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# BRIDGESTONE GROUP

## GLOBAL SUSTAINABLE PROCUREMENT POLICY

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# INTRODUCTION

Across many industries around the world, the movement toward Sustainable Procurement is gaining momentum and broad adoption. This concept builds upon Environmentally Responsible Procurement, setting further expectations for key business partners and Suppliers to operate with respect to human rights, responsible labor practices and good governance.

The Bridgestone Group (“Bridgestone”) is the world’s leading tire and rubber company and is focused on continually meeting rising global demand and maintaining quality standards for its products. As part of Bridgestone’s evolution into a sustainable solutions company, Bridgestone will focus on furthering the eight values defined in the Bridgestone E8 Commitment in its interactions with society, customers, business partners and suppliers as we approach 2050. Importantly, Bridgestone takes a broad view of Sustainable Procurement, including commonly discussed environmental aspects such as deforestation and carbon neutrality, along with labor rights, land use, water use and quality, and many other critical elements. Bridgestone focuses on Sustainable Procurement practices to help ensure the Company’s Supplier expectations regarding quality, cost and delivery (QCD) are not achieved with negative impacts on key environmental, social and governance considerations.

To enhance and accelerate its Sustainable Procurement activities, Bridgestone collaborates with Suppliers to create new opportunities that can not only improve compliance, safety and QCD, but also create value for the entire supply chain through environmental stewardship practices, respect for human rights, support of fair labor practices and increased Transparency. Bridgestone does this while positively contributing to the local communities in which its supply chains exist.

Bridgestone expects its Suppliers to recognize the importance of Sustainable Procurement, and work with the Company to implement appropriate practices to create value for all Stakeholders.

With the third version of our Global Sustainable Procurement Policy, Bridgestone is reiterating and enhancing its commitment to Sustainable Procurement activities.

As previously shared during our first policy version, Bridgestone will continually work with stakeholders to ensure our policy meets current societal expectations.



# THE BRIDGESTONE CORPORATE PHILOSOPHY

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# THE BRIDGESTONE CORPORATE PHILOSOPHY

## Mission

### ***“Serving Society with Superior Quality”***

Bridgestone aspires to offer the best to its customers and society, including products, services, technology and all corporate activities. The Company commitment to quality stems not from want of profit, but out of a passion for improving the safety and lives of people everywhere. Through its Mission, Bridgestone strives to be a company trusted by the world -- a company in which all people can take great pride.

## Foundation

### **“Seijitsu-Kyocho” [Integrity and Teamwork]**

Seijitsu-Kyocho is about adhering to principles of good faith as one carries out work, in the way one treats others and as one participates in and engages with society. It is about producing positive outcomes by respecting a diversity of skills, values, experiences, genders and races, and fostering teamwork.

### **“Shinshu-Dokuso” [Creative Pioneering]**

Shinshu-Dokuso is about envisioning the future and proactively challenging one another to identify and develop innovations that will further benefit society and respond to customer needs – from the customer’s point of view. It is about unleashing creativity and innovation to develop new business domains and creating demand for new and beneficial products through unique methods.

### **“Genbutsu-Genba” [Decision-Making Based on Verified, On-Site Observations]**

Genbutsu-Genba is about taking the time to go on-site and personally verify the facts, then use those observations to make informed decisions. It is about not being satisfied with the current situation and making informed decisions that will lead the Company to even better products and solutions.

### **“Jukuryo-Danko” [Decisive Action After Thorough Planning]**

Jukuryo-Danko is about investigating all options and the full range of possibilities, giving careful thought to executing the decided course of action. It is about identifying what is necessary and deciding on a vision. And once a decision and course of action are determined, it is about moving forward with a sense of urgency.



# THE BRIDGESTONE PROCUREMENT MISSION

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# THE BRIDGESTONE PROCUREMENT MISSION

The Bridgestone procurement mission is to, “*Create value to society through Sustainable Procurement Practices.*”

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

1. Transparency
2. Compliance
3. QCD & Innovation
4. Sustainable Procurement Practices



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THE BRIDGESTONE  
COMMITMENT TOWARD 100%  
SUSTAINABLE MATERIALS &  
CARBON NEUTRALITY



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# THE BRIDGESTONE COMMITMENT TOWARD 100% SUSTAINABLE MATERIALS & CARBON NEUTRALITY

Bridgestone commits to ensuring that the products and services it procures come from Suppliers acting in accordance with its Global Sustainable Procurement Policy (“Policy”).

The journey toward “100% Sustainable Materials,” the Bridgestone goal for 2050 and beyond, will not be simple, nor can Bridgestone achieve it alone. In addition to industry association membership and support, Bridgestone relies on other useful internationally recognized standards and tools to support its efforts toward a sustainable business.

Bridgestone continues to clarify its long-term environmental target to contribute towards a carbon neutral society by 2050 and beyond, while communicating an interim target of reducing total Co2 emissions from direct operations (scope 1 and 2) by 50% by 2030 (from 2011 levels). Though it improved its resource productivity under Milestone 2020, Bridgestone will accelerate innovation and improve usage ratios of materials from recycled and renewable material to 40% by 2030. Across the total value chain, Bridgestone will also need to undertake carbon neutral efforts (Scope 3), including suppliers with which Bridgestone does business. Each of these items and subjects is discussed in more detail within our public 2030 milestone commitments.



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THE BRIDGESTONE  
COMMITMENT TO NATURAL  
RUBBER SUSTAINABILITY

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# THE BRIDGESTONE COMMITMENT TO NATURAL RUBBER SUSTAINABILITY

Bridgestone provides a full range of rubber and related products and services but has become known worldwide for its tire brands. The performance expectations of tires are great and equally critical for ensuring driver safety. Meeting the performance needs of tires requires a combination of natural rubber and synthetic rubber, other compound ingredients, raw materials, fibers, cords and textiles.

Industry experts project tire demand to expand with global population growth and subsequent motorization. Natural rubber consumption is also expected to increase globally, making the realization of a sustainable natural rubber supply chain a business imperative.

Bridgestone is committed to helping create a thriving and sustainable natural rubber economy. The natural rubber economy is massive and fragmented, comprised of Small Holders and farmers, medium to large estates, raw material dealers, processing plants and rubber product manufacturers. A large quantity of natural rubber is produced in Southeast Asia and sold and/or processed by a relatively manageable number of top tier suppliers. While Southeast Asia represents a significant mass, it's important to recognize that the great majority of natural rubber is sourced from small and typically unsophisticated landholders from rubber-producing regions worldwide.

The work to achieve a sustainable natural rubber economy is never-ending, requiring collaboration with industry players and broader public awareness. The costs and challenges for this work are too numerous for one tire and rubber company to address alone. Bridgestone continues to diligently study this issue in totality alongside value chain members. In October 2018, the Global Platform for Sustainable Natural Rubber (GPSNR) was formally established. The GPSNR, initiated by the Tire Industry Project (TIP) as part of the World Business Council for Sustainable Development, is an international multi-stakeholder platform created to advance the socio-economic and environmental performance of the natural rubber industry. The GPSNR General Assembly members include tire makers such as Bridgestone and other natural rubber product makers; car makers and other downstream users; producers, processors and traders; and civil society members. Bridgestone, as a founding member of the GPSNR, inherently believes in the GPSNR mission and policy framework and is actively engaged in all platform activities including member requirements and implementation initiatives, among many others. By incorporating GPSNR's Policy Framework into its Minimum Requirements for Suppliers, Bridgestone is indicating its preference for natural rubber produced and processed in accordance with GPSNR requirements. As such, Bridgestone currently, and in the future, will participate in industry multi-stakeholder initiatives to support and uphold the GPSNR principles at a landscape, jurisdictional or other spatial level. Bridgestone is currently represented on the GPSNR Executive Committee and various working groups established to drive industry change. Bridgestone's support of GPSNR comes with an increased commitment to communicating specific, timebound, geographic commitments as key parts of the natural rubber value chain, in accordance with the GPSNR Implementation Guidance. As Bridgestone has done each year, we will continue to report on progress through the "Bridgestone Sustainability Report" annually.

