

MANAGEMENT FUNDAMENTALS

The Bridgestone Group's *Our Way to Serve* global CSR commitment focuses on three Priority Areas — Mobility, People and Environment — to help improve the way people move, live, work and play. Underpinning these commitments are six Management Fundamentals that articulate the high expectations the Group has for operating as a responsible business. The following pages detail the Group's work within each Management Fundamental.



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.

The Bridgestone Group's commitment to compliance and integrity is a competitive advantage that informs all its activities and helps achieve its overall Mission of "Serving Society with Superior Quality." Foundational to this commitment is its <u>Code of Conduct</u> that gives employees, suppliers and others worldwide practical guidance for handling a wide range of ethical issues, including anti-corruption, competition/antitrust, conflicts of interest, and corporate charitable and political donations.

In 2019, the Group continued its global roll-out of the Code of Conduct, introduced in 2018, to ensure that all employees understand that ethical behavior and compliance is expected of everyone. The Group also continued introducing the Code of Conduct to business partners, sharing its expectation of integrity in all interactions.

The Bridgestone Group is simultaneously pursuing multiple channels to ensure compliance with its Code of Conduct, including:

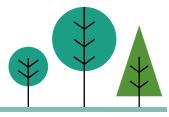
- Focusing on education and employee engagement. These efforts start at the top, with business leaders regularly speaking about the importance of ethics and compliance and playing active roles in the Group's compliance training and awareness programs. This keeps the Code of Conduct top of mind and creates the desired culture where people are comfortable speaking up if they have concerns.
- Conducting regular global e-learning on the <u>Code of Conduct</u> and the <u>Global Human Rights Policy</u>. The Group reached nearly 49,000 employees, 89.5% of its target audience, in 2019.

- Encouraging employees around the world to use the different channels and resources outlined in the Code of Conduct for speaking up, including the BridgeLine web-based reporting system and phone hotlines available worldwide.
- Introducing compliance risk assessments to proactively identify and mitigate risks. To help minimize risks associated with third parties with which the Group does business, the Group introduced a third-party screening tool.

As a global company, the Bridgestone Group operates in countries with a wide range of risk profiles, making anti-bribery a central focus of its global compliance program, along with regional compliance education efforts. In mid-2020, the Group will launch a Global Anti-Bribery Policy that builds upon the Code of Conduct. In addition to the guidance and requirements in the Code of Conduct, all regions currently have their antitrust policies in place for their respective regions. In 2020, the Group is working to consolidate existing regional antitrust policies into a Global Antitrust Policy, which is planned to be launched in 2021.

The Group also seeks to mitigate third-party risk by conducting appropriate due diligence, including screenings, based on the risks posed by each third party and geographic region among other considerations.

More information on the Bridgestone Group's global ethics and Compliance program is available <u>online</u>.



MANAGEMENT FUNDAMENTALS 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, property and profits.

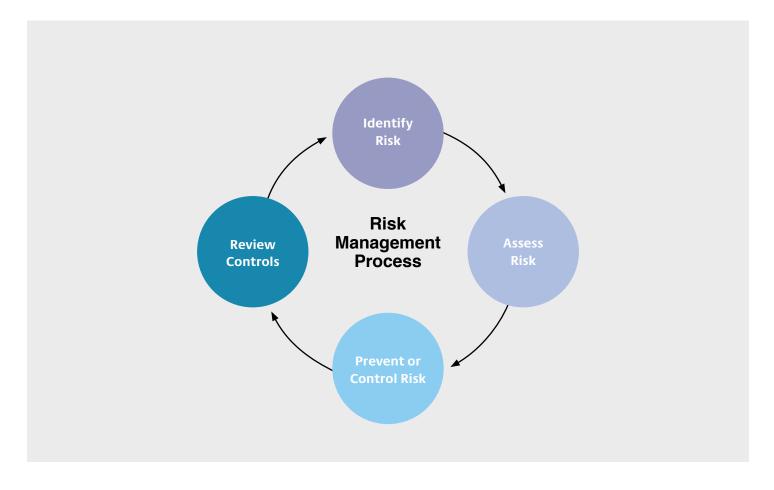
The well-being of the Bridgestone Group's employees and the continuity of its business operations are top priorities. To achieve these goals, it anticipates and mitigates potential risks that could harm people and workplaces and adversely impact business success. The Group shares and implements best practices and educates employees on how they can contribute to these efforts. It also regularly evaluates the risk management and business continuity controls in place.

