

Management Fundamentals for Value Creation

Business Continuity (BCP), Risk Management

Mission

Prevent and mitigate operational risks

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

To achieve its vision of providing social and customer value, the continuity of business operations and safety and security of employees are top priorities of the Bridgestone Group. By anticipating, mitigating and appropriately managing potential risks, the Group positively drives business success while also protecting its employees. To advance this knowledge organization-wide, the Group conducts regular

trainings and frequently reviews risk management and business continuity plans (BCPs) and controls.

This mission is an important aspect of ERM (enterprise risk management) which is an increasing focus area as the world grapples with the COVID-19 pandemic, natural disasters, climate change and the effects of geopolitical conflicts. The Bridgestone Group is actively engaged in addressing these challenges.

Management system

The Bridgestone Group holds an annual, group-wide process to identify potential risks facing each SBU and the overall organization. Once risks are identified, the Group names individuals responsible, and the Chief Risk Officers (CROs) of each SBU cooperate to drive and coordinate risk mitigation and management activities at the department and SBU levels. The Group has set up an approach under the direction of the Global CEO to deal with the most important business risks.

The Business Continuity & Risk Management Working Group was established in 2016 as one of the working groups under the Global Sustainability Committee. It is comprised of members from each SBU, manages and updates the Bridgestone Group's Global Risk Management Policy, and oversees a part of enterprise risk management, crisis management and business continuity systems. All deliberations and efforts are guided by ISO 31000, the international standard for risk management.

Goals and KPIs

To fulfill its BCP/Risk Management mission, the Bridgestone Group is working toward three goals, each with measurable KPIs. These include:

- Assessing the Group's capability of responding to a crisis by conducting a global crisis management exercise by the end of 2023, aiming for 100% compliance with established crisis management/BCP components.
- Finalizing the established risk management process by the end of 2022 by ensuring that the Group's risk identification and mitigation process is 100% formally documented.
- Integrating climate change into the Group's risk identification and management processes by the end of 2022. The Group will continue to monitor its ESG ratings to gauge risk from and response to climate change.

■ Initiatives

To achieve these goals, the Group continues to improve operational risk-control processes that strengthen the management team's ability to make informed, timely and widespread decisions. It also is undertaking all-hazards BCP planning at either regional or global level depending on the type of the risks. All-hazards BCP planning prepares the organization for all types of threats and vulnerabilities to prevent supply chain disruption, rather than planning for specific scenarios.

In 2021, the Global Principle, a common definition and framework for crisis management/BCP, and the updated SBU Assurance Policy were developed and rolled out to SBUs, along with project milestones. The Group also addressed cyber risks with the Information Technology function and updated the criteria for emergency action reports.

Going forward, the Bridgestone Group will continue to improve its operational framework to strengthen risk management, crisis management and BCP.

More information on the Bridgestone Group's approach to Business Continuity and Risk Management is available [online](#).

Topic: Climate and Nature-related Risk Management and Responses to TCFD and TNFD

The Bridgestone Group supports the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and its recommendations, recognizes climate-related risks and opportunities identified in accordance with the TCFD framework, and is working to reflect and disclose such information in its business strategies. The Group formulated long term environmental vision and mid-term targets toward achieving carbon neutrality and contributing to the realization of a circular economy in light of climate-related risks and opportunities. The Group is working to reduce the risks of transition to a decarbonized society by reducing CO₂ emissions throughout its value chain, while at the same time reducing physical risks through adaptive measures such as diversifying natural rubber supply sources through initiatives to commercialize guayule.

Furthermore, in addition to its past participation in the [Business for Nature](#) and the [Japan Business Initiative for Biodiversity \(JBIB\)](#), the Group began participating in the [Task Force on Nature-related Financial Disclosures \(TNFD\)](#) Forum in March 2022. The Group recognizes risks and opportunities related to its impact and dependence on nature and is currently assessing multiple nature-related scenarios in light of the global trend toward a nature-positive world.