing them with employment opportunities.

## Supporting Para-Athletes



**Yukako Hata**  
Para-triathlete

### Voice

**I was impressed by the feel of the grip and amazed to be able to race with peace of mind.**

I am very thankful for the support from Bridgestone's rubber and bicycle-related professional perspective. After receiving the best support possible in the race, they made adjustments and listened to my requests—this was very helpful. At the Tokyo 2020 Para-Olympics, I want to achieve favorable results with Team Bridgestone.

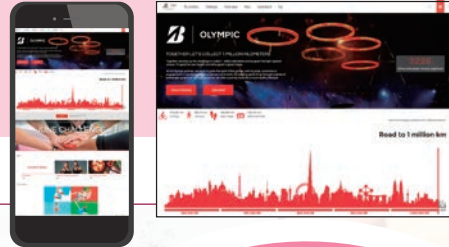
## Employee Health Enhancement and Social Contribution Activities

In January 2018, a program was launched at Bridgestone Europe, Middle East and Africa (BSEMEA) as means of promoting employee health and social contribution activities by linking the distance employees walked to donations to activities supporting the prevention of cancer. In 2018, this program will be customized and conducted in Bridgestone China & Asia Pacific (BSCAP) and Bridgestone Group in Japan supporting donations in local communities based on regional needs.

### Program Participation Using Smartphones

Calculates the total number of kilometers traveled (walking, running, climbing stairs, etc.) by each employee

→ Total number of kilometers is linked to BSEMEA donation activities.



## The Bridgestone Approach

The Bridgestone Group promotes research enabling anyone to engage in their daily life and sports without impediment. We do this by leveraging technology and knowledge we've gathered related to tires, automobiles and sporting goods as well as by pertaining to sports-related business. For example, we are engaged in the development of various sporting goods supporting para-athletes, including rubber artificial muscles, activities leading to support for the expansion of swimming schools, employee health and cancer prevention activities

## Realizing an "Active and Healthy Lifestyle" for everyone

These initiatives contribute to enabling everyone to live a full and active life. This is linked to improved health throughout all of society and is expected to lead to the invigoration of local communities.

## Supporting Health in Local Communities Through Sports

Since its establishment in 1992 in Japan, the Bridgestone Sports Arena has aimed to support the healthy minds and bodies of local residents and the healthy growth of local children, as well as helping design comfortable lifestyles for local communities. In recent years, it has also conducted wellness programs for the elderly and engaged in adult onset disease prevention.



## Development of a Walking Training Machine

In collaboration with Professor Kenji Kawashima of the Institute of Biomaterials and Bioengineering at the Tokyo Medical and Dental University, the Group launched the development of a walking training device that contributes to the promotion of health among senior citizens. This rubber artificial muscle, which is attached to the user's body and assists with walking movement, helps support weight and provides load, is an application of rubber and reinforced fiber technologies accumulated from the development of tires and hoses up to now. In 2018, the Group plans to launch testing for practical application



# Looking Ahead to the World in 2050



Environment



## Social Issues

The total number of automobiles worldwide is expected to increase with the global population as well as economic development in emerging nations. As a result, resource consumption is expected to increase and the global environmental footprint will become more impactful. There is even a possibility of exceeding the earth's capacity, through climate change, resource depletion and biodiversity loss.



## The Bridgestone Approach

As a global company, the Bridgestone Group is aware that it shares responsibilities for meeting the various needs of the world and assuring a stable supply of high-quality products. While fulfilling these responsibilities, it aims to contribute to building a sustainable society by balancing its operations with the earth's capacity. Based on this philosophy, it has prepared a long-term environmental vision to carry out its activities.

Beginning of the 21st century

Population: 7 billion\*<sup>1</sup>(2011)

Total number of automobiles: 900 million\*<sup>2</sup>(2010)

CO<sub>2</sub> emissions: 29 billion tonnes\*<sup>3</sup>(2005)

Resource consumption: 49 billion tonnes\*<sup>4</sup>(2000)

### Bridgestone Group



The world's largest tire and rubber company



Operations in more than 150 countries



More than 142,000 employees



More than 3.6 trillion yen sales

### Mission of Bridgestone Group

Serving Society with Superior Quality



### The Bridgestone Group's Environmental Mission Statement

The Environmental Mission Statement of the Bridgestone Group was created so that all employees can practice environmental activities with a common focus regardless of background or daily work activities. Based on the unchanging environmental philosophy of the Group "To help ensure a healthy environment for current and future generations," as expressed in the Environmental Mission Statement, the Group declares its intention of realizing a sustainable society and working together with stakeholders in good faith.

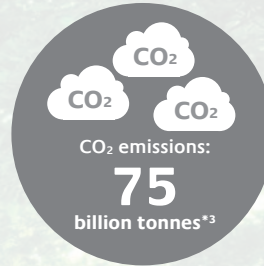
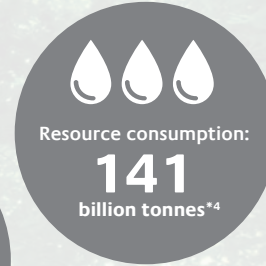
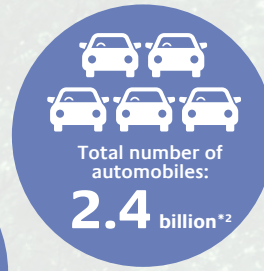
\*1 World Population Prospects: The 2012 Revision (United Nations, 2013)

\*2 Projection of World Energy and Transport Demands Mainly in the Automobile Sector (The Institute of Energy Economics, Japan, 2012)

\*3 Based on the scenarios of RCP8.5 of the CLIMATE CHANGE 2013 – The Physical Science Basis – Working Group 1 Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC (Working Group 1), 2013)

\*4 Decoupling Natural Resource Use and Environmental Impacts from Economic Growth (United Nations Environment Programme, 2011)

**The world in 2050**



**Exceeds the earth's capacity**

**2050**

**Population increase, economic development**

**In the case of no action**  
Increase of consumption and environmental footprint

**The importance of decoupling in working toward building a sustainable society**  
In order to work toward sustainability, society should not simply accept that increased resource consumption and environmental footprint correlate directly with population increase and economic development, but instead work to separate them. The UNEP refers to this separation as "decoupling."

**Striving to create a balance between operations and the environment through technology and business model innovations**

**Sustainable society**  
Reduction of resource consumption and environmental footprint

In harmony with nature

Value natural resources

Reduce CO<sub>2</sub> emissions

**Long-term environmental vision**  
(for 2050 and beyond)

**In balance with nature**<sup>\*5</sup>  
(Contribution > Footprint)

**Towards 100% sustainable materials**<sup>\*6</sup>

**Contribute to globally agreed target**<sup>\*7</sup>  
(Over 50% reduction of CO<sub>2</sub> emissions)

<sup>\*5</sup> "In balance with nature" is our commitment to contribute to biodiversity through habitat enhancement, and through environmental education and research.  
<sup>\*6</sup> The Bridgestone Group defines sustainable materials as materials "1) that come from resources with a guaranteed continual supply, 2) that can be used as part of our business over the long term and 3) that have a low environmental and social impact over their lifecycle from procurement to disposal."  
<sup>\*7</sup> At the G8 Hokkaido Toyako Summit (held in July 2008), G8 leaders agreed on a reduction of at least 50 percent in greenhouse gas emissions worldwide by 2050. The same year, at the Major Economies Meeting on Energy Security and Climate Change, developed countries as well as certain emerging nations, such as China, India, etc., adopted this target as a shared global objective.

# In harmony with nature



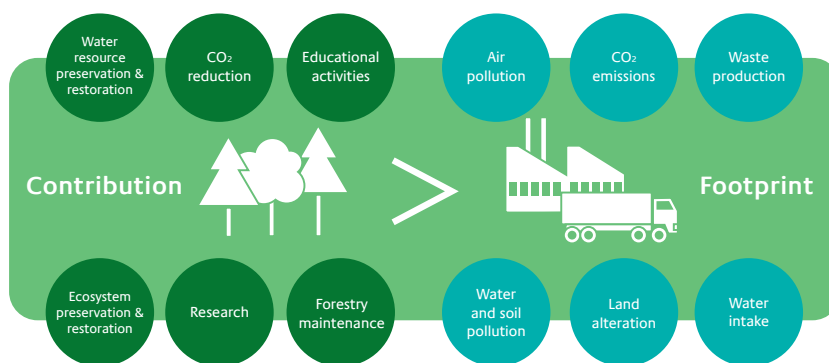
## Applicable SDG Targets



**Long-Term Vision**  
(For 2050 and beyond)

**Activity Concept**

## In balance with nature (Contribution > Footprint)



The Bridgestone Group is committed to being “in harmony with nature” in accordance with the long-term vision formulated at the 10th meeting of the Conference of the Parties (COP 10) held in 2010. To accomplish this, the Group will maintain a constant understanding of the relationship between its business and biodiversity, which will define the priority issues that it must address. “In balance with nature,” the Group’s long-term environmental vision for this goal, is its commitment to contribute to biodiversity through habitat enhancement, environmental education and research. Its business operations will take into account the impact on the ecosystem as a whole. The Bridgestone Group is conducting activities targeting “in balance with nature” throughout all business areas.

## Relationship Between the Bridgestone Group’s Operations and Biodiversity

Since 2013, the Bridgestone Group has conducted a materiality analysis on the footprint of the Group’s operations and contributions to biodiversity. This analysis is based on the interrelationship represented in the Business & Biodiversity Interrelationship Map®, which is used to prioritize issues. The Group will improve its activities by taking key actions in relation to these issues in the future while reviewing the priority issues to meet the changes in social needs. Meanwhile, quantification methodology for biodiversity has been developed by various organizations, including the Natural Capital Protocol. Paying attention to these international trends, the Bridgestone Group has promoted the qualitative and quantitative understanding of the relationships between its business operations and biodiversity.

### Priority Issues and Key Actions



#### Minimizing footprint

- Reduce impact of land utilization
- Reduce impact of water intake
- Reduce air and water emissions
- Reduce CO<sub>2</sub> emissions from all lifecycle stages\*<sup>1</sup>
- Reduce waste production



#### Enhancing contribution

- Preservation and restoration of habitat areas for native plants and animals
- Improvement of natural rubber farm productivity
- Water resource preservation or restoration
- Reduction of CO<sub>2</sub> emissions (customer use)

\*1 lifecycle stages from procurement to production, distribution and product disposal.



## Minimizing Footprint

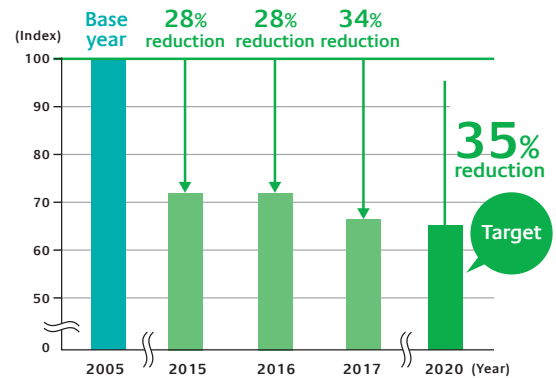
### Reducing the Impact of Water Intake

The Bridgestone Group employs cooling water and steam in the production process. Continued use of such water resources is an integral production requirement that cannot be separated from continuation of business for the Group. The Group set a target of reducing water intake at 35 percent per unit\*\*<sup>2</sup> by 2020 throughout the Group, based on 2005 levels. In 2017, reductions reached 34 percent, including a significant improvement over the previous year.

The Group is reusing/recycling water at many of its manufacturing facilities, including operations in areas where there are serious concerns regarding water shortage, such as China and Mexico. It is also using water resources more efficiently by enhancing the production process and using rainwater.

In addition to implementing a risk assessment for water quality and volume, the Group takes efficient use of water resources and wastewater into account when building new tire facilities. It uses the WBCSD Global Water Tool\*<sup>3</sup> and WRI Aqueduct\*<sup>4</sup> to assess water risk at existing facilities and is studying improvement opportunities for each location.

Target and Actual Figures of Water Intake at Manufacturing Facilities (per Unit)



\*<sup>2</sup> Bridgestone manages water intake by unit of production volume and net sales for each business. A weighted average efficiency of the reduction rate is used as an index.

\*<sup>3</sup> Water risk assessment tool developed by WBCSD

\*<sup>4</sup> Water risk assessment tool developed by World Resources Institute (WRI)

#### Third-party Assurance of Environment Data and Social Data

[https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party\\_assurance.pdf](https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party_assurance.pdf)

## Enhancing Contribution

### Establishment of a Simple Disease Diagnosis Technology for the Para Rubber Tree

Increasing production on limited land to minimize deforestation caused by plantation expansions is becoming an issue amid projections for expanding tire demand and increased natural rubber consumption. In particular, diseases are one of the major factors causing declines in productivity.

Bridgestone established a groundbreaking simple disease diagnosis technology for easily, quickly and accurately diagnosing the white root disease (WRD)\*<sup>5</sup> that damages Para rubber trees, which will play a major role in natural rubber resources in the future. This technology was announced in 2015. Now, Bridgestone has established a diagnostic technology that applies a biotechnology known as the LAMP method\*<sup>6</sup>. Using a reagent kit, this revolutionary advanced technology enables simple visual confirmation of the presence or absence of disease-causing bacteria, even in the field. This technology enables the early detection of WRD, an infection that spreads by pathogens in the soil, to help prevent the spread of infection from sick to healthy trees. It is also expected to help prevent damage and make maintenance easier. Going forward, the company will continue collaborating with Indonesia and universities in Japan to promote further enhanced development and contribute to the protection of Para rubber trees and the stable provision of natural rubber through the implementation of this technology.

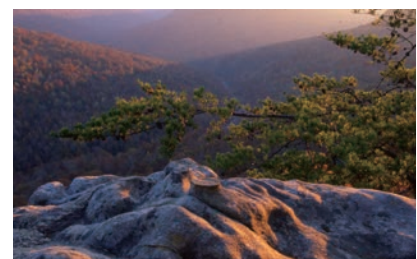
\*<sup>5</sup> White root disease is caused by a parasite fungus (*Rigidoporus microporus*), a type of filamentous fungi. It infects the roots, causes the tissue to decay and kills the tree. It is difficult to detect the disease in its early stages. At present, there are no fundamental countermeasures, so when the disease occurs, the infected sections of the tree are removed and the tree is treated with a chemical reagent.

\*<sup>6</sup> Loop-mediated Isothermal Amplification (LAMP) is a nucleic acid amplification method developed by Eiken Chemical Co., Ltd. It amplifies and detects DNA sequences unique to pathogenic bacteria in soil.

### Wildlife Habitat Conservation and Environmental Education Certification

Bridgestone Americas, Inc. (BSAM) acquired wildlife habitat conservation and environmental education certification from the Wildlife Habitat Council (WHC) for its 11 Wildlife Habitat Sites in the United States and Mexico. BSAM conserves the natural flora and fauna at each of these sites and provides environmental education opportunities in line with local conditions.

In November 2017, senior management representing BSAM participated in a panel discussion at the Conservation Conference hosted by the WHC in Baltimore, Maryland, where corporate social responsibilities related to the conservation of wildlife habitats were discussed.



Bridgestone Firestone Centennial Wilderness

# Value natural resources



Applicable SDG Targets



**Long-Term Vision**  
(For 2050 and beyond)

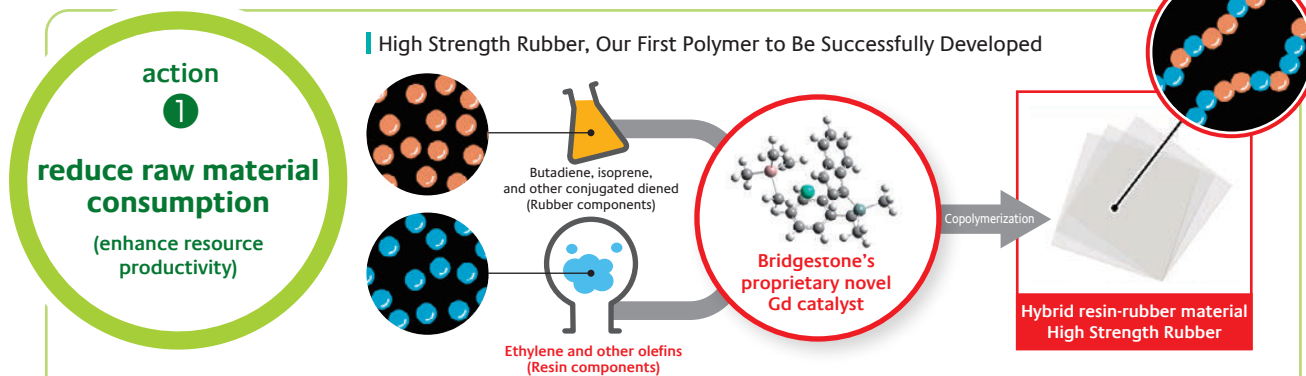
**Activity Concept**

## Toward 100% sustainable materials\*<sup>1</sup>

The increasing number of automobiles will likely boost tire demand in the future. The goal of the Bridgestone Group is to implement business operations in balance with the planet's ecological capacity. The Bridgestone Group has set the goal of using "100 percent sustainable materials" in its products as the long-term vision for 2050 and beyond. To achieve this goal, it is committed to taking the following three actions: (1) reduce raw material consumption (enhance resource productivity), (2) recycle resources and use them efficiently, and (3) expand and diversify renewable resources (i.e., technology aimed at zero use of non-renewable materials).