Bridgestone recognizes that natural rubber is a renewable natural resource that can be produced in ways that are sustainable for the environment, society, and the Bridgestone business. Worldwide natural rubber operations and supply chains – those operated by Bridgestone included – can continue to further benefit from advancements in technology and innovative ideas.

To improve on the sustainability aspects of the Bridgestone natural rubber supply and business, traceability needs to be enhanced to provide greater visibility to the point of origin of the natural rubber materials sourced throughout its supply chain.

Improved traceability allows Bridgestone to better understand where, how and who is involved in the natural rubber production process, and in turn provides the opportunity to create improved environmental, social and governance conditions.

The Bridgestone commitment to improving the natural rubber supply chain comes from the awareness that a growing global population will lead to increased demand for mobility options, and, subsequently, for Bridgestone products. Increased demand can present challenges associated with complex social issues, forests, water systems, biodiversity, and global greenhouse gas emissions. After all, the Bridgestone business relies on the health and well-being of the natural environment and the people who live in it.

Bridgestone continues to openly call on farmers, suppliers, brokers, business partners, peers, industry groups, NGO, and other experts to collaborate with our teams to achieve the Company's ambitious goals – not just for Bridgestone, or the rubber industry, but for all who enjoy and benefit from Earth's natural resources.



# THE BRIDGESTONE GLOBAL SUSTAINABLE PROCUREMENT POLICY

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# THE BRIDGESTONE GLOBAL SUSTAINABLE PROCUREMENT POLICY

This Policy will be used to promote sustainable procurement practices and help Bridgestone identify and/or evaluate qualified suppliers of products and services. The Policy is applicable to all points of the Company's various supply chains, including its internal manufacturers and operations. Adherence with the Policy requires that suppliers adopt the following foundational elements to guide the inclusion of these requirements and preferred practices into their businesses:

1. Transparency
2. Compliance
3. QCD (Quality, Cost, Delivery) & Innovation
4. Sustainable Procurement Practices

Suppliers are **required** to meet at least the minimum requirements defined in this Policy to do business with Bridgestone. In addition, suppliers are **encouraged** to meet preferred practices. These are aspirations that Bridgestone believes will enhance its various supply chains – most notably the natural rubber supply chain. Bridgestone is willing to work with suppliers to help them achieve preferred practices.

Should a Supplier not meet the Minimum Requirements in this Policy, Bridgestone may support Suppliers to bring them into compliance with Minimum Requirement levels. If these efforts are unsuccessful, and/or the Supplier is unwilling to comply with the Policy, Bridgestone will reconsider its relationship with that Supplier, up to and including relationship termination. When evaluating the relationship with such a Supplier, Bridgestone will assess various potential impacts that changes may have on the Supplier, including environmental, social and economic.

Suppliers are **required** to comply with the Policy and **required** to extend/share it with their own suppliers, with the aim of reaching into the supply chain, back to the Point of Origin. Suppliers are **required** to report to Bridgestone any events, issues or emergencies that may disrupt or impact Bridgestone business as quickly as possible.

Suppliers are **required** to comply with all relevant national, regional and local laws and regulations in the countries or regions in which they operate. Unless otherwise defined, Suppliers are **encouraged** to respect international norms, such as those in Annex II.

The Policy also serves as a communication and improvement tool for Suppliers, Bridgestone procurement personnel and other Stakeholders. Bridgestone will review and update this Policy as it deems appropriate. Guided by the expertise of Bridgestone employees and business partners, this Policy may be reviewed and updated to reflect changing circumstances and developments in the industry, as along with environmental and social conditions globally. Updated Policy versions will be shared internally within Bridgestone and then with Suppliers, with the expectation that Suppliers will note relevant changes and share the information with their own suppliers. Bridgestone will also publish the Policy, with any changes, publicly via company websites and other external communications.

Bridgestone requests Suppliers deepen and expand their sustainability knowledge and initiatives in collaboration with their business partners by developing and communicating their own policies and guidelines, aligned with this Policy.

Bridgestone welcomes constructive feedback on the Policy from all business partners and Stakeholders.

# 1. TRANSPARENCY

Bridgestone considers transparency critical to its overall business, as it directly supports two key goals – traceability and effective governance.

Bridgestone believes that enhancing Traceability in its operations and across its supply chain is fundamental to maintaining and enhancing the high-quality products and services it procures. Traceability is also crucial to identifying risks and opportunities associated with environmental, social and governance issues.

Bridgestone continually works to strengthen its corporate governance. The Company is committed to developing, communicating and abiding by fair, transparent decision-making and management policies in business partner relationships and Supplier dealings at all supply chain points, respecting agreement terms and appropriate levels of confidentiality. Bridgestone has incorporated its Global Sustainable Procurement Policy requirements into its decision-making process, along with other key commercial considerations.

## 1.1 TRACEABILITY

Over time, and with proper planning, the Company aspires to develop or adopt a system enabling effective measurement of progress toward the Bridgestone sustainability goals.

Reaching this ambitious target will take time. For example, Bridgestone is actively engaged with GPSNR member companies to evaluate the proper tools to provide more visibility into the natural rubber supply chain. Bridgestone welcomes collaboration with Suppliers, technology experts and other value chain members to deliver on these aspirations, including but not limited to developing mapping capabilities to evaluate supply chain risks and prioritize risk mitigation activities.

Bridgestone actively explores and tests new technologies and methods to enhance the Traceability of the products and services it procures. As Bridgestone becomes better able to trace more of its supply to the Point of Origin, the Company will publicly share its progress on websites, in reports and via other means of communication.

# EXPECTATIONS OF SUPPLIERS: ENHANCE TRACEABILITY

## MINIMUM REQUIREMENTS

- Suppliers are **required** to make best efforts to have full knowledge of the origin of the products and services they supply, such as implementing a management system to identify and trace their sources. Within the natural rubber industry, traceability is required to the appropriate jurisdictional level, as defined by the GPSNR Implementation Guidance.
- Suppliers are **required** to make best efforts to respond in a timely fashion to Bridgestone information requests regarding the origin of products or services.

## PREFERRED PRACTICES

- Suppliers actively collaborate with Bridgestone on enhancing Traceability.

- Suppliers explore options for, and participate in, programs that enhance Traceability, such as piloting new technologies or engaging in communication programs at the Point of Origin.
- Suppliers provide evidence of a complete understanding of who their suppliers are and from where they source their products and services to the Point of Origin.
- Suppliers demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 12 – Responsible Consumption and Production.

## 1.2 GOVERNANCE

To Bridgestone, effective governance means having transparent policies, procedures and processes that lead to clear decision making and accountability to stakeholders. Well-designed and effective governance (which includes, among other things, Bridgestone’s Global Anti-Bribery Policy, Bridgestone third-party due diligence tool and procedures, and training and education for Bridgestone teammates with roles in preventing the risks of corruption) also helps ensure Bridgestone does not participate directly or indirectly in any form of corruption, bribery, extortion or embezzlement.

Bridgestone believes transparency in its business operations and effective governance increases the understanding of and ability to address risks associated with environmental and social impacts. Bridgestone embraces stakeholder engagement and Free, Prior and Informed Consent (FPIC) principles, as there are many stakeholders, including, but not limited to, local communities, Indigenous Peoples, NGOs, industry associations, other organizations and governments that the Company must consider when conducting business. In addition to local stakeholders in specific regions, Bridgestone collaborates and regularly communicates with international Stakeholders. Considering Stakeholder needs and expectations, Bridgestone will review, update and communicate this Policy as necessary.

Bridgestone and other stakeholder members launched the Global Platform for Sustainable Natural Rubber (GPSNR) to transform the natural rubber supply chain for the better. Bridgestone supports GPSNR principles, policy framework and initiatives and is fully committed to its future workings. With this support comes an increased commitment to communicating specific, timebound, geographic commitments as key parts of the natural rubber value chain. As Bridgestone has done each year, we will continue to report on progress through the “Bridgestone Sustainability Report” annually.