In 2019, Bridgestone refined its processes for identifying global risks to the Group and highlighted cyberattacks, information leaks and the theft of data as the global priority risks to the Group that all strategic business units should address.

The Bridgestone Group's globally dispersed operations expose it to a broad range of risks. One of these is the risk of pandemics. Since 2013, Bridgestone has formulated business continuity plans (BCPs) to address the spread of new types of influenza and other severe infectious diseases of potentially pandemic proportions. The Group confirmed that these BCPs are working effectively during the COVID-19 pandemic. It will continue to drive toward ever more effective and efficient planning and execution of BCPs.

In 2020, the Group will incorporate a focus on strategic risks in line with its Mid-Long Term Business Strategy, in addition to its current assessment of operational risks. The Group also will further harmonize crisis management across the enterprise.

More information on the Bridgestone Group's approach to Business Continuity and Risk Management is available <u>online</u>.



MANAGEMENT FUNDAMENTALS 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 fundamental human rights.

The Bridgestone Group continues to embed the <u>Global Human</u> <u>Rights Policy</u> it launched in 2018 across the company. In 2019, the Group conducted regular global e-learnings on the Policy and its <u>Code of Conduct</u>, reaching nearly 49,000 employees, or 89.5% of its target audience.

The Global Human Rights Policy respects international norms such as those reflected in the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, various International Labor Organization Conventions and other globally recognized standards.

The Policy addresses the standards and behaviors that all Bridgestone Group employees around the globe can and should expect from the Group, their managers and fellow employees. It outlines respect for diversity and inclusion, prohibits discrimination and harassment, focus on workplace safety and health, commitment to responsible labor practices, and protection of free speech and association. These expectations are closely aligned with the Group's Code of Conduct and <u>Global Sustainable Procurement Policy</u> and are embedded into the Group's day-to-day operations, including its due diligence assessments of potential new operations and projects.

To help ensure compliance with the Global Human Rights Policy, the BridgeLine whistle-blowing web-based reporting system and phone hotlines are available worldwide to encourage employees and its stakeholders, which include contractors, suppliers, customers and anyone else, to "speak-up" when they have concerns.

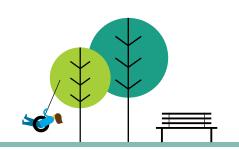
The Human Rights, Labor Practices Working Group will partner with the Global Sustainability Function to develop human rightsspecific due diligence content as part of the Bridgestone Group's holistic global due diligence process. The Working Group intends to help build awareness of specific contexts and causes of human rights concerns, the relationship between business activities and human rights, and to forge a deeper understanding of the importance of human rights across the value chain.

In 2019, Bridgestone Japan conducted an initial assessment that will serve as its regional approach when the Group addresses emerging human rights issues globally.

Bridgestone has engaged Lloyd's Register Quality Assurance, an independent third-party institution, to provide gap analysis of its global Human Resource data collection and calculation. The resulting data is anticipated to be available online beginning in the third quarter of 2020.

To realize it's Mid-Long Term Business Strategy, the Bridgestone Group will transform to a truly global Human Resources system with consistent, global standards. This approach will include a jobtype assignment system and job-matching system. The Group also will further advance its global leadership development program. In light of COVID-19, the Group intends to embrace diverse work styles to accommodate each employee's needs. By doing so, it will more fully engage employees, resulting in even greater productivity and added value from each employee.

More information on the Bridgestone Group's Human Rights and Labor Practices is available <u>online</u>.



MANAGEMENT FUNDAMENTALS 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. We promote safety activities throughout the value chain.

The Group refined the Bridgestone Safety Mission Statement in 2012 which applies to employees, contractors and visitors. Proving that safety is a priority of ever-increasing importance, all Bridgestone Group employees received additional safety training in 2019. The Group also introduced two new safety-related key performance indicators (KPI): Safety maturity measures its realization of the Bridgestone Safety Mission Statement and the risk assessment KPI measures the overall safety of new operations, projects and equipment. The Group has begun measuring progress against these KPIs, including awareness levels that are difficult to visualize and will report on its progress in the near future.