\*<sup>1</sup> The Bridgestone Group defines sustainable materials as materials "1) that come from resources with a guaranteed continual supply, 2) that can be used as part of our business over the long term and 3) that have a low environmental and social impact over their lifecycle from procurement to disposal."

## Major Technologies and Products Targeting 100 Percent Sustainable Materials



## Tire Weight Reduction Research

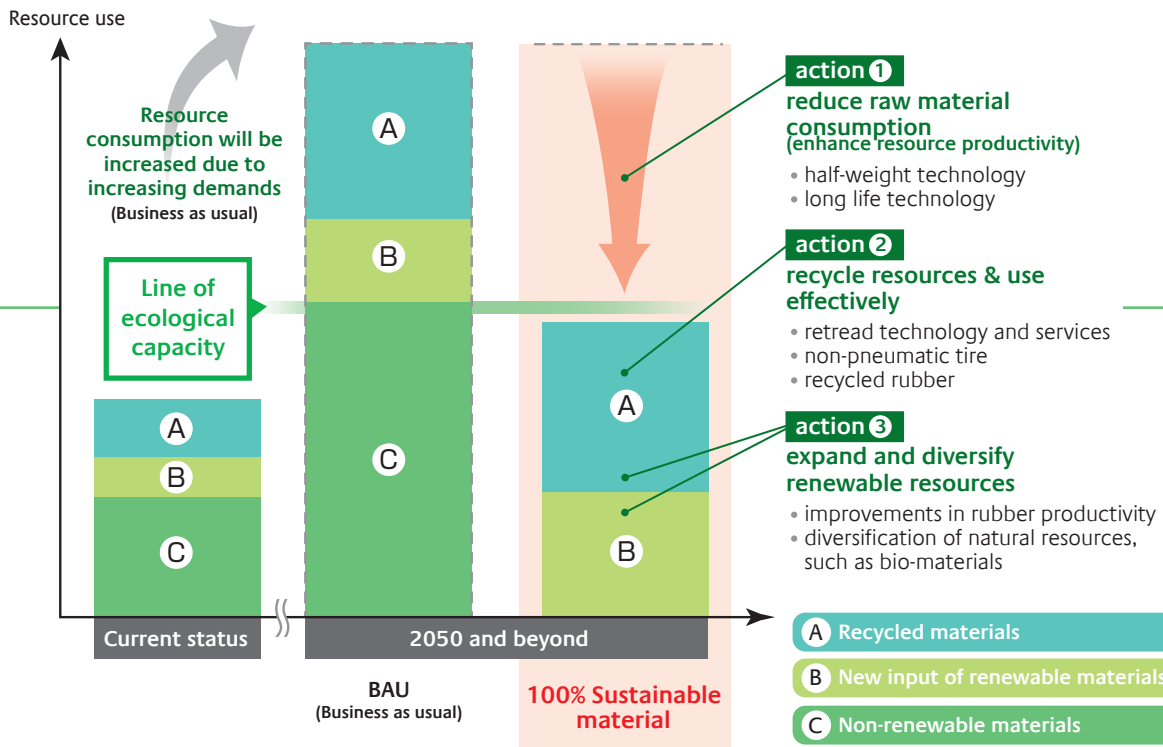
### Creation of Next-Generation Material that Combines the Pliability of Rubber with the Toughness of Resin

The Bridgestone Corporation has successfully developed the world's first\*<sup>2</sup> polymer to bond rubber and resins at the molecular level in 2018. This new polymer boasts unprecedented durability with crack resistance that is over five times higher,\*<sup>3</sup> abrasion resistance that is more than 2.5 times higher,\*<sup>4</sup> and tensile strength that is more than 1.5 times higher\*<sup>5</sup> than natural rubber, which itself has higher destruction resistance than common synthetic rubber.

The newly developed polymer, called High Strength Rubber (HSR), is a hybrid material to bond synthetic rubber components such as butadiene and isoprene, with resin components such as ethylene,\*<sup>6</sup> at the molecular level by using Bridgestone's proprietary novel gadolinium (Gd) catalyst\*<sup>7</sup> (via copolymerization\*<sup>8</sup>). HSR boasts levels of durability and abrasion resistance that eclipse those of natural rubber. For this reason, HSR is a promising next-generation tire material with the potential to create tires that achieve the required levels of performance while using less materials. Bridgestone also intends to actively examine the possibility of utilizing HSR in products other than tires.

\*<sup>2</sup> Source: Bridgestone Corporation \*<sup>3</sup> The figure is based on tests using JIS K 6270 (a strain-controlled method for testing the tensile fatigue properties of vulcanized rubber and thermoplastic rubber). \*<sup>4</sup> The figure is based on tests using JIS K 6264-2 (a revised Lambourn abrasion test for determining the abrasion resistance of vulcanized rubber and thermoplastic rubber). \*<sup>5</sup> The figure is based on tests using JIS K 6251 (a test for determining the tensile properties of vulcanized rubber and thermoplastic rubber). \*<sup>6</sup> Ethylene is a basic material used in creating plastic, synthetic fibers, and other petrochemicals. Polyethylene, which is created through polymerization of ethylene, is the most commonly used synthetic resin. \*<sup>7</sup> A gadolinium catalyst is a type of polymerization catalyst developed by Bridgestone that makes it possible to synthesize high-performance rubber.

\*<sup>8</sup> Copolymerization is a process of reacting two or more monomer molecules together in a chemical reaction to form polymer chains.



**action 2**  
recycle resources & use effectively

## Retread tires

Retread tires reuse tire casings by replacing worn tire tread rubber (areas that come into contact with the road surface). Compared to new tires, less than one-third the amount of raw material is used, saving resources as well as enabling the reuse of components other than tread rubber (casing), significantly contributing to the reduction of discarded used tires.



New tires



Retread tires

**68%\***  
reduction in amount of oil used

\*9 Japan Retreaders' Association

## Research and Development of Guayule, a New Natural Rubber Resource

Bridgestone is promoting various research projects utilizing partnerships aimed at practical applications for guayule, which shows promise as a new supply source for natural rubber, one of the main raw materials in tires.

In December 2017, Bridgestone Americas, Inc. (BSAM) collaborated with Versalis S.p.A. of Italy, making full use of the latest genetic technologies with the aim of developing highly productive varieties of guayule. BSAM is also engaged in improving guayule varieties utilizing technologies from NRgene Ltd., a genome big data solutions company.

In recognition of its many years of research into these and other areas, in February 2018, BSAM was selected by the National Institute of Food and Agriculture (NIFA) of the United States Department of Agriculture (USDA) to receive support for the research and development of U.S. natural rubber resources derived from guayule.

Aiming for practical applications in the 2020s, it will continue to strengthen various factors going forward, including improving guayule productivity through sustainable methods, establishing production processes and improving logistics.

### Guayule rubber



Unlike Para rubber trees, which are the main source of natural rubber, guayule is a shrub that can be cultivated on land native to the arid region spanning the southwestern United States to northern Mexico.

**action 3**  
expand and diversify renewable resources

# Reduce CO<sub>2</sub> emissions



Applicable SDG Targets



**Long-Term Vision**  
(For 2050 and beyond)

## Contribute to Globally-Agreed Target (more than 50 percent reduction of CO<sub>2</sub> emissions)

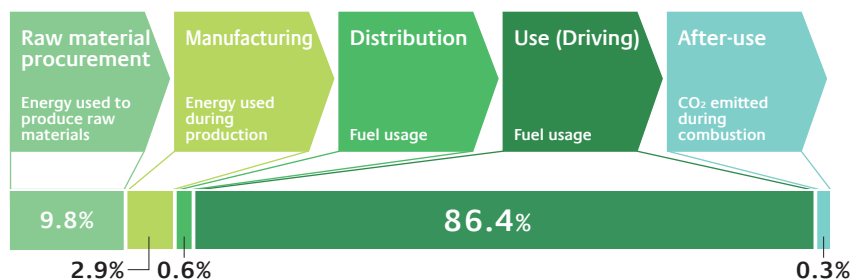
**Mid-term Environmental Targets**  
(by 2020)

Contribute to CO<sub>2</sub> reduction at usage stage that outweighs more than all other emissions in the product lifecycle by 2020

- Reduce CO<sub>2</sub> emissions per sales from operations and products' after-use\*<sup>1</sup> by **35** percent
- Reduce rolling resistance of tires by **25** percent and thereby achieving CO<sub>2</sub> reduction during use that exceeds all other emissions in the product's lifecycle

**Activity Concept**

Greenhouse Gas Emissions by Tire Lifecycle Stage (Converted to CO<sub>2</sub> Base)\*<sup>2</sup>



As a company involved in the automotive industry, the Bridgestone Group is paying close attention to the impact of CO<sub>2</sub> emissions. Based on the projections of IPCC\*<sup>3</sup> and other internationally recognized agencies, the Group has established a goal to reduce CO<sub>2</sub> emissions in its business operations.

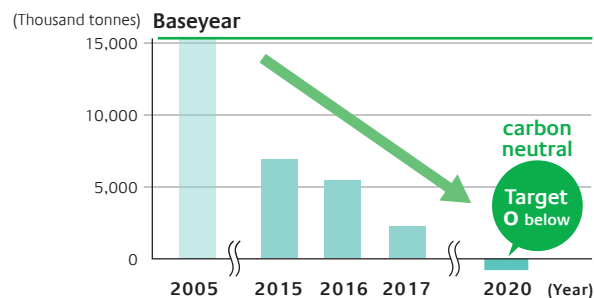
Its efforts to reduce CO<sub>2</sub> emissions go beyond tire manufacturing. The tire lifecycle stage that accounts for the largest volume of CO<sub>2</sub> emissions is "Use (Driving)." Tire contribution to automobile exhaust emissions can be lowered by reducing rolling resistance, thus improving vehicle fuel efficiency and contributing to the reduction of CO<sub>2</sub> emissions from the vehicle. The Group will continue its efforts to reduce CO<sub>2</sub> emissions throughout its products.

To reduce the volume of CO<sub>2</sub> emissions over the entire lifecycle of a tire, the Bridgestone Group has set two CO<sub>2</sub> reduction-related targets so that by 2020 the contribution from avoided emissions when the customer uses the tire exceeds the emissions from raw material procurement, manufacturing distribution and a tire's after-use.

Considering the value when CO<sub>2</sub> emissions from operations and products' after-use are offset by contribution of CO<sub>2</sub> reduction at usage stage\*<sup>4</sup>, the reduction in 2017 was 86 percent (compared to 2005). The Group is continuing activities with the dual approach aimed at achieving its goal of reducing CO<sub>2</sub> emissions generated by the customer's use of a tire enough to outweigh all other emissions produced during raw materials procurement, manufacturing and the afterlife of the product by 2020.

Along with striving to mitigate climate change by reducing the amount of CO<sub>2</sub> emissions, the company recognizes the risk of climate change to Group activities and is implementing adaptation measures such as conducting research on sourcing natural rubber from areas other than tropical regions.

Difference in CO<sub>2</sub> Emissions from Operations and Products' After-use and Contribution to CO<sub>2</sub> reduction at the Usage Stage



\*<sup>1</sup> Lifecycle stages other than use include raw material procurement, manufacturing, distribution, and after use.

\*<sup>2</sup> Greenhouse gas emissions throughout lifecycle of one fuel-efficient passenger car tire (195/65R15): 243.9kgCO<sub>2</sub>e  
Greenhouse gas emissions from after-use stage: 13.1kgCO<sub>2</sub>e (emissions reductions: 12.5kgCO<sub>2</sub>e)  
(Source: "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 2.0", Japan Automobile Tyre Manufacturers Association, Inc.)

\*<sup>3</sup> Intergovernmental Panel on Climate Change

\*<sup>4</sup> Calculated based on "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 2.0" (The Japan Automobile Tyre Manufacturers Association, Inc., April 2012)

**Main Achievements in 2017**

- **35 percent reduction in CO<sub>2</sub> emissions per net sales from operations and products' after-use** (compared to 2005)
- **19 percent reduction in tire-rolling resistance** (compared to 2005)

The Bridgestone Group has set a target of a 35 percent reduction in CO<sub>2</sub> emissions tonnes per net sales from operations and products' after-use by 2020. In 2017, reduction per net sales was 35 percent, a substantial improvement over the previous year (compared to 2005). It will continue to promote further reductions in CO<sub>2</sub> emissions throughout the entire supply chain, aiming to meet the 2020 target.

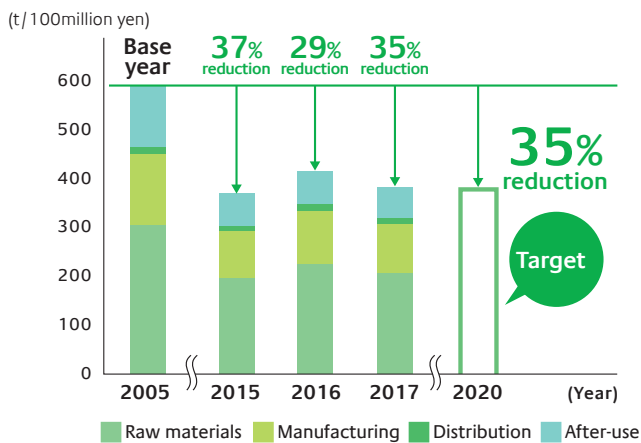
For the other target of a 25 percent reduction in tire-rolling resistance by 2020 (compared to 2005), the Group achieved a 19 percent reduction in 2017. This CO<sub>2</sub> reduction contribution in 2017 is the equivalent of approximately 11.7 million tonnes\*<sup>5</sup>. Improving rolling resistance while maintaining safety is a difficult task requiring innovative technologies. Bridgestone has developed "NanoPro-Tech"\*<sup>6</sup> technology, and promotes sales of fuel-efficient tires utilizing this technology around the world, helping to reduce the volume of CO<sub>2</sub> emitted at the usage stage. It is also considering the establishment of new reduction targets after 2020.

Bridgestone's CO<sub>2</sub> emissions are verified by a third-party institution in an effort to ensure the transparency of information.

\*<sup>5</sup> Calculated based on "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 2.0" (The Japan Automobile Tyre Manufacturers Association, Inc., April 2012)  
 \*<sup>6</sup> NanoPro-Tech is a nanotechnology to analyze and control the molecular structure of rubber at the nanometer level.

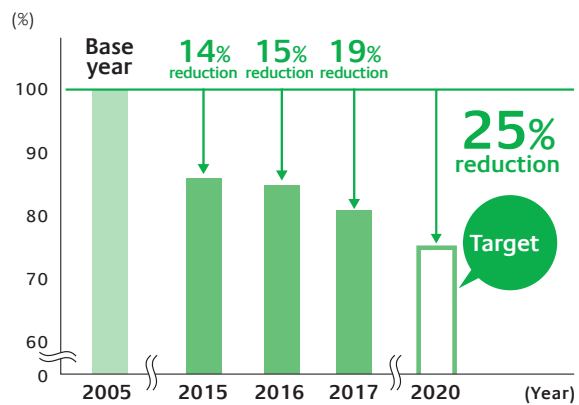
**Third-party Assurance of Environment Data and Social Data**  
[https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party\\_assurance.pdf](https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party_assurance.pdf)

**CO<sub>2</sub> Emissions Per Sales from Operations and products' after-use Other Than Use<sup>7</sup>**



\*<sup>7</sup> Includes CO<sub>2</sub> emissions reduction activities and exchange rate fluctuations of sales.

**Tire-Rolling Resistance Coefficient**



**➤ The Bridgestone World Solar Challenge, the World's Leading Solar Car Race**

The Bridgestone World Solar Challenge is the world's leading race by solar-powered cars. Lasting approximately five days, the race traverses some 3,000 kilometers, from Darwin in northern Australia to Adelaide in the south. Bridgestone supports the teams from around the world that participate in this hotly contested race, encouraging the young engineers of the future. This race has also promoted the development of environmental technologies, such as the "ECOPIA with ologic"\*<sup>8</sup> tire, which features low fuel consumption, thereby contributing to the next generation of mobility in society.



\*<sup>8</sup> The "ologic" features a narrow tread width and large diameter, using Bridgestone's low-fuel-consumption tire technology to achieve excellence, both in terms of low fuel consumption and safety. We supplied "ECOPIA with ologic" low-fuel-consumption tires, which employ the "ologic" concept, to 22 teams participating in the 2017 Bridgestone World Solar Challenge for use on their solar-powered cars.

