



Sustainability Report 2020-2021





An abstract graphic on the left side of the page, consisting of a complex network of glowing blue lines and nodes, resembling a molecular structure or a digital network, set against a dark background.

90th and Beyond

Serving society with superior quality:

this has been Bridgestone's mission since its foundation.

Supporting people's ability to move, live, work and play with high-quality tires and other rubber products.

As society moves forward to become more sustainable and mobility changes accordingly, the ways in which we contribute to society's advancement must evolve and progress.

Beyond rubber, to innovative materials.

Beyond Earth, into space.

Driving, turning, braking, transmitting and connecting.

Creating new value.

By creatively pioneering, we will develop sustainable solutions to the problems faced by society and our customers.

Thus co-creating social and customer value.

Contributing to the future of a sustainable society.

Supporting society and people as they take on new opportunities and challenges to progress on their journey.

Bridgestone will evolve as a sustainable solutions company, contributing to society with ever growing value.

Bridgestone. Solutions for your journey.



About this Report

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This report covers the initiatives of the Bridgestone Group, which includes subsidiaries and affiliates around the world.

Throughout this report, Bridgestone or the "Company" refers to the Bridgestone Corporation, while "the Bridgestone Group," or "the Group" refers to all group companies.

Bridgestone Corporation is the parent company of the Bridgestone Group, which includes the following Strategic Business Units (SBUs).

- Bridgestone Americas (BSAM) including the United States, Canada, Latin America, the Caribbean and Liberia;
- Bridgestone China Asia Pacific (BSCAP);
- Bridgestone Europe, Russia, Middle East, India, and Africa (BSEMIA);
- Bridgestone Japan (BSJP) including Japan Tire, Diversified Products Solutions Business and Sports/Cycles Business.

This report primarily covers the 2020 calendar year, with some additional information from late 2019, early 2021 and beyond according to the content of our Mid-Long Term Business Strategy. In preparing the report, the Bridgestone Group referenced the Reporting Principles and Disclosures of the Global Reporting Initiative (GRI) Standards, as well as the International Integrated Reporting Framework of the Value Reporting Foundation.

Additional information is available on the [sustainability website](#).



Bridgestone at a Glance

Bridgestone, founded in 1931, is the world's leading tire and rubber company.

Major Products and Operations

Bridgestone Group's main businesses include:

CORE BUSINESS (TIRE BUSINESS)

- Tires and tubes for passenger cars, trucks, buses, aircraft, construction and off-road mining vehicles, industrial and agricultural machinery, motorcycles, scooters and other vehicles;
- Automotive parts, automotive maintenance and repair services, raw materials for tires and other products;

GROWTH BUSINESS (SOLUTIONS BUSINESS)

- Tire-centric solutions: Business to provide added value to products through product and tire related data;
- Mobility solutions: Business to provide new value through products, tire-related and mobility-related data;

DIVERSIFIED PRODUCTS BUSINESS

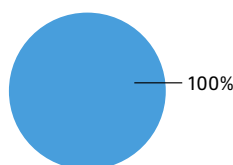
- Chemical and industrial products: Antivibration and noise-insulating materials, polyurethane foam products, electro-materials, industrial rubber products, building materials, belts, hoses and others;
- BSAM Diversified Products: A business under Bridgestone Americas, Inc.;
- Sporting goods: Golf balls, golf clubs, golf wear and others;
- Bicycles: Bicycles, other bicycle goods and others;

OTHERS

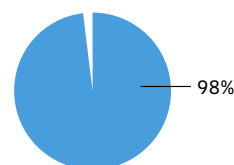
- Finance and others.

MANUFACTURING LOCATIONS WITH ISO CERTIFICATION

ISO 9001 Certified^{1,2}

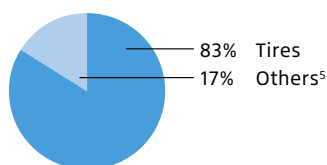


ISO 14001 Certified^{1,3}



2020 CONSOLIDATED NET SALES¹

2,994.5 Billion JPY / 28.93 Billion⁴ USD



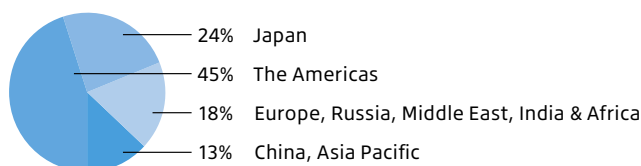
2020 TIRE PRODUCTION VOLUME (TONNAGE OF RUBBER)^{1,6}

1.45 Million Tonnes



2020 SALES BY MARKET^{1,6}

More than 150 Countries



EMPLOYEES^{1,6}

138,036 Total



¹ As of December 31, 2020.

² 151 sites are targeted for ISO 9001 certification/151 sites are certified (100%). The Bridgestone Group requires all manufacturing locations in which it has 50% or more share ratio to achieve ISO 9001 certification.

³ 153 sites are targeted for ISO 14001 certification/150 sites are certified (98%). The Bridgestone Group requires all manufacturing locations with 50 employees or more to achieve ISO 14001 certification.

⁴ Based on the 103.5 JPY to USD\$1.00, the approximate year-end rate.

⁵ Includes the Company's Diversified Products, BSAM-diversified products, sporting goods, bicycles and other products.

⁶ Approximate percentage.

History

Bridgestone's Past and Future

MISSION

Serving Society with Superior Quality

Bridgestone, founded in 1931, has grown into a global tire and solutions company. It has done so through ceaseless efforts and strategic measures, including mergers and acquisitions.

In 1968, the corporate motto (Mission), "Serving Society with Superior Quality," was created. In 2011, Bridgestone redefined the Bridgestone Essence so all employees around the world follow common values. Today, the Bridgestone Group's Mission and Foundational Framework (including the Bridgestone Essence; Safety, Quality and Environmental mission statements; and its Global CSR commitment, *Our Way to Serve* introduced in 2017), remains unchanged and continues to guide the business forward.



1931 -

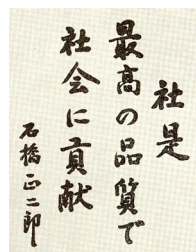
Bridgestone 1.0 Foundation

MANAGEMENT

- Founder's charismatic management

CORPORATE PHILOSOPHY

- Bridgestone's DNA



1968
Corporate Motto
(Mission)



1968
The Deming Prize



1988 -

Bridgestone 2.0 A Global Company

MERGER WITH FIRESTONE TIRE & RUBBER COMPANY IN US (1988)

MANAGEMENT

- Global management Team
- Global Executive Committee (Global EXCO) started in 2013

CORPORATE PHILOSOPHY

- Evolved with changing times and business expectations



2011
Refined the
Bridgestone
Essence



2012
Safety Mission
Statement



2015
Quality Mission
Statement



2011
Environmental
Mission
Statement

Our Way to Serve

2017

BUSINESS

- Globalization
- Started solutions business in preparation for Bridgestone 3.0

Firestone

1988
Merger

bandag

2007
Merger

**webfleet
solutions**

2019
Merger

VISION

Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company

As the Bridgestone Group looks forward to its 100th anniversary in 2031 as a milestone for its progress, it will continue to provide social and customer value through 2050 and beyond. "Serving Society with Superior Quality," its Mission within the Bridgestone Essence, remains a crucial foundation in fulfilling the Group's vision for the future.

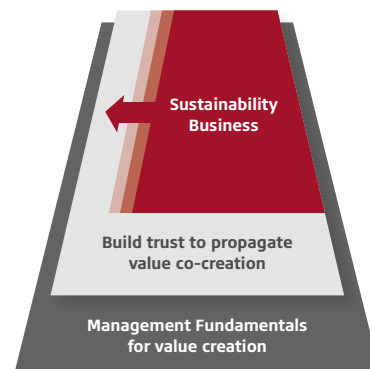


2020 –

Bridgestone 3.0 A Sustainable Solutions Company

SUSTAINABILITY

- Introduced Mid-Long Term Business Strategy that places sustainability at the core of management and business (2020)
- Introduced Sustainability Framework (2020)



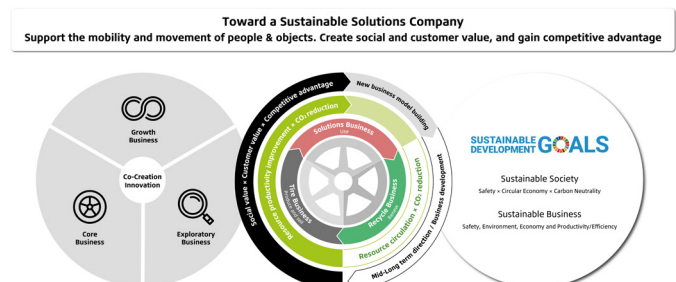
BRIDGESTONE T&DPaaS

- A unique solutions business platform



- Introduced Mid Term Business Plan (2021)

Bridgestone 3.0 Journey toward 2030



Our Way to Serve

Our Compass for Realizing a Sustainable Society

Continue “Serving Society with Superior Quality”

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.

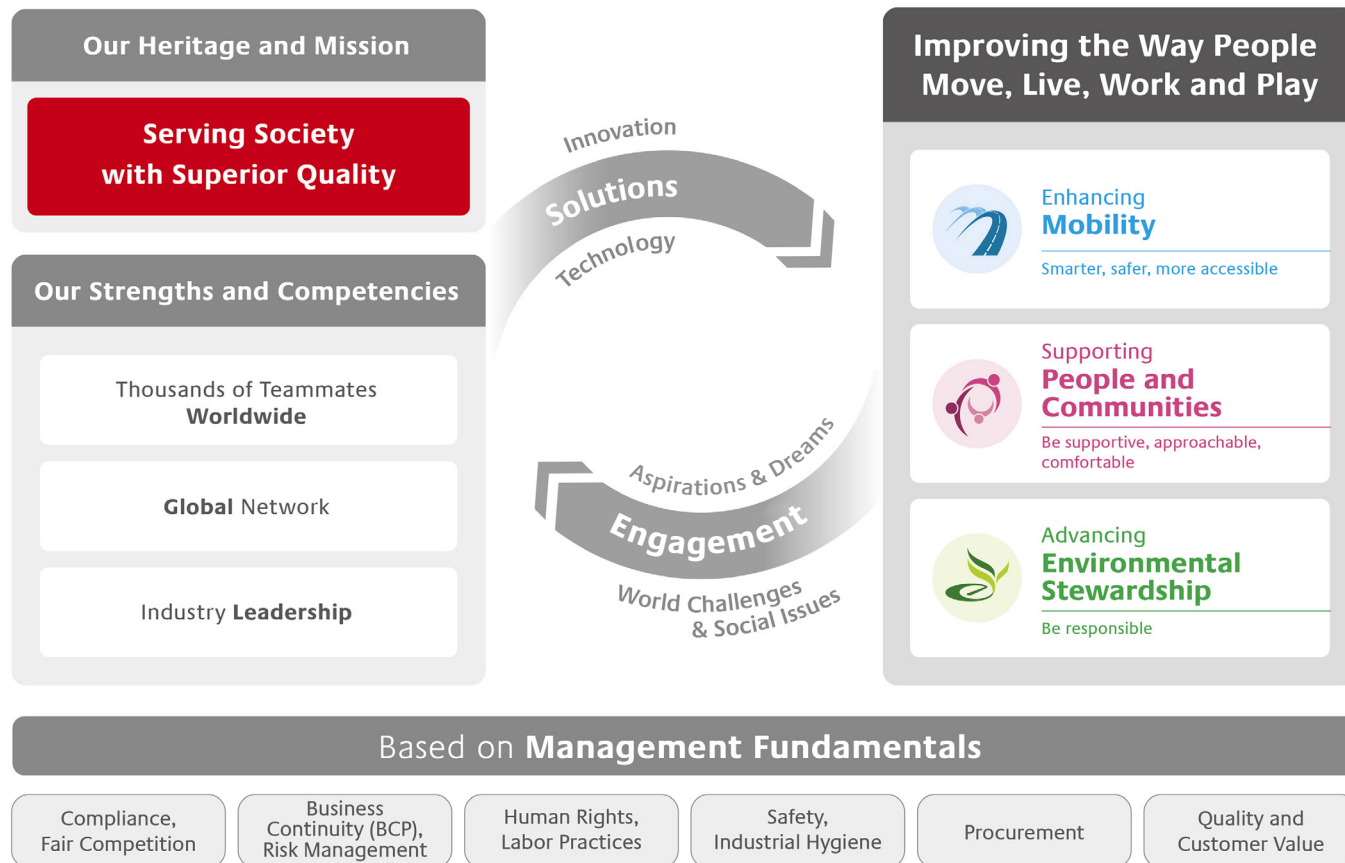
Our Way to Serve inspires employees of the Bridgestone Group to continue to do great work by doing good for the world. It serves as a compass, organizing the Group’s efforts under the three Priority Areas of Mobility, People and Environment. Along with these Priority Areas, the Group continues to strengthen its governance and compliance and exhibits the behaviors expected of any responsible company through its Management Fundamentals. The Management Fundamentals exemplify the Group’s commitment to leadership in the six major areas of Compliance and Fair Competition, Business Continuity (BCP) and Risk Management, Human Rights and Labor Practices, Safety and Industrial Hygiene, Procurement, and Quality and Customer Value.

Through *Our Way to Serve*, the Bridgestone Group leverages its strengths and competencies, which include thousands of teammates worldwide, a global network, industry leadership and a history of innovation, to improve the way people move, live, work and play.

To realize its vision 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. A recent employee survey showed that 97% of those who responded are aware of *Our Way to Serve*¹.

Contributing to the SDGs to solve global challenges

The United Nations Sustainable Development Goals (SDGs) outlines a global agenda to tackle the world’s most pressing social, environmental and economic challenges by 2030 to realize a sustainable society. As society continues to transform itself in pursuit of these common global goals, the Group will further its contributions to society as a sustainable



¹ 16,675 teammates responded to the online survey. (Respondents are those teammates who have email addresses and most are managers and staff.)

company in line with the SDGs. It will leverage its strengths and competencies to help address the challenges facing the world.

The COVID-19 pandemic exposed the vulnerability of society and forced everyone to reconsider almost every aspect of daily life. It reminds people of the challenges to achieving the SDGs, and also represents a turning point in the transformation of society to achieve the SDGs by 2030.