In addition, Bridgestone will maintain a company grievance mechanism, consistent with the UNGP Effectiveness Criteria, to receive complaints and remedy adverse impacts due to production and/or sourcing.

Bridgestone regularly assesses Suppliers’ compliance with our policy, and in instances of nonconformance, Bridgestone will work with Suppliers to develop time-bound implementation plans to move toward conformance and/or remediation of past or ongoing harms. To monitor Supplier compliance with our Sustainable Procurement Policy, Bridgestone utilizes a third-party assessment platform across the key themes of Environment, Labor Practices, Fair Business Practices and Sustainable Procurement. Bridgestone expects all direct material and specific indirect material Suppliers to complete this third-party assessment.

Bridgestone **encourages** its Suppliers to hold themselves accountable to the values described above.

# EXPECTATIONS OF SUPPLIERS: DEMONSTRATE EFFECTIVE GOVERNANCE PRACTICES

## MINIMUM REQUIREMENTS



- Suppliers are **required** to respond to requests for information from Bridgestone, consumers and/or customers with appropriate information concerning their products and operations.
- Suppliers are **prohibited** from participating in or tolerating any forms of corruption, bribery, extortion or embezzlement.
- Suppliers are **required** to maintain sound and stable financial controls commensurate with the scale and scope of their business operations.
- Suppliers are **required** to implement appropriate safeguards to protect confidential information and/or intellectual property of their business partners, as well as personal data and/or personal information including, but not limited to, individual's Privacy.
- Suppliers demonstrate compliance with this Policy by reporting to Bridgestone on an annual basis, via third-party assessment or direct communication.

### PREFERRED PRACTICES

- Suppliers implement clear management practices, including policies, supplier selection criteria, record keeping, reporting, and response procedures for consumer and/or customer requests, which can be shared with their business partners.
- Suppliers install grievance mechanisms that allow for anonymous comments, kept on record, and establish procedures to take appropriate remediation actions for any issues identified through this mechanism.

## 2. COMPLIANCE

Bridgestone is committed to compliance with all applicable laws and regulations in the countries/regions in which it does business and intends to work together with Suppliers to promote and meet relevant international standards.

To monitor supplier compliance with our Sustainable Procurement Policy, Bridgestone utilizes third-party assessment across the key themes of Environment, Labor Practices, Fair Business Practices and Sustainable Procurement. Bridgestone expects all direct material and specific indirect material suppliers to complete the assessment as requested. Bridgestone utilizes this sustainability assessment, among other key commercial capabilities, in our sourcing decision process where applicable.

## EXPECTATIONS OF SUPPLIERS: DEMONSTRATE COMPLIANCE

### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with competition laws and regulations concerning practices such as monopolizations, improper trade restrictions (cartels, bid rigging, etc.), unfair business practices or abuse of dominant positions.
- Suppliers are **required** to comply with all applicable labeling laws and regulations in their country and/or region of operation, and with Bridgestone labeling requirements.
- Suppliers are **required** to ensure their upstream supply chain operates in compliance with applicable laws and regulations of their country and/or region of operation.
- Commensurate with the scale and scope of their business operation, Suppliers are **required** to establish and deploy policies, strategies, codes of conduct, reporting systems, training programs and other means necessary to ensure compliance. Suppliers **encourage** and support their upstream supply chain to learn about and comply with international standards and best practices relative to their business.

- Suppliers are **required** to comply with all applicable restrictions, economic sanctions restrictions and all laws and regulations concerning export controls, thoroughly implement such controls and establish management as necessary to confirm whether products, technology or other exports are subject to restriction or regulation, and prepare and provide documentation of such confirmation.

#### PREFERRED PRACTICES

- Suppliers work toward complying with international standards and best practices relative to their business.
- Suppliers verify their own and their upstream supply chain operate in compliance with international standards and best practices relative to their business.

### 3. QCD (QUALITY, COST, DELIVERY) & INNOVATION

Bridgestone will continue to work collaboratively with Suppliers to identify ways to ensure high quality materials and services are delivered on time at reasonable costs. Bridgestone continually works on improving its products, such as reducing mass; increasing durability, recycling and reuse; and offering tire retreading services.

In addition, Bridgestone will continue to advance and explore innovative technologies with a strong commitment to supporting global communities. Bridgestone will also continue to find ways to incorporate advanced technologies into its operations and manufacturing processes, including natural rubber sourcing and its own natural rubber farms.

### EXPECTATIONS OF SUPPLIERS: DEMONSTRATE QCD PRINCIPLES

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to meet the quality standards mandated by applicable laws and regulations and meet Bridgestone's quality requirements. **In addition**, suppliers are required to develop, implement and maintain effective processes to ensure counterfeit parts and materials are not delivered.
- Suppliers are **required** to establish a quality assurance system to ensure they meet quality and safety standards, as well as documentation and reporting requirements under applicable laws and Bridgestone standards.
- Suppliers strive to improve product and service quality and explore new technologies or practices to increase production and delivery efficiencies and/or reduce cost, while meeting or exceeding Bridgestone's specifications and quality requirements. Suppliers are **required** to encourage and support their upstream supply chain to improve practices which can lead to improved yield and product quality.

### EXPECTATIONS OF SUPPLIERS: DEMONSTRATE INNOVATION

#### MINIMUM REQUIREMENTS

- Suppliers optimize productivity/efficiency in accordance with best practices or other standards, as requested by Bridgestone.

#### PREFERRED PRACTICES

- Suppliers explore existing and emerging technologies and assume a role in innovating new processes or practices.

## 4. SUSTAINABLE PROCUREMENT PRACTICES

Bridgestone considers Sustainable Procurement to include Environmentally Responsible Procurement, respect for human rights, land use, health, safety, disaster prevention and resilience.

The procurement of products, particularly raw materials such as natural rubber, conflict minerals and cobalt can potentially create environmental challenges and human rights impacts. To reduce potential impacts of product procurement, Bridgestone works to procure products and raw materials according to the practices outlined in this Policy. These practices apply to all Suppliers, including internal manufacturers and operations.

The international norms listed in Annex II represent the best practices and standards Bridgestone aspires to throughout its supply chains regarding environmentally and socially Sustainable Procurement. Bridgestone strives to avoid complicity in human rights abuses in procurement operations or any other business function. However, implementing these norms is not as straightforward as writing them down in a policy or guidance document. Bridgestone must consider the unique characteristics and circumstances of each region from which it sources products and services to identify ways to continually improve sustainability.

When issues arise related to the Sustainable Procurement for products or services, addressing such issues may be subject to consultation with relevant Stakeholders, and action plans or other solutions will abide by the principles of Free, Prior and Informed Consent (FPIC).

### 4.1 ENVIRONMENTALLY RESPONSIBLE PROCUREMENT

Bridgestone will collaborate with Suppliers to explore options to develop and implement Environmental Management Systems, and provide educational information to Suppliers on environmental topics.

## EXPECTATIONS OF SUPPLIERS: DEMONSTRATE ENVIRONMENTALLY RESPONSIBLE PROCUREMENT PRACTICES

### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all applicable environmental laws and regulations in their country and/or region of operation.
- Commensurate with the scale and scope of their business operations, suppliers are **required** to have an Environmental Management System with the intention to maintain compliance and minimize overall negative environmental impact.

### PREFERRED PRACTICES

- Suppliers continually work to enhance product or services traceability to identify potential environmental impacts.
- Suppliers continually identify, monitor and reduce negative environmental impacts.

- Suppliers develop training or other initiatives to enhance employee knowledge of environmental issues and sustainable practices.
- Suppliers work toward complying with international standards and best practices relative to environmental practices.
- Suppliers **encourage**/support their upstream supply chains to learn about and comply with international standards and best practices relative to environmental practices.
- Suppliers ensure/verify that their own and their upstream supply chains operate in compliance with international standards and best practices relative to environmental practices.
- Suppliers are **encouraged** to have their operations certified to meet internationally recognized standards for good environmental management practices, such as ISO14001.