For more details of our activities in Environment, please see the website. <https://www.bridgestone.com/responsibilities/environment/index.html>



# Management Fundamentals

**Definition** > **Areas for measures essential as a responsible corporation, such as compliance with ISO26000, and adherence to basic rules and social norms**

## Common Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area of the Global EXCO\*<sup>1</sup>, and confirms the in-house implementation of CSR activities conducted by the Global CSR Enhancement Committee (GCEC) & Global Quality Management Committee (QMC) .

\*1 Global Executive Committee: The highest-level committee which is associated with Bridgestone Global Group business execution and consists of members including member of the Board; CEO and Representative Executive Officer; concurrently Chairman of the Board

## Management Fundamentals

# Compliance, Fair Competition

## Mission

### > **Ensure excellence through compliance and integrity**

We build trust with all stakeholders by ensuring that ethical decision-making guides responsible business practices across our operations.

## Management Structure

Responsibility for maintaining a best in class ethics and compliance program and culture starts at the most senior levels of Bridgestone but ultimately belongs with each and every employee.

Bridgestone’s Group Global General Counsel and Chief Compliance Officer (CCO) and Global Law Leadership Team are principally responsible for oversight, evaluation and enhancement of the Bridgestone Group’s global and regional ethics and compliance programs. The Bridgestone CCO and Global Law Leadership team are supported in these efforts by Bridgestone’s Compliance and Fair Competition Working Group (WG) and regional teams of dedicated compliance professionals who work together to identify annual and long-term regional and global compliance priorities and goals, confirm the progress of overall compliance activities at the regional and global level and report the results to senior management. Since its establishment, the Compliance and Fair Competition WG has carefully evaluated the key elements and practices of highly effective corporate compliance programs and instituted short and long-term strategies to foster a best-in-class compliance culture consistent with the Bridgestone Group’s corporate values and principles.

Board oversight and engagement has been a hallmark of Bridgestone’s ethics and compliance program for many years. This board-level oversight was strengthened in 2014 with the establishment of a Compliance Committee as an advisory body to the Board of Directors, and again in 2016, when Bridgestone transitioned to a new corporate governance structure. In 2017, the Compliance Committee held six meetings comprised of external directors who shared feedback on Bridgestone’s ethics and compliance program based on their own experiences and expertise.

The Bridgestone CCO submits periodic reports to the Compliance Committee as well as annual reports pertaining to global compliance activities to the Board of Directors. Regional CCO's are responsible for providing similar reports to their respective senior leadership teams and boards as well.

Finally, recognizing that a true culture of compliance requires active engagement by all of our teammates, Bridgestone prioritizes a culture that provides opportunities for and encourages participation in compliance activities by teammates in every business unit and function and at all levels of the organization.

## Compliance Activities

### 1. Establishment of corporate standards and rules

For many years, Bridgestone Group companies have maintained comprehensive codes of conduct and other compliance policies. Although the themes in these policies and codes were generally consistent, there were some regional variations. To ensure a unified consistent compliance message on compliance for all of its teammates globally, Bridgestone has developed and is introducing this year a new comprehensive global code of conduct that will apply to the entire Group. The new Bridgestone Code of Conduct expands on Bridgestone's Mission and core values to provide practical guidance to our teammates at all levels as they face ethical and compliance challenges in their daily work lives. The new Bridgestone Code of Conduct covers a broad range of ethics and compliance topics. It is supplemented by additional global and regional policies and standards for areas that require special focus or more in-depth guidance.

For example, in order to clearly show the special emphasis placed by Bridgestone on cartel and bribery prevention, Bridgestone Corporation established a stand-alone group-wide policy strictly prohibiting cartel and bribery conduct. Each SBU adopted and maintains a similar code or guideline.

Bridgestone Corporation issued its Cartel Prevention Code and Bribery Prevention Code in October 2012 with approval of the Board of Directors, which set out the basic rules of cartel and bribery prevention. Bridgestone also issued Cartel Prevention Guidelines in December 2014 as a supplement to its Cartel Prevention Code. The Guidelines demonstrate the appropriate course of action to be taken by employees in day-to-day business situations. Bridgestone also issued its Guidelines on Gifts and Entertainment in October 2012, and renewed the guidelines as "Bribery Prevention Guidelines" in October 2016 under the supervision of the Board's Compliance Committee. Globally, regional companies have adopted related policies and controls.

Policies and guidelines are available to employees through the Company intranet.

### 2. Trainings

The Bridgestone Group provides its employees with a variety of compliance trainings. While relevant annual themes are selected by legal and compliance departments for each region, cartel and bribery prevention code and guideline are common themes globally. Live, online and workshop-style trainings are offered depending on the targeted audience within the organization. In 2017, live training reached more teammates than ever before, and e-learning courses were expanded to many remote operations. In addition, several Bridgestone companies celebrated "Ethics and Compliance Week" activities to promote teammate awareness of ethics and compliance through leader communications, compliance tips, surveys, contests, quizzes, and live training sessions.

### 3. Monitoring

During 2017, the Bridgestone Group introduced a common screening tool and training to standardize third-party risk management in high-risk transactions. The Bridgestone Group also continued expanding hotlines to accept reports regarding violation of internal rules, fraud, inaccurate financial records, embezzlement and theft throughout the company. In addition to these longstanding whistleblowing lines, Bridgestone Corporation maintained a hotline dedicated to cartel and bribery as part of its effort to detect any anticompetitive or unfair business conduct at an early stage. The compliance hotlines receive anonymous reports and ensure confidentiality.

Bridgestone also initiated various measures to monitor the status of its internal rules and promptly uncover potential misconduct particularly for cartel and bribery prevention. For instance, in Japan the Cartel Prevention Guidelines require officers and employees to record all contacts with competitors and also require them to consult with the Office of Legal Affairs if they have any questions or need guidance. Bridgestone's Bribery Prevention Guidelines require employees to submit an approval form in advance of any payment to any government official. Regional SBUs periodically require selected teammates to acknowledge compliance obligations and/or disclose any potential concerns of misconduct. Furthermore, Bridgestone's CCO regularly interviews officers and division heads to assess level of risks related to legal and compliance.

### 4. Continuous Improvement

Bridgestone seeks to continuously improve its ethics and compliance program and culture, globally and regionally. Recent examples include: compliance and legal audits and review of all of the company's small and remote operations, enhancement and expansion of its annual certifications and investigation protocols, the identification of common global and regional metrics for measuring program effectiveness, and the development and implementation of a new global Code of Conduct.

# Business Continuity(BCP), Risk Management

## Mission

### ► Prevent and mitigate operational risks

We anticipate, prevent, and mitigate risks, but when crises arise, we protect our people, property, and profits.

## Management Structure

The Bridgestone Group broadly divides risks into two categories: business strategic risks, which are related to management decision-making, and operational risks, which are related to daily operations. The former is handled through business operations, while the latter is handled by the Chief Risk Officer (CRO), who has overall responsibility for managing risks and reports to the CEO.

Bridgestone promotes comprehensive activities to appropriately manage risks common to the Group, with consideration for the scale and characteristics of each site and Group company. Through the dual promotion of Group global unified activities and autonomous risk management activities, Bridgestone identifies, prevents and mitigates risks, and formulates Crisis Management and Business Continuity Plans to enable appropriate support for the continuation or resumption of business.

In 2016, under GCEC, the BCP, Risk Management WG was established, comprising members from each SBU\*1. The WG manages and updates the Bridgestone Group's Global Risk Management Policy and oversees the company's risk management, crisis management, and business continuity systems. To this end, the WG is undertaking five key initiatives: Refine and Standardize the Annual Risk Identification Process Across the Bridgestone Enterprise; Create a Global Definition and Framework for Crisis Management and Business Continuity; Enhance the Risk Management Role of Emergency Action Reports; Develop an Enterprise Travel Risk Management Program; and Formalize the Process for Cross-SBU Support in Crisis Management. The WG's deliberations and efforts are guided by ISO 31000, the international standard for risk management.

\*1 Strategic Business Unit

## Response to New Types of Influenza and Other Severe Infectious Diseases

Since 2013, the Bridgestone Group has formulated BCPs to address the spread of new types of influenza and other severe infectious diseases that are potentially pandemic in scope. In 2015, our BCPs were revised to align with the World Health Organization's global framework to aid in pandemic preparedness and response planning.

BCPs have effectively guided the Bridgestone Group's response to Avian Influenza in China and ensured the well-being of our employees and business operations there. The company received global recognition for its successful efforts to control the spread of Ebola Hemorrhagic Fever at its Liberia-based natural rubber producing operation. Firestone Liberia not only saved lives, supported education and response efforts in surrounding communities, and partnered with the Government of Liberia and NGOs to detect and fight the disease, but kept its business running at the same time.



Going forward, Bridgestone will promote these initiatives throughout the entire Group to create a structure enabling a unified response to the spread of infectious diseases in all countries.

## Earthquake Countermeasures

The Bridgestone Group develops BCPs and conducts drills to prepare for major earthquakes, which pose a significant risk.

In Japan, the Bridgestone Group also has established a BCP in preparation for a major earthquake in the Tokyo metropolitan area that would affect our head office, technical centers, and many other functions. We created a three-pronged office framework approach (consisting of Kyobashi, Kodaira, and Yokohama) for emergencies, ensuring backup functions. Emergency countermeasure organization drills are conducted in these three districts annually. In 2015, evacuation points placing the highest priority on the preservation of human life and evacuation procedures were put in place at domestic facilities at risk in the event of a tsunami. In addition, since the Great Hanshin-Awaji Earthquake in 1995, the Bridgestone Group has systematically implemented earthquake-resistance measures in buildings. This is to protect the lives of each of our employees, but we also believe that protecting production facilities and other corporate assets from destruction is the basis of good corporate management. In the interest of business continuity, these initiatives also go toward mitigating risk to meet social requirements. Since the Great East Japan Earthquake in 2011, we have again looked carefully into the vulnerability to disaster of building components such as ceilings and pipes. We have put in place our own standards in these regards and are proceeding with earthquake-proofing in a well-planned manner.

In overseas SBUs, BCP and Earthquake-resistant measures in buildings and on manufacturing equipment are deployed or being implemented based on the risks assessment.

## Information Security

### ▶ Personal Information Protection

The Bridgestone Group recognizes that it has been entrusted with the personal information of its customers and business partners, and has an obligation to handle this information carefully under the philosophy of respecting the personalities of individuals. In March 2005, we formulated a basic policy for personal information protection and put into place a structure for information management based on this policy. We created a Compliance Casebook, incorporated into our e-learning program cases involving personal information protection, and conduct ongoing trainings utilizing specific examples for all employees at Bridgestone and its group companies in Japan.

### ▶ IT Security

The Bridgestone Group takes a systematic approach to IT security in order to prevent leaks of customer data and other confidential information and to ensure stable business continuity. We have formulated key points and standards for IT security as the regulations and rules regarding IT security activities and make regular revisions in response to technological advancements and changes in IT risks. Particularly strict standards have been set for the information systems handling personal information.

For the global group company network, Bridgestone is coordinating with the IT security teams in regions with Bridgestone Group companies, and working to formulate a new global security framework. Bridgestone also takes steps to continually strengthen IT security throughout the corporate group, including e-learning programs for employees regarding email and other aspects of IT security, and regular internal audits to raise IT security awareness among employees. Further, to counter targeted attacks and other advanced cyber threats, Bridgestone is strengthening its monitoring of networks and other systems and has established a structure to provide an immediate response to any IT security incident.

# Human Rights, Labor Practices

## Mission

### ➤ **Advancing fundamental human rights and responsible labor practices**

We will foster an inclusive culture in which all Bridgestone entities and locations adopt and apply ethical labor practices, build trust with our teammates, and model our respect for diversity and for fundamental human rights.

## **Bridgestone Group Global Human Rights Policy**

As part of our commitment to be a true global leader in all that we do, the Bridgestone Group is committed to advancing fundamental human rights and responsible labor practices throughout our worldwide operations. We believe this commitment is not only the right thing to do, but also foundational to enhanced job satisfaction and pride for our employees, which is in turn critical to sustainable success for our business. We strive to uphold fundamental human rights principles in all the ways that we interact with people as employees, consumers, customers, suppliers, contractors, and community members wherever we conduct business. To ensure that we are living up to our commitments, we will conduct appropriate training on this policy and due diligence to identify and remediate any adverse impact that any of our operations may have.

Bridgestone respects international norms for human rights, such as the fundamental principles generally reflected in the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights, various International Labor Organization (ILO) Conventions, and other globally recognized standards. These standards help inform Bridgestone's principles and approach on human rights issues.

Our human rights policy applies to all employees and locations in the companies of the Bridgestone Group. We expect all of our employees to uphold this policy, and we expect our vendors and suppliers to do the same.

## Respect for Diversity and Inclusion

---

As an organization, we believe that all people have the right to participate in the labor force to the full extent of their individual desire and capability. We further believe that bringing together individuals who have diverse backgrounds, experiences, skills, and perspectives adds value to our business, and even more so when we all integrate into a cohesive team. Accordingly, we value diversity and expect all employees to support an inclusive environment founded on teamwork and respect. We are convinced that doing so will help us to attract, develop, and retain the best talent in the market for the greater good of our company.

## Prohibition of Discrimination and Harassment

---

We affirm the fundamental principle that everyone is entitled to fair treatment and equal opportunity without discrimination on the basis of any characteristic such as race, ethnicity, color, nationality, gender, sexual orientation, gender identity, age, language, religion, creed, social status, or disability. We do not tolerate behavior that is discriminatory, harassing, disrespectful, or otherwise degrading to individual dignity. We are committed to protecting the rights of individuals in traditionally under-privileged groups and expanding their employment opportunities.

## Focus on Workplace Safety and Health

---

At Bridgestone, we live by the principle of “Safety First, Always.” Creating a safe workplace for all is one of our core business values and is everyone’s shared responsibility. For more information on our occupational safety and health programs, please see: [https://www.bridgestone.com/responsibilities/safety\\_health/index.html](https://www.bridgestone.com/responsibilities/safety_health/index.html)

## Commitment to Responsible Labor Practices

---

As a global leader, Bridgestone is committed to ensuring our compliance with all applicable laws, regulations, and other employment standards. We believe in doing our part to abolish the unacceptable practices of child labor and forced or compulsory labor throughout the world. We prohibit child and forced/compulsory labor in our organization, and in our supply chain. Beyond our commitment to compliance, we strive to provide quality job opportunities for residents of our local communities, with reasonable working hours, clean and safe working conditions, and fair, market-competitive pay and benefits.

## Protection of Free Speech and Association

---

We believe that all people have the right to have their voices heard by raising their good faith concerns, either openly or anonymously, without any negative consequence. To that end, we respect the right of all employees to choose, voluntarily and free from coercion, whether to bargain collectively and seek representation by third parties, including trade unions, or to refrain from doing so. We also believe that employees should be fully and accurately informed when making the important decision of whether to elect a third party to represent them. In any event, at Bridgestone we are committed to creating a culture of openness and employee involvement in all of the locations in which we operate.

## **Bridgestone Group Global Human Rights Policy and Initiatives on Human Rights Due Diligence**

---

The Bridgestone Group is committed to ensuring proper understanding of its stance on Human Rights and due diligence.

Starting in 2011, we translated our original Group's Stance on Human Rights into 15 languages and distributed it to all offices, plants, and group companies. We then provided education and training to all teammates to raise awareness worldwide. This process concluded in 2012. Starting in 2013, we have included this topic in New Hire training and Level-wise trainings. To further promote human rights, we have human rights consultation desks in place at each of our offices in Japan, with which employees can consult on potential concerns relating to human rights with keeping confidentiality, while we continue to ensure compliance with the policy.

As a natural evolution, the Bridgestone Group announced its new Human Rights Policy in 2018 addressing fundamental human right issues in connection with the company's social responsibility commitment "Our Way to Serve". The new Global Human Rights Policy reflects this commitment and defines what it means in practice in specific areas of focus: respect for diversity and inclusion, prohibition of discrimination and harassment, focus on workplace safety and health, commitment to responsible labor practices, and protection of free speech and association.

We conduct human rights due diligence within the Group. Based on our findings, we have formulated a three-year plan to address each area of human rights, such as discrimination and harassment.

## **Management Structure**

---

In addition to respecting human rights in accordance with the Group Global Human Rights Policy, the company appointed a Chief Human Rights Officer (CHRO) and is working to ensure the Group's approach to this issue is well understood throughout the organization. In accordance with the Global CSR management system, the Human Rights and Labor Practices WG verifies the content and progress of overall global efforts in human rights, labor practices and diversity, and reports to the GCEC and top management in each SBU\*<sup>1</sup> and region.

\*<sup>1</sup> Strategic Business Unit

## **➤ Approach to respecting diversity and related initiatives**

---

In 2008, the Bridgestone Group established a unit responsible for overseeing the promotion of diversity in Japan and has been applying this approach to respect for diversity throughout the Bridgestone Group since 2009.

Based on its Stance on Respect for Diversity, for each Bridgestone Group company it will establish diversity-related programs specific to the respective countries or regions and laws.

Since 2009, Bridgestone has invited outside experts to conduct ongoing lectures related to diversity and work-life balance. Approximately 3,500 employees had participated in these lectures until 2017.