Striving toward living well within planetary boundaries, the Group contributes to the achievement of 13 of the 17 SDGs through all corporate activities and across its entire value chain, focusing on the three key areas of *Our Way to Serve*: Mobility, People and Environment.

The SDGs identified by the Group are also aligned with the Tire Sector SDG Roadmap developed by the World Business Council for Sustainable Development's (WBCSD) [Tire Industry Project \(TIP\)](#). The Roadmap offers a framework for action that outlines impactful pathways for the entire sector to contribute to the ambitions of SDGs. It also aims to guide, inform and support decision-making along the value chain, encourage stakeholder dialogue and inspire action-oriented initiatives among industry peers and beyond. As co-chair of the TIP Working Group, the Bridgestone Group was an active contributor to the development of the Roadmap and participated in the consultation process with a range of global stakeholders from industry associations, NGOs and subject matter experts.

Major contributions of the Bridgestone Group



- Offer tire safety checks and education around the world (3.6)
- Support the provision of health services and health check-ups for communities (3.8)



- Provide school facilities to children with limited educational opportunities and vocational training programs (4.1, 4.4, 4.5)



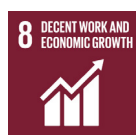
- Promote diversity and inclusion in line with the [Group's Global Human Rights Policy](#) (5.5)



- Execute water stewardship plan, reducing water withdrawal per unit at manufacturing facilities (6.4)



- Enhance renewable electricity ratio (7.2)
- Introduce lower rolling resistance tires for better fuel economy (7.3)
- Improve energy efficiency in manufacturing processes (7.3)



- Increase resource productivity (8.4)
- Promote natural rubber sustainability (8.4, 8.6, 8.7, 8.8)



- Explore recycle business, and expand programs towards a circular economy (9.4)
- Provide tire-centric solutions and mobility solutions (9.5)



- Improve accessibility through the development of tires and curbs that contribute to barrier-free bus transport (11.2)
- Provide a resilient infrastructure through seismic isolation bearings (11.5)



- Improve resource productivity and waste reduction throughout total tire life by increasing the use of retread tires (12.2, 12.4, 12.5)
- Expand and diversify use of renewable materials (12.2)
- Disclose sustainability related information (12.6, 12.8)



- Expand programs towards carbon neutrality (13.1, 13.2, 13.3)
- Support disaster management initiatives of communities against natural disasters (13.1)



- Continue drive toward zero-deforestation in supply chain and forest restoration initiatives (15.2, 15.5)
- Strengthen biodiversity conservation efforts (15.1, 15.5)



- Execute [Code of Conduct](#) that covers a broad range of ethics and compliance topics, including anti-corruption and anti-bribery (16.5)



- Promote open innovation to address social issues (17.6)

Global CEO Commitment

Creating Social and Customer Value

As Bridgestone celebrates the 90th anniversary of its founding in 2021, we are guided by our unchanging mission of “Serving Society with Superior Quality” and will continue to evolve to achieve our vision of “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company.” By doing so, we will continue to support the mobility and movement of people and objects, and contribute to the realization of a sustainable society.

The Group’s Mission is based on founder Shojiro Ishibashi’s business philosophy embodied in his words, “I am convinced that a simple profit-seeking business will never thrive, but a business that contributes to its society and country will be forever profitable.” This belief and our Mission also are in line with the current notion of sustainability. Today, our Mission is becoming more important than ever.

The society around us is in the midst of major changes, including international relations, the economy and technological innovation, and the pace of these changes is accelerating year by year. Mobility, especially with regard to automobiles, is undergoing a “once in a century” fundamental transformation, as is represented by concepts such as MaaS¹ and CASE². Furthermore, the impact of the COVID-19 pandemic, which continues from 2020, not only brings about major changes in our lives and economies, but also has shown that the critical challenges the world faces — climate emergency, loss of nature and growing inequality — are interconnected. Society as a whole must work toward the realization of a sustainable society so that all people can continue living well within planetary boundaries.

Since its establishment in 1931, the Bridgestone Group has been expanding and evolving its business from Japan to Asia and globally, from tires to diversified products that support lives and industries, and now to solutions. The Group has evolved to meet the changing needs of society and continue supporting the safe and secure mobility and lifestyles of individuals in each era.

Looking ahead, the Group will continue to evolve to support society and each individual. Through our business activities, and the technologies and innovations that support them, we will provide value to our customers. We also strive to create social value to further contribute to the realization of a



sustainable society. The Group also will carry out a wide range of social contribution activities around the world beyond our business domains, to continue fulfilling our responsibility to future generations as a global leader in the industry.

In particular, with regard to the United Nations Sustainable Development Goals (SDGs), we have identified 13 of the 17 goals that the Group will focus on, and will actively contribute to the achievement of these SDGs by 2030. We believe that it is the role and responsibility of our Group to anticipate changes in society, turn them into opportunities, and contribute to the realization of a sustainable society through our business and social contribution activities.

Evolution toward a sustainable solutions company: Bridgestone 3.0 Journey

In 2020, the Bridgestone Group embarked on a new chapter

¹ MaaS (Mobility as a Service)

² CASE (Connected, Autonomous, Shared, Electric)

in its history with a new vision: “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company.”

Following the Group’s founding in 1931, and our “second foundation” in 1988 with the merger of Bridgestone and the Firestone Tire & Rubber Company, we positioned 2020 as our “Third Foundation” and the first year of Bridgestone 3.0. The Mid-Long Term Business Strategy was formulated to realize our new vision. The Mid-Long Term Business Strategy places sustainability at the core of management and business, and aims to serve society by creating social and customer value while gaining a competitive advantage, by evolving into a solutions company that leverages the strengths of our tire and rubber business. This February, we announced our Mid Term Business Plan as a concrete execution plan for 2021 to 2023. In line with this plan, we will drive our Mid-Long Term Business Strategy from framework to execution with an aggressive approach and challenging spirit.

The base of our strategy is building a unique business model. By further strengthening our core tire business and leveraging its advantages to globally expand our solutions business, which we call our growth business, we aim to amplify the value of these two businesses. Furthermore, to ensure our evolution into a sustainable solutions company, we have established a new business portfolio. To sustainably grow toward the future, we have added on exploratory business, in addition to our existing core and growth businesses. We have started with exploring the recycle business and the soft-robotics business, both areas where Bridgestone can leverage its core competencies, such as mastering rubber.

The components of our core, growth, and exploratory businesses are not fixed. We will evolve our business portfolio to meet the changing needs of society and our customers,

developing our current growth business into a core business, and our exploratory businesses into growth businesses. New exploratory businesses will also be born.

In conjunction with our business activities, we are also accelerating our environmental initiatives and other activities to contribute to the achievement of the SDGs. Traditionally, the Group has continued to contribute to the improvement of resource productivity and the reduction of CO₂ emissions in our “produce and sell” tire business, and our solutions business, which provides value at the time of product “use.” Looking ahead, we look to commercialize the recycle business to “renew” end-of-life tires to rubber and raw materials. By 2030, we aim to construct a circular economy where business value such as revenue and profits are sustainably generated and circulated, linked with efforts toward resource circulation and achieving carbon neutrality, across all of our “produce and sell,” “provide value at use” and “renew” business areas.

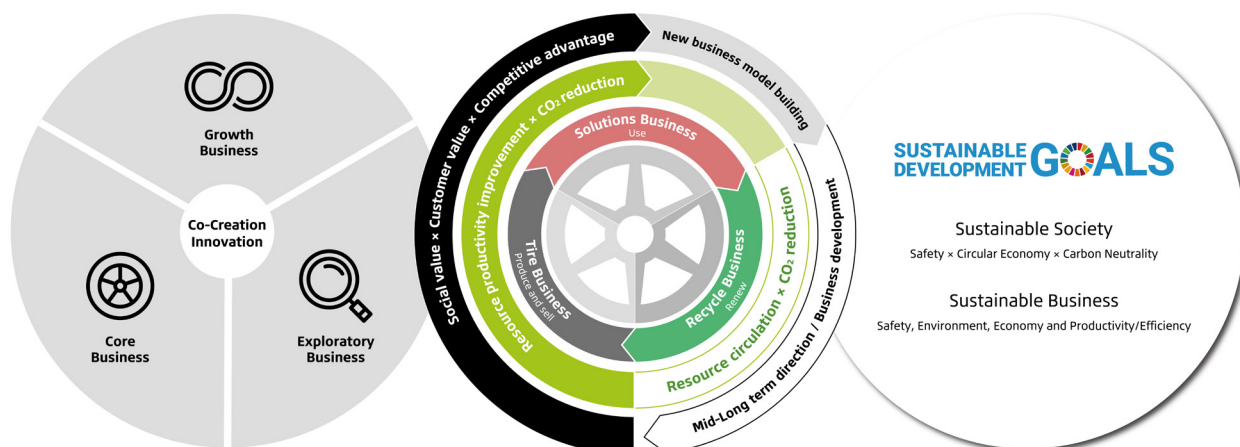
The other exploratory business, soft-robotics, is a new attempt in the Group’s diversified business, designed to support mobility and lifestyles that prioritize safety and peace of mind. The soft-robotics business utilizes soft-robots that work harmoniously with people to respond to social and customer issues such as work automation and need for contactless interactions. By leveraging Bridgestone’s core competencies such as know-how and technologies in mastering rubber and mastering contact, we will continue to explore new areas to ensure sustainable growth.

In this way, through the support of the mobility and movement of people and objects, we aim to realize our Sustainability Business Framework that pursues a win-win-win situation among society, our customers and Bridgestone. Bridgestone will empathize with society and customers, and collaborate with various partners for innovation and co-

Bridgestone 3.0 Journey toward 2030

Toward a Sustainable Solutions Company

Support the mobility and movement of people & objects. Create social and customer value, and gain competitive advantage



Global CEO Commitment

Creating Social and Customer Value

creation of value to empower our journey.

We are redeveloping our Technical Center in Kodaira, Tokyo, to establish the Bridgestone Innovation Park, a global hub for innovation and co-creation. In addition to the Bridgestone Innovation Gallery opened in 2020, which introduces the Group's history and innovation initiatives, B-Innovation, an innovation center, and B-Mobility, a small-scale test course, are planned to be completed at the end of this year. We also will enhance coordination among the Group's innovation centers around the world to reinforce co-creation and innovation on a global scale.

Our Way to Serve: Improving the way people move, live, work and play

To contribute to the realization of a sustainable society, we also are working to solve social issues through various activities beyond our business activities. *Our Way to Serve*, introduced in 2017, guides the Group's efforts in contributing to the realization of a sustainable society and embodies our strong commitment to fulfill our responsibility for the future. To improve the way people move, live, work and play, we are promoting various initiatives globally, focusing on three priority areas: Mobility, People and Environment. Our more than 140,000 teammates around the world commonly guided by our Mission and *Our Way to Serve* are engaged in their daily work.

In the area of Mobility, we are enhancing mobility through advanced technologies and solutions, to make it smarter, safer and more accessible. We recognize that "tires carry life" is our fundamental principle and responsibility as a tire

manufacturer. As such, we are engaged in promoting road safety by conducting education around the world.

With regard to People, we are promoting various social contribution activities to support communities and enhance the way people live, learn and work. In regions around the world where Bridgestone is located, we are expanding education and training opportunities to support the learning of the next generation, supporting victims of natural disasters, working to prevent and lessen the impact of such disasters, and implementing health promotion programs and educational activities to promote healthier communities.

Furthermore, the Group has formulated its Global Human Rights Policy and is promoting initiatives to address various issues related to basic human rights, while actively working on the development and promotion of diversified talent including the advancement of women. These spirits of diversity and inclusion, which aim to realize a society where people from different backgrounds can live and work together, are rooted in the Group's culture as one of the foundations of our corporate philosophy, the Bridgestone Essence's "Seijitsu-Kyocho" (Integrity and Teamwork).

As a Worldwide Olympic and Paralympic Partner, Bridgestone is proud to support the values associated with the Olympic and Paralympic Games, such as respect for diversity, global solidarity, and the creation of an inclusive society. Under the manifesto, "CHASE YOUR DREAM," and through various activities together with local communities, the Group not only supports the challenges of athletes, but all those around the world who are chasing their dreams.



Artist rendering of Bridgestone Innovation Park



In 2021, the Bridgestone Group joined The Valuable 500, an international movement committed to promoting the advancement of people with disabilities. The Valuable 500 and Bridgestone share the belief that people with different experiences, skills and perspectives can create new value for business and communities by working together. Taking this opportunity, we will further promote initiatives for diversity and inclusion, aiming to realize a society in which all people can live well with peace of mind.

In the area of Environment, we are accelerating our ambition to decouple business growth from environmental impact and resource consumption, based on our “Long-Term Environmental Vision” for 2050, and the “Milestone 2030” mid-term environmental targets newly formulated in 2020. In particular, over the past year, we have updated and clarified our targets for reducing CO₂ emissions to work more aggressively toward becoming carbon neutral. Our goal is to reduce 50% of our CO₂ emissions by 2030 compared to 2011, and to become carbon neutral by 2050. We will continue to work toward the realization of a circular economy and achieving carbon neutrality to ensure a healthy environment for current and future generations.

Creating New Value: Building Trust

As a global company, we are building trust with society and our stakeholders by continuing to respond to society's expectations and fulfilling our social responsibilities through business activities and social contribution activities. The Group prioritizes fundamental initiatives for six key themes: Compliance and Fair Competition, Business Continuity (BCP)

and Risk Management, Human Rights and Labor Practices, Safety and Industrial Hygiene, Procurement, and Quality and Customer Value. In addition, we will not only ensure thorough governance by keeping our promises and carrying them out, but also continuously evolve our Group's governance in line with our business strategy, just as we evolve our business in line with the dynamic changes in society. The governance for co-creation also will become increasingly important, as we connect and actively collaborate with a wide variety of partners including yourselves. By building trust and deepening interaction with empathy, we hope to accelerate further value co-creation in the future.