When considering potential major impacts of procurement operations on the environment, and ways to reduce them, Bridgestone places further focus on seven points:

1. **No Deforestation**
2. **No Development on Peatlands**
3. **Biodiversity Considerations**
4. **Water Management**
5. **Conserving Resources and Reducing Waste**
6. **Reducing Energy Usage and Greenhouse Gas Emissions**
7. **Control of Chemical Substances**

**4.1.1 NO DEFORESTATION** – In the company’s sourcing and production activities, Bridgestone prohibits deforestation, as defined by the Global Platform for Sustainable Natural Rubber (GPSNR), and requires the protection and restoration of forests and other ecosystems, including High Conservation Value (HCV) and High Carbon Stock (HCS) areas critical to addressing climate change and preserving wildlife. The Company will work with Suppliers, business partners and other Stakeholders to identify sensitive areas using participatory mapping.

In addition to the goals above, when considering natural rubber on its own farms, Bridgestone actively conducts reforestation, including restoring deforested areas to their natural states. Bridgestone will continue to conduct assessments and map its own rubber farms using various techniques and tools.

While Bridgestone has committed to no deforestation initiatives in the past, most recently in the February 2018 version of our Sustainable Procurement Policy, Bridgestone recognizes the GPSNR’s adopted cutoff date of April 1, 2019, from the Policy Framework and considers this date as the industry baseline for furthering supply chain discussions and improvements. Natural rubber originating from an area confirmed to violate this no-deforestation policy will be considered non-compliant.

## MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all national, regional and local laws and regulations regarding forest protection.
- Suppliers are **required** to make best efforts to have full knowledge of the Point of Origin of the products and services they supply to identify possible Deforestation or associated risks.
- Suppliers are **prohibited** from converting natural Forests to farm crops or other non-forest uses.
- Suppliers are **required** to protect and preserve HCV and HCS areas, as defined by the HCV Resource Network and High Carbon Stock Approach, respectively. This requirement includes the requirements under 4.1.3 Biodiversity Considerations under this policy.

- Suppliers are **required** to follow Free, Prior, and Informed Consent (FPIC) principles when assessing any development opportunities, mapping forested areas or creating management plans related to this topic.
- Suppliers are **prohibited** from using open burning/fire in new or ongoing operations for land preparation, land management, or any other reason other than in justified and documented cases of fire break establishment, waste management for sanitary reasons where public garbage is not available, phytosanitary and other emergencies.
- Suppliers shall support the long-term protection of natural forests and other ecosystems and their conservation values, including mitigation/remediation plans for damaged or disturbed areas. In the natural rubber supply chain this requirement intends to be aligned with the GPSNR Implementation Guidance.

## PREFERRED PRACTICES

- Suppliers demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 15 – Life on Land.

**4.1.2 NO DEVELOPMENT ON PEATLANDS** – Peatlands, when drained of water and burned, release large amounts of carbon dioxide into the air, contributing to climate change, disturbing ecosystems and impacting human health.

## MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all national, regional and local laws and regulations regarding protection of Peatlands.
- Suppliers are **prohibited** from draining, clearing, burning or developing on Peatlands, regardless of depth, for any reason. In the natural rubber supply chain this requirement intends to be aligned with the GPSNR Implementation Guidance.
- Suppliers are **required** to make best efforts to have full knowledge of the Point of Origin of products and services they supply to identify possible associated risks of clearing, draining, or burning Peatlands.

**4.1.3 BIODIVERSITY CONSIDERATIONS** – Each region in which Bridgestone operates has unique biodiversity and ecological traits. Taking this into consideration, Bridgestone seeks to understand the special characteristics of each area and address potential impacts of procurement activities, particularly those related to natural rubber operations and supply.

## MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all national, regional and local laws and regulations regarding conservation, restoration and infrastructure development.
- Suppliers are **required** to make best efforts to have full knowledge of the Point of Origin of the products and services they supply to identify potential biodiversity risks or opportunities.
- Suppliers are **required** to protect and preserve HCV and HCS areas, including assessing biodiversity.
- Suppliers are **required** to protect wildlife, including rare, threatened, endangered and critically endangered species from poaching, over-hunting and habitat loss in areas under company management, while supporting wildlife protection activities in areas of influence.

## PREFERRED PRACTICES

- Suppliers collaborate with experts, such as NGOs or other organizations, to identify biodiversity risks unique to their areas.

- Suppliers develop, and share publicly upon request, environmental management plans including biodiversity considerations throughout the entire lifecycle of the product (product development, procurement, production, customer use and end-of-life stages).
- Suppliers develop remediation plans for damaged or disturbed areas.
- Suppliers demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 9 – Industry, Innovation and Infrastructure and SDG 15 – Life on Land.

**4.1.4 WATER & SOIL MANAGEMENT** – Laws and regulations regarding water quality and use and soil management vary by country and/or region. Bridgestone seeks to understand the unique challenges related to water availability, quality, and usage, as well as soil management in each place it does business, and address potential impacts accordingly. On a global scale, Bridgestone works to conduct all operations to avoid negatively impacting surface and groundwater availability or quality.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all national, regional and local laws and regulations regarding water usage and effluent discharge.
- Suppliers are **required** to make best efforts to have full knowledge of the Point of Origin of products and services they supply to identify associated potential water risks or opportunities.
- Suppliers are **required** to manage their water usage and prevent unlawful effluent discharge.
- Suppliers are **required** to protect water quantity and quality, and to optimize and/or reduce water usage in operations where possible. In the natural rubber supply chain, this requirement is intended to align with the GPSNR Implementation Guidance.
- Suppliers are **required** to protect soil quantity and quality, and to prevent erosion, nutrient degradation, subsidence and contamination. In the natural rubber supply chain, this requirement is intended to align with the GPSNR Implementation Guidance.

#### PREFERRED PRACTICES

- Suppliers reuse or recycle wastewater and utilize techniques to capture rainwater, reduce water intake and explore water saving technologies.
- Suppliers analyze their operations and identify risks related to environmental, social, or business impacts, particularly in Water Stressed Areas.
- Suppliers' operations are certified to meet internationally recognized standards for good environmental management practices, such as ISO14001.
- Suppliers demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 6 – Clean Water and Sanitation.

**4.1.5 CONSERVING RESOURCES AND REDUCING WASTE** – Laws and regulations regarding waste and recycling vary by country and/or region. Bridgestone advocates for good waste management practices -- namely reduction, reuse, recycling and recovery -- within all business operations, regardless of location. To further Bridgestone's efforts to meet its target of "100% Sustainable Materials," for the goal for 2050 and beyond, Bridgestone is accelerating innovation, targeting to improve usage ratios of materials from recycled and renewable material to 40% by 2030.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all national, regional and local laws and regulations regarding waste and recycling.
- Suppliers are **required** to prevent unlawful pollution and make best efforts to reduce waste.

- Suppliers are required to improve resource efficiency and minimize waste in the development, production and delivery of products and services through reducing, reusing and recycling activities or programs.

#### PREFERRED PRACTICES

- Suppliers reduce the amount of packaging and packaging materials used, including in logistics.
- Suppliers share new methods of reduction, reuse, recycling and/or recovery with Bridgestone, while meeting Bridgestone product specifications and quality standards.
- Suppliers' operations are certified to meet internationally recognized standards for good environmental management practices, such as ISO14001.
- Suppliers demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 12 – Responsible Consumption and Production.