In Japan, support for childcare included information exchange meetings led by employees who had experience returning to work after childcare leave or taking time off. Also, interviews before and after taking time off were conducted between employees on childcare leave, supervisors and HR personnel, and opportunities were provided for communication among employees working while caring for children. Regarding nursing care support, in addition to lectures by outside lecturers and awareness activities involving the publication of guidebooks, exemptions from overtime were established for employees providing nursing care among other efforts to provide support for employees working while providing nursing care.

Also, Bridgestone Americas, Inc. has implemented a variety of initiatives designed to create a more diverse and inclusive work environment, including maintaining affirmative action programs to promote the employment opportunities of minorities, females, individuals with disabilities, disabled veterans, and other protected veterans, supporting employee affinity groups, and conducting employee focus groups.

## The Bridgestone Group's Stance on "Respect for Diversity"

The Bridgestone Group provides a work environment in which individuals who have diverse values and personalities can work comfortably and demonstrate their abilities. To make this possible:

- We recognize and respect diversity of culture and customs in each country of the world.
- We sympathize with ideas from diverse viewpoints of diverse people and create new value.
- We establish a system in which employees can perform their duties with peace of mind and demonstrate their abilities to the fullest across the various stages of their lives.

And finally, we focus all of these efforts on "improving employee satisfaction," "activating and improving the Company," and "increasing stakeholders' profits."

## Initiatives for diverse workstyles

Bridgestone aims to create a workplace environment in which diverse individuals can succeed.

To support employees raising children, Bridgestone has established nursery facilities close to its office, and conducts seminars on childcare. In Europe, it offers flexible work schedules for families, and provide opportunities for employees to maintain communication while on childcare leave. Bridgestone also promotes employment for persons with disabilities, including establishing the special exceptional subsidiary Bridgestone Empowerment Co., Ltd. to provide disabled persons with employment opportunities.

Bridgestone will further promote such measures with the aim of establishing an inclusive society where employees can work with peace of mind.

### Example of Initiatives in Japan

- ▶ Nursery facilities
- ▶ Paid paternity leave
- ▶ Volunteer leave
- ▶ Paid maternity leave
- ▶ Family care leave

## Initiatives for female employees

The Bridgestone Group, based on its Stance on Respect for Diversity, implements measures for the active participation and advancement of women in the workplace of each SBU.

In Japan, Bridgestone undertakes a variety of initiatives to help female employees succeed. The company provides career development training for interested female employees, offers support to help female employees develop networks, and conduct career support training targeting gender diversity awareness for managers. The company also has introduced a program in Japan to promote female employees in management positions with the goal of developing female managerial candidates over the medium term. Furthermore, in 2017, it entered into a comprehensive agreement with Ochanomizu University aimed at cultivating female leaders.

Bridgestone Americas has adopted strategies to increase female representation in management, including support for the WOMEN Unlimited programs to develop leaders by managerial level, as well as development and mentorship programs through the women's affinity group BWIN. It also maintains affirmative action programs to promote employment opportunities for minorities, females, individuals with disabilities, disabled veterans, and other protected veterans.

## External assessment

### Selected as a "Nadeshiko Brand" for five consecutive years

In March 2018, Bridgestone was selected for the fifth consecutive year as a "Nadeshiko Brand," by which the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly publicize enterprises that are exceptional in encouraging women's success in the workplace.

The "Nadeshiko Brand" introduced companies aggressively promoting the utilization of women employees, including the creation of environments in which women are able to continue working, in each industry from among approximately 3,500 companies listed on the Tokyo Stock Exchange.

Bridgestone was recognized for its efforts to increase the ratio of women among new hires and directors (including outside directors), support of women's careers and initiatives supporting a work-life balance.



"Nadeshiko Brand" logo

## ► Continued enhancement of job satisfaction and pride

### Approach to Continued Enhancement of Job Satisfaction and Pride and Related Initiatives

The Bridgestone Group has adopted the following approach to continued enhancement of job satisfaction and pride.

**Employees will strive to create a motivating workplace and to grow through their work as they share the following global and Group values:**

- **Communications:** Encourage mutual communications that build shared understanding and trust
- **Teamwork:** Operate with a sincere respect for diversity, promote decisive and planned actions that accommodate what is the best for both the team and the company
- **Compliance:** Encourage sincere actions that comply with both the letter and spirit of all applicable laws, regulations and polices.
- **Customer Orientation:** Consider the internal and external customer perspective, and encourage actions that put customer satisfaction first.
- **Improvement:** Respectfully challenge the status quo, and always strive for excellence without fear of failure. Foster an environment that promotes improvement and innovation, taking into account the importance of both the process and the results.
- **Personnel Training:** Provide a training system that supports proactive learning and encourages employees to develop their own abilities.
- **Evaluation, Compensation:** Build a human resources system that encourages employees to excel by fairly evaluating their achievements and compensating them accordingly.

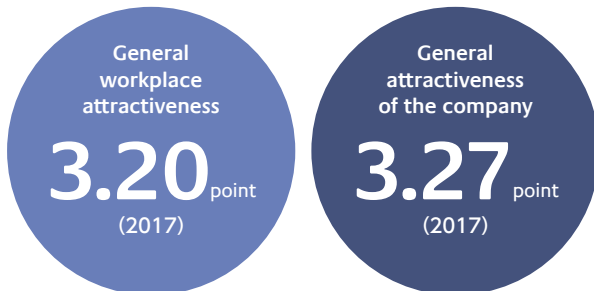
### Initiatives for continued enhancement of job satisfaction and pride

In 2013, Bridgestone Group conducted voluntary checks to determine whether the necessary systems for human resources, compensation, education and training were in place. The company then moved forward to establish plans for system improvements at each business unit, based on the results of the voluntary checks. In addition, Bridgestone Group conducted training for each company's human resource coordinators to encourage system improvements at each Group company. The company is following this plan to steadily improve the human resource and compensation systems, as well as education and training, to ensure consistency throughout the Group.

## Employee Satisfaction Survey

At Bridgestone, all employees including contract workers are given an employee satisfaction survey each year related to human resource policies such as job details, workplace, compensation and a broad range of other items. The results of this survey are reported to management and provided as feedback to employees via the Company intranet and posters.

In 2017, the survey response rate was 94.6%, with “General workplace attractiveness” receiving an average of 3.20 points (compared with 3.19 points in the previous year) out of a possible 5.0 points, while “General attractiveness of the company” earned an average of 3.27 points (from 3.27 points). The Company will take these results into account as it moves forward with efforts to enhance workplace communication.



\* Full score: 5

## Collective bargaining

The Bridgestone Group regularly negotiates collective bargaining agreements across dozens of locations worldwide and collective bargaining negotiations on revision of salary and working conditions in Japan every spring.

As of January 31, 2018, the Bridgestone Labor Union consists of 12,536 general employees (100 percent) excluding directors and supervisors.

# Safety, Industrial Hygiene

## Mission

### ► Safety First, Always

At Bridgestone, we make safety a business value. Creating a safe working place for all is everyone's responsibility.



Safety Mission Statement

The Bridgestone Group refined the Bridgestone Safety Mission Statement in 2012, changing the wording to “Safety First, Always” and “At Bridgestone, we make safety a business value. Creating a safe working place is everyone’s responsibility.”

Along with refining the Group-wide guidelines for Safety, Health and Disaster Prevention activities, it established Bridgestone Safety Fundamental Activities:

- (1) 3S: Select and Remove, Sort, Keep Clean
- (2) KY: Finding hazards beforehand
- (3) RA: Risk Assessment
- (4) Safety Rules

Those activities are to be conducted by all employees in all workplaces. The Group has been challenging employees to understand objectives and expectations of the activities and asking them to proactively conduct these activities.

## Management Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area under the supervision of the CEO and COO through the Global EXCO\*<sup>1</sup>, and confirms the in-house penetration of CSR activities conducted by the Global Quality Management Committee (QMC).

The Safety, Industrial Hygiene Working Group considers the most effective means to implement the Bridgestone Fundamental Safety Activities on a global basis. The WG has three task forces (Global Management Systems, Global Standards, and Benchmarks/KPI), and drafts global standards from each perspective. The GMP\*<sup>2</sup> collects information on disasters and prevention related to health and safety and prepares a quarterly report that the WG utilizes for practical application.

During 2017, the Safety, Industrial Hygiene WG reviewed the scope to which the Bridgestone Safety Mission Statement and general regulations are applied to employees, contractors, and visitors and reported its findings at the QMC.

\*1 Global Executive Committee: The highest-level committee associated with Bridgestone Global Group business execution

\*2 Global Management Platform



## Bridgestone Group safety mid-term management plan and policies

The Bridgestone Group formulates mid-term management plans targeting ideals and engages in the Group-wide discussion and promotion of specific measures in three domains to achieve these ideals: consciousness, technology and structure (management). Since 2012, it has formulated Bridgestone Fundamental Safety Activities. Going forward, it will continue implementing unified safety activities globally.

### Activities based on the Bridgestone Safety Fundamental Activities

Bridgestone promotes activities stipulated in the Bridgestone Fundamental Safety Activities as unified safety activities at all work sites. These activities stipulate basic safety practices 3S (derived from the Japanese words Seiri, Seiton and Seiso, meaning Select & Remove, Sort and Keep Clean); KY (Finding hazards beforehand); and RA (Risk Assessment), which are conducted uniformly at all work sites and by all employees conducted as ongoing initiatives.

In addition to publishing Activity Guidelines defining specific implementation items and promoting activities, instructors familiar with Bridgestone Fundamental Safety Activities are assigned to each work site to facilitate a structure for developing and executing uniform safety activities at all work sites.

The Company also conducts level-based safety education for managers and supervisors at each work site. Going forward, it will continue initiatives to spread and establish Bridgestone Fundamental Safety Activities.

### Safety awareness

Bridgestone has implemented Safety Consciousness Surveys since 2009 to cultivate safety consciousness among employees. This survey asks questions related to the occurrence of accidents and safety activities and investigates the degree to which safety consciousness improves each year. The answers are used to engage in improvements of the various issues raised in the survey and are linked to further improving safety consciousness.

In addition, the management team visits work sites in each location, including overseas Group companies, as part of ongoing efforts to discuss the importance of prioritizing safety over all other considerations.

Moving forward, it will continue these initiatives in conjunction with guidance from the management team to actively promote the Bridgestone Fundamental Safety Activities and foster safety consciousness in the workplace.

### Engineering initiatives

#### Standard chart for evaluating the risk of equipment use in Bridgestone Corporation

Unit = Points (Evaluation points)

		Possibility of damage =Probability of injury occurring			
		Hardly any	Possibility exists	High possibility	Definitely
*3		A	B	C	D
Extent of injury	①	1	2	4	7
	②	3	6	9	11
	③	5	10	13	14
	④	8	12	15	16

\*3 Possibility = A < D, Extent of injury = ① < ④

A = Surrounded by safety cover and difficult to enter dangerous zone

B = Safety cover exists, but so do inadequacies such as low rail; may come in contact with dangerous area if ones pushes it

C = No safety cover, but has emergency stop equipment

D = No safety cover plus inadequacies in such areas as warning and display

① = Minimal injury    ③ = Serious injury (including inability to work)

② = Light injury    ④ = Critical injury (including death)

Bridgestone is working to lower risk by pursuing safety from the equipment design stage and maintaining safety during equipment use. This includes store and warehouse equipment, as well as production equipment. These efforts involve conducting assessments to identify risks and establish engineering controls and implementing work procedures to reduce risks and the potential for serious injury.

During 2017 the Company continued efforts to assign and train safety engineers (SEs) as experts in equipment safety and conduct risk assessments. Based on the results, it is working to identify hazardous equipment and implement safety measures, giving priority to equipment posing major injury risks. Bridgestone has been reappraising the hazard level of procedures and implementing the necessary safety measures through risk assessment (RA) activities associated with the Bridgestone Fundamental Safety Activities and constantly promoting the creation of safe workplaces.

### System (management) related Initiatives

Bridgestone Group production work sites use a checklist to assess the status of safety and health activities including legal compliance while working to strengthen areas needing improvement.

Information on industrial accidents that have occurred within the Group is shared along with information on the same kind of accidents at other companies in the industry and companies in general. Countermeasures and other steps are implemented to prevent accidents from occurring.

The Group continuously introduces and expands safety and health management systems. These efforts ensure that the Bridgestone Fundamental Safety Activities function appropriately and promote ongoing improvements.

## Injuries

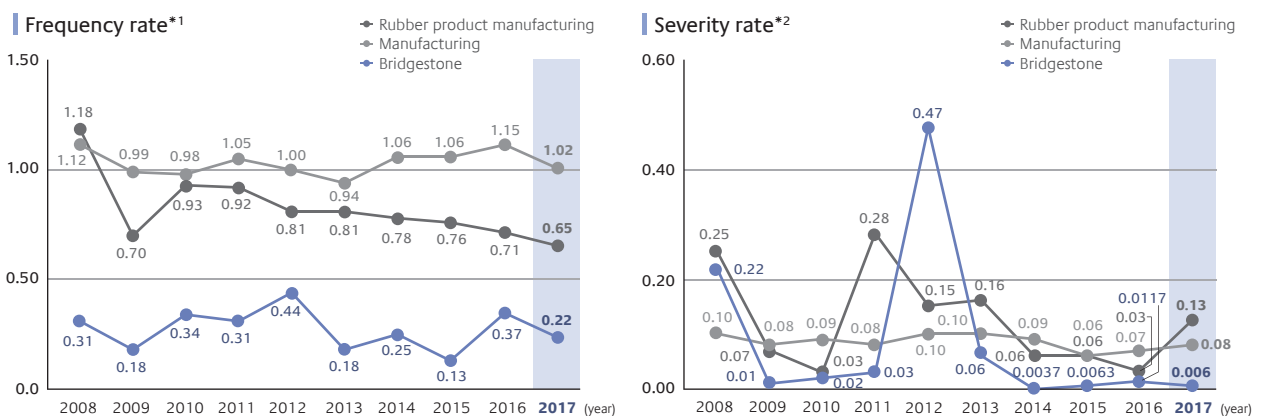
The Bridgestone Group has established Global Criteria for Occupational Injury to classify injuries occurring at Group production, distribution and sales facilities as well as warehouses. In addition to compiling injury statistics on a quarterly basis, the Group puts the investigation to use in preventing similar injuries.

During 2017 the number of work-related injuries in Bridgestone Corporation was below the average Japanese manufacturing industry level in terms of frequency\*<sup>1</sup> and below the average industry level in terms of severity\*<sup>2</sup>. In 2017, for all of the 190 production and logistics sites of the Bridgestone Group, there were 17 fatal or serious injuries (-7 instances compared to 2016), including fractures due to falls (at December 31, 2017).

Bridgestone will continue to promote safety activities centered on the Bridgestone Safety Fundamental Activities without compromise, deviation or exception, with the aim of reducing the number of all injuries, including serious injuries, closer to zero.

\*1 Frequency rate indicates the frequency of accidents with casualties. Frequency rate = (number of casualties/total actual working hours) x 1,000,000

\*2 Severity rate indicates the severity of accidents. Severity rate = (total number of working days lost/total number of working hours) x 1,000



## Disaster Prevention Management Activities

The Bridgestone Group has created a Disaster Prevention Global Guideline based on previous incidents with primary focus on Disaster Prevention preparedness exercises, including incipient firefighting drills and preventative inspections such as electrical wiring. We continue to strengthen fire prevention activities and strive to create safe, stress-free workplaces.

Similar to injuries, the company shares information on fires that occur within the Group and the measures taken to prevent similar accidents.

Bridgestone Group has designated September 8 as Bridgestone Group Disaster Prevention Day, and the company's workplaces now conduct disaster prevention drills every year on that day.

### Global Disaster Prevention Center

To instill in all Group employees the Bridgestone Safety Mission Statement of "Safety First, Always" from a disaster prevention perspective, the Global Disaster Prevention Center was established in Kodaira, Tokyo, in September 2015 and is located inside Bridgestone.

The Global Disaster Prevention Center engages in education and training to review the causes of unforgettable disaster prevention failures, such as the fire at the Bridgestone Tochigi Plant on September 8, 2003.

Bridgestone conducts various types of training at the Global Disaster Prevention Center, including sessions that resonate with employees because of stories told about past fire disasters and sessions that demonstrate the danger of fire by allowing employees to experience the sensations of static electricity and dust explosions. Bridgestone also conducts training that leads to prevention and early detection of disasters using wreckage found in fire-devastated areas and model facilities. By introducing examples of fires that have occurred not only in Japan but also overseas, the center has established a hands-on learning environment for global disaster prevention training.

Bridgestone continually enhances the trainings provided at the Global Disaster Prevention Center. Sessions related to natural disasters were added on March 11, 2016, the anniversary of the 2011 Great East Japan Earthquake, and present lessons learned from that disaster.

## Health Management

### Health Management Approach in Japan

Our goal at Bridgestone is “To Maintain a Sound Labor Force and Create a Pleasant Workplace,” and we conduct our health management, including healthcare management, accordingly.