2021 marks the 90th anniversary of our founding and is an important milestone toward our 100th anniversary. It is also the second year of Bridgestone 3.0, a year in which we must deliver results. Managing our business in line with our Mid Term Business Plan, we will continue to contribute to the realization of a sustainable society by providing social and customer value. We would like to invite all of our stakeholders, including customers, shareholders and business partners, to join us on this journey, and hope this report will be a start.

A handwritten signature in black ink, appearing to read 'Shuichi Ishibashi'.

Shuichi Ishibashi

Member of the Board
Global CEO and Representative Executive Officer





Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Through realization of its Mid-Long Term Business Strategy that places sustainability at the core of management and business, the Bridgestone Group aims to evolve into a solutions company leveraging the strengths of its tire and rubber business. Doing so, the Group will continue to serve society by creating social and customer value, and gain competitive advantage. It will drive its Mid-Long Term Business Strategy, from framework to execution, in line with its Mid Term Business Plan which details the Group's initiatives through 2023 to achieve its goals, with an aggressive approach and challenging spirit.

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Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Bridgestone Sustainability Journey

Social issues, Customer issues, Change
in external and social environment

Bridgestone Sustainability Journey

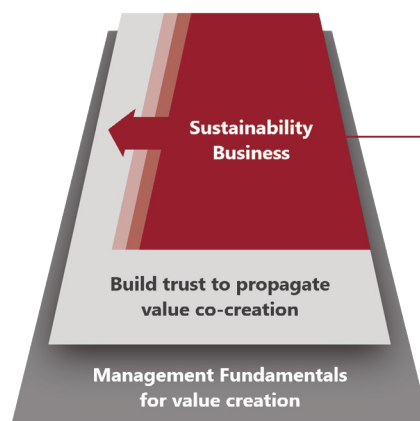
Mission

Serving Society with Superior Quality

Global CSR Commitment,
Compass

Our Way to Serve

Sustainability framework



GUIDING PRINCIPLES

The Bridgestone Group is committed to the global realization of a sustainable society. By evolving into a sustainable solutions company and through all its corporate activities, the Group is taking steps to positively impact the journeys of its customers and society-at-large.

Shojiro Ishibashi, founder of the Bridgestone Group, believed a business that contributes to society will be forever profitable. This belief directly links to the concept of sustainability. As the current business environment and society's and customers' needs rapidly change, this belief is becoming more important than ever.

Serving society with superior quality. This statement was formalized as the Bridgestone Group's mission in 1968 based on the philosophy of its founder, and has remained unchanged throughout the Group's history. Introduced in 2017, *Our Way to Serve* is the compass for employees at all

levels of the Bridgestone Group's worldwide organization, as they incorporate the Group's mission into their everyday responsibilities. The Group's mission and *Our Way to Serve*, together with the Sustainability Framework, articulate the Group's approach to sustainability, and are guiding principles as it strives to achieve sustainable growth with society, customers and partners by creating social and customer value.

More information is available in this report:

- *Our Way to Serve*: [See pages 7-8](#)
- Sustainability Framework: [See pages 53-54](#)

Continue to grow with society, customers and partners by creating, balancing and expanding social and customer value

Vision

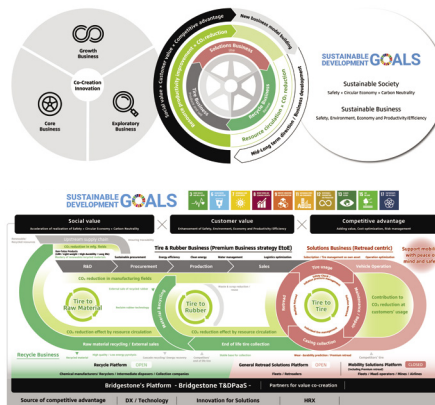
Toward 2050, Bridgestone continues to provide social value and customer value, as a sustainable solutions company.

Strategy

(Mid-Long Term Business Strategy)



Portfolio



Business model

HOW TO ACCOMPLISH OUR VISION

The Group marked 2020 as the first year of its third foundation — Bridgestone 3.0 — and is implementing its Mid-Long Term Business Strategy with sustainability at its core to accomplish its vision of continuing to provide social and customer value as a sustainable solutions company toward 2050. By incorporating sustainability into every aspect of its business, the Group is creating social and customer value and gaining competitive advantage. At the same time, it is building trust in collaboration with society, customers and partners. Concurrently, via its corporate governance and Management Fundamentals, the Group also is operating as a responsible business.

Toward 2030 and beyond, the Group aims to realize its Sustainability Business Model that pursues a win-win-win situation among society, customers and the Group, while evolving its business portfolio to meet the changing needs of society and customers

More information is available in this report:

- Mid-Long Term Business Strategy: [See pages 17-18](#)
- Portfolio: [See pages 19-22](#)
- Sustainability Business Model: [See pages 23-24](#)

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

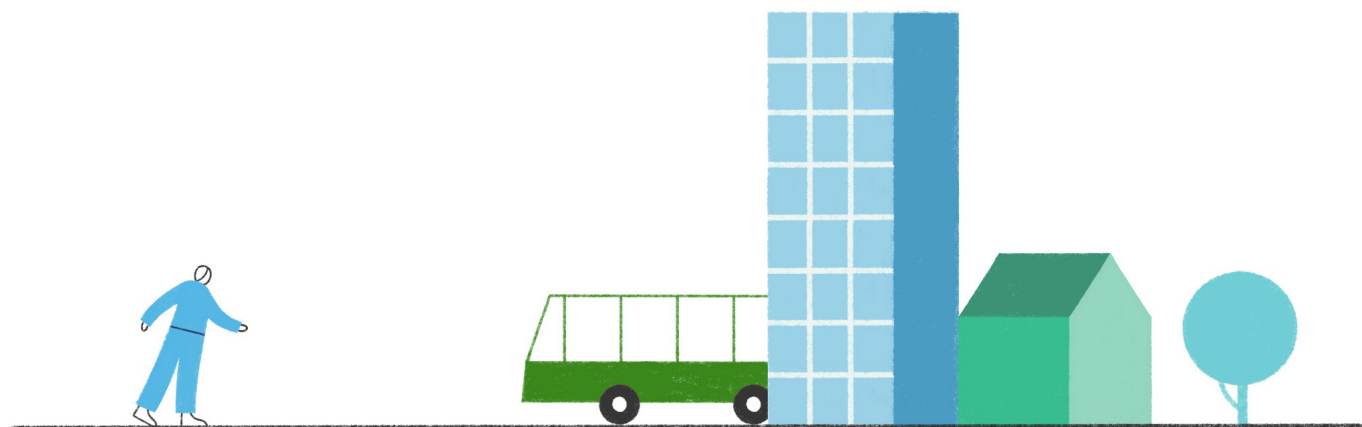
Mid-Long Term Business Strategy

“Serving Society with Superior Quality” has been and remains the Bridgestone Group’s mission since its founding. In 2020, the Group embarked on a new chapter, Bridgestone 3.0 — its third foundation — to provide social and customer value as a sustainable solutions company toward 2050. As a first step, the Group announced its Mid-Long Term Business Strategy with sustainability at its core.

Mid-Long Term Business Strategy with Sustainability at its Core Y2020~Bridgestone 3.0 (The 3rd Foundation)



In developing its business strategy, the Group carefully assessed the internal and external business environment — considering social trends, mobility trends and the competitive landscape — to determine the impact of each on its business. The Group then formulated a strategy to turn change into opportunity. The changes the Group considered, and its response to each, include:



CHANGES IN THE EXTERNAL AND SOCIAL ENVIRONMENT

- Unprecedented changes → Change management system to be more agile.
- Geopolitical risk → Promote “glocal” management.
- Climate change → Place sustainability at the core of management.
- Technology innovation and digital transformation (DX) → Co-creation, innovation and promotion of Bridgestone DX.

CHANGES IN MOBILITY

- Acceleration of Mobility as a Service (MaaS) and Connected, Autonomous, Shared, Electric (CASE) → Reinforce Dan-Totsu product strategy, taking into account sustainability and the evolution of mobility, expand tire-centric solutions and mobility solutions.

CHANGES IN THE TIRE INDUSTRY

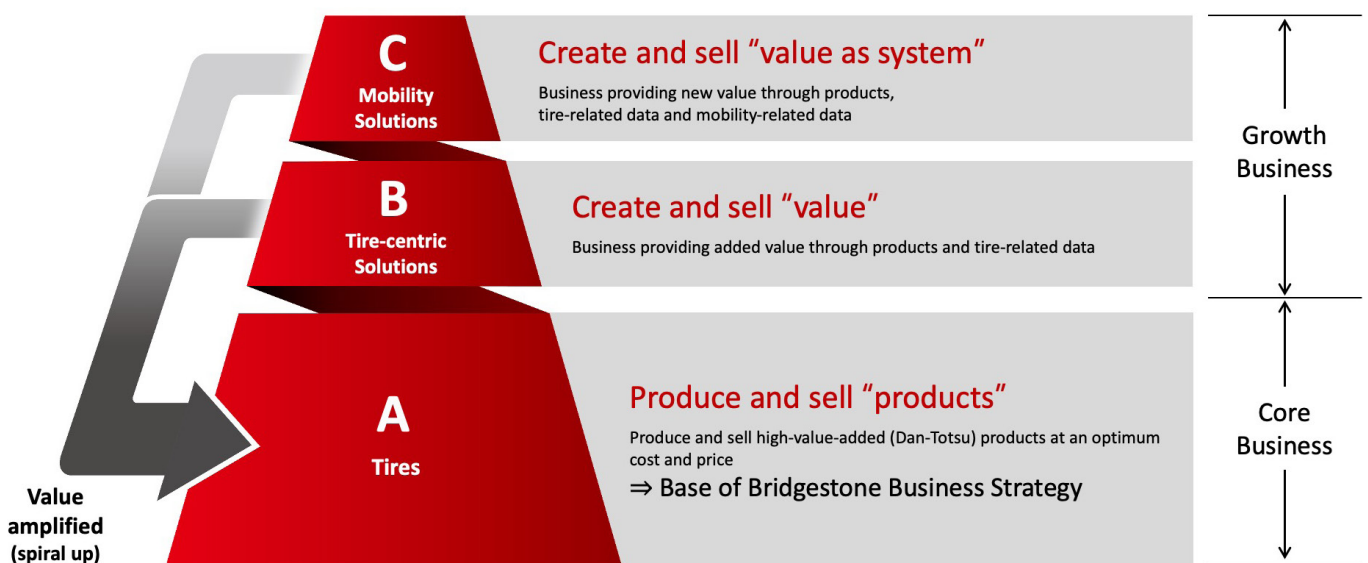
- Profitability of the industry as a whole is deteriorating.
- Still maintaining high profitability compared to analogous manufacturing industries.
- Expansion of the gap among players in the industry.
- Emerging competitors → intensifying price erosion as more players enter the market.

The Group's growth strategy with sustainability at its core is to achieve sustainable growth together with society, customers and partners through its unique solutions activities. The core of this business strategy comes to life through Bridgestone Tires and Diversified Products as a Solution (Bridgestone T&DPaaS), its unique solutions platform that supports society's rapidly evolving mobility needs with Dan-Totsu products, services and networks.

Building a unique business model

The Group's core tire business is the foundation of all its business strategies, and it will continue to produce and sell high-value-added Dan-Totsu products. As a growth business, the Group will create new “value” by utilizing tire data and mobility data, evolving it into a solutions business that sells “value.” The Group will strengthen its core tire business, and leverage its advantages to expand its solutions business, so that the value of each business amplifies and continues to “spiral up.” This is its unique business strategy.

Building a unique business model



Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Outline of the Mid Term Business Plan: Realization of Sustainability Business Framework

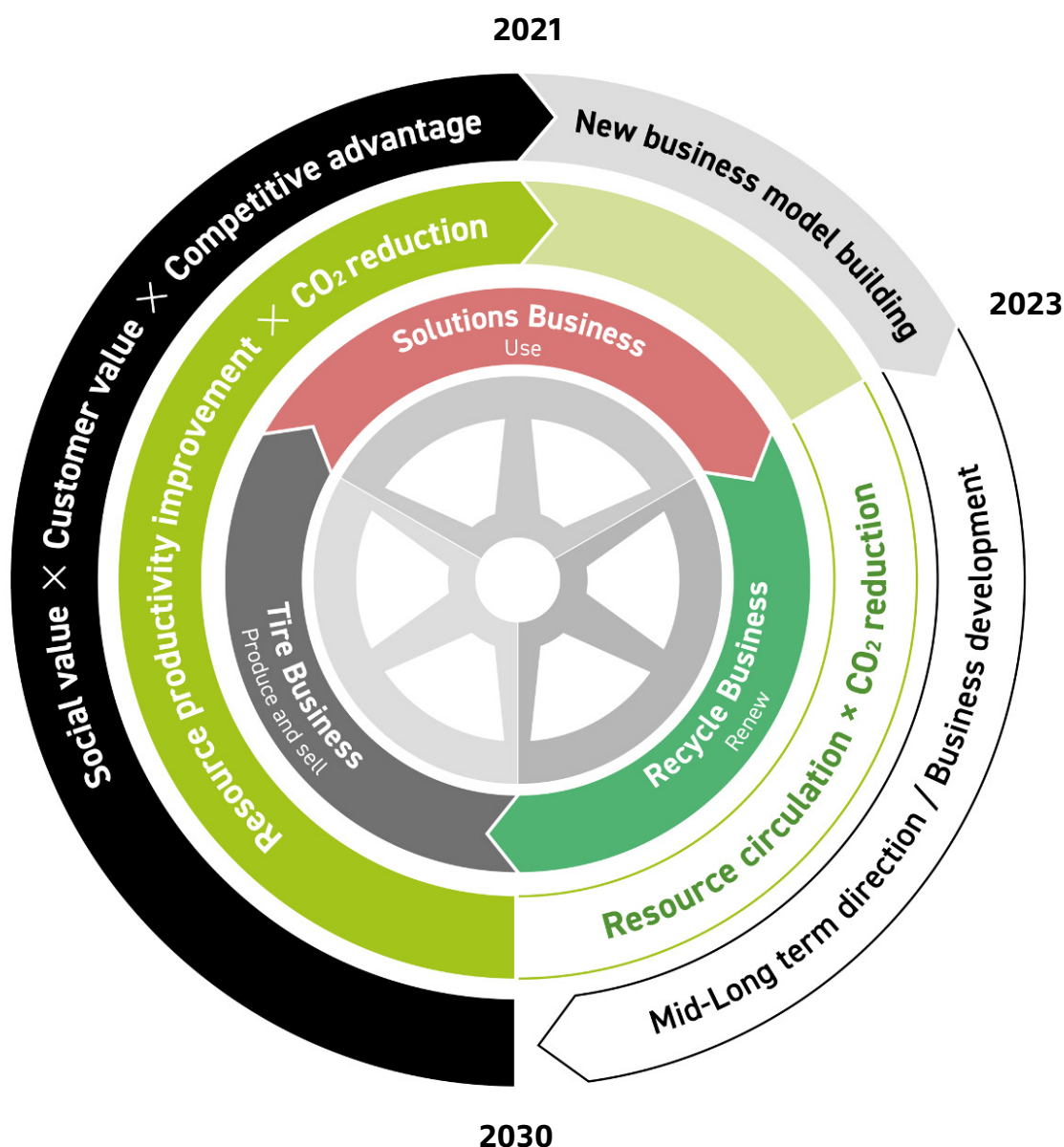
Toward becoming a sustainable solutions company: Support the mobility and movement of people and objects, create social and customer value, and gain a competitive advantage

Up to now, the Bridgestone Group has been contributing to the improvement of resource productivity and reduction of CO₂ emissions through its tire and rubber business, which produces and sells products, and its solutions business, which provides value to customers during use.