**4.1.6 REDUCING ENERGY USAGE AND GREENHOUSE GAS EMISSIONS** – Laws and regulations regarding energy consumption and emissions vary by country and/or region. However, many countries and automobile companies set carbon neutral goals. Bridgestone received SBT certification in January 2023 from the Science Based Targets (SBT) Initiative for the CO2 reduction targets set for 2030, and Bridgestone aims to reduce our CO2 emissions by 50% (compared to 2011 levels) and contribute to global CO2 emissions reduction across the lifecycle and value chain of our products and services exceeding five times our operations CO2 emissions (baseline: 2020). This focused target was set as part of Bridgestone's long-term environmental vision "Contribute toward carbon neutral" by 2050 and beyond. As a first step, Bridgestone is expecting its suppliers to set SBTs by the end of 2026. Therefore, Bridgestone continually looks for opportunities to maximize energy efficiencies, reduce energy usage, incorporate renewable energy options, and limit Greenhouse Gas emissions throughout its products' or services' Life Cycles.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with the requirements of all national, regional and local laws and regulations regarding energy usage and emissions.
- Suppliers are **required** to make best efforts to have full knowledge of Point of Origin of the products and services they supply to identify ways to reduce energy usage and minimize and mitigate emissions.
- Suppliers are **required** to set "Science-based targets" and develop an emissions reduction plan toward Carbon Neutrality and to share this information with Bridgestone by 2026. This includes providing annual progress and CO2 and Greenhouse Gas emissions to Bridgestone.

#### PREFERRED PRACTICES

- Suppliers work to reduce energy consumption and/or increase efficiencies.
- Suppliers develop an energy management and reduction plan and share with Bridgestone.
- Suppliers increase use of renewable energy in operations.
- Suppliers explore and implement technologies that reduce or eliminate Greenhouse Gases or realize carbon neutral production and/or material.
- Suppliers switch to fluorocarbons with low greenhouse effects, or to fluorocarbon-free materials in operation centers and delivered products, if applicable.
- Suppliers' operations are certified to meet internationally recognized standards for sustainable operations, such as ISO14001.

- Suppliers' operations are certified to meet internationally recognized standards for energy usage, such as ISO50001.
- Suppliers demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 7 - Affordable and Clean Energy.
- Suppliers promote a carbon neutral supply chain by encouraging their suppliers to reduce Greenhouse Gases.

**4.1.7 CONTROL OF CHEMICAL SUBSTANCES** – Bridgestone is committed to compliance with all national, regional and local laws and regulations related to the control of chemical substances.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with national, regional and local laws and regulations including, but not limited to, the control, use and reporting of chemical substances.
- As needed, Suppliers are **required** to comply with requirements of Bridgestone customers, such as those indicated by the Global Automotive Declarable Substance List (GADSL).
- Suppliers are **required** to provide products and services free from chemical substances prohibited by national, regional and local laws and regulations, or those prohibited by Bridgestone's customer requirements.

#### PREFERRED PRACTICES

- Suppliers reduce chemical substance emissions.
- Suppliers are **encouraged** to respect international norms, such as those in Annex II and strive to deploy best practices.
- Suppliers instruct and/or support business partners to formulate control systems for chemical substances.
- Suppliers share information to educate the supply chain regarding the control, use and reporting of chemical substances.

**4.2 RESPECT FOR HUMAN RIGHTS** – Bridgestone believes addressing human rights and labor issues is crucial to sustainability and long-term human and natural capital stability and benefits. In its business operations, various materials and services are procured, some of which originate from worldwide regions with different governments, laws and regulations, cultures, traditions, education, ways of thinking and levels of income.

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, the International Labour Organization's (ILO) various Conventions, and others listed in Annex II. Bridgestone agrees with and works to apply the Food and Agriculture Organization of The United Nation (FAO) Voluntary Guidelines on the Responsible Governance of Tenure (VGGT).

## EXPECTATIONS OF SUPPLIERS: DEMONSTRATE RESPECT FOR HUMAN RIGHTS

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with all laws and regulations regarding human rights in their countries and/or regions of operation.



- Suppliers are **required** to make best efforts to have full knowledge of the sources of products and services they supply to enhance product and service Traceability and identify potential human rights impacts.
- Suppliers are **required** to assess risks of conflict minerals (tin, tungsten, tantalum and gold) and cobalt across the whole supply chain using the Conflict Minerals Reporting Template (CMRT) and the Cobalt Reporting Template (CRT) compiled by the Responsible Minerals Initiative Alliance, and to report to the Bridgestone Group every year. Further, if the smelters of minerals from which it sources are suspected or confirmed to not comply with the relevant Responsible Minerals Assurance Process (RMAP), suppliers are **required** to make best efforts to identify and deploy actions for alternative sourcing or mineral substitution.

## PREFERRED PRACTICES

- Suppliers develop training and enhance employees' knowledge on human rights and other social issues.
- Suppliers work towards complying with international standards and best practices regarding human rights, working conditions or other related issues.
- Suppliers **encourage** and support upstream supply chains to learn about and comply with international standards and best practices regarding human rights, working conditions or other related issues.
- Suppliers verify that they and their upstream supply chains operate in compliance with international standards and best practices relative to human rights, working conditions or other related issues.

Bridgestone will work within its supply chains as appropriate to respect internationally acceptable standards. Considering potential major impacts that procurement operations may have on human rights, and what can be done to reduce possible impacts, Bridgestone places further focus on five points:

1. **Child Labor**
2. **Forced Labor**
3. **Land Rights**
4. **Labor and Working Conditions**
5. **Fair and Equal Treatment**

4.2.1 CHILD LABOR – In accordance with Bridgestone corporate commitments, Child Labor is **prohibited**.

### MINIMUM REQUIREMENTS

- Child Labor is **prohibited**.
- In cases where a Supplier relies on a family farm or operation where Young Workers may live, and who are expected culturally, traditionally or practically to contribute to the family's work, Supplier is **required** to demonstrate, upon request, to Bridgestone that the work performed by the Young Worker(s) does not subject them to situations that can be harmful to their health or development, either physically, mentally or emotionally.
- Supplier supports the education of children and Young Workers, for example, by providing reasonable opportunity and access to obtain education.

4.2.2 FORCED LABOR – In accordance with Bridgestone corporate commitments, Forced Labor is **prohibited**.

### MINIMUM REQUIREMENTS

- Forced Labor is **prohibited**.

## PREFERRED PRACTICES

- Suppliers take measures to ensure that all employees are employed voluntarily and retain evidence such as signed contracts in a language the employee can understand.
- Suppliers keep records of all employees' employment status, pay rates, and pay slips.
- Suppliers do not require fees from employees to obtain employment and provide evidence that such practices are not in use.

**4.2.3 LAND RIGHTS** – Land rights and land use issues are complex and vary by country and region. Bridgestone aims to understand the circumstances related to land rights and usage in each area it does business, addressing potential social and environmental impacts accordingly. Bridgestone works to conduct business in ways that do not directly or indirectly lead to illegal land acquisition or negatively impact the rights of local communities, including those of Indigenous Peoples.

Bridgestone commits to the principles of Free, Prior and Informed Consent (FPIC) whenever it develops or expands its own operations and will not participate in or source from those who have participated in Land Grabbing.

Bridgestone recognizes and respects the customary, traditional and communal land tenure rights, including the rights of forest-dependent people and communities to have access to forest resources and suitable farmland to ensure food supply. Further, Bridgestone believes that people should receive fair compensation and resettlement, through mutually agreed-upon measures, for land use activities that infringe or have previously infringed on their rights and/or livelihoods. In the natural rubber supply chain, implementation will be jointly monitored by the community, the Bridgestone Group and/or by mutually agreed party(ies).

## MINIMUM REQUIREMENTS

- Suppliers are **required** to acquire or use land only by legal means in accordance with UNGRIP.
- Suppliers are **prohibited** from participating in or sourcing from those who have participated in Land Grabbing.
- Suppliers are **required** to respect legitimate land tenure rights, including customary, traditional and communal rights of Indigenous Peoples and local communities.
- Even if legally acquired, Suppliers are **required** to follow FPIC principles in accordance with recognized international standards. The accepted methods within the natural rubber supply chain, in accordance with GPSNR accepted methodologies, would include UN-REDD (2012), RSPO (2015) and FAO (2015) identified in the policy Annex. Suppliers must not participate in Land Grabbing for any development projects.

## PREFERRED PRACTICES

- Suppliers follow the FAO's Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), should land be necessary for development projects.

**4.2.4 LABOR AND WORKING CONDITIONS** – Each locality in which Bridgestone operates has distinct labor laws and regulations, including minimum wage, collective bargaining, freedom of association and working condition standards. Taking this into consideration, Bridgestone seeks to understand the laws and regulations and unique characteristics of each area and address each situation appropriately, should the requirements contained within this Policy be unmet.