The Bridgestone Group's Safety and Industrial Hygiene Working Group also established a global safety management system developed in reference to <u>ISO 45001</u> and introduced 11 common global safety standards. These standards address:

- Management commitment
- 3S: Seiri, Seiton and Seiso (select and remove, sort and keep clean)
- KY: Kiken Yochi (identify potential hazards in advance)
- Safety rules
- Fire risk assessment (strengthen business continuity by assessing the impact of the fire on the community and customers)
- Contractor management
- Hoist and crane¹
- Tire inflation operations
- Permit-required confined space
- Audit
- Recurrence prevention

SAFETY PERFORMANCE

In 2019, across the Bridgestone Group, there were 29 serious injuries² and one fatality among employees for the full year at our 4,606 production and logistics sites and retail shops. In 2019, the Bridgestone Group began to globally collect lost-time injury frequency rates³. These numbers were 2.96 for employees and 1.99 for contractors⁴.

The Bridgestone Group's safety-related data is verified by Lloyd's Register Quality Assurance, a third-party institution, to ensure the accuracy and transparency of this information. We will also continue to implement global safety standards.

More information on the Bridgestone Group's Safety and Industrial Hygiene initiatives is available <u>online</u>.

¹ A device that consists of a hoisting device and a traversing device, and uses power to lift a load and transport it horizontally.

² The Bridgestone Group defines serious injuries as amputation (except some first joints of finger or toe), complete loss of vision, fracture (excluding finger, toe, foot, hand or infracture) or hospitalization of more than one month.

³ Lost-time injury frequency rate = (number of lost-time injuries/total working hours) x 1,000,000.

⁴ This data includes six months, from July to December 2019.

MANAGEMENT FUNDAMENTALS Procurement

MISSION

Create value to society through sustainable procurement practices

We are 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 supply chain:

- Transparency;
- Compliance;
- Quality, cost, delivery (QCD) and innovation; and,
- Sustainable procurement practices.

In 2018, the Bridgestone Group introduced its <u>Global Sustainable</u> <u>Procurement Policy</u> that aligns with its goal of using 100% sustainable materials by 2050 and beyond.

ENSURING COMPLIANCE

To better understand the strengths and vulnerabilities of suppliers, the Bridgestone Group worked with EcoVadis to conduct enhanced environmental, social and governance (ESG) risk assessments of the Group's new and existing major Tier 1 suppliers to its tire business. As of March 2020, 48% of the Group's Tier 1 tire material suppliers completed the third-party assessment with EcoVadis. Of suppliers who were reviewed, 55% earned an EcoVadis Medal, which corresponds to confirmed compliance with our sustainable procurement practices.

The Bridgestone Group conducts sustainable procurement seminars in all business regions for certain suppliers based on our sustainable procurement policy and the results of their ESG risk assessment, to help support their efforts to improve ESG activities. In 2019, 65 suppliers attended the seminars in Japan.

NATURAL RUBBER SUSTAINABILITY

The Bridgestone Group is focused on continually meeting the rising global demand for natural rubber. Doing so, while also addressing key environmental issues and social risks arising from increased natural rubber production, is vital for the Group's sustainable procurement strategy. It is important to realize that smallholder natural rubber farmers in Southeast Asia produce most of the natural rubber in the world. The Bridgestone Group hosts workshops to help smallholder farmers in Thailand and Indonesia improve the quality of their operations. It also provides Hevea rubber tree seedlings and conducts technical training in key producing countries using the same productivity-improvement techniques the Group developed for its own rubber farms.

In addition to holding an annual conference to deepen understanding of the Bridgestone Group's procurement policies among its natural rubber suppliers, representatives from the Group visited more than 100 approved natural rubber factories to support quality improvement and enhance traceability and sustainability in 2019, and revisited three suppliers with low scores in the EcoVadis assessment to support their ESG activities.