#### > Regular Check-ups

In Japan, Bridgestone conducts regular and special health checkups as well as health exams for employees working overseas as required under the Industrial Safety and Health Law. Employees facing health issues are given proper healthcare guidance, typically by resident industrial physicians at the Company’s Health Care Center.

In addition to having 12 industrial medicine specialists available at 12 sites nationwide, Bridgestone holds an annual meeting in which all industrial physicians participate. The Company also has a full industrial health staff, including public health nurses, for handling special examinations and health insurance guidance.

#### > Preventing Overwork

Bridgestone recognizes the need to avoid long hours at the office and unusual amounts of overtime or late-night work to prevent health risks caused by overwork. In Japan, Bridgestone complies with the Labor Standards Act by working to reduce overtime and encouraging employees to use their annual holiday leave. In 2017, the rate of employees taking annual paid leave was 73.3%, with an average of 14.7 days.

Bridgestone also has a program requiring employees working more than a fixed number of hours to consult with industrial physicians to help maintain good health.

Total annual hours worked\*<sup>3</sup> **2,051 hours** (FY 2017)  
Annual overtime hours worked **291 hours** (FY 2017)

\*<sup>3</sup> Total annual hours worked = (Annual regular hours worked) + (Annual overtime hours worked) - (Annual paid holidays taken) - (Other holidays taken)

#### > Mental Health Efforts

In Japan, Bridgestone supports its employees psychological and physical health. Industrial physicians and medical staff serve as the core of the company’s mental health efforts, along with an external Employee Assistance Program (EAP). In line with Ministry of Health, Labour and Welfare guidelines (covering self-care, consultation line care, on-site industrial medical staff care and off-site care), Bridgestone has established a mental health plan for each office.

#### The Efforts of Bridgestone in Japan

- 1 Since 2006: Consultation department members care for managers and supervisors and self-care for new employees and mid-career hires
- 2 2006: Introduction of external EAP also covering employee families
- 3 Since 2007: Launch of psychological consultation website on the company intranet, providing information
- 4 “Return to Work Program” launched in 2010 for return to work assistance and recurrence prevention through ties with Human Resources, superiors, industrial physicians, main physicians and external EAP.
- 5 Since 2011: Strengthened secondary prevention and implemented mental health questionnaires (stress tests), mainly during health checkups. Questionnaire results are provided as feedback to the employee for early detection of mental health issues.
- 6 Since 2013: Counseling Office staffed by career counselors established at headquarters. This office conducts two-tiered mental health care, primary and secondary, by selecting the Company level and providing counseling for all employees in it.
- 7 Since 2014: The Company conducted an “organizational diagnosis” of three offices in the Tokyo metropolitan area. As primary prevention, initiatives were undertaken to reduce risk of mental health disorders occurring as a result of the workplace.
- 8 Since 2016: Stress tests and organizational assessments conducted at all business locations.

### Health Program Evaluation

Bridgestone seeks transparency in its approach to evaluating occupational health efforts. The company formulated a management status checklist based on its original standards concerning five areas of occupational health: overall management, health education, work environment management, work management and health management. Bridgestone introduced this checklist at manufacturing facilities and/or offices in 2010, extending it to Group companies in Japan in 2011, and conducts regular checks and makes improvements in an effort to establish and maintain the system. Going forward, the company will further enhance health education and continue activities to maintain and improve the system for compliance with regulations and standards for occupational health in the Bridgestone Group.

# Procurement

## Mission

### ► Create value to society through sustainable procurement practices

Bridgestone is committed to creating value and continually working toward a sustainable society to realize long-term environmental, social and economic benefits by incorporating the following into the entire supply chain:

1. Transparency

3. QCD & Innovation

2. Compliance

4. Sustainable Procurement Practices

## Management Structure

Composed of members from around the world, the Sustainable Procurement Working Group formulates and deploys global sustainable procurement policies and plans and confirms the progress of global initiatives and activities, which is then reported to the GCEC and the Global EXCO.  
(Refer to P36 regarding the GCEC and Global EXCO)

## CSR Procurement Promotion

The Bridgestone Group pursues CSR procurement through a Supply Chain Partnership Development System framework, which improves the overall competitiveness of the Bridgestone Group and its business partners.

The Bridgestone Group holds an annual conference to explain its procurement policies to ensure that business partners understand Bridgestone procurement policies. Information pertaining to the business environment surrounding the industry, as well as the Group's strategy for mutual improvements in terms of competitiveness, was shared with suppliers. The status of Supply Chain Partnership Development System activities was introduced and business partners were asked to engage in these activities with Bridgestone.

The "Green Partner Award" was established in 2013 to recognize suppliers for their environmental activities. Based on the Environmental Mission Statement of the Bridgestone Group, "In harmony with nature," "Value natural resources" and "Reduce CO<sub>2</sub> emissions," this award commends activities that help reduce environmental burdens and result in environmental contributions. Two companies won the Green Partner Award in 2017, Sumitomo Bakelite Co., Ltd. and REIDAN CO., LTD.

## Monitoring & Supporting Improvement

Since 2009, Bridgestone has offered on-site assistance to business partners whose CSR Self-Check Sheet results indicated environmental initiatives in need of improvement. In 2017, Bridgestone sent employees from environmental-related departments to one business partner's worksites to review environmental initiatives and offer advice on improvement.

Furthermore, the Company has started regularly visiting business partners considered in need of improvements related to non-environmental initiatives. Bridgestone will continue strengthening efforts aimed at improving the level of CSR activities throughout the supply chain.

In 2017, the Bridgestone Group continued its efforts to promote a better understanding of CSR activities on the part of business partners, distributing CSR Procurement Guidelines and CSR Self-Check Sheets to business partners in Japan as well as in Europe, Southeast Asia and China. These included items related to the issues of human rights, labor practices, health and safety, disaster prevention, the environment, fair business practices and ethics, information security and social contributions. Bridgestone offers proposals for improvement based on Self-Check Sheet responses and visits business partner production sites to provide advice as part of its on-site environmental assistance.

In 2017, 96 percent of all business partners responded that they had initiated CSR activities. Going forward, Bridgestone will continue to work closely with its business partners to improve and increase CSR initiatives through seminars and other methods throughout the supply chain.

In addition, CSR Seminars were held for business partners selected based on the results of their CSR Self-Check Sheet.

## Increase transparency & ensure compliance

The Bridgestone Group pursues various initiatives in Japan and overseas to further strengthen fair procurement activities.

Bridgestone conducts educational programs on the Subcontract Act of Japan, which is related to the Anti-Monopoly Act, at 12 major Group companies in Japan. Bridgestone also conducts an e-learning program through which participants can gain a better understanding of the law. In 2018, the Group will continue to promote these activities and implement educational programs on the Subcontract Act of Japan.

Since 2012, the Group has conducted education programs at the business site level about purchasing compliance for members of related administration departments. In 2017, 194 employees participated, including one who commented "My overall understanding has deepened, and I understand what actions I must never engage in while doing my job. This was very useful." In addition, the Bridgestone Group continues to conduct surveys on supplier satisfaction and confirm that fair procurement activities are being undertaken at the Group through the 100 supplier companies that take part.

Results of the 2017 survey showed that while the level of satisfaction generally improved, some suppliers desired more improvements in communication. The Bridgestone Group also worked with an external research firm to conduct interviews through visits to some suppliers to gain a deeper understanding of supplier opinions and thoughts. In light of the survey results, the Group plans to continue training employees in procurement departments to improve efforts in this area.

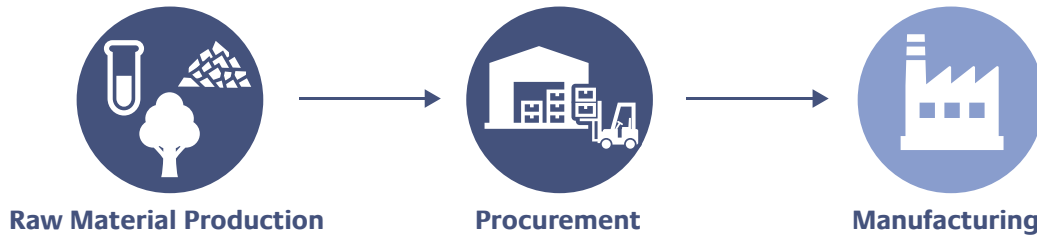
### Participants and graduates of the 2017 Subcontract Act of Japan program

- Number of times courses were held in 2017: 3
- Number of participants: 319
- Number of graduates: 293

Results of the 2017 subcontracted operations audit revealed administrative matters such as errors in documentation requiring improvement at some work sites, which Bridgestone plans to conduct and follow up on going forward.

Moving ahead, Bridgestone will continue to enhance and promote fair transactions.

# Effort on Realizing Sustainable Supply Chain



## Launch of Global Sustainable Procurement Policy

In February 2018, Bridgestone Group announced a new Global Sustainable Procurement Policy to help identify and evaluate qualified suppliers, promote best practices, and serve as a communication and improvement tool for the industry. The policy reflects a company commitment to procurement programming that drives action to realize long-term environmental, social and economic benefits. The policy is applicable to all purchased materials and services, as well as all suppliers globally.

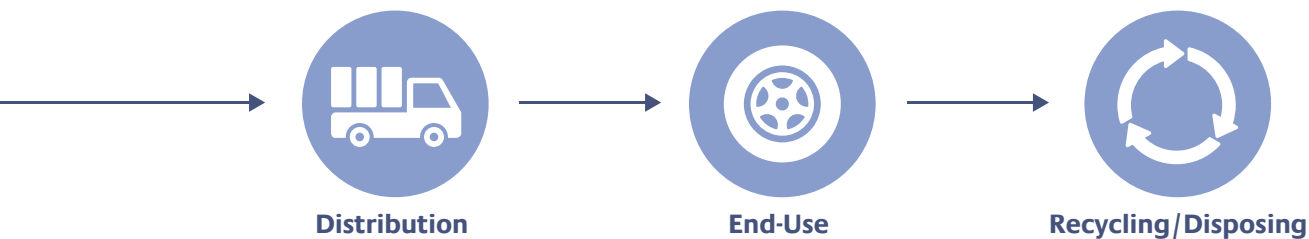
Guided by the company's "Our Way to Serve," the new policy aligns with the company's goal of using "100 percent sustainable materials\*" in its products as the long-term vision by 2050 and beyond. It combines previous company guidelines into a single document that sets minimum requirements to conduct business with Bridgestone, as well as preferred practices that can contribute to faster realization of sustainable supply chains. As a large user of natural rubber, the policy describes the company's expectations with respect to critical issues within the complex global natural rubber supply chain.



\*The Bridgestone Group defines sustainable materials as materials that "1) that come from resources with a guaranteed continual supply, 2) that can be used as part of our business over the long-term, and 3) that have a low environmental and social impact over the lifecycle from procurement to disposal."

### Development Process





## Implementing the Policy

As an immediate first step, the Bridgestone Group has prioritized working closely with its employees, suppliers and customers and other industry experts to implement the policy. Over the span of 2017-2018, the Group will work with its suppliers and partners to ensure that they have received the policy and understand it. Following acknowledgment of the policy, suppliers will receive a self-assessment questionnaire. The Group currently is developing an additional supplier assessment for the traceability of natural rubber and will be working to partner with the industry and other qualified experts to support ongoing monitoring of supplier compliance.

Level	Description	Educate Suppliers (Feb - June 2018)		Complete Supplier Self-assessment Questionnaires (June - September 2018)	
		Issue Policy	Suppliers Acknowledge Receipt	Policy Alignment	Traceability
1	Direct material suppliers, providing materials used in final products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	Indirect material suppliers, providing products and services that directly enable production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	—
3	Indirect material suppliers, providing goods and/or services that indirectly enable production and/or the overall business	<input type="radio"/>	—	—	—

## Tire Industry Project



### WBCSD Tire Industry Project (TIP)

CEOs participating in the WBCSD TIP, representing approximately 65 percent of the world's tire manufacturing capacity, meet every two years to review TIP's progress and set a forward-looking agenda for new and continuing work. A portion of that work focuses on efforts to bring sustainable natural rubber production closer to reality. Much work has been done to identify best practices for responsible sourcing of natural rubber, and now TIP will endeavor to identify the most effective ways to achieve these common goals, including evaluating sustainability best practices and identifying appropriate governance structures and potential platforms.

## Technology Provision to Improve the Productivity of Small-Scale Natural Rubber Farmers

The majority of natural rubber production in the world is conducted by small-scale rubber farmers in Southeast Asia. The Bridgestone Group uses large volumes of natural rubber produced by such farmers. Productivity of these rubber trees raised by these farmers often is low and the quality and volume of natural rubber produced varies. To help small-scale farmers improve the quality of their operations, P.T. Bridgestone Sumatra Rubber Estate (BSRE) and P.T. Bridgestone Kalimantan Plantation (BSKP), subsidiaries that directly operate rubber farms in Indonesia, provide these farmers with productivity-improving technologies Bridgestone has developed on its own company-owned rubber farms.



# Quality and Customer Value

## Mission

### ► Creating Customer Value & Trust

To create a global framework in collaboration with all related Bridgestone entities and stakeholders to proactively identify, prioritize and address customer quality issues in keeping with the intentions of our founder to: “Serve Society with Superior Quality”



Quality Mission Statement

The purpose of the Quality Mission Statement is to empower the future direction of Bridgestone based on the spirit of its founder, Shojiro Ishibashi, by bringing the Bridgestone DNA and proud heritage of quality and continual improvement to new generations of employees. Through innovation and employee engagement, Bridgestone can achieve unparalleled quality, not only in manufacturing but also throughout the value chain and in all products and services delivered to the customer.

All Bridgestone Group global business domains, functions and employees create customer value and trust through innovation and improvements.

## Management Structure

In 2017, Bridgestone enhanced the quality improvement PDCA cycle and the monitoring activity of quality control index, based on the new structure.

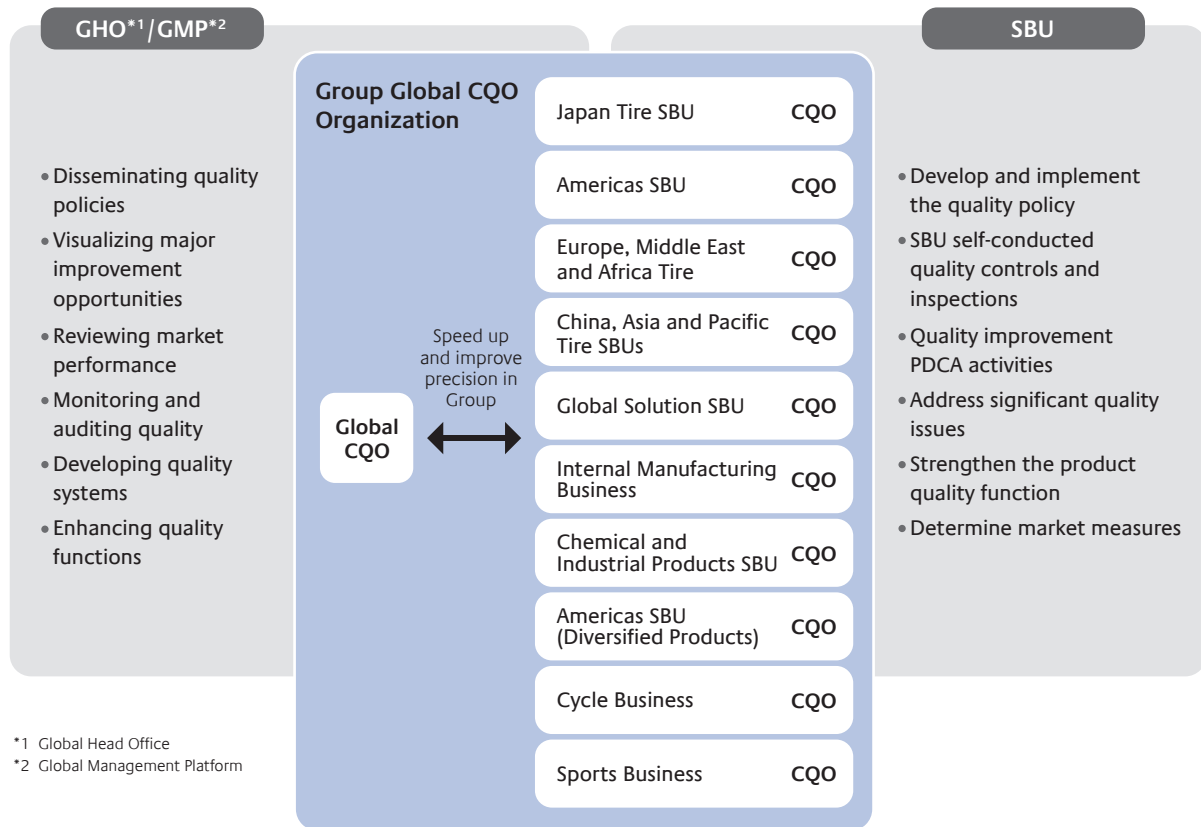
In 1968, Bridgestone received the Deming Application Prize, an eminent quality award, and 2018 will mark the 50th anniversary of that achievement. Looking ahead to this milestone year, to achieve customer value creation based on the Quality Mission Statement, Bridgestone will further strengthen its quality structure throughout the value chain. As a system for this, Bridgestone established the Global Quality Management Committee (GQMC) as a new organization to strengthen governance in order to realize the Quality Mission Statement on CQO organization and implement the PDCA cycle activities for further upper level.