Ideally, all individuals involved in Bridgestone's supply chains would experience working conditions internationally recognized as "best practices," according to ILO standards, United Nations principles and other relative practices.

Bridgestone welcomes collaboration with Suppliers and other business partners to raise the levels of labor and working conditions to benefit all Stakeholders. Within the natural rubber supply chain, this support will be defined through the GPSNR Implementation Guidance.

## MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with national, regional and local labor laws and regulations for working conditions and working hours.
- Suppliers are **required** to respect freedom of association and collective bargaining in accordance with applicable national, regional and local laws and regulations and to do so in accordance with fundamental international principles reflected in globally recognized standards such as ILO Convention 87, regardless of whether similar protections are provided by local law.
- Suppliers are **required** to pay at least the national, regional or local minimum wage to employees, without Discrimination as to national or social origin, religion, language, nationality, gender, culture, immigration or any other statuses and beyond legal requirements, to provide fair, market-competitive wages and benefits that allow employees to afford a decent standard of living.
- Suppliers are **required** to make potable water, sanitation, rest areas, emergency exits and emergency aid available and visible to all employees, as appropriate.
- Suppliers are **required** to support decent living conditions of local communities including supporting access to potable water, access to food, sanitation and a source of electricity.
- Suppliers are **required** to support the economic, social and cultural rights of local people, including supporting access to education and employment.

## PREFERRED PRACTICES

- Suppliers offer their employees fair, market-competitive pay and benefits.
- Suppliers create written contracts between management and employees, in language employees can understand.
- Suppliers provide evidence of hiring in non-discriminatory ways.
- Suppliers conduct trainings, workshops or other educational programs to educate management and employees on non-discrimination practices.
- Suppliers' operations are certified to meet internationally recognized standards for decent work conditions, such as SA8000, relative ILO Conventions, ILO Decent Work Indicators, Fair Trade International Standards or others.

**4.2.5 FAIR AND EQUAL TREATMENT** – To Bridgestone, having respect for others means refraining from abuse, harassment and breaches of privacy. Bridgestone works to maintain non-discriminatory, fair, equal and respectful relationships with Suppliers, and expects Suppliers to treat all employees, including contract, temporary and migrant works, as well as business partners in the same way.

Bridgestone is open to working with Suppliers to provide supportive materials or trainings on non-discrimination practices and related topics.

## MINIMUM REQUIREMENTS

- Suppliers are **required** to Respect their employees always.
- Suppliers are **required** to eliminate abusive situations in their operations.

- Suppliers are **required** to practice non-Discrimination, fairness and equality in their business operations and business relationships.
- In addition to prohibiting and preventing Discrimination, Suppliers are expected to take steps to promote equity based on gender, race and ethnicity, to expand employment opportunities for traditionally under-represented groups.
- Suppliers are **required** to not hire or use private and public security forces for the protection of its business activities if, due to Supplier's direction or a lack of control over such forces, the use of security forces may lead to violations of human rights, including (without limitation) the following:
  - Torture and cruel, inhumane or degrading treatment,
  - Damage to life or limb, or
  - Impairment of the right to organize and the freedom of association.

#### PREFERRED PRACTICES

- Suppliers conduct trainings, workshops or other educational programs to educate management and employees on non-discrimination.
- Suppliers enable employees to report any instance of harassment, without fear of retaliation, intimidation or harassment.
- Suppliers adhere to International standards and principles for non-discrimination and equal treatment, such as ILO Convention 111 – Discrimination (Employment and Occupation), the Fair Labor Association Principles, Fair Trade International standards or other relative international standards or principles.

#### 4.3 HEALTH AND SAFETY (H&S) AND DISASTER PREVENTION

Bridgestone believes health and safety (H&S) management and disaster prevention are of critical importance for securing sustainable and stable benefits for all Stakeholders.

## EXPECTATIONS OF SUPPLIERS: DEMONSTRATE COMMITMENT TO H&S AND DISASTER PREVENTION

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to comply with their national, regional and local laws and regulations regarding health and safety (H&S) and disaster prevention.
- Suppliers are **required** to have a policy and plans/procedures established regarding these issues, along with adequate resources to implement such a system and plans.
- Suppliers are **required** to communicate their H&S and disaster prevention policies and plans/procedures to all employees and train all employees on incident prevention, and necessary actions should an incident occur.
- Suppliers are **required** to provide necessary Personal Protective Equipment (PPE) to employees (such as eye protection, face masks, ventilation devices, hard hats, heavy duty gloves, steel toe work boots, etc.) with instructions using such PPE.

#### PREFERRED PRACTICES

- Commensurate with the scale and scope of their business operations, Suppliers have management systems in place to address H&S and disaster prevention.

- Suppliers develop emergency/incident recovery plans, considering employee safety and security.
- Suppliers' operations are certified to meet internationally recognized standards for good health and safety management practices.

In some of the countries where Bridgestone does business, health and safety laws and regulations, and opinions on what is considered "healthy" or "safe" may differ. Disaster prevention regulations or practices may also differ by country. However, the following four sub-sections outline the components Bridgestone believes to be important for a health and safety and disaster prevention management system, commensurate with the scale and scope of any business operation.

1. **Preventative Activities**
2. **Early Detection of Incidents**
3. **Emergency Response Activities**
4. **Activities to Prevent Recurrence**

**4.3.1 PREVENTATIVE ACTIVITIES** – Bridgestone advocates that it is crucial to minimize risks through proactive health, safety and disaster prevention activities to protect employees and workplaces. Based on the Bridgestone Safety Mission Statement, the Company applies preventative activities in four areas (housekeeping, hazard recognition, Risk Assessment [RA] and safety rules).

**4.3.1.1 HOUSEKEEPING** – A housekeeping program distinguishes necessary and unnecessary items for work, removing those that are unnecessary. The program can guide teams to clarify and maintain what items are needed, where they are needed, and how much/many of the items are needed. A program will help keep items and the workplace clean and orderly.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to implement a housekeeping program as part of the H&S policies and plans/procedures.

#### PREFERRED PRACTICES

- Suppliers regularly educate all employees on their housekeeping programs.

**4.3.1.2 HAZARD RECOGNITION** – Hazard recognition programs help enable employees to detect hazards at the workplace beforehand, and to take actions to prevent incidents from occurring.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to employ hazard recognition programs as part of their H&S policies and plans/procedures.

#### PREFERRED PRACTICES

- Suppliers regularly educate and engage employees on hazard recognition programs.

**4.3.1.3 RISK ASSESSMENT** – Risk Assessment (RA) programming allows for the identification of sources of potential risks at the workplace, assesses the potential impact of these identified risks, and acts to mitigate these risks.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to implement RA programs.
- Suppliers are **required** to take measures to mitigate the risks identified. Measures include, but are not limited to, installing fire alarm systems, fire extinguishers, indoor fire hydrants, fire shutters and other necessary equipment accordingly.

- Suppliers are **required** to inspect safety equipment regularly to ensure proper function in case of an incident.
- Suppliers are **required** to regularly conduct safety inspections and maintenance on the workplace and on machinery.
- Suppliers are **required** to clearly indicate and inspect evacuation routes and emergency exits regularly to ensure proper function in case of emergency.

#### PREFERRED PRACTICES

- Suppliers keep documentation of when safety inspections and maintenance have taken place.
- Suppliers install safety mechanisms such as fail-safe, foolproof and inter-lock devices/equipment.
- Suppliers monitor dangerous areas with technology such as cameras, radar, sensors, lasers, etc.

**4.3.1.4 SAFETY RULES** – It is important to set rules at each workplace to protect the safety of employees. Communicating these rules to all employees and ensuring adherence to the rules is critical. Specific rules include, but are not limited to:

- Energy Isolation Standards and protocols (such as Lock Out, Tag Out or “LOTO”)
- Machine Guarding and Barrier Standards
- Fall Protection Standards
- Identification and labeling of hazardous chemical substances, and measures to ensure their safe handling, storage, disposal, and/or recycling, if applicable.
- Hazardous/prohibited marking area standards.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to develop rules about identifying, avoiding and responding to workplace risks as part of the H&S management system.
- Suppliers are **required** to communicate these rules with employees.

