

# GRIEVANCE PROCEDURE FOR NATURAL RUBBER SUPPLY CHAIN

## Bridgestone Corporation

### 1. BACKGROUND / CONTEXT

In 2017, the Bridgestone Group redefined its global corporate social responsibility (CSR) commitment, *Our Way to Serve*. This commitment is closely linked to the Group's mission of "Serving Society with Superior Quality" and reflects the recognition that the best companies not only perform for their shareholders, but also contribute to a better world.

To realize the Group's vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company" and the Mid-Long Term Business Strategy, the Group continues to prioritize *Our Way to Serve* in all that it does. Guided by *Our Way to Serve*, the Group is integrating sustainability into its culture, business strategy and operations.

One of the management fundamentals for value creation in *Our Way to Serve* is procurement, whose mission is to "Create value to society through sustainable procurement practices".

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

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

The Group's sustainable procurement initiatives create long-term environmental, social and economic benefits for stakeholders across its supply chain including vulnerable groups, indigenous peoples and local communities, smallholders and women. This work is guided by its Global Sustainable Procurement Policy<sup>1</sup> that aligns with the Group's goal of using 100% sustainable materials by 2050 and beyond. In this policy, Bridgestone details its drive for sustainable procurement practices to include environmentally responsible procurement (including no deforestation), respect for human rights, land use, health, safety, disaster prevention and resilience. The policy helps identify and evaluate qualified suppliers, promote best practices and serves as a communication and improvement tool for the industry.

The Group believes all stakeholders throughout its natural rubber supply chain play a constructive role to improve its supply chain. In order to support implementation of our Global Sustainable Procurement Policy, the Group is committed to managing a grievance mechanism which allows for stakeholders to raise grievances related to its Policy. The Group is committed to an open and transparent process where all grievances will be dealt with fairly and in a timely manner; and results of this process will be publicly disclosed.

The Bridgestone grievance mechanism will align with [the United Nations Guiding Principles on Business and Human Rights criteria](#) for effective non-judicial grievance mechanisms: legitimacy, accessibility, predictability, equitability, transparency, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

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<sup>1</sup> [https://www.bridgestone.com/responsibilities/procurement/pdf/Policy\\_English.pdf](https://www.bridgestone.com/responsibilities/procurement/pdf/Policy_English.pdf)

Bridgestone has consulted key external stakeholders connected to the natural rubber supply chain in the development of this grievance mechanism. We remain open to continuously receiving feedback from interested stakeholders as we recognize that input from stakeholders is valuable to enhance transparency and promotes continuous improvement in the natural rubber supply chain.

**2. OBJECTIVES**

By identifying and addressing non-compliances in Bridgestone’s natural rubber supply chain, the Bridgestone grievance mechanism is a key element for the implementation of the Global Sustainable Procurement Policy.

Bridgestone’s grievance mechanism serves as a guide to review, address, and monitor the outcome of any grievance from any external stakeholder concerning the Global Sustainable Procurement Policy across Bridgestone’s global supply chain.

To address non-compliances, Bridgestone will support upstream engagement with natural rubber supply chain actors and collaborate in industry efforts aimed at addressing social and environmental issues in rubber supply chain.

**3. SCOPE**

Grievance procedure applies to Bridgestone global operations and Bridgestone’s direct and indirect suppliers in the natural rubber supply chain and is open to all grievances linked to the Global Sustainable Procurement Policy reported by any internal or external stakeholder in relation with natural rubber. In the future, we will be refining our mechanism based on learnings and incorporate other strategic raw materials within the scope.

**4. TASKS AND RESPONSIBILITIES**

<b>Tasks</b>	<b>Responsible Team</b>
<b>Receiving, acknowledging and documenting grievance</b>	<b>Corporate Sustainability Division</b>
<b>Handling and monitoring grievances</b>	<b>Corporate Sustainability Division</b>
<b>Closing of grievance</b>	<b>Corporate Sustainability Division</b>
<b>Overall grievance process coordination</b>	<b>Corporate Sustainability Division</b>
<b>Investigating, verifying and monitoring grievances</b>	<b>Independent third-party</b>

The Grievance Lead at Bridgestone’s Head Office

- The grievance lead represented by the Corporate Sustainability Division is responsible for coordinating and performing all tasks necessary for the successful implementation of this Grievance Procedure, including engagement with the external parties and other relevant stakeholders who raise the grievances.
- Responsibilities of the Grievance lead include receiving , recording, classifying, and reporting the grievances to the Grievance Mechanism Implementation Team. The Grievance Lead will also monitor media (print and electronic) for news relating to Bridgestone and its suppliers in order to

identify potential grievances. Grievances raised in the public domain will be assessed by the grievance lead using the grievance criteria to determine if they qualify for further investigation or referral to the Grievance Committee. The grievance lead will maintain an up-to-date grievance list containing details of all grievances handled in accordance with this procedure. The grievance list will be circulated to the Grievance Steering Team and published on Bridgestone's website on a quarterly basis.