Earning Deming Prize (1968)



## Group Global CQO Organization



## VOC/VOB Management

In complying with changing the business model from “product out” to “market in,” the Bridgestone Group has promoted utilization and improvement of the Voice of the Customer (VOC)/Voice of the Business Partner (VOB) management system and incorporated it into the development step to increase customer value. In each region, systematic management of VOC/VOB has been implemented according to market conditions and used to optimize products and services offered to customers.

In Japan, the customer summary system collects VOC data from the Customer Communication Center and other related departments. The system has been utilized by related departments to improve product and service quality.

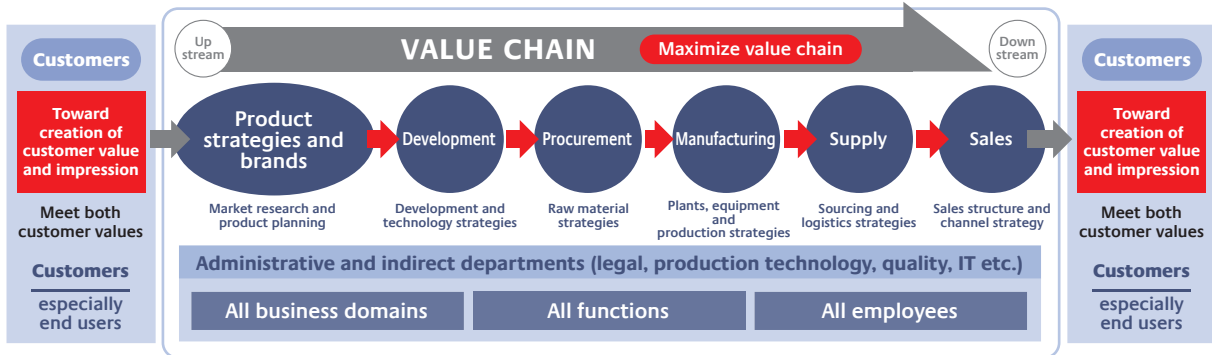
Bridgestone Americas and Bridgestone EMEA (Europe, Middle East and Africa) integrated corporate activities such as commercial market segmentation surveys and understood overall consumer satisfaction with tire patterns using Net Promoter Scores (NPS) to support future product plans. Customer value indicators (CVI) also were set and used as an important indicator.

In Asia and Pacific regions, Bridgestone periodically conducts market research on competitor products. Results are fed in to the development step.

Bridgestone Group will continue to build a solution business model while improving and strengthening the VOC/VOB management system. Through these activities, Bridgestone improves product and service quality and creates value for its customers.

# Quality Assurance Through the Value Chain

Entire value chain



## Development of Quality Assurance Activities Flow

To avoid quality issues in the development process, the Bridgestone Group standardizes the development process at all technical centers and enhances various process check systems to improve development quality.

The Development QA\*<sup>1</sup> Consulting process was implemented in Japan in 2011 to identify and improve potential problems in all development processes. In order to cope with problems identified by regular consulting, Bridgestone completed the development standardization process in all product development groups. In 2016, it expanded development process assessments to standardize the development process for production technology.

In 2015 in the Americas, Bridgestone adopted a new product development process with six gates to consider product development from the standpoints of varied customer demands and overall brand risk. In 2017, it expanded this process to the Latin American market.

In Europe, new product development based on the gate approach has been adopted as well. In 2016, it was expanded to include the development of OE tires (tires fitted on new cars). In 2017, all new development was regulated by the gate approach.

Also, in Japan, Bridgestone is improving the tire stamping assurance system from the viewpoint of compliance with regulations. It has been addressing this stamping assurance activity in the mid-term plan since 2015 in order to enhance the system of tire stamping assurance. In 2018, this stamping assurance activity will be expanded not only to Japan but also to the activities of global working teams such as the Americas, Europe, China and Asia.

\*1 Quality Assurance

## QA in Raw Material Procurement

The Bridgestone Group operates a global business, working with a wide range of suppliers to procure raw materials and outsourced products. With the cooperation of its many suppliers, it has established Group-wide approval criteria related to raw materials and outsourced products to ensure high quality.

Even after establishing a relationship with suppliers, the Bridgestone Group continuously monitors the quality of goods received, conducts supplier audits and makes other efforts to ensure suppliers are maintaining their quality assurance structures and that products supplied consistently meet the Group's quality requirements.

GMP and working teams in the Americas, Europe and Japan have begun collaborating to build a global raw material supply management system. In 2017, the Bridgestone Group established a supplier's periodic evaluation method. It is discussing how to deal with problems and evaluation criteria for auditing.

## QA in Outsourcing

GMP and SBUs are strengthening cooperation on outsourced products in an effort to raise the level of global quality assurance. In 2016, Bridgestone launched an effort to improve the three core competencies of outsourcing (Detection, Selection and Deterrence) with the aim of enhancing outsourcing supplier management.

<b>Detection</b>	Bridgestone applied compliance procedures for OEM* <sup>2</sup> work and made assessments of their effectiveness. In 2017, it broadened this system to other areas and improved the audit check sheet to reduce the quality risk of outsourcing. *2. Original Equipment Manufacturing
<b>Selection</b>	Bridgestone conducted quarterly sampling inspections to prevent undeclared changes in tube values. In 2017, it started outsourcing management according to revised guidelines based on Key Performance Indicators (KPIs).
<b>Deterrence</b>	Bridgestone revised contracts regarding compensation for abnormalities caused by outsourcing suppliers. The new contract terms have been applied since 2017 as contracts are renewed.

## ➤ QA in Tire Manufacturing

Response to evolving demands from consumers and vehicle manufacturers, as well as megatrends shaping automotive mobility, the Bridgestone Group is driven to improve quality in its global manufacturing processes to continue providing innovative, industry-leading products for consumers. Bridgestone also implements inspections based on Group quality standards at all of its manufacturing facilities.

Bridgestone promotes the “visualization” of potential quality risks at tire production plants and proactively implements preventive actions using the Failure Mode and Effect Analysis quality assurance method. Based on potential risk reduction activities in 2015, it has identified and promotes the implementation of global quality improvements utilizing its mid-term planning process. Going forward, Bridgestone aims to further improve product quality on a global basis.

In 2016, Bridgestone proceeded with the early detection of potential problems for global and rapid market actions and the creation of a rapid and accurate risk management system for judgment and market action.

In 2018, Bridgestone will continue to nurture its culture of quality and safety to ensure the highest quality products that provide consumers with worry free use.

## ➤ QA for Diversified Products

The Diversified Products Business of the Bridgestone Group develops a range of products other than tires, including automotive components, industrial materials such as conveyor belts and hoses, urethane-based chemical products, infrastructure-related products, bicycles and sports equipment. In 2016, it implemented a quality improvement project to reduce automotive vibration by identifying areas for improvement at production facilities and then making those adjustments. It also reviewed customer feedback on sporting goods and bicycles and made continual efforts to address these areas.

In 2018, Bridgestone will proactively continue to develop systems and processes designed to ensure the highest quality of all its products and identify opportunities for improvement by taking the lead on quality improvement activities.

# Human Resource Development in Support of Quality Activities

## ➤ Handing Down Manufacturing Technology and Tradition

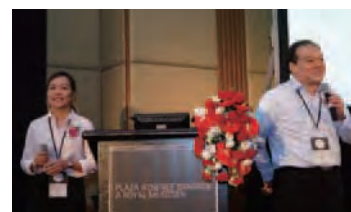
The Bridgestone Group believes it is important to hand down its traditions of quality and the skills of teammates who have come before to younger generations by providing quality and safety training for all employees. As deployment of the Quality Mission Statement, issued in 2016, “key persons” were assigned to train all employees in the global Bridgestone Group. All Group departments carry out activities based on the Quality Mission Statement to create customer value and trust by promoting improvement. The activities and best practices were shared, which helps to level up Bridgestone.

Going forward, Bridgestone aims to develop human resources throughout the Bridgestone Group who can ensure high-quality products and services.

## ➤ Bridgestone Group Global TQM Conference

The Bridgestone Group has held a Global Total Quality Management (TQM) Conference every year since 2010 that involves Bridgestone and its global business units. The Group Global TQM Conference aims to enhance the level of quality activities and improve quality awareness by sharing examples, selected from each region and SBU in the Group.

The year 2018 is memorable for Bridgestone because it marks the 50th anniversary of the Deming Award. Bridgestone considers 2018 a milestone year and will continue to move forward to create customer value and trust by promoting improvement activities among all employees.



# Corporate Governance

## Outside Director's Interview



**Bridgestone's continued striving to rise higher is the strength of its corporate governance.**

Outside Director,  
Bridgestone Corporation  
**Scott Trevor Davis**

**Profile** Scott Davis is from Australia. He graduated from the University of New South Wales School of Social Sciences in 1982 and completed a graduate degree at Rikkyo University Graduate School of Sociology in 1988. Doctor of Business Administration. He has held positions at the Japan Institute for Labour Policy and Training (JILPT) and served as professor of international economics in the Department of International Economics at Reitaku University. He has been professor of the Department of Business Administration at Rikkyo University since April 2006.

Dr. Davis specializes in strategic management and CSR. He has served as Management Advisory Committee member for Integrex Inc. (June 2001 – April 2008); outside director of Ito-Yokado Co., Ltd. (May 2004 – May 2006); outside director of Sompo Japan Nipponkoa Holdings, Inc. (current Sompo Holdings, Inc.) (since June 2004); outside director of Seven & i Holdings Co., Ltd. (since September 2005); external auditor of Nissen Holdings Co., Ltd. (since March 2006); and outside director of Bridgestone Corporation (since March 2011). He provides advice and recommendations on ensuring the adequacy and appropriateness of decision-making by the Board of Directors from the perspective of business management and CSR.

## **Basic Policy on Corporate Governance**

The Group considers the enhancement of corporate governance to be one of its most important management focus points. The Group believes that working to increase management quality and enhance the transparency of decision-making is indispensable, and accordingly, continually strives to strengthen corporate governance. This ensures that the Group continues to fulfill its founding mission as stated in its corporate philosophy: "Serving Society with Superior Quality."

Based on this approach, in accordance with the responsibility and authority delineated in the Administrative Authority Rules, and in line with the Policy Management Rules, the Company is committed to developing, communicating, and abiding by fair, transparent decision-making and management policies.

As one facet of initiatives to strengthen its corporate governance system, to achieve both further strengthening of its internal control system and heightened speed in execution, the Company transitioned to the "Company with Nominating Committee, etc." model of corporate governance in March 2016. The Group will continue striving to further strengthen both the efficiency and the effectiveness of management and execution.

## Governance by “Serving Society with Superior Quality”

Bridgestone is never satisfied with “good enough,” and is constantly searching for a better way, and to continuously improve. This attitude is not limited to governance. In all of its business activities, Bridgestone places great importance on how best to realize its corporate philosophy of “Serving Society with Superior Quality.”

For example, Bridgestone actively utilizes its Corporate Governance Code as a tool for confirming that initiatives are proceeding in the right direction. Through the Corporate Governance Code Report, the company informs stakeholders about the status of the various strengthening and improvement measures implemented in the prior year, while promotes dialog with various stakeholders. While some companies take a passive stance toward their corporate governance codes, Bridgestone considers theirs a positive opportunity to rise higher.

I sometimes hear it said that instilling a sense of corporate governance in management is a challenging task. This is not an issue at Bridgestone, however, because of the shared goals.

The function of an independent outside director is often compared to applying the accelerator or brake, but in Bridgestone’s case it is decisively different.

Bridgestone’s directors, through various information-sharing bodies and opportunities for communication with executive and corporate officers, function as team riding in the same vehicle, sharing the same continually updated road map. In a dramatically changing business environment, with independent outside directors drawing on broad-ranging knowledge and experience, all the team members are working to ensure a safe and comfortable journey.

This is also one of the strengths of Bridgestone’s governance.

## “Our Way to Serve” is Still Developing – The Journey to Rise Higher Continues

CSR is a strategy and an investment. It needs to be made continually stronger. Bridgestone announced its new CSR commitment, “Our Way to Serve,” in 2017. This new structure replaces the previous CSR “22 Focus Points” and is by no means the final edition. Rather than creating a brilliant CSR framework, Bridgestone is seeking to establish a framework that continues to support brilliant CSR.

The primary difference between “Our Way to Serve” and the 22 Focus Points is that in contrast to the “push” style of striving to be the best in all 22 categories, the new framework utilizes a “pull” approach that encourages each division and region to find the issues that affect them and find their own solutions.

Moving forward, Bridgestone Group will need to consider how globalization impacts its organization. The term itself has not changed, though its nuance varies with the era. What is needed now to be global? And how should it be expressed to reflect Bridgestone’s DNA? Is it Bridgestone as a coherent whole of various companies and regions, or are there synergies in a different dimension altogether? At this point, not everything is clear.

At the same time, Bridgestone is working to offer solutions to address the issues faced by its customers and society. What should be Bridgestone’s approach, and what framework should it have to achieve this? What sort of governance is necessary? Bridgestone will continue its never-ending journey to “serve society with superior quality.”

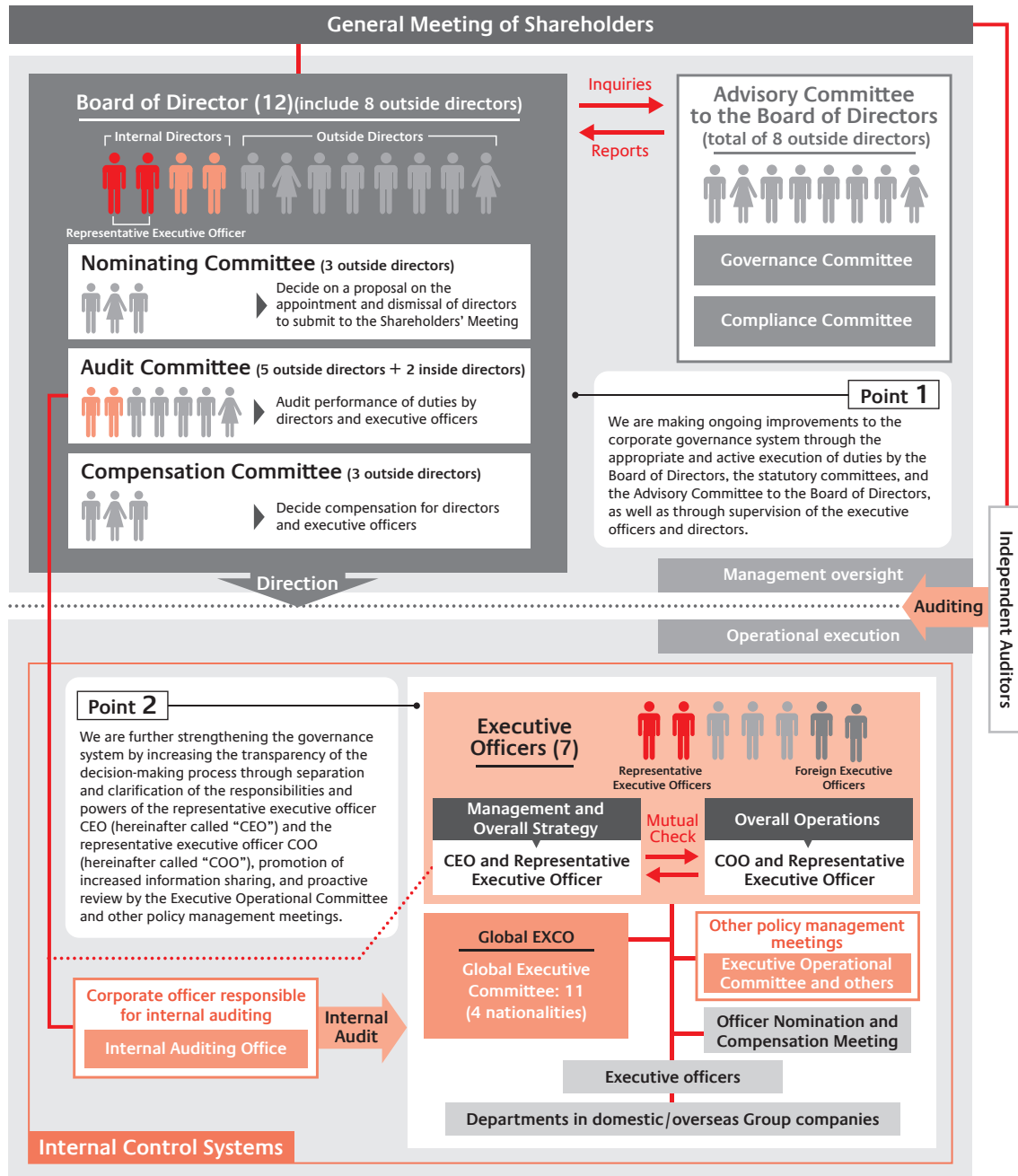
### Changes in Corporate Governance

Bridgestone has continued to advance its governance structure in order to further strengthen internal controls and enhance the speed of business execution.