#### PREFERRED PRACTICES

- Suppliers set their own LOTO standards, respecting international norms and recognized best practices.
- Suppliers clearly indicate areas that are dangerous/hazardous or off-limits.
- Suppliers identify and label hazardous chemical substances and take measures to ensure their safe handling, storage, disposal, and/or recycling, if applicable.
- Suppliers install safety devices and protective barriers.

**4.3.2 EARLY DETECTION OF INCIDENTS** – The Bridgestone disaster management approach is to apply preventative activities. However, Bridgestone also believes in the importance of detecting fires and other incidents at an early stage, to prevent spreading and/or wider impact.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to install fire alarm systems and other necessary detection equipment.

**4.3.3 EMERGENCY RESPONSE ACTIVITIES** – Bridgestone believes it is important to clarify necessary steps/measures employees should take in advance to minimize damage to employees and workplaces in case of emergency. Bridgestone communicates timely developments that would impact its ability to serve its portion of the supply chain and expects Suppliers to do the same.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to train and alert all employees at every site of potential emergencies and show them evacuation routes prior to an emergency.
- Suppliers are **required** to prepare necessary supplies for evacuation in advance, such as first-aid equipment, and provide these supplies during evacuation procedures.
- Suppliers are **required** to report any emergency cases impacting the supply chain to Bridgestone as quickly as possible.

#### PREFERRED PRACTICES

- Suppliers are **encouraged** to perform emergency evacuation drills and incorporate learnings into processes and procedures.

**4.3.4 ACTIVITIES TO PREVENT RECURRENCE** – Bridgestone believes that it is important to learn from past incidents to prevent future recurrence of H&S incidents or disasters. Bridgestone may share its established measures, new experiences and adjusted measures with Suppliers, as appropriate.

#### MINIMUM REQUIREMENTS

- Suppliers are **required** to incorporate recurrence prevention planning (“lessons learned”) into their H&S and disaster prevention policies and plans/procedures.

#### PREFERRED PRACTICES

- Suppliers are **encouraged** to incorporate new learning and non-required elements into their existing H&S and disaster prevention plans/procedures.

### 4.4 RESILIENCE

**4.4.1 RESILIENCE** – Bridgestone recognizes that not all circumstances can be controlled, even when best efforts for risk reduction and mitigation are implemented. Unforeseen situations, such as natural disasters, impacts of climate change, disease outbreaks, political turmoil and others, have the potential to interrupt, or even halt, operations in production areas. Such impacts can have lasting effects on the supply chain, environment and local communities.

Bridgestone aims to strengthen the resilience and agility of its supply chain and the local communities that support procurement operations so that, when the Company is faced with challenges, it can respond quickly and appropriately.

Bridgestone defines resilience as, “the ability to cope with change.” The Company defines agility as “the ability to respond quickly to change.”

#### MINIMUM REQUIREMENT

- Suppliers are **required** to comply with their national, regional and local labor laws and regulations regarding disaster prevention and risk mitigation.

#### PREFERRED PRACTICES

- Suppliers create resiliency and agility in their operations through disaster prevention and risk mitigation planning.
- Suppliers create plans for unforeseen circumstances regarding consumer or customer needs, such as disruption in supply, demand or other issues.







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# ANNEX I – TERMS AND DEFINITIONS

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**Abuse** is any form of physical, sexual, verbal or psychological harm intentionally caused to a person. “Abuse of authority” is the improper use of a position of influence, power or authority against another person.

**Bribery**, according to the United Nations Anti-Corruption Toolkit, is the bestowing of a benefit to unduly influence an action or decision. It can be initiated by a person who seeks or solicits bribes or by a person who offers and then pays bribes. Bribery is probably the most common form of corruption.

**Carbon Neutral** (or Net-zero carbon dioxide emissions) is achieved when anthropogenic CO2 emissions are balanced globally by anthropogenic CO2 removals over a specified period.

**Child Labor** is the employment of persons under the lowest legal labor age of the country and/or region in which they are located. If no law and/or regulation exists, child labor is considered, according to ILO Convention 138, under 15 years of age for light work, and under 18 years of age for dangerous or hazardous work. In certain developing countries, 14 years old is the minimum age to work except in conditions allowed by the ILO or aforementioned national, regional and local laws and regulations.

**Conflict Mineral**, as defined by the OECD, are materials that may contribute directly or indirectly to armed conflicts -- including terrorist financing, human rights violations and hindering economic and social development.

**Deforestation** is the clearing of natural primary Forests or areas of High Conservation Values (HCVs) and High Carbon Stock (HCS) to expand operations.

**Discrimination** is any act that impairs individual dignity or discrimination based on race, ethnicity, nationality, gender, age, language, religion, creed, ideology, social status, disability or any other protected characteristic.

**Environmental Management Systems** are sets of processes and procedures that promote good environmental stewardship that can be implemented in organizations.

**Environmentally Responsible Procurement** encourages the selection of materials and components with low environmental impacts, and/or producing products and services in ways that consider the environment.

**Free, Prior and Informed Consent (FPIC)** was developed by the United Nations collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation (REDD). FPIC is based on the principles that consultation, consent and inclusion of stakeholders in forest-dependent communities can help protect human rights, the rights of Indigenous Peoples, and reduce risk to businesses. “Free,” “prior” and “informed” are defined according to the UN-REDD Programme’s FPIC definition.

**Forced Labor** is defined by ILO Convention No. 29 as all work or service exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

Bridgestone further defines Forced Labor as:

- Labor against one's will
- Labor for debt, which limits the freedom of job turnover due to unpaid debt
- Labor obtained as a result of human trafficking
- Inhumane prison labor in harsh environments
- Prohibition of voluntary job turnover with reasonable notice
- Employer requirement to withhold an employee's identification cards/passports/work permit cards\*
- Deposit of salary into an account held and controlled by the employer against the employee's wishes
- The inability of the employee to leave the premises

*\*This employer requirement is not considered as Forced Labor if specifically required by law or if the employee chooses to have the employer withhold identification documents. In such case, the employee should have free and complete access to such identification documents and have them returned immediately when the employee expresses an intent to travel abroad and when the employment relationship ends.*

**Forests** are defined, according to the FAO, as land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.

**Greenhouse Gases** are gases that trap heat in the atmosphere, which contributes to global climate change. The Greenhouse Gases defined by UNFCCC (United Nations Framework Convention on Climate Change) are:

- Carbon dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous oxide (N<sub>2</sub>O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulfur hexafluoride (SF<sub>6</sub>)
- Nitrogen trifluoride (NF<sub>3</sub>)

**Harassment** is unwanted, unwelcome and uninvited behavior that demeans, threatens or offends the victim and results in a hostile environment for the victim.

**High Carbon Stock (HCS)** areas are those considered to contain higher levels of carbon sequestration potential compared to alternative land uses. The HCS Approach is, as defined by the HCS Approach Steering Group, "a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed."

**High Conservation Values (HCV)**, according to the HCV Resource Network, are biological, ecological, social, or cultural values which are considered outstandingly significant or critically important at the global, national, regional or local level. Bridgestone considers HCV areas to be those defined by the HCV Resource Network.

**Indigenous Peoples** are described by the United Nations as those people with:

- Self-identification as Indigenous Peoples at the individual level and accepted by the community as its member.
- Historical continuity with pre-colonial and/or pre-settler societies
- Strong link to territories and surrounding natural resources
- Distinct social, economic or political systems
- Distinct language, culture and beliefs
- Anon-dominant group of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

**Land Grabbing**, according to the International Land Coalition's Tirana Declaration, is defined as land acquisitions or concessions that are one or more of the following:

(i) in violation of human rights, particularly the equal rights of women; (ii) not based on free, prior and informed consent of the affected land-users; (iii) not based on a thorough assessment, or in disregard of social, economic and environmental impacts, including the way they are gendered; (iv) not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing, and; (v) not based on effective democratic planning, independent oversight and meaningful participation.