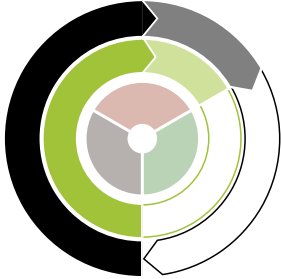
To further evolve into a sustainable solutions company, the Group will build a unique business model for the solutions

business and promote the recycle business that renews tires to raw materials, thereby realizing resource circulation, CO₂ reduction, a circular economy and carbon neutrality throughout its businesses.

Realizing this Sustainability Business Framework through co-creation and innovation, and the Group will thus contribute to the United Nations SDGs and a sustainable society.



Milestone in the Mid Term Business Plan (2021-2023) and toward 2030



2021

"Produce and sell" tire business / "value during use" solutions business: **Reinforce & expand**

"Renew" recycle business: **Start exploration**

2023

"Produce and sell" tire business / "value during use" solutions business: **Establish a unique business model**

"Renew" recycle business: **Commercialize**



2030

"Produce and sell" tire business / "value during use" solutions business / "Renew" recycle business: **Sustainable reinvestment of value generated from each business**

The Group's Mid Term Business Plan, which will be implemented over the three-year period from 2021 to 2023, clarifies specific goals and actions to realize the Sustainability Business Framework based on its Mid-Long Term Business Strategy. With a view to 2030, it will drive toward 2023 with an aggressive approach and a spirit aimed at challenging the status quo to evolve into a "strong" Bridgestone capable of adapting to change. At the end of 2023, the Group will be well on its way toward becoming a sustainable solutions company throughout its value chain.

Promotion of the "produce and sell," "value during use" and "renew" businesses

Beginning in 2021, the Group is working to amplify and expand its value through the unique business model that links its tire business with its solutions business. In addition, it has begun the search for recycling technology that will renew tires used by customers into raw materials. By 2023, the final year of its current Mid Term Business Plan, the Group will be prepared to commercialize this recycle business.

By 2030, the Group aims to establish a business model for all of its businesses, from produce and sell, value during use, and renew, and to link them to its sustainability activities, such as resource circulation and carbon neutrality, so that they continue to revolve like a wheel. The Group is advancing on its "Bridgestone 3.0 Journey" toward achieving this goal.

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Outline of the Mid Term Business Plan: Bridgestone 3.0 Journey toward 2030

Evolving into a “strong” Bridgestone toward becoming a sustainable solutions company

Under the new Mid Term Business Plan, the Bridgestone Group will enter a stage of “aggressive approach” and set a new business portfolio, rebuild earning power and full-scale investment in strategic growth.

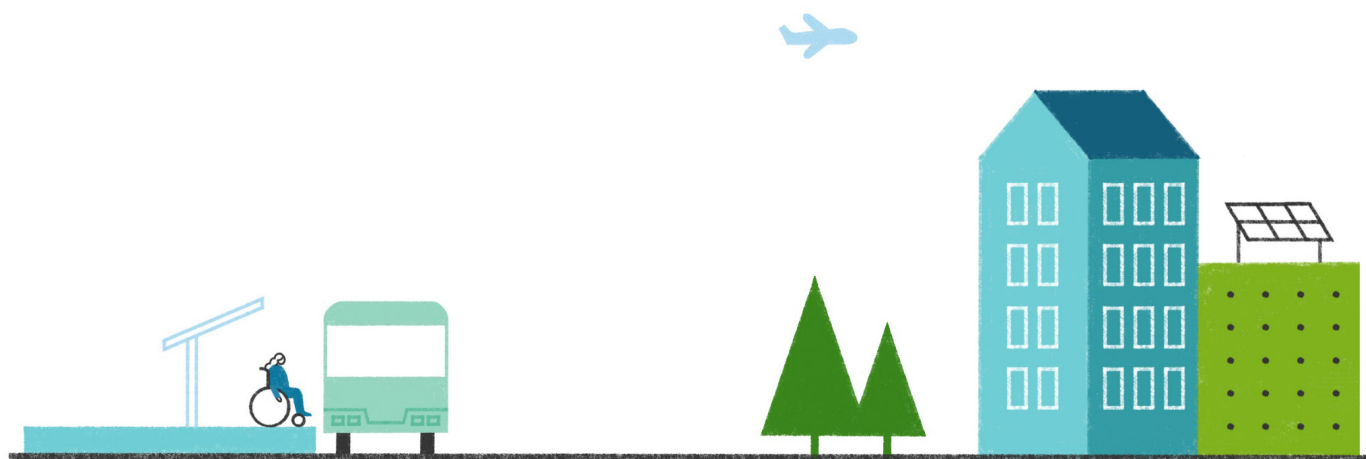
To realize its Sustainability Business Framework and implement the Mid Term Business Plan, the Group has established a new business portfolio. To sustainably grow toward the future, it has added on exploratory businesses, in addition to its existing core tire business and solutions business, its growth business. The contents of the core, growth and exploratory businesses are not fixed. In the future, the solutions business will become the core business, the exploratory business will become the growth business, and new exploratory businesses will be created while the Group steadily grows and meets the changing needs and environment of society and customers, as it has done in the past. By evolving its business portfolio, the Group aims to become a sustainable solutions company.

In the core business, the Group is rebuilding earning power. Through expense and cost structure reformation and implementing its premium business strategy, the Group is further strengthening its tire business. In its growth business, the Group is accelerating global expansion and development of solutions so they will evolve into core businesses by 2030. In the exploratory business, the Group has started exploring the recycle business, essential to its Sustainability Business Framework, as well as the soft-robotics business where Bridgestone can utilize its core competencies, such as mastering rubber.

To realize the Sustainability Business Framework and implement the Mid Term Business Plan, the Group is flexibly reallocating strategic resources generated by the rebuilding of its earning power to strategic growth investment. In 2023, the Group aims to achieve a revenue level of 3,300 billion JPY, an adjusted operating profit ratio of 13%, and a return on invested capital (ROIC) of 10%. Its ambition is to establish a resilient and highly profitable structure capable of adapting to changes.

Toward realizing the Sustainability Business Framework, in line with Milestone 2030, its mid-term environmental goal, the Group will increase its use of recycled and renewable materials to 40% of its resources. In addition, it will work to reduce CO₂ emissions by 50% (compared to a 2011 baseline) and contribute to reducing by more than five times the amount of its CO₂ emissions across its value chain.

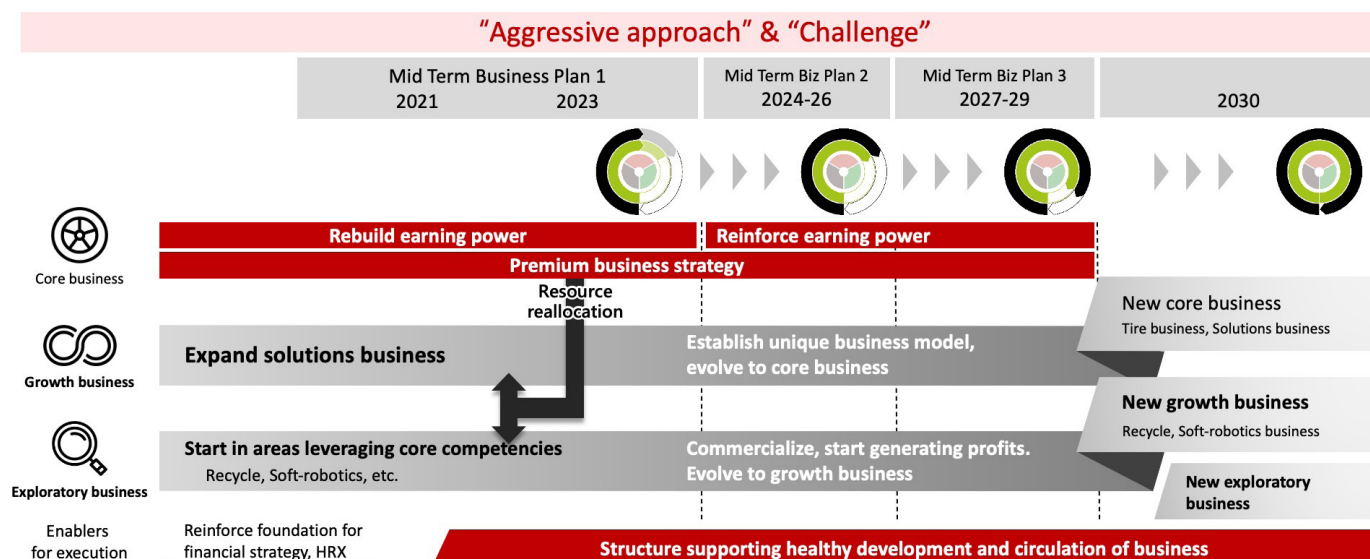
For more details on the Mid Term Business Plan, please see the following pages.



Bridgestone 3.0 Journey toward 2030

New business portfolio

Create social and customer value, and gain competitive advantage



Evolve to a **"strong" Bridgestone** capable of adapting to changes, toward becoming a sustainable solutions company

	2021	2023	2024–29	2030
Business Portfolio	Core = tire business / Growth = solution business / Start exploratory business		Solutions business gradually becomes “core”, exploratory business becomes “growth”	Core = tire and solutions business / Growth = exploratory business / New exploratory business
Promote a circular economy Improve material circularity Maximize resource/tire value	Contribute to a circular economy across the value chain and the product life cycle			Recycled & renewable material ratio 40%
Carbon Neutrality Reduction of emissions Contribute to emission reductions	Reduce CO2 emissions to achieve Milestone 2030			Reduction of CO2 emissions: -50% Contribute to reducing more than 5x our emissions
Revenue % of solution business	3,010 B JPY 17%	3,300 B JPY level 20% level	Grow while adapting to changes Increase sales in solution	Toward a sustainable solutions company Resilient highly profitable structure in all businesses
Adjusted Operating Profit %	260 B JPY 8.6%	450 B JPY level 13% level	Resilient and highly profitable structure	
ROIC	6.3%	10% level		
ROE	6.8%	12% level		



Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Sustainability Business Model

SUSTAINABLE DEVELOPMENT GOALS



Social value

Acceleration of realization of Safety × Circular Economy × Carbon Neutrality

Customer value

Enhancement of Safety, Environment, Economy and Productivity/Efficiency

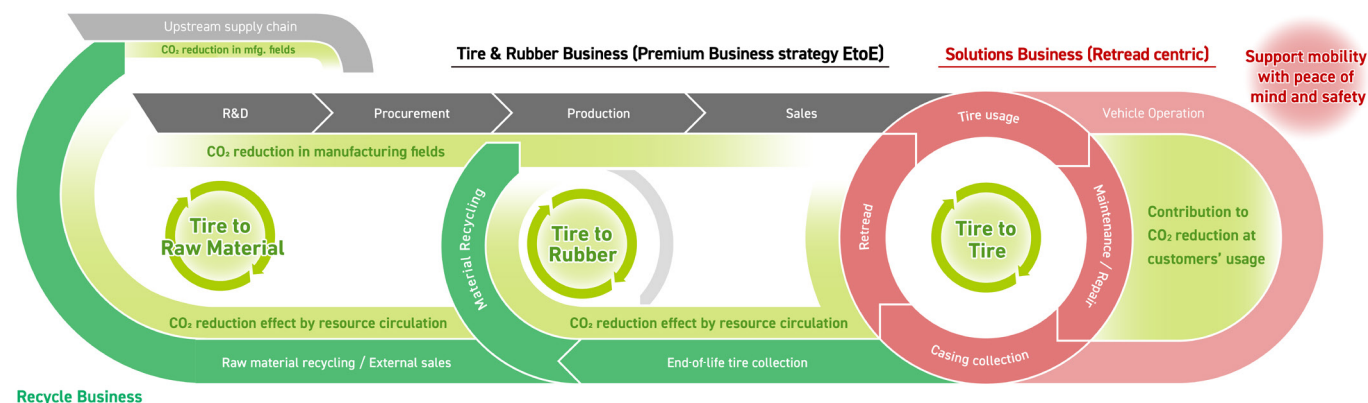
Produce & Sell

Raw material procurement ~ Production

- Global Sustainable Procurement Policy
- Guayule research, efforts for practical use
- Promote circular design
- Renewable energy usage
- Management of water resources
- Reduction of production loss
- Promote smart factory

Sales (Products)

- Respond to accelerating EV shift (OE approach)
- Enhance and expand the use of fuel-efficient tires
- Expand next-generation eco-friendly products
- Enhance durable truck & bus and light truck tires that also prevent irregular wear to allow multiple retreading



Renew

Recycle

- Turn waste to wealth
- Explore recycle technology
- "Tire-to-Rubber" and "Tire-to-Raw-Material" recycling technology that ensures high quality and less energy
- Explore eco-systems and business models for commercialization

2021-2023

Consolidate foundation and clarify roadmap towards carbon neutrality
Optimize manufacturing footprint & business portfolio, enhance renewable energy use, explore new energy. Contribute to CO₂ emission reduction and gain competitive advantage through eco-friendly products & solutions business

Transition to a circular business model.