Year	Management oversight	Mission & Foundation Framework	Operational execution
2006			<ul style="list-style-type: none"> <li>▶ Strategic Business Unit (SBU) organization structure (Followed by a progressive, continuous review of the operational structure)</li> </ul>
2010	<ul style="list-style-type: none"> <li>▶ Independent Non-Executive members of the Board of Directors</li> </ul>	The Bridgestone Essence	<ul style="list-style-type: none"> <li>▶ Two officers (CEO, COO) system in Bridgestone Americas</li> <li>▶ Introduction of Executive Committees</li> </ul>
2011		Environmental Mission Statement	
2012		Safety Mission Statement	<ul style="list-style-type: none"> <li>▶ Two officers (CEO, COO) system in Bridgestone Corp.</li> </ul>
2013	<ul style="list-style-type: none"> <li>▶ Discretionary board advisory committees (Governance / Nomination / Compensation)</li> <li>▶ Compliance Committee</li> </ul>		<ul style="list-style-type: none"> <li>▶ Global EXCO</li> </ul>
2014		Quality Mission Statement	<ul style="list-style-type: none"> <li>▶ Introduction of Global Executive Committee</li> <li>▶ Restructure SBUs: BSCAP China + Asia Pacific</li> <li>▶ BSEMEA Europe + ME, Africa, Turkey, &amp; Russia</li> </ul>
2015		Global CSR Commitment “Our Way to Serve”	<ul style="list-style-type: none"> <li>▶ Establish Global Mining &amp; Agricultural Solution Company</li> </ul>
2016	<ul style="list-style-type: none"> <li>▶ Adoption of new corporate structure: “Company with Nominating Committee, etc.”</li> </ul>		
2017			

## Corporate Governance Structure

### ■ Corporate Governance Structure (as of March 23, 2018)



**Advisory Committee to the Board of Directors**

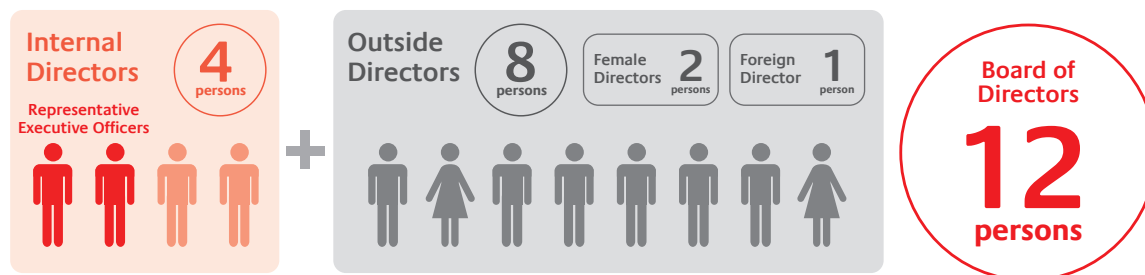
To further increase transparency of corporate governance, the Governance Committee and Compliance Committee have been established as advisory bodies to the Board of Directors. These advisory committees provide advice to the Board of Directors in regard to such matters, the governance system and related issues, and overall compliance activities. These committees are comprised of a total of outside directors and one or more internal directors, who are members of the Audit Committee participate as observers.

**Executive Operational Committee**

With regard to the execution of business operations, the Company has established the Global Executive Committee (Global EXCO) in 2013, which oversees business execution on a Group and Global basis, the Executive Operational Committee and other policy management meetings. These Committees deliberate and report on specific matters set forth in Company policy as well as other important matters. In addition to key executive officers such as the CEO and COO, full-time corporate officers also participate in the Global EXCO and the Executive Operational Committee meetings along with other policy management meetings.

## Board of Director

### ■ Number of Directors (as of March 23, 2018)



### ■ Reason for Appointment and Affiliated Committee of Directors

Name	Reason for Appointment	Nominating Committee	Audit Committee	Compensation Committee
<b>Masaaki TSUYA</b>	He has accumulated abundant experience through engagement in such fields as international relations, human resources, public relations and the implementation of internal controls since his appointment as Representative Director CEO in 2012, and has strongly promoted management reforms including strengthening corporate governance.	—	—	—
<b>Kazuhisa NISHIGAI</b>	He has accumulated abundant experience through engagement in such fields as production technology, plant management and sales. Since his appointment as Representative Director COO in 2012, he has strongly promoted management reforms including the expansion of the tire business and diversified products business.	—	—	—
<b>Narumi ZAITSU</b>	He has accumulated abundant experience through engagement in such fields as manufacturing, production technology and international business, and since 2017, while engaging in appropriate decision making of the Board of Directors as a Member of the Board, has been in charge of auditing of the entire Bridgestone Group and promoting strengthening of the auditing system as a member of the Audit Committee.	—	○	—
<b>Kenichi TOGAMI</b>	He has accumulated abundant experience through engagement in such fields as finance, the diversified products business, management auditing and overseas operations, and since 2016, while engaging in appropriate decision making of the Board of Directors as a Member of the Board, has been in charge of auditing of the entire Bridgestone Group and promoting strengthening of the auditing as a supervisory auditor.	—	○	—
<b>Scott Trevor DAVIS</b> Outside Director	He has excellent academic knowledge in the fields of sociology and international business administration, as well as abundant wisdom regarding CSR in Japan and overseas.	○	—	○
<b>Yuri OKINA</b> Outside Director	He has significant research experience regarding financial systems and financial administration.	○	—	○
<b>Kenichi MASUDA</b> Outside Director	He has abundant experience as a lawyer at law firms in Japan and overseas, as well as his expertise as represented by his experience of teaching corporate law at a graduate school of law.	○	—	○
<b>Kenzo YAMAMOTO</b> Outside Director	He has abundant knowledge about the financial market and the financial system, as well as abundant wisdom regarding business management and risk management.	—	○	—
<b>Keikou TERUI</b> Outside Director	He has broad insight into industrial technology fields, as well as his abundant administrative experience in industrial policies at the Ministry of Economy, Trade and Industry.	—	○	—
<b>Seiichi SASA</b> Outside Director	He has abundant professional experience of accounting audits and consulting as a Certified Public Accountant, as well as his expertise as represented by his current experience of teaching accounting and audit at a university and graduate school, and former appointment as an Examiner of the Certified Public Accountant Examination.	—	○	—
<b>Yojiro SHIBA</b> Outside Director	He has abundant corporate management experience in the financial industry and entertainment business industry, and is expected to contribute to appropriate decision making of the Board of Directors by making suggestions on creation of value and establishment of business from the perspective of customers based on his deep insight.	—	○	—
<b>Yoko SUZUKI</b> Outside Director	He has high expertise as a lawyer, and is expected to contribute to appropriate decision making of the Board of Directors based on his abundant experience and deep insight as an outside auditor and auditor of other companies and various associations.	—	○	—

## Auditing Structure

The Company implements audits through cooperation among the Audit Committee, the Internal Auditing Office, and the independent auditors.

In accordance with audit policies determined by the Audit Committee, the Committee works in cooperation with the Internal Auditing Office and other bodies to audit the execution of business duties by executive officers and directors. These auditing activities include attendance at important meetings, such as the Global EXCO and the Executive Operational Committee; interviews to ascertain the status of operations; reviews of important business documents; and on-site audits of business offices. Moreover, information and opinions are exchanged with the representative executive officers, and meetings are held with such persons as the corporate auditors of major subsidiaries in Japan. In addition, the Company has assigned a corporate officer with full-time responsibility for auditing to assist the operations of the Audit Committee. Under the supervision of this corporate officer, dedicated staff have been assigned to assist with audits by the Committee. Decisions to select and replace this corporate officer require the agreement of the Audit Committee.

The Internal Auditing Office and internal auditing departments within the Company's operating divisions and major subsidiaries conduct internal accounting and operational audits of the Company and Group companies. The Internal Auditing Office makes annual audit plans and conducts on-site audits of each function, operating division, and subsidiary.

In cooperation with the Audit Committee, Deloitte Touche Tohmatsu LLC performs the accounting audit of the Company's financial statements.

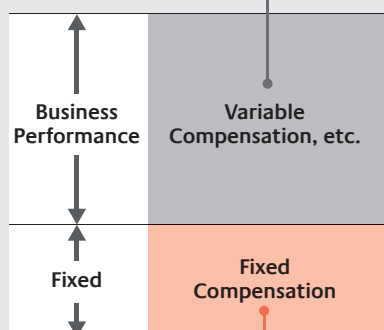
The Audit Committee, the Internal Auditing Office, and the independent auditors exchange information and opinions as necessary and generally maintain close contact, thereby working to further increase audit efficiency and effectiveness.

## Compensation System for Directors and Executive Officers

Bridgestone, in deciding on executive compensation, will determine an appropriate amount of compensation in light of Bridgestone's business performance and scale of business, based on the four "Principles of Compensation" of (1) retaining and cultivating superior human resources, (2) remaining competitive, (3) motivating the implementation of the global business strategy and (4) motivating an increase in shareholder value, in view of the standard of compensation for the main domestic businesses developing global business and the roles and responsibilities of directors and executive officers.

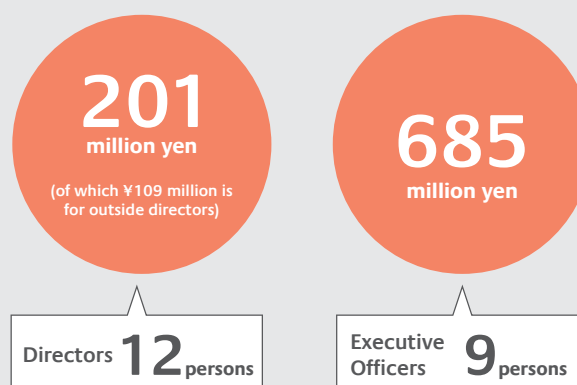
### ■ Compensation system for directors (for directors who are also executives)

Established by a company-wide performance bonus linked to the achievement of business results for the fiscal year, as well as Performance Share Unit (PSU).



Established by basic performance-based compensation, additional compensation in relation to roles and responsibilities of directors and additional compensation in relation to roles and responsibilities of executive officers.

### ■ Board of Director, Executive Officer and Corporate Auditor Remuneration (January-December 2017)



\* Figures include one director and four executive officers who retired during the subject fiscal year.



## || Evaluation of the Effectiveness of the Board of Directors' Meetings

In order to strengthen its corporate governance and promote the speed of business execution the Company has regularly reviewed its governance performance and continually implements reforms to its governance systems and processes (as a part of this process the Company introduced Independent Directors in 2010, introduced the dual executive roles of CEO and COO in 2012, and between 2013 and 2014 established Nominating, Compensation, Governance and Compliance committees as advisory committees to the board, established the global executive management committee "Global Executive Committee" in 2014 and adopted the Company with Nominating Committee, etc. Model of corporate governance in 2016). Building upon these enhancements the scope for the evaluation of Board effectiveness has been taken to include not only the Board and the committees required under the Company with Nominating Committee, etc. Model (Nominating, Auditing and Compensation Committees) but also the advisory committees (Governance and Compliance Committees). With the objective of strengthening corporate governance, the entire scope of board functions (the Board and all five committees – both legally required and advisory) is subject to annual evaluation in a process which involves a review of all board deliberations and their outcomes and self-evaluations of all directors. The following diagram illustrates the structure and scope of this evaluation process.

The Board evaluation process requires the Board and each Committee to complete a formal self-evaluation process the results of which are then submitted to the Board where the overall effectiveness of the Board's operation and governance performance level is evaluated. As a result of this Board evaluation it has been determined that decision-making ensures transparency and that the oversight functions of the Board are being carried out through timely reports to the Board for deliberation, productive discussions among members of the Board, active deliberations at Board meetings taking the various perspectives of external independent directors into account and the ongoing efforts of the legally-required and advisory committees to create an organization of global awareness.

Also, in February 2018 the Board revised its authority, and put even greater focus on deliberations concerning management strategy. From now on the Board, in efforts to improve the Company ever further, is addressing the enhancement of governance and continuous improvement of all the functions of the Board of Directors.

## || Internal Control Systems: Basic Approach and Implementation

With regard to Bridgestone's internal controls system for ensuring that the company carries out its business appropriately, decisions on improvement strategy are made by the Board of Directors, and the Representative Executive Officer is then entrusted with the carrying out of these decisions; the Representative Executive Officer receives reports on the status of the improvements and related operations, and monitors implementation, to realize further improvement.

## || Report on the Corporate Governance Code

Bridgestone Corporation submitted the report on the "Corporate Governance Code" to the Tokyo Stock Exchange, with verification concerning the state of correspondence to all principals. The "Corporate Governance Code" was added to the listing rules of the Tokyo Stock Exchange in 2015 to contribute to the realization of effective "Corporate Governance" as the KEY principals. The Company publishes "Corporate Governance Code Report" and published them on its website.

Through the explanation of the Company's idea of the "Corporate Governance" and introducing efforts towards it, Bridgestone Corporation is aiming to promote greater understanding of its "Corporate Governance".

 [Web https://www.bridgestone.com/corporate/library/corporate\\_governance/pdf/2018\\_Report\\_on\\_the\\_Corporate\\_Governance\\_Code.pdf](https://www.bridgestone.com/corporate/library/corporate_governance/pdf/2018_Report_on_the_Corporate_Governance_Code.pdf)



## Bridgestone Group Awards 2018



The Bridgestone Group Awards are a recognition program open to all organizations and employees of the Bridgestone Group. The Awards were created with the purpose of increasing employee awareness of corporate activities based on the Bridgestone Corporate Philosophy, fostering a sense of unity among Group employees and recognizing accomplishments. This recognition is the highest level of awards within Bridgestone Group and plays an important role in working toward achieving the Group's ultimate goal of becoming a truly global company and "Dan-Totsu" (Japanese term for the absolute and clear leader) in all aspects of our businesses.

Based on its Corporate Social Responsibility (CSR) commitment "Our Way to Serve", the awards fall into five categories: "Achievement", "Mobility", "People", "Environment" and "Management Fundamentals". Bridgestone's global executive committee members selected applications from all global business units to determine this year's winners. As a result, among all the various activities conducted by organizations and employees of the Group, seven activities were selected for recognition this year.

The Bridgestone Group considers the Bridgestone Group Awards as an important management tool. Amid significant change in our operating environment, innovation and continuous improvement is essential in order to secure a competitive advantage and create value for both the customers and society. By recognizing outstanding activities through the awards and sharing examples of best practices, the company believes they can achieve further improvements across the entire Group.

The activities selected for recognition are as follows.

### Achievement

: Two Winners

#### Launch of Global CSR commitment "Our Way to Serve"

- ▶ **Bridgestone Corporation**      **Bridgestone Europe NV/SA**
- Bridgestone Americas, Inc.**    **Bridgestone Asia Pacific Pte. Ltd.**

This activity entails the launch of the new global CSR commitment. The Group launched its "Our Way to Serve," global commitment to serve as a guide for all Group employees. This commitment was developed by a project team comprised of members from around the world that formulated the initial concept for the global CSR commitment as well as a communication plan for its deployment. "Our Way to Serve" was successfully launched in March 2017.



#### "Fueling our Future" - Recruitment with new digitally-enabled tools

- ▶ **Bridgestone Europe NV/SA**

This program entailed the development of a new recruitment and on-boarding approach for Bridgestone Europe's Technical Center (TCE). In order to drive growth and innovation, TCE needed to create a pipeline of technical talent to enhance its product development and digital solutions capabilities. Through using a combination of digital tools as well as process improvements, TCE was able to attract a globally diverse group of engineering talent while reducing the overall time to hire.



## Mobility

: One Winner

### Collaborative development of global digital solution platform

▶ **Bridgestone Corporation**  
**Bridgestone Tire Japan Co., Ltd.**  
**Bridgestone Americas Tire Operations, LLC**

**Bridgestone Europe NV/SA**  
**Bridgestone Asia Pacific Pte. Ltd.**

This activity entails Groupwide effort to develop and deploy global digital tools in Fleet solution in order to contribute Fleet customers in safer operations, higher economic benefits and lower environmental impacts. “Toolbox”, one of the digital tools, manages basic customer information as well as their tires’ information. “Toolbox” has already been deployed by more than 80 countries worldwide. Linked with other digital tools (“BASys” and “Tirematics”), “Toolbox” enables to provide greater customer value while developing tires that better reflect customer needs.



## People

: Two Winners

### Developing Community Trust with integrated Growth

▶ **Bridgestone India Private Ltd. (BSID)**

This activity recognizes Bridgestone India’s (BSID) effort in building a sustainable relationship with the local community in Pune, India, where its tire plant is located. BSID developed community trust through the construction of schools, provision of health checks, road safety classes and other activities.