- The grievance lead will identify suppliers and/or other third-party service providers to study and verify the grievance information provided by the external parties. If the information collected is not enough, the grievance lead may conduct field investigations to collect additional data to confirm the validity of the grievance to better enable the Grievance Steering Team to deliberate on and address the grievances. The investigation will be formalized in a report outlining the result of its inquiry and recommended actions to address any confirmed issues.
- The grievance lead will be responsible for designing and reviewing action plans to address any verified grievances. On a quarterly basis, the grievance lead will review any outstanding time-bound action plans established for past grievances to ensure that progress has been made against the agreed plan.

#### The Grievance Steering Team

- The Grievance Steering Team is responsible for making management decisions in relation to grievances. It is responsible for approving action plans designed to resolve grievances and for approving official correspondence to external parties in relation to verified grievances.
- Senior management representatives from Bridgestone will form the core of the Grievance Steering Team and where appropriate Bridgestone will invite third-party observers to participate.
- The Grievance Steering Team will approve or reject suspension & re-entry decisions proposed by the grievance lead.

#### Bridgestone's Procurement

- Bridgestone's Procurement will take the necessary actions to raise and address the grievance with its suppliers; to support follow-up as needed, and to report the implementation and result to the grievance lead.

#### Bridgestone's Corporate Communication and Legal/Compliance Departments

- Bridgestone's Corporate Communication and Legal/Compliance Departments will be informed and consulted during the grievance process flow of the findings and actions taken. As needed, they will provide input on how to investigate, verify, or consider remediation of a grievance

#### Independent third-party (when needed, as requested by the grievance lead):

- The independent third party will study and verify the grievance information. Based on its findings, the independent third party will provide input to the grievance lead to design the corrective action plan.
- The independent third party will monitor the implementation of the corrective action plan and its progress and verify the achievement of the targeted outcomes.

## 5. WORKFLOW PROCESS<sup>2</sup>

### a) Receiving Grievance

Grievances can be expressed (i) via the Bridgestone official channels or (ii) via Bridgestone's member platforms or (iii) grievances can be raised in the public domain:

*i. Grievance raised through Bridgestone's official channels*

Any of the following channels can be used by the grievance raiser:

Via internet: CONTACT DETAILS TO BE PROVIDED

Via email to: CONTACT DETAILS TO BE PROVIDED

Grievances should include provision of the following information:

- Full Name
- Name of Organization (if any)
- Address
- Email Address
- Description of the grievance in detail
- Evidences to support the grievance
- Any requests for confidentiality

Contact details are required so that Bridgestone can seek further clarification on the grievance.

*ii. Grievances raised via Bridgestone's member platforms such as the Global Platform for Sustainable Natural Rubber – GPSNR<sup>3</sup>.*

The Bridgestone Group is a member of the Global Platform for Sustainable Natural Rubber since 2018. The GPSNR provides a platform to address complaints against its members. The complaints connected to the Bridgestone Group and raised via this platform will be recorded.

*iii. Grievances raised in the public domain*

Issues raised in the public domain, such as the media and the internet, will be recorded as grievances on request by either external stakeholders or Bridgestone

### b) Grievance Validation

All potential Policy breaches which come to the attention of the Grievance Lead will be assessed by the Grievance Lead considering the following Grievance Criteria:

- Does the grievance connect to Bridgestone's natural rubber supply chain?
- Does the grievance contain specific allegations?
- Is the grievance a breach to the Global Sustainable Procurement Policy?

The aim of the validation step is to confirm if the grievance is valid and can be recorded or if the grievance is rejected.

### c) Grievance Registration

Upon the validation of the grievance, the grievance lead will record the grievance in the Grievance Log and classify the grievance scope by identifying the section(s) of the Policy which are relevant to the grievance.

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<sup>2</sup> Appendix 1: The Grievance Workflow Process

<sup>3</sup> The [GPSNR](#) is an international membership driven platform set up to define sustainability for the natural rubber value chain.

If the grievance is rejected, the grievance raiser will be notified of the reasons by the grievance lead.

d) Grievance Handling

The grievance lead will undertake an in-depth review of the grievance to identify who has committed the violation, working with Bridgestone's Grievance Mechanism Implementation Team, the supplier and an independent third-party organization (as needed) to develop a time-bound action and remediation plan. If the corrective action plan is not agreed to or executed as intended, or if immediate action is required and not taken, Bridgestone will reconsider its relationship with the relevant supply chain actor, up to and including termination of that relationship.