COLLABORATING WITH STAKEHOLDERS

While these initiatives are significant, true supply chain improvement must take place across the industry. Together with other stakeholders, Bridgestone and other tire companies launched the <u>Global Platform for Sustainable Natural Rubber</u> (<u>GPSNR</u>) to transform the natural rubber supply chain for the better. Through the GPSNR, tire companies, including Bridgestone, and other stakeholders are harmonizing standards to improve respect for human rights, prevent land-grabbing and deforestation, protect biodiversity and water resources, improve yields and increase supply chain transparency and traceability. In 2020, the Group will continue working with the GPSNR, NGOs, suppliers, customers and others to continue increasing transparency and traceability in the natural rubber supply chain.

"Bridgestone has been a key contributor toward our vision of social, economic and environmental sustainability of the natural rubber value chain. As a Founding Member of GPSNR and member of our Executive Committee, Bridgestone is actively involved in the conceptualization and design of critical GPSNR processes such as our assurance system, financial model and grievance mechanism. Together with other members of the platform, Bridgestone participates on several GPSNR Working Groups where, through fruitful discussions and sharing of insight and data, we are making progress in defining GPSNR's objectives and strategies as well as their implementation."

- Stefano Savi, Director, Global Platform for Sustainable Natural Rubber (GPSNR)

More information on the Bridgestone Group's Procurement practices is available <u>online</u>.

MANAGEMENT FUNDAMENTALS Quality and Customer Value

MISSION

Creating customer value and trust

To create a global framework in collaboration with all related Bridgestone Group 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 is essential for the safety and satisfaction of consumers. The Bridgestone Group established the Quality Mission Statement to engage every employee in contributing to building quality products, services and solutions that exceed customers' expectations.

The Quality Mission Statement enables the future direction of the Bridgestone Group, based on the spirit of its founder, Shojiro Ishibashi, by advancing the Bridgestone DNA and proud heritage of quality and continual improvement to new generations of employees.

Through employee engagement with continuous improvement and innovation, the Bridgestone Group strives to achieve superior quality throughout the entire value chain, across all businesses and globally. To further pursue this aim, in 2017 the Bridgestone Group established the Global Quality Management Committee (GQMC) to strengthen the global governance with regards to the deployment of the Quality Mission consistently across all strategic business units.



The Bridgestone Group also annually hosts a Global Total Quality Management (TQM) Conference for sharing best practices that support its journey toward quality excellence. The conference helps promote quality awareness and increases employees' engagement in TQM. In 2019, more than 270 employees from around the world attended the conference sharing 16 projects from more than 4,500 qualifying entries.

We continue to enhance the TQM Conference by introducing improvements that encourage all employees to participate, regardless of their diverse work styles. Our intent is to provide a resource for best practices that employees can reference as they co-create new value with stakeholders.

QUALITY ACTIVITIES FOR THE SOLUTIONS BUSINESS

The Bridgestone Group's global commitment to quality is instrumental to supporting the journey toward its vision of becoming a sustainable solutions company that provides social and customer value. This commitment is clearly stated in the Group's Mid-Long Term Business Strategy and demonstrated by its efforts to co-create value with customers, partners and society overall.

In recent years, the Group's quality activities for its solutions business have increased in importance. Beginning in 2017 in collaboration with the Pilbara Mining Solution Center in Australia, the Bridgestone Group structured a quality management system for the solutions service network. More recently, in 2019, the acquisition of Webfleet Solutions provided a framework to reinforce the global quality management system to expand and accelerate our quality activities on the new business domains.

We aim to deliver immediate benefits and continuously enhance the value to our customers and society in alignment with the Bridgestone Group's strategy to develop a sustainable solutions business within the Bridgestone T&DPaaS platform.

NEW QUALITY ASSURANCE SYSTEM UTILIZING BIG DATA

As a part of the Bridgestone Group's quality assurance system evolution, we are now promoting Prediction Technology based on big data leading to higher value for our customers and more efficient Bridgestone internal processes. This information provides useful insights to activate actions at an early stage, improve upstream processes by reducing variations, and predict and enhance product and solutions performances. Finally, by gathering market data and customer feedback, the deployment of prediction technology will allow co-creating higher value for our customers and society.

More information on the Bridgestone Group's commitment to Quality and Customer Value is available <u>online</u>.