### Social Caravan: serving people and communities

▶ **Bridgestone Argentina S.A.I.C. (BSAR)**

This activity entails Bridgestone Argentina’s (BSAR) Social Caravan project. BSAR has worked together with its stakeholders, including employees and business partners to deliver truckloads of donated supplies to rural schools that are lack of resources. Since the launch of this project in 2010, the Social Caravan have 83 tons of supplies to more than 2,300 students at 50 schools in seven provinces of Argentina with the help of 300 volunteers.



## Environment

: One Winner

### Development of Conveyor Belt materials with Zero Volatile Organic Compounds (VOC)

▶ **Bridgestone Mining Solutions Australia Pty. Ltd.**

This activity entails the development of conveyor belt splicing materials\* that do not use Volatile Organic Compounds (VOC). These products have provided customers with easier and safer working environments compared to similar existing materials, in addition to contributing to reducing environmental footprint with zero VOC.

\* Materials used for connecting conveyor belts



## Management Fundamentals

: One Winner

### Innovative mixing technologies for next generation tread compounds with superior performances

▶ **Bridgestone Europe NV/SA**      **Bridgestone Corporation**

This activity recognizes the development of an innovative mixing technology that enables to control nano-scale polymer composites. This technology can be used to produce high-quality tread materials that contribute to longer wear life, higher fuel efficiency, and superior wet grip performance in tires. New products employing such tread materials have earned much praise from media and independent parties and have thus helped bolstered sales in European operations.



# Stakeholders Communication

Bridgestone has a long history of embracing its responsibility to help advance sustainable development and solve social issues.

Through proactive communication with stakeholders, the company seeks to facilitate an accurate understanding of the Bridgestone Group and its business activities. Bridgestone Group also uses communication as a means of gathering information on the opinions, evaluations and anticipations of stakeholders so that this input can be incorporated into business activities to achieve ongoing improvements with a view toward sustainable growth.

Given the global nature of its business, the Bridgestone Group is endeavoring to optimize all aspects of its communication activities by establishing systems for transmitting uniform messages with one voice.

The Bridgestone Group has emphasized communication with various stakeholders. It strives to clarify its responsibilities and the issues it faces with regard to each stakeholder group and to utilize the ideal communication methods and venues accordingly.

## ► Communication Activities of the Bridgestone Group

Major stakeholder groups	Responsibilities and issues of the Bridgestone Group	Main communication methods and opportunities
Customers	<ul style="list-style-type: none"> <li>Development of appealing products and services</li> <li>Swift provision of ideal response and support measures</li> <li>Appropriate information provision</li> <li>Effective management of customer information</li> </ul>	<ul style="list-style-type: none"> <li>Responses to Customer Communication Center inquiries <span style="float: right;">daily</span></li> <li>Analysis, database compilation and internal utilization of customer input <span style="float: right;">as necessary</span></li> <li>Rubber and tire museum Bridgestone TODAY <span style="float: right;">daily</span></li> <li>Transmission of information via websites and social media <span style="float: right;">as necessary</span></li> <li>Daily sales and service activities <span style="float: right;">daily</span></li> <li>Customer satisfaction survey <span style="float: right;">as necessary</span></li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Appropriate and timely information disclosure</li> <li>Maximization of corporate value</li> </ul>	<ul style="list-style-type: none"> <li>Annual Shareholders' Meeting <span style="float: right;">March</span></li> <li>Corporate Governance Reports <span style="float: right;">as necessary</span></li> <li>Corporate Governance Code-related reports <span style="float: right;">as necessary</span></li> <li>Financial results review meetings and Mid-Term Management Plan explanatory forums <span style="float: right;">as necessary</span></li> <li>Information disclosure through investor relations website <span style="float: right;">as necessary</span></li> <li>Reports based on International Integrated Reporting Framework <span style="float: right;">10 times in 2017</span></li> <li>Explanatory forums for investors <span style="float: right;">as necessary</span></li> <li>Individual interviews with investors <span style="float: right;">as necessary</span></li> </ul>
Business partners	<ul style="list-style-type: none"> <li>Fair and impartial transactions</li> <li>Promotion of CSR procurement</li> </ul>	<ul style="list-style-type: none"> <li>Daily procurement activities <span style="float: right;">daily</span></li> <li>Procurement policy explanatory forums/CSR seminars <span style="float: right;">2 times a year</span></li> <li>Formulation and deployment of sustainable procurement policies</li> <li>Supplier awards</li> <li>Discussions with management (distributor meetings) <span style="float: right;">1 time a year</span></li> </ul>
Employees	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Promotion of diversity (diverse working styles)</li> <li>Utilization of ideal human resources and development of human resources</li> <li>Promotion of occupational health and safety and health and productivity management</li> <li>Facilitation of mutual understanding between labor and management</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction surveys <span style="float: right;">1 time a year</span></li> <li>Group and nomination-based trainings <span style="float: right;">as necessary</span></li> <li>Personnel evaluation systems and career development consultation <span style="float: right;">as necessary</span></li> <li>In-house open application systems <span style="float: right;">1 time a year</span></li> <li>Meetings between labor and management <span style="float: right;">as necessary</span></li> <li>Transmission and sharing of information through in-house newsletters and intranet <span style="float: right;">as necessary</span></li> <li>Meetings allowing for direct communication between employees and management <span style="float: right;">as necessary</span></li> <li>Bridgestone Group Awards and other reward systems <span style="float: right;">Award: 1 time a year</span></li> <li>Internal events related to the Olympic and Paralympic Games <span style="float: right;">as necessary</span></li> </ul>
Local communities, NGO	<ul style="list-style-type: none"> <li>Contributions to local communities</li> <li>Environmental preservation support through social activities</li> <li>Activities in regions with Bridgestone operating sites</li> </ul>	<ul style="list-style-type: none"> <li>Plant tours for community members <span style="float: right;">as necessary</span></li> <li>Environmental and safety education activities <span style="float: right;">as necessary</span></li> <li>Sponsorship and aid for local events <span style="float: right;">as necessary</span></li> <li>Bridgestone x Olympic x Paralympic a GO GO! <span style="float: right;">4 times in 2017</span></li> <li>Northern Kyushu torrential rain recovery support activities <span style="float: right;">1 time in 2017</span></li> <li>Post-Great East Japan Earthquake reconstruction support activities <span style="float: right;">2 times in 2017</span></li> <li>Dialogue and collaborations with NGOs <span style="float: right;">as necessary</span></li> <li>→Main accomplishments in 2017: Formulation of sustainable procurement policy</li> </ul>
Government agencies, industry organizations and education institutions	<ul style="list-style-type: none"> <li>Contributions to the development of a safe and reliable mobility society</li> <li>Contributions to educational activities</li> <li>Collection and exchange of various opinions regarding the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue and collaborations with economic and industry organizations <span style="float: right;">as necessary</span></li> <li>Engagement with government officials in countries of operation <span style="float: right;">as necessary</span></li> <li>Participation in the Tire Industry Project operated under the World Business Council for Sustainable Development <span style="float: right;">as necessary</span></li> <li>Interaction and exchanges of opinion with municipal government agencies <span style="float: right;">as necessary</span></li> <li>Communication, coordination, and support through cooperation via industry-government-academia partnerships <span style="float: right;">as necessary</span></li> </ul>

# Third-party Assurance of Environment Data and Social Data

The Bridgestone Group received the assurance of a third-party institution to ensure transparency, completeness, and accuracy of water intake results and results of tests concerning 2020 CO<sub>2</sub> emission reduction targets and Social data.



[https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party\\_assurance.pdf](https://www.bridgestone.com/responsibilities/esgdata/pdf/third-party_assurance.pdf)

CO<sub>2</sub> emission data (Scope 1,2,3) was provided through evaluation by a third-party institution based on ISAE3000 and conforming to ISO14064-3; water intake data was provided by testing implemented by a third-party verification based on and conforming to ISAE3000. Verification of primarily production based in 2 countries, 4 bases/facilities, was conducted by on-site inspection; issues at the various bases were identified and solutions were proposed and implemented. Initiatives to further reduce CO<sub>2</sub> emission also are being implemented.

## Locations where on-site inspection was implemented for third-party verification in 2018

Name of country	Name of facility	Main product(s)	Function of CO <sub>2</sub> emission and water intake report
Japan	Bridgestone Corporation CSR, Environment & Quality Management Planning Division	—	Summary and report concerning amounts of CO <sub>2</sub> emission (SCOPE 1/2/3) and water intake at various facilities
Japan	Bridgestone Corporation CSR, Environment & Quality Management Planning Division, Human Resources and Labor Relations Division, Safety, Disaster Prevention and Environmental Enhancement Division	—	Calculation and reporting of personnel-related and occupational safety data
Japan	Bridgestone Corporation Kurume Plant	Tire	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility
Japan	Bridgestone Corporation Yokohama Plant	Conveyor belt, damping rubber, vibration reduction rubber and other rubber-related products	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility
Indonesia	P. T. Bridgestone Sumatra Rubber Estate	Block natural rubber	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility

# ESG Data

## Management-Related Data

Data items	FY2015	FY2016	FY2017	GRI
Sales of the group	3,790 billion yen	3,337 billion yen	3,643 billion yen	GRI102-7
Rubber production volume	1,790,000 tonnes	1,800,000 tonnes	1,880,000 tonnes	GRI102-7
Number of employees	144,303	143,616	142,669	GRI102-7
Number of manufacturing facilities*1	172	169	164	GRI102-7

\*1 Number of facilities as of April 1 each year (as of the end of December each year for other data).

## Environment-Related Data

Data items	FY2015	FY2016	FY2017	GRI
Amount of raw materials used	4,811 thousand tonnes	4,795 thousand tonnes	5,039 thousand tonnes	GRI301-1
Amount of recycled rubber	16,066 tonnes	16,356 tonnes	20,369 tonnes	GRI301-2
Reclaimed products rate	-	-	60.45%	GRI301-3
** Total energy consumption	45,196 thousand GJ	44,822 thousand GJ	46,490 thousand GJ	GRI302-1
** Energy consumption (fuel)*2	686 thousand kl	678 thousand kl	712 thousand kl	GRI302-1
** Energy consumption (electricity)	4,649 thousand MWh	4,650 thousand MWh	4,802 thousand MWh	GRI302-1
** Energy consumption (steam)	1,864 thousand GJ	1,797 thousand GJ	1,609 thousand GJ	GRI302-1
Energy consumption per unit of sales	1,192 GJ/100 million yen	1,343 GJ/100 million yen	1,276 GJ/100 million yen	GRI302-3
Reduction volume of energy consumption	1,152 thousand GJ	374 thousand GJ	-1,667 thousand GJ	GRI302-4
Energy consumption outside of the organization	-	1,674,023 thousand GJ	1,750,933 thousand GJ	GRI302-2
** Total water intake	77,545 thousand m <sup>3</sup>	71,584 thousand m <sup>3</sup>	70,241 thousand m <sup>3</sup>	GRI303-1
** Water intake (surface water)	4,943 thousand m <sup>3</sup>	4,702 thousand m <sup>3</sup>	4,802 thousand m <sup>3</sup>	GRI303-1
** Water intake (groundwater)	11,402 thousand m <sup>3</sup>	11,623 thousand m <sup>3</sup>	11,785 thousand m <sup>3</sup>	GRI303-1
** Water intake (water supply, industrial water)	19,999 thousand m <sup>3</sup>	19,545 thousand m <sup>3</sup>	18,448 thousand m <sup>3</sup>	GRI303-1
** Water intake (seawater)	41,200 thousand m <sup>3</sup>	35,714 thousand m <sup>3</sup>	35,206 thousand m <sup>3</sup>	GRI303-1
Volume of recycled water	480,506 thousand m <sup>3</sup>	455,646 thousand m <sup>3</sup>	425,854 thousand m <sup>3</sup>	GRI303-3
** Greenhouse gas emissions (SCOPE 1)	1,856 thousand t-CO <sub>2</sub>	1,828 thousand t-CO <sub>2</sub>	1,922 thousand t-CO <sub>2</sub>	GRI305-1
** Greenhouse gas emissions (SCOPE 2)	2,502 thousand t-CO <sub>2</sub>	2,448 thousand t-CO <sub>2</sub>	2,336 thousand t-CO <sub>2</sub>	GRI305-2
** Greenhouse gas emissions (SCOPE 3)*3	122,034 thousand t-CO <sub>2</sub>	122,834 thousand t-CO <sub>2</sub>	128,884 thousand t-CO <sub>2</sub>	GRI305-3
CO <sub>2</sub> emissions per unit in lifecycle stages*4	366 t-CO <sub>2</sub> /100 million yen	412 t-CO <sub>2</sub> /100 million yen	380 t-CO <sub>2</sub> /100 million yen	GRI305-4
CO <sub>2</sub> emission reduction rate in the operations and products' after-use(compared with 2005)	37%	29%	35%	GRI305-5
NOx emissions (from Bridgestone Corporation)	699 tonnes	417 tonnes	355 tonnes	GRI305-7
SOx emissions (from Bridgestone Corporation)	402 tonnes	357 tonnes	372 tonnes	GRI305-7
Total water discharge	61,744 thousand m <sup>3</sup>	55,671 thousand m <sup>3</sup>	55,728 thousand m <sup>3</sup>	GRI306-1
Waste discharge	296 thousand tonnes	313 thousand tonnes	310 thousand tonnes	GRI306-2
Volume of recycled waste	265 thousand tonnes	284 thousand tonnes	280 thousand tonnes	GRI306-2
Recycling waste rate	89%	91%	90%	GRI306-2
Volume of waste landfill	31 thousand tonnes	29 thousand tonnes	29 thousand tonnes	GRI306-2
Investment in environmental preservation*5 (of Bridgestone Corporation)	-	4.4 billion yen	3.3 billion yen	-
Expenses for environmental preservation*5 (of Bridgestone Corporation)	-	5.4 billion yen	7.1 billion yen	-
Environmental preservation effective amount*6 (of Bridgestone Corporation)	1.7 billion yen	2.1 billion yen	2.1 billion yen	-
Resource productivity*7	0.788 million yen/tonnes	0.696 million yen/tonnes	0.723 million yen/tonnes	GRI301-1
Sites with ISO 14001 certification*8	99.4%	99.4%	98.7%	-

Environment-related data represents all Bridgestone Group plants for the period between January 1, 2015, and December 31, 2015, for 2015 results; between January 1, 2016, and December 31, 2016, for 2016 results; and between January 1, 2017, and December 31, 2017, for 2017 results. Part of the data includes estimated figures. Because we refined past data, the data above differs slightly from Sustainability Report 2015.

\*2 Includes fuels used for in-house power generation.

\*3 Category 8, 13 and 15 are excluded of the 15 categories in SCOPE 3 of the GHG protocol.

\*4 CO<sub>2</sub> emissions per unit of sales produced from lifecycle stages from procurement to manufacturing, distribution and disposal.

\*5 Calculated with reference to the Environmental Accounting Guidelines 2005 (Ministry of the Environment, Japan).

\*6 Calculated based on the Environmental Accounting Guidelines 2005 (Ministry of the Environment, Japan).

\*7 Sales per raw material used.

\*8 Sites targeted by Bridgestone for ISO 14001 certification.

## Social-Related Data

Data items		FY2015	FY2016	FY2017	GRI
Number of employees	Total	144,303	143,616	142,669	GRI102-7
	Japan	28,616	28,326	28,375	
	The Americas	60,762	60,798	59,750	
	Europe,Russia, Middle East & Africa	16,760	17,240	17,510	
	China, Asia & Pacific	38,165	37,252	37,034	
Global Executive Committee (Global EXCO) member	Total	13	14	16	GRI405-1
	Of which, foreign members	5	6	8	
	Rate of foreign members	38.5%	42.9%	50.0%	
Executive Officers & Vice President and Officers* <sup>9</sup>	Total	51	52	52	GRI405-1
	Of which, foreign officers	7	9	12	
	Rate of foreign officers	13.7%	17.3%	23.1%	
Product Safety	Sites with ISO9001 certification* <sup>10</sup>	-	98.7%	99.0%	GRI416-1

● as of the end of December each year.

\*<sup>9</sup> Including officers who belong to Bridgestone's subsidiaries.

\*<sup>10</sup> Sites targeted by Bridgestone for ISO 9001 certification.

## Governance-Related Data

Data items		FY2017	GRI
Number of directors in Bridgestone Corporation (as of April 1,2018)	Directors	12	GRI102-18
	(Men)	10	
	(Women)	2	
	Of which, outside director	8	
	(Men)	6	
	(Women)	2	
Directors* <sup>11</sup>	Number of persons	12	GRI102-35
	Total fees	201 million yen	
Of which, outside directors* <sup>11</sup>	Number of persons	7	
	Total fees	109 million yen	
Executive Officers* <sup>11</sup>	Number of persons	9	
	Total fees	685 million yen	

\*<sup>11</sup> Total number/fees from January-December 2017

**\*Bridgestone Corporation\***

CSR & Environmental Strategy Promotion Department  
1-1, Kyobashi 3-chome, Chuo-ku, Tokyo 104-8340, Japan  
[www.bridgestone.com](http://www.bridgestone.com)