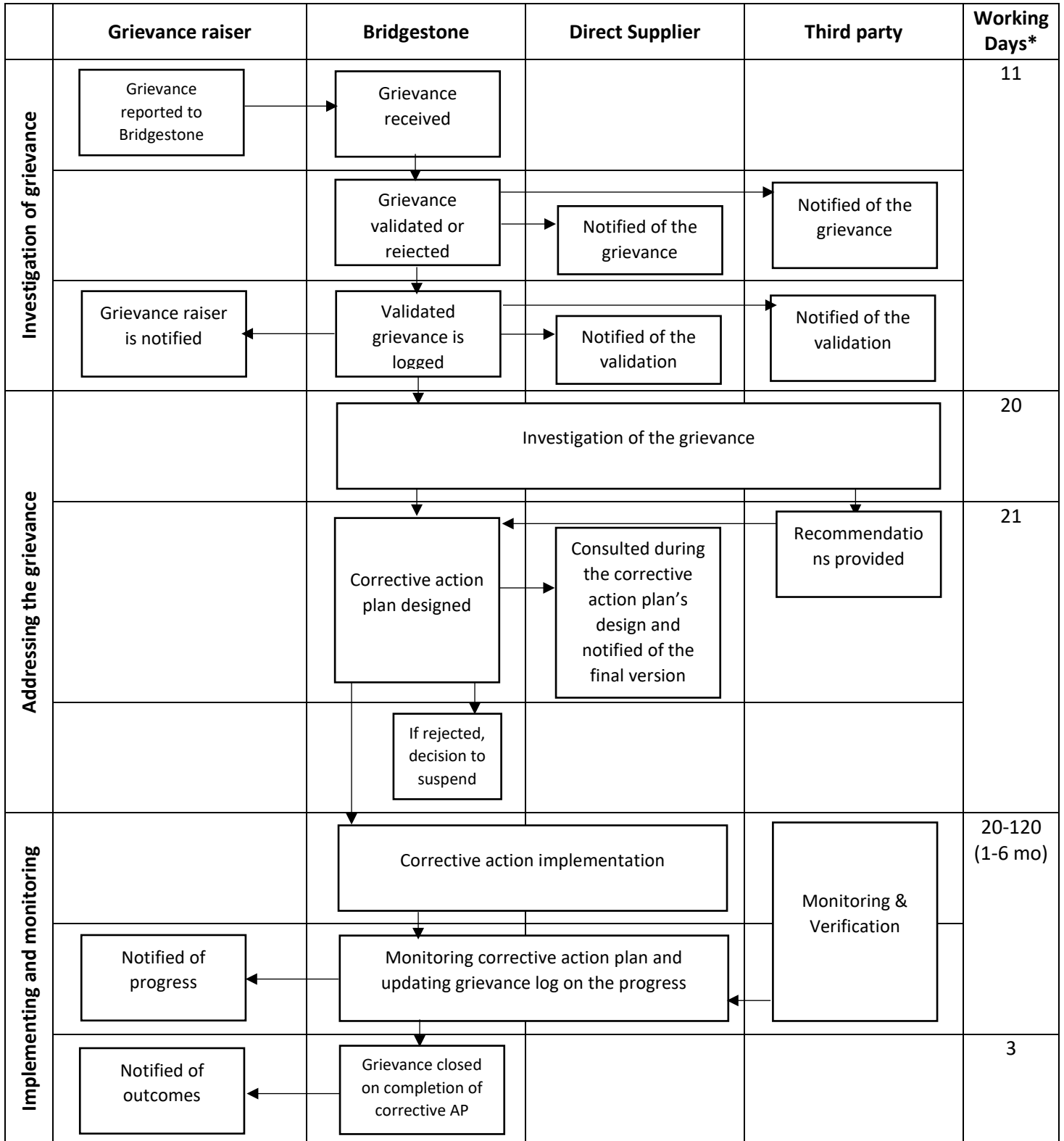
e) Monitoring

The grievance lead is responsible for monitoring and overseeing all grievances. The grievance lead will receive regular progress updates on the implementation of the supplier's action plan, with the outcomes monitored. This information will be used to communicate with the grievance raiser and to update the Grievance Log.

f) Closing

Following completion of the corrective action plan, the grievance lead will notify the grievance raiser of the outcome and log the resolution in the Grievance Log.

**Appendix1: The Grievance Workflow Process**



\*: Working days depend on how much upstream the alleged sub-supplier is.