Explore and commercialize recycle business

Enhance and expand recycled & renewable resources & expand retread business. Maximize value through light weight products, durable, wear-resistant Dan-Totsu products + Dan-Totsu solutions

Carbon neutrality

- Realize carbon neutrality across the value chain and product lifecycle

Circular Economy

- Improve material circularity
- Maximize resource/tire value



Competitive advantage

Adding value, Cost optimization, Risk management

Use

Solutions

- Multiple retreading of durable case tires that also prevent irregular wear
- Promote premium retread
- Optimization of customer fleet operations
- Wear/endurance prediction
- Repair
- Subscription

The Bridgestone Group's vision of becoming a sustainable solutions company is articulated in its Sustainability Business Model. By contributing to the achievement of specific United Nations SDGs, supporting the safe mobility and movement of people and objects, and creating social and customer value, the Group will create competitive advantage and a win-win-win situation among society, customers and Bridgestone.

Already, the Group has realized tire-to-tire recycling, which is based on retreading, where the tread of the tire is replaced and the casing is reused. This is contributing to CO₂ emissions reduction and resource circulation. In the future, it will create opportunities in the recirculation of tire-to-rubber and tire-to-raw material through its recycle business. In this way, the Group will contribute to CO₂ reduction at all stages of its value chain, including manufacturing, the customer use stage, and recycling.

This business model will only be successful through co-creation and innovation. Particularly in the area of mobility solutions, the Group will connect with customers and co-creation partners through its unique platform. To advance tire-to-rubber and tire-to-raw material solutions, the Group also will connect with a wide variety of customers, partners and other stakeholders through an open platform. In this way, while amplifying the value of tires throughout the value chain, the Bridgestone Group will evolve into a sustainable solutions company contributing to the realization of a sustainable society.

~2030

Reduction of CO₂ emissions:
-50%

Contribute to reducing more than
5x our emissions

~2050

Carbon neutrality

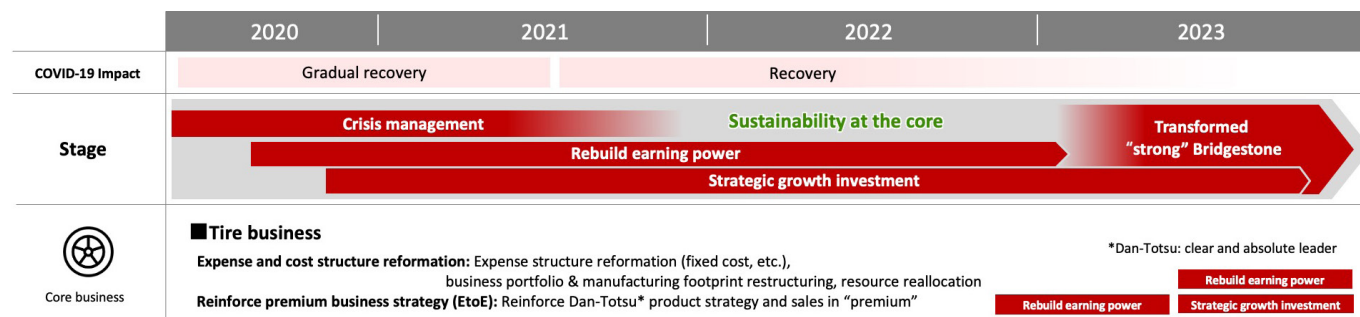
Recycled & renewable
material ratio:
40%

**100% sustainable
material**

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Core Business: Rebuilding Earning Power

Rebuilding earning power through expense and cost structure reformation, reinforcing premium business strategy



In its core tire business, the Bridgestone Group is taking two approaches to rebuild earning power: reforming the expense and cost structure, and reinforcing its premium business strategy.

The Group is addressing its cost structure through thorough expense management.

To reinforce its premium business strategy, it will enhance its existing strengths by creating Dan-Totsu products, services and solutions that match society and customer needs at a competitive cost. It will then sell these offerings through premium channels that provide customers with high-value-added services.

Expense and cost structure reformation

In terms of cost and expense structure reformation, the Group will work to achieve further efficiency and optimization in all regions and domains globally through cost reformations in procurement and logistics, strict selection of investment, and thorough expense management. Through these activities, the Group expects to reduce fixed costs by approximately 53 billion JPY from 2019 to 2023. In 2020, as part of its response to the COVID-19 pandemic, the Group improved fixed costs by 25 billion JPY compared to the previous year through structural reformation implemented under risk management.

It will maintain this greatly improved fixed-cost structure and continue to promote further reformation and improvements.

Variable costs are also projected to be reduced by 9 billion JPY from 2019 to 2021, and the Group will maintain this more competitive variable cost ratio.

As a drastic structural reformation, the Group will also continue to consider and execute the restructuring of its business portfolio and manufacturing footprint over the long term.

Reductions made through expense and cost structure reformation

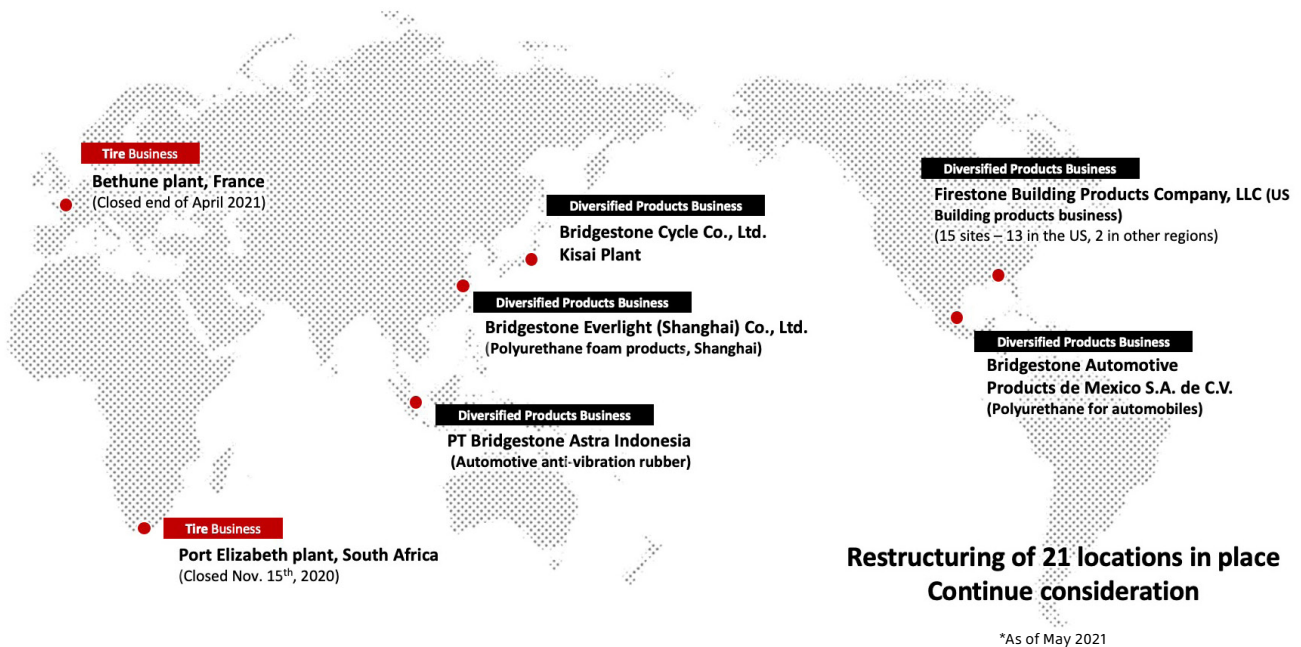
	2019	2020	2021	2023
Fixed Cost	Reduction expected in 2019~2023 from structure reformation: total -53 B JPY			
	-25 B JPY 2019~2020 reduction	-10 B JPY 2020~2021 reduction	Expected improvement (2021-2023)	
	Reduction expected in 2019~2021 from structure reformation: 35 B JPY		-18 B JPY	
	Operational productivity improvement Restructuring of organization & review of wage system Reexamination of sales promotion & brand strategy Restructuring of manufacturing footprint, business portfolio integration of office facilities, etc.		Accelerate further expense structure improvement, and reallocate to strategic resources 2020: Improved expense structure through crisis management in response to COVID-19 impacts. ⇒ Continue & enhance 2021 onwards	
Variable Cost	-3 B JPY 2019~2020 reduction	-6 B JPY 2020~2021 reduction	Keep competitive variable cost ratio:	
	Reduction expected in 2019~2021 from structure reformation: 9 B JPY		2021: 7.8%⇒2023: 7.7%	
	Consolidate/rationalize warehouse Control unit price of logistics Cost reduction through procurement system reform			

*Assumption for the exchange rate (2021-2023): 103 JPY/USD

Restructuring business portfolio and manufacturing footprint

The Group is examining the restructuring of its approximately 160 manufacturing sites, including diversified products and material manufacturing sites, keeping in mind the sustainable growth of each business.

In addition to the restructuring, the Group will also reinforce its tire manufacturing sites by maximizing the use of existing production capacities through optimization of its global supply system and manufacturing improvement.

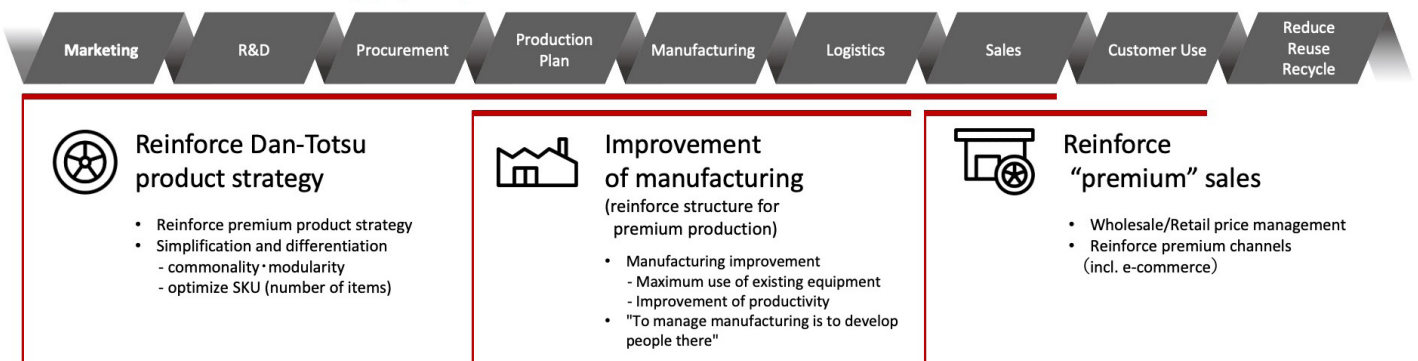


Reinforce premium business strategy

With an eye on sustainability and the evolution of mobility, the Group is focusing on high-value-added premium products and reinforcing its premium business strategy throughout the value chain to improve the quality of its business. The Group will promote this approach end-to-end, from product strategy and development to sales, focusing on delivering its Dan-Totsu product strategy, making manufacturing improvements and prioritizing premium sales.

To reinforce its Dan-Totsu product strategy, the Group is working on commonality/modularity and SKU optimization as a part of simplification and differentiation.

In addition, to prioritize premium sales, the Group is reinforcing sales through premium channels including e-commerce, which can provide customers with high value-added services.



Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Core Business: Rebuilding Earning Power

Reinforce sales of passenger car high-rim diameter (HRD) tires

To strengthen sales of high value-added products in the tire business, the Group is steadily promoting passenger car HRD tires, through a premium strategy to ensure tires for new vehicles generate demand for high value-added replacement tires (REP).

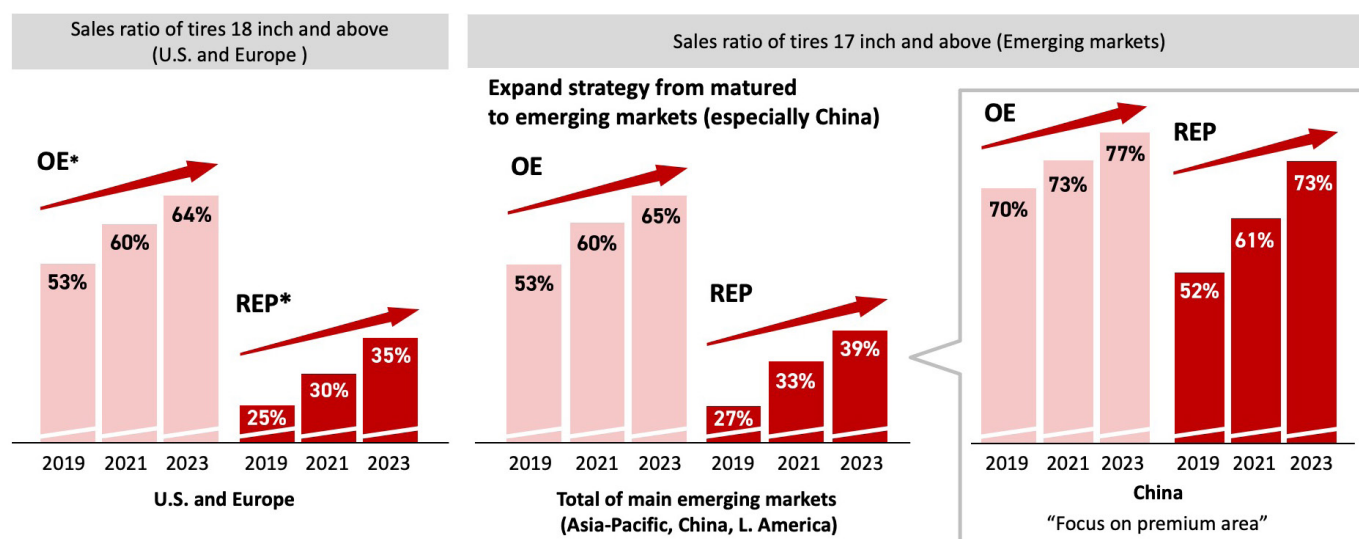
In developed markets, especially the U.S. and Europe, where the shift to higher rim diameter tires is ahead, the Group is reinforcing sales of 18-inch and larger tires as premium products. In the emerging markets of Asia-Pacific and Latin America, the Group is selling 17-inch and larger tires as premium products in anticipation of the trend toward HRD tires.

In China, HRD tires already account for over 70% of total sales of original equipment tires. The Group will drive sales of replacement HRD tires to more than 70% by 2023, compared to approximately 50% in 2019. China is a focus area in the Group's premium strategy and the Group will continue to reinforce this market.



ALENZA LX100 launched in Japan in February 2021

Sales ratio of high-inch tires for passenger cars (unit sales basis)



Reinforce premium product expansion for new mobility and toward sustainability

The mobility industry has entered a period of great transformation with CASE and MaaS. The shift to electric vehicles (EVs) and electrification is accelerating on a global scale toward the goal of becoming carbon neutral. In addition, with the expansion of car-sharing services, the utilization rate per vehicle is increasing and the performance required of tires is changing dramatically.

To respond to this evolution in mobility and the need for sustainability, the Group will introduce and expand innovative next generation eco-friendly products as new premium products. In the passenger car tire market, the ECOPIA brand was rolled out in 2010. By 2020, approximately 80% of all the Group's passenger car tires were eco-friendly products.

Moreover, the Group will reinforce its revolutionary ENLITEN technology which achieves both innovative light weight and driving performance.

The Group will also contribute to CO₂ reduction and cost optimization across the value chain by promoting commonality and modularity that enable simplification and differentiation. By aggressively advancing this initiative on a global scale, the Group aims to expand the module application rate to 17% of replacement tires by 2023. In light truck and truck and bus tire applications, which have a high utilization rate, the Group will further reinforce its technologies, including retreading, to allow safe and long-lasting use.

Bridgestone's approach placing sustainability at the core



Passenger car tires

■ Expand next generation eco-friendly product line-up as new “premium”

ECOPIA

Roll out since 2010

1st generation

Eco-friendly product

⇒ 80% of all products (as of 2021)

Innovative next generation eco-friendly technology fit for EVs and “shared”

ENLITEN

Achieve both innovative light weight and driving performance

--- contribute to driving distance of EVs

Next-level CO₂ emission reduction + improved resource productivity

Selected as original equipment on Japanese and international manufacturer cars (incl. EV)

■ Commonality • Modularity acceleration

-- Contribute to CO₂ emission reductions & improvement of resource productivity

- Simplify case-belt combinations (modules) between products, differentiate through tread performance
- Globally expand module application ratio: 2019 0%⇒2023 17% (in replacement tires)



Light truck, Truck and Bus tires

■ For commercial fleets that have high utilization rate, reinforce technology to allow safe and long-lasting use with eco-friendly products

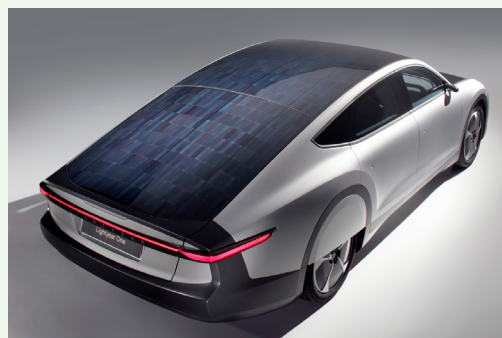
- Improve and balance prevention of irregular wear and durability for long life. Technology that allows multiple retreading

ENLITEN

TECHNOLOGY THAT ACHIEVES BOTH ENVIRONMENTAL BENEFITS AND DRIVING PERFORMANCE

ENLITEN technology makes it possible to reduce the weight of tires by approximately 20% and rolling resistance by approximately 30%¹ compared to conventional passenger car tires. It achieves these benefits by reducing the number of components used in tires, while maintaining driving performance and tire life. This makes it possible to reduce CO₂ emissions caused by tires by about 30% when driving gasoline-powered vehicles. It also contributes to reducing environmental impact and the achievement of sustainable mobility by extending the driving range of electric vehicles (EVs) on a single charge. It further contributes to improved resource productivity by reducing total material weight.

ENLITEN technology is applied on Turanza Eco tires specially engineered for Lightyear One, the world's first long-ranged solar electric vehicle by Netherlands-based mobility innovator [Lightyear](#)². The Bridgestone Group developed the Turanza Eco Tires by combining, for the first time, the revolutionary lightweight ENLITEN and ologic technology, which has larger diameters, high-inflation pressures and slim design. The technologies made it possible to reduce further rolling resistance and increase the driving range of electric vehicles. This co-creation between Lightyear and Bridgestone is a direct result of a shared focus on sustainability and a relationship built upon the more than eight years of collaboration through the Bridgestone World Solar Challenge. The development of Turanza Eco tires is a step up to a new stage of this co-creation activity based on technological innovation.



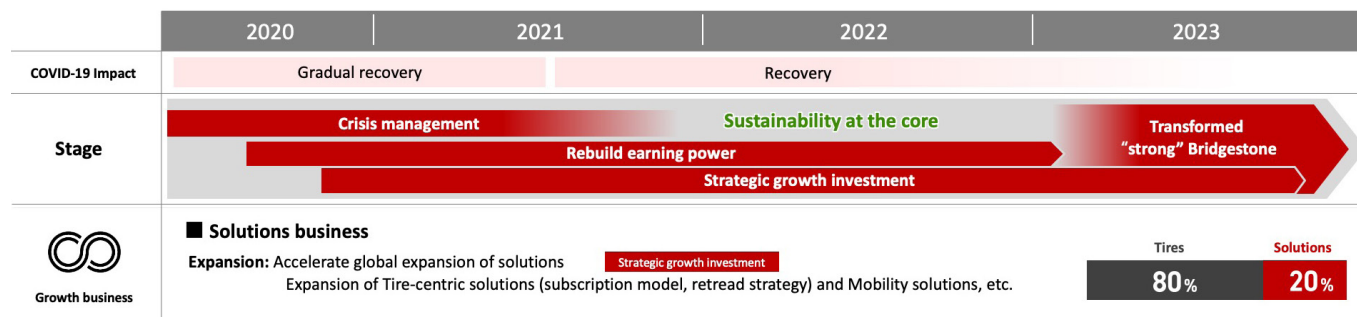
¹ Comparison made using the 225/40R18 tire size.

² A company developing long-range solar EV (Lightyear One) based in Netherlands, established in 2016.

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Growth Business: Solutions Business Expansion

Continue expansion of the resilient business model



The solutions business, which the Bridgestone Group has identified as a growth business, provides value to customers when they use tires. It maximizes the value provided by the Group through coordination with its core tire business.

By expanding the solutions business, the Group will continue to accelerate its growth as a resilient business adaptable to change. In its Mid Term Business Plan, the Group aims to increase solutions business sales to 20% or more of total sales by 2023.

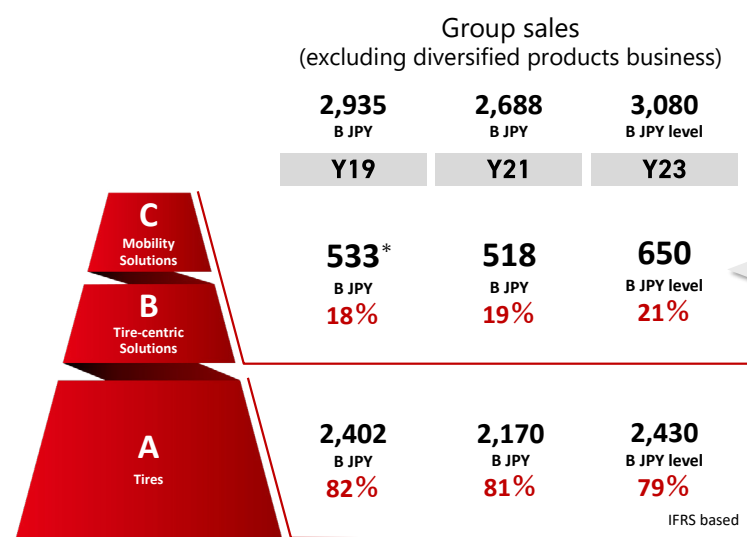
Tire-centric solutions and mobility solutions

In terms of tire-centric solutions, the core of the solutions business, the Group will expand and strengthen its subscription and retreading services based on its global Dan-Totsu network.

The Group plans to scale up its mobility solutions offerings through Webfleet Solutions, but also through strategic

partnerships and M&A activities in North America and other regions. In doing so, it intends to triple its sales from approximately 22 billion to 67 billion JPY. Through such initiatives, the Group plans to expand its business from approximately 533 billion JPY in 2019 to 650 billion JPY in 2023.

Continue expansion of the resilient business model



* 2019 sales data has been revised and adjusted to IFRS basis from Mid-Long Term Business Plan Update presentation on August 7th 2020.

C Mobility Solutions

- Webfleet Solutions
- Other fleet solutions

22 B JPY (2019) ⇒ 67 B JPY (2023)

B Tire-centric Solutions

- Truck & Bus retread sales (global)
- New business form (not conventional tire sell-out)
Mining solutions, Hose solutions, Aircraft solutions, truck tire mileage sales, Subscription (mobox), etc.

95 B JPY (2019) ⇒ 110 B JPY (2023)

- Services at equity stores
(incl. N. America retail financial services revenue)
For passenger cars and commercial fleets

66 B JPY (2019) ⇒ 103 B JPY (2023)

350 B JPY (2019) ⇒ 370 B JPY (2023)

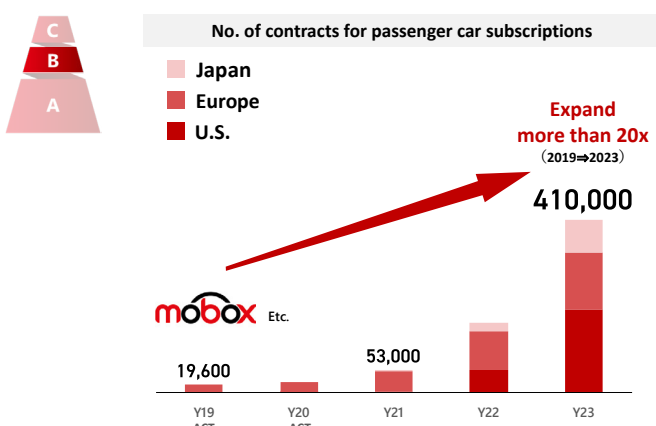
533 B JPY (2019) ⇒ 650 B JPY (2023)

Tire-centric solutions: Global expansion of subscription models

Mobox, the core of the Group's tire-centric solutions, is a subscription service for passenger cars that offers tires and maintenance for a fixed monthly fee. In addition to tire recommendation, reassembly and removal by professional and experienced staff, it also offers various services such as puncture compensation, periodic safety inspections, and various maintenance services. The Group aims to increase the number of subscription contracts for passenger cars by approximately 20 times by 2023 (compared to 2019) by rolling out the European mobox model to Japan and the U.S.

The Group also plans to approximately double the number of contracts for truck and bus fleet subscriptions, which are already widely used by customers in Japan, Europe and the U.S., during the same time frame. To this end, the Group will optimize services to fit customer needs in each region.

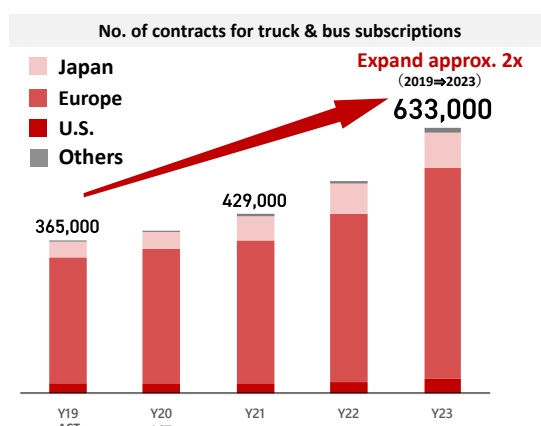
Subscription models reduce the burden on the environment by ensuring the long and optimal use of tires with safety and peace of mind.



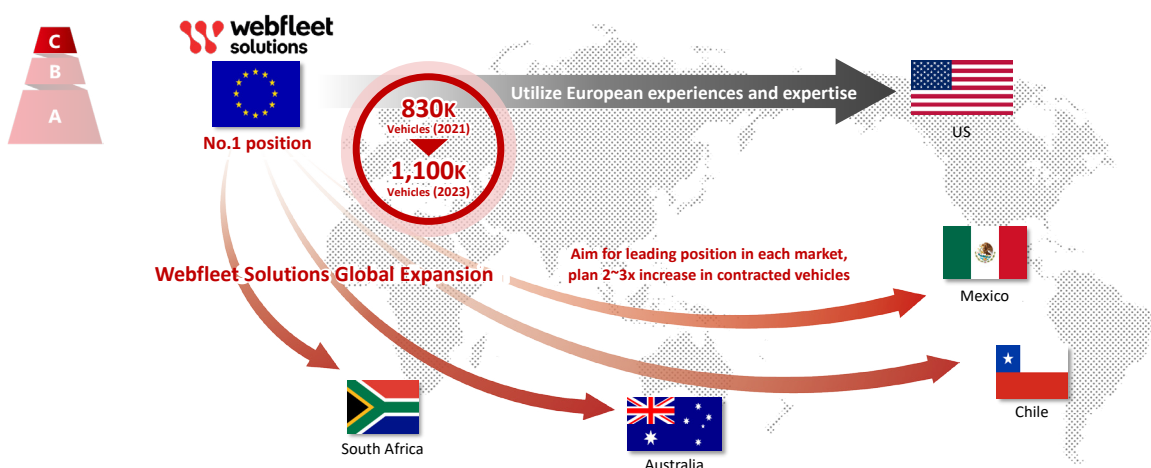
Mobility Solutions: Global expansion of fleet solutions

Webfleet Solutions, a Bridgestone Company, is a leading fleet management service provider with more than 20 years of experience. Its core Software-as-a-Service platform, WEBFLEET, supports transportation operations and contributes to improved safety, efficiency and productivity of drivers and operators by managing various data related to vehicle operations. More than 50,000 companies worldwide trust WEBFLEET to connect their fleets and get their drivers, vehicles and businesses where they need to go safely and efficiently. The Group will continue to roll out its fleet management services and know-how globally, from a European Center of Excellence. Webfleet Solutions already commands the number one position in Europe. By further strengthening this foundation, the Group plans to increase connected vehicles to more than 1 million by 2023.

The Group has already begun global expansion aimed at doubling or tripling the number of contracted units, and to establish a leading global position for the Webfleet Solutions business. In North America, the Group will consider further business expansion with strategic partnerships and M&A to scale up its fleet solutions. These approaches will enable the Group to help achieve safer, more efficient and more sustainable mobility.



Global expansion of fleet solutions



Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Growth Business: Retread

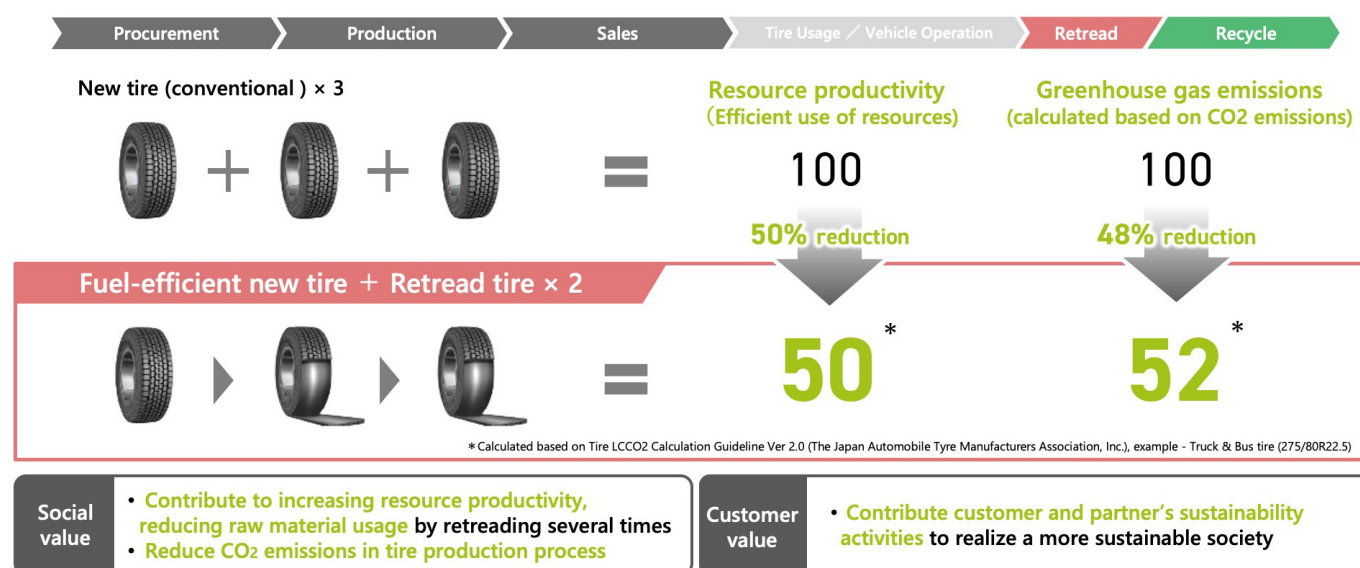
Retread solutions as the core of Sustainability Business Framework

The Bridgestone Group is developing a global retread service in which it collects worn out tires from customers, replaces the worn tread, and delivers tires that are again ready for use. By initially developing durable tires that also prevent unpredictable wear, and by providing appropriate maintenance, this service makes it possible to retread a single tire several times. Combining Dan-Totsu products, retread service, and maintenance as a subscription package with a flat monthly fee, customers can use tires more safely, longer and more cost efficiently.

Furthermore, retreading tires can contribute to improving resource productivity and reducing CO₂ emissions. Based on the premise that Bridgestone tires are used three times by

customers, comparing the use of three new tires with the use of one new fuel-efficient tire retreaded twice, the amount of raw materials used and CO₂ emissions during the entire life cycle, excluding the use phase, can be reduced by about half. Thus, utilizing multiple retreads based on the Group's unique technology can further contribute to environmental sustainability.

This solution is essential to the Group's Sustainability Business Model and tire-centric solutions, which enable maximum use of tires throughout total tire life and provides social and customer value in terms of increased safety, a healthier environment, cost efficiency and productivity.



Development of retread solution

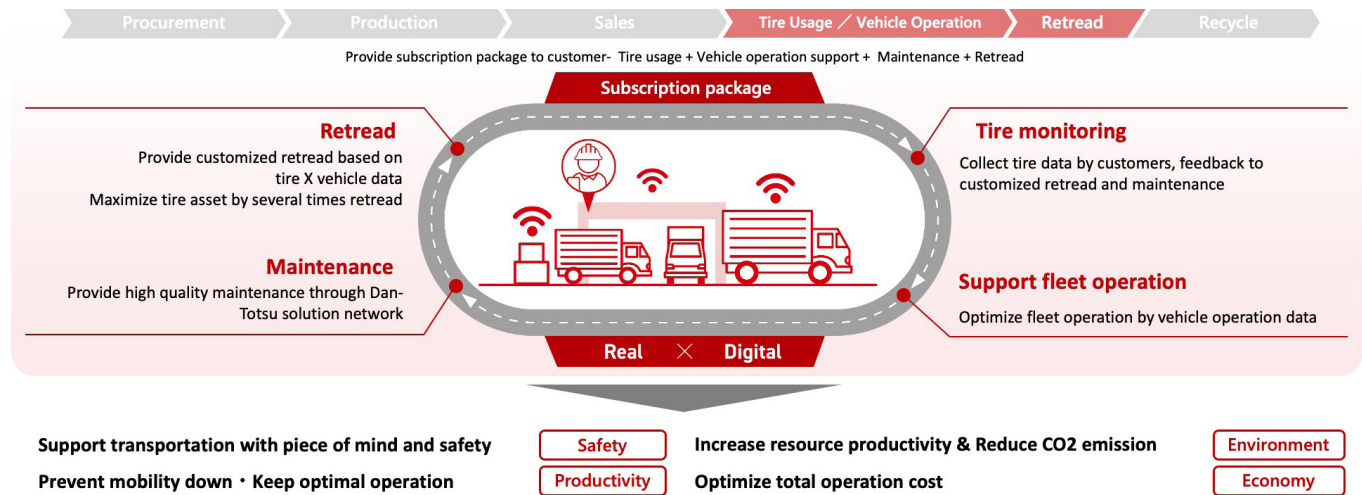
By combining retread services with digital technologies, such as tire monitoring allowing visibility of tire data, and mobility data provided by Webfleet solutions, the Group can provide Dan-Totsu solutions for customers.

These Dan-Totsu solutions analyze tire and mobility data with the Group's unique algorithms to provide tire wear and durability predictions, and Webfleet Solutions provides fleet operation support to prevent downtime from tire and vehicle trouble to ensure safe mobility and maintain optimal

operations of customers, thereby reducing the customer's total operation cost. In addition, this contributes to the reduction of CO₂ emission at customer's use phase.

In the future, the Group will use mobility and tire data as the basis for offering premium retreading that will enable it to customize the Dan-Totsu products, surface area to be retreaded, tread shape and appropriate timing for each vehicle and each tire, according to its usage conditions.

Image of premium retread



A MESSAGE FROM

Paolo Ferrari

Executive Vice President and Executive Officer of Bridgestone Corporation
Global Chief Business Solutions Officer
BSAM Member of the Board, CEO and President

The global pandemic has challenged us all to adapt to accelerated shifts in the way people around the world live, work and move. Bridgestone has met these challenges and opportunities with a sharp focus on ensuring a sustainable and successful Bridgestone that delivers value to society, customers, employees and shareholders.

The steps we are taking today are focused on contributing to a brighter future and a better planet. With an eye toward becoming a sustainable solutions company, we are building on the strength of our core business and expanding our offering beyond tires and service to develop smart-sensing tire technologies and world-class mobility solutions. The solutions we offer are co-created and designed with purpose. Together, we want to create a world that moves in safer, smarter, more efficient and more sustainable ways.

Our mobility solutions will enable a circular economy. Smart-sensing technologies like our IntelliTire¹ and iTrack II tire management platforms² help maximize each tire's time in service. Longer tire life means fewer valuable resources are consumed producing new tires and fewer

CO₂ emissions are emitted from new tire production. In addition, fleet management solutions, such as the WEBFLEET platform offered by Bridgestone's Webfleet Solutions business, will play an increasingly important role in driving safety and efficiency improvements for the transportation industry globally and the realization of a carbon neutral society.

These advanced solutions will work hand-in-hand with our world-class Bandag retread business. In 2020 alone, we retreaded more than 6 million commercial truck tires in North America, extending the useful life of these tires while reducing waste and water use, and avoiding more than 5 billion kilowatt hours of energy consumption. In the future, we believe retreading can be expanded to include tires in fast-growing segments, such as last-mile delivery.

At Bridgestone, we believe what's good for society is good for business. Our vision for the future will only be achieved through partnership. I am proud of the steps Bridgestone is taking today to create a better tomorrow, and I am excited to be on this journey with each of you.

¹ A tire with a unique QR code that tracks, monitors and measures performance across a tire's full lifecycle.

² For more information on iTrack, see [page 33](#).

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Core & Growth Businesses: Four Categories for Execution

In its core and growth businesses, the Bridgestone Group has established four categories to serve as the basis for executing its Mid Term Business Plan. These categories consider the characteristics of the business, its position and the maturity of mobility in each region.

Category 1, MAIN, encompasses the business in North America, mining, and the tire and solutions business in Japan. These three businesses account for about half of the Group's sales. In this category, the Group will expand its solutions business and proactively invest resources to further reinforce and accelerate value amplification of its businesses.

Category 2, NEXT, is the tire business in five markets, China passenger cars, Latin America, India passenger cars, Asia-Pacific and the Middle East, where the Group will start contributing sales and profits to the global market to become MAIN. Currently, these businesses account for about 20% of total sales and the Group expects them to grow in the future. To do so, it will build a profit base and allocate resources in stages. In particular, it will reinforce the premium business strategy in China and establish a solutions business that responds to the accelerating transformation toward CASE

mobility and MaaS. In the next phase of the Mid Term Business Plan starting in 2024, some of today's MAIN businesses are expected to face a challenging business environment. Therefore, the Group expects the next MAIN businesses to help it become a sustainable solutions company.

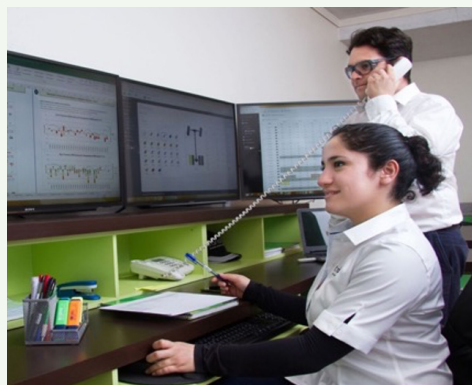
Category 3, STRATEGIC, contains the European tire and solutions business, and aviation tire and solutions business, which form an important basis for the Group's global strategy. Europe is the starting point for the Group's global strategy in terms of sustainability, regulations, MaaS and original equipment manufacturers for passenger cars, trucks and buses.

Category 4, DEVELOPING, includes the China truck and bus tire business, India truck and bus tire business, and Russia and Africa tire businesses. The Group is rebuilding these businesses and constructing a foundation for future profits. The Group will continue efforts to break away from deficits by 2023 by reinforcing its premium business strategy, as these are markets with a promising future.

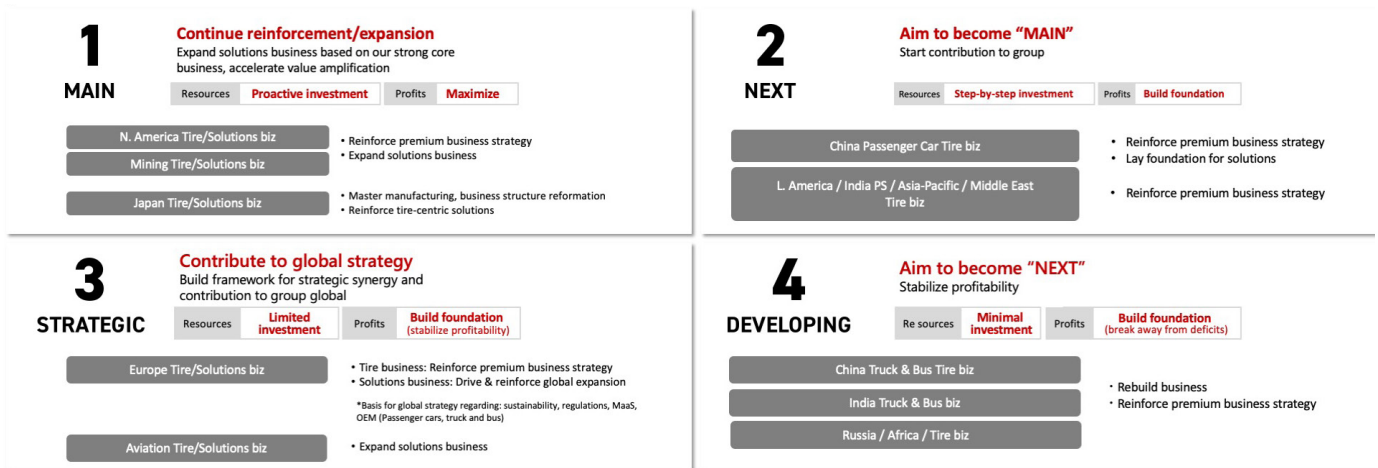
Mining Solutions

CONTRIBUTE TO OPTIMIZATION OF MINING OPERATIONS THROUGH THE COMBINATION OF "REAL" X "DIGITAL"

The Bridgestone Group is developing mining solutions that contribute to the safety, reduced environmental impact, economic efficiency and productivity of mine operators. It is doing so by combining the real x digital worlds to deliver integrated products, services and servicing networks that utilize tire and mobility data. At mining sites, it is important to increase fleet availability and to quickly transport more minerals per vehicle. BRIDGESTONE MASTERCORE tires are a Dan-Totsu product with ultra-high durability. They are based on the combination of the Group's unique new technologies, including steel cord and other materials, and structure and processing engineering that can offer proposals considering each customers' operation plan and mine layout. In addition to providing BRIDGESTONE MASTERCORE tires, the Group provides comprehensive services to maximize mine performance by offering tire maintenance, repair, fittings and more. In addition to data such as tire temperature and air pressure that can be collected by old-generation tire monitoring systems, iTrack, the Group's tire and mining vehicle monitoring system, captures and accumulates vehicle operation data and other information in real time. The Group analyzes this data with its unique algorithms to provide solutions such as tire wear, durability prediction and vehicle operation support. In addition, by further enhancing foundations for providing this solution through its Dan-Totsu network, the Group will continue to support safe, economic and efficient mining operations.



Four categories for execution



Evolution of portfolio

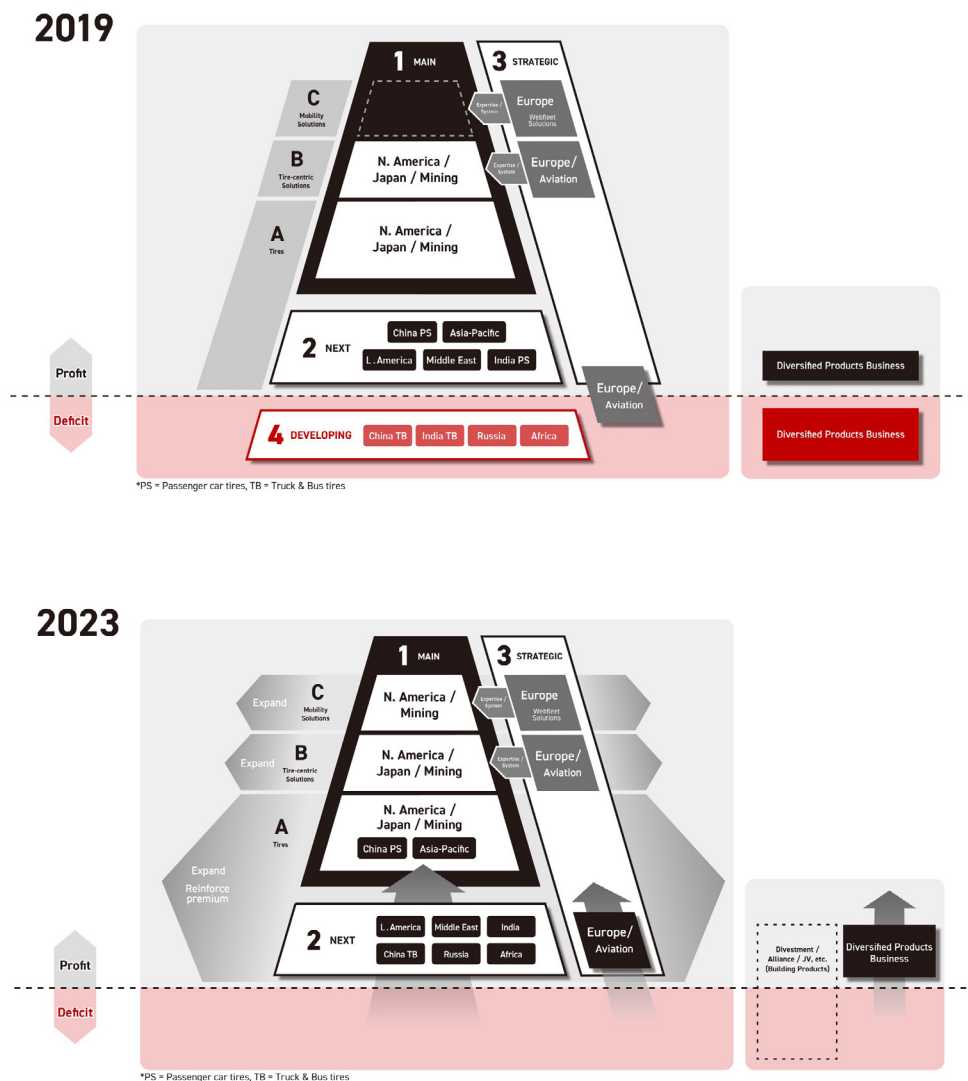
Based on these four categories, the Group will proceed with its Mid Term Business Plan and business portfolio management. It will reinforce its MAIN category to create even stronger businesses by combining the tire business and tire-centric solutions. It also will advance mobility solutions and expand the North America and mining businesses through potential M&A, as well as strategic partnerships.

In the NEXT category, the Group will reinforce its regional tire businesses to migrate them to the next MAIN category.

In the STRATEGIC category, the Group will leverage the expertise and systems acquired in the solutions businesses, such as the European Webfleet Solutions business and subscription models, applying these solutions to the MAIN category businesses to scale up these offerings in North America.

In the DEVELOPING category, the Group will rebuild its core tire business and evolve it to the NEXT category.

From 2021 to 2023, the Group will implement portfolio management of these four categories. Furthermore, the Diversified Products business will aim to return to profitability by focusing on businesses where core competencies can be utilized. In this way, the Group will turn all its businesses profitable by 2023.



Realization of Mid-Long Term Business Strategy with Sustainability as its Core DX & Technology Innovation

Technological innovation supporting the Mid Term Business Plan

To continue to provide social and customer value as a sustainable solutions company toward 2050, the Bridgestone Group will strengthen its sources of competitive advantage through technology innovation.

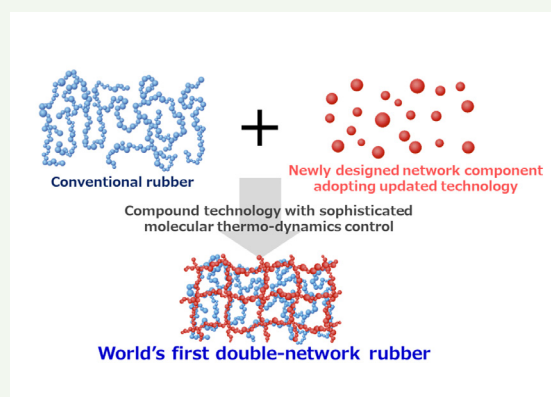
Since its founding in 1931, the Group has been developing technologies that provide new value. These include such innovations as wet performance tires that stop with confidence even on rainy days, ice performance tires that reduce slippage on icy surfaces and snowy roads, and the improved fuel efficiency of tires.

The Group has also succeeded in developing a technology that achieves both rubber strength and fuel efficiency, which had been extremely difficult to attain. It has created a rubber material with a double-network structure that is both flexible and strong.

RUBBER MATERIAL WITH A DOUBLE-NETWORK STRUCTURE

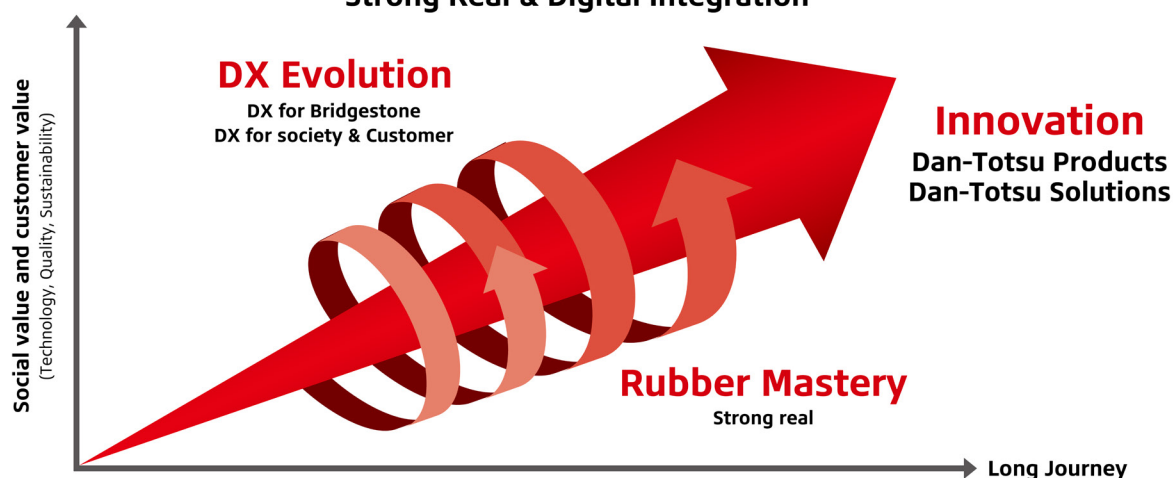
Creating value for new rubber changes conventional concepts

Rubber material with a double-network structure combines hard, energy-absorbing properties with soft, supple properties. It was successfully co-created by the Bridgestone Group in collaboration with 12 research organizations. While maintaining the fuel efficiency of conventional fuel-efficient rubber (base rubber), the new material is about five times stronger, making it possible to produce thinner and lighter tires that reduce environmental impact.



Technology innovation that supports the Mid Term Business Plan

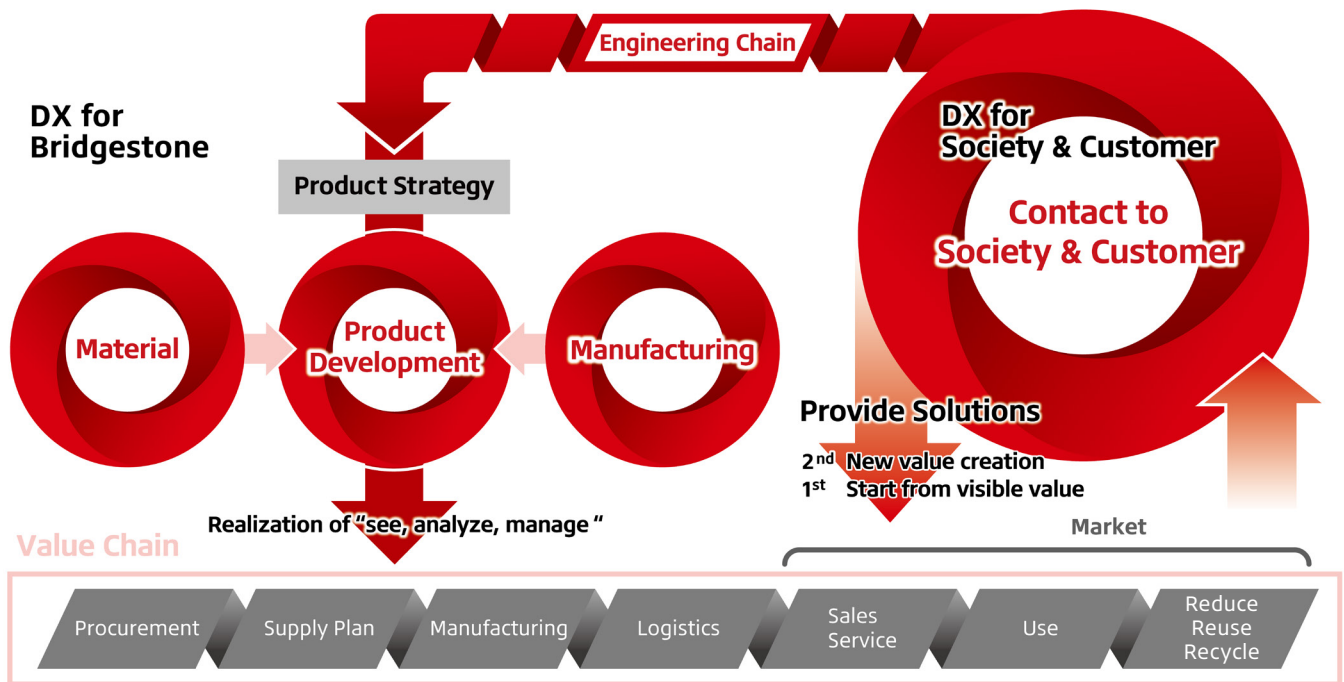
Strong Real & Digital Integration



Master the rubber as a strong Real, and creating innovation through combination with Digital (DX*)

*DX= Digital Transformation

Bridgestone's DX (Digital Transformation)



Innovation through the combination of strong Real X Digital

The Bridgestone Group has the technology to see, analyze, and manage rubber, which has been cultivated over many years of product and material development. It also has a vast amount of data obtained from these technologies and knowledge accumulated on the manufacturing floor. The Bridgestone Group refers to Dan-Totsu products, Dan-Totsu solutions and Dan-Totsu network as its strong Real. This real world expertise of rubber mastery is the foundation of the Group's R&D; it also is its greatest strength. By digitally connecting and utilizing technology, data, and Takumi — craftsman skills — such as its unique simulation algorithm, the Group is able to develop Dan-Totsu products and Dan-Totsu solutions faster, easier, and more accurately with greater data.

The technology innovation driving the Group is the combination of strong Real X Digital, to generate Dan-Totsu product and solution innovations that create social and customer value.

ADVANCED DESIGN SIMULATION

By using advanced design simulations that combine the Group's accumulated high-quality market data and tire databases with structural computer-aided engineering (CAE), it is possible to simulate the ground conditions of tires on snowy roads, wet roads, soil and sand. In addition, by combining this data with other models, it also is possible to perform combined simulations of tires and suspensions, tires and vehicles, etc. The Group's Dan-Totsu tire for mining, BRIDGESTONE MASTERCORE, and innovative tire technology that achieves both environmental benefits and driving performance, ENLITEN, were developed using strong Real X advanced-design Digital simulation.

MATERIAL AND COMPOUNDING SIMULATION

The vast amount of laboratory data the Group has about a wide variety of rubber materials is the core of its strong Real technology. Advanced material and compounding simulations become possible by combining this data with nano-level molecular CAE. Such simulations will accelerate the development of innovative materials that have advanced functions beyond those of conventional materials currently available in the marketplace.

UNIQUE ALGORITHM USED FOR ADVANCED SIMULATIONS