**Life Cycle(s)** is the cycle through which every product goes from introduction to withdrawal, end of appropriate use or eventual demise. It is not limited to manufacturing and non-production sites of products or services, but rather the entire value chain.

**Local Communities** are groups of people living in a certain area, with or near one other.

**Minimum Requirements** are those which Bridgestone **requires** of Suppliers. These are what Bridgestone believes to be fundamental to achieving a sustainable supply chain and creating stronger, healthier communities that, in turn, contribute to long-term business partnerships and success.

**Peatlands** are swampy areas of partly decomposed plant materials that have accumulated in a water-saturated environment.

**Point of Origin** is the original place that materials or natural resources are found or produced. In terms of Traceability, a Supplier should be able to trace a resource back through the supply chain to the original place it was found and produced.

**Preferred Practices** are those which Bridgestone considers aspirations. Bridgestone understands that not all Suppliers can achieve these higher-level standards immediately, due to various conditions in their businesses, regions and/or countries.

**Privacy** is protecting confidential or sensitive information that should not be shared with others unless permission is obtained by the individual or business to which the information is relevant.

**Respect** is having esteem for or a sense of the worth or excellence of a person, a personal quality or ability, or something considered as a manifestation of a personal quality or ability. It is also deference to a right, privilege, privileged position, or someone or something considered to have certain rights or privileges.

**Science-based targets** are targets that are aligned with reduction pathways for limiting global temperature rise to 1.5°C or well below 2°C compared to pre-industrial temperatures. However, SBT in Global Sustainable Procurement Policy refers to Scope 1 and 2 reduction targets that are equivalent to SBT and meet the following Minimum Requirements.

- (1) Scope of CO2 reduction targets: Suppliers must set Scope1 and Scope2 emission targets at a minimum.
- (2) The target year: the target year must be within 5 to 10 years after the target is set. (Suppliers can set a base year at their reasonable discretion, but the latest year is recommended.)
- (3) The reduction target: the reduction target must be equivalent to a reduction of 4.2% /yr (=1.5°C level) or higher of absolute Scope 1 and 2 emissions. (Cumulative reduction plan is also acceptable.)

Suppliers are required to set SBT equivalent targets by 2026 and are encouraged to have them verified by SBTi. Even if the above conditions are not met, Bridgestone also accepts a target-setting method which is approved by SBT initiative. If you have already obtained SBT certification, you must maintain or continue to maintain certification or target setting in accordance with the latest standards.

**Smallholder** means a small-sized, usually family-run farm. As defined by the Food & Agriculture Organization of the United Nations, smallholders are small-scale farmers, pastoralists, forest keepers or

fishers who manage areas varying from less than one hectare to 10 hectares. Smallholders are characterized by family-focused motives such as favoring the stability of the farm household system, using mainly family labor for production and using part of the produce for family consumption.

**Stakeholder(s)** is a person or entity that has an interest in or could be affected by another person's or entity's activities. In relation to the business of Bridgestone, stakeholders include -- but are not limited to - consumers; customers; international and local communities; Indigenous Peoples; industry associations; shareholders; employees; NGOs; other organizations; and national, regional, and local governments.

**Suppliers** are defined in this policy as s direct business partners that supply Bridgestone with products or services, such as natural rubber and include internal Bridgestone manufacturers and operations.

**Sustainable Natural Rubber** is produced in a way that complies with all components in Global Sustainable Procurement Policy.

**Sustainable Procurement** practices set expectations for key business partners and Suppliers to operate with Respect to environmental concerns, human rights, responsible labor practices and good governance.

**Traceability** is the ability to clearly know and verify where raw materials and products come from, how they are produced, who is involved and the impacts the sourcing of these materials or products have on all involved in the supply chain.

**Transparency** means clear communications, accurate and honest business dealings, inclusion, fair relationships and pride in demonstrating integrity for all procurement and wider business operations.

**Water Stressed Areas** are those facing water shortages and scarcity. As climate change impacts the globe, certain regions may face further risks associated with water availability.

**Young Worker** is defined by Social Accountability International as any worker under the age of 18 but over the age of a child as defined under Child Labor.



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## ANNEX II – REFERENCES USED

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The following references were consulted in the creation of this Policy.

- [Bridgestone Corporation Global Policies](#)
- [Convention on International Trade in Endangered Species of Wild Fauna and Flora](#)
- Food and Agriculture Organization of the United Nations (FAO), [“Global Forest Resources Assessment Working Paper \(FRA\) 2015”](#)
- [FAO’s Voluntary Guidelines on the Responsible Governance of Tenure \(VGGT\)](#)
- [Global Automotive Declarable Substance List \(GADSL\)](#)
- [High Carbon Stock Approach Steering Group](#)
- [High Conservation Value Resource Network](#)
- [International Covenant on Civil and Political Rights](#)
- [International Covenant on Economic, Social and Cultural Rights](#)
- [International Institute for Sustainable Development \(IISD\)](#)
- [International Labour Organizations](#) Conventions:
  - 138 - The Minimum Age Convention defines that no person below 15 years old, or 14 years old in some developing countries, is allowed to work, except in very specific circumstances.
  - 146 – Minimum Age Recommendation recommends minimum age to be 16 years, and addresses hazardous employment work and employment conditions.
  - 182 - The Worst Forms of Child Labour Convention describes the circumstances to which any person under 18 years of age may not be exposed.
  - 29 – Forced Labour Convention describes commitments to suppress the use of forced or compulsory labor in all its forms.
  - 105 - Abolition of Forced Labour Convention describes commitments to the non-use of forced labor.
  - 110 - Plantations Convention describes the conditions of employment of plantation workers, including migrant workers.
  - 111 – Discrimination (Employment and Occupation) addresses discrimination within the field of employment and occupation and defines the term “discrimination.”
  - 100 – Equal Remuneration Convention recognizes basic or minimum wage of a worker which shall be equal for both men and women.
  - 87 - Freedom of Association and Protection of the Right to Organise Convention addresses the freedom of association and protection of the rights to organise.
  - 98 - Right to Organise and Collective Bargaining Convention addresses the right to organize and collectively bargain to protect against anti-union discrimination.
  - 169 - Indigenous and Tribal Peoples Convention is an international treaty open for ratification that deals exclusively with the rights of Indigenous and tribal peoples.
- [ISO14001](#) – Environmental Management Systems Standard
- [ISO20400](#) – Sustainable Procurement Guidance
- [ISO 26000](#) – Guidance on Social Responsibility
- [ISO 9001](#) – Quality Management Systems Standard

- Modern Slavery Act 2015 (UK)
- [Occupational Health and Safety Administration](#) (OSHA)
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- [Policy Framework – Global Platform for Sustainable Natural Rubber](#)
- [Roundtable on Sustainable Palm Oil \(2015\) - Free, Prior and Informed Consent](#)
- [Social Accountability International](#) (SAI)
- [Science Based Target](#)
- [Tirana Declaration](#) – “Securing land access for the poor in times of intensified natural resources competition”
- [Tokyo 2020 Olympic and Paralympic Games Fundamental Principles for the Sustainable Sourcing Code](#)
- [United Nations collaborative initiative on Reducing Emissions from Deforestation and forest Degradation](#) (REDD+)
- [United Nations Declaration on the rights of Indigenous Peoples](#)
- [United Nations Environment Programme](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [United Nations High Commissioner](#) for Refugees Policy on Harassment, Sexual Harassment, and Abuse of Authority
- [United Nations New York Declaration on Forests](#)
- [United Nations Office on Drugs and Crime](#)
- [United Nations Sustainable Development Goals](#)
- [United Nations Universal Declaration on Human Rights](#)
- [United Nations Guiding Principle 31\(globalnaps.org\)](#)
- [United Nations REDD Program Guidelines on Free, Prior and Informed Consent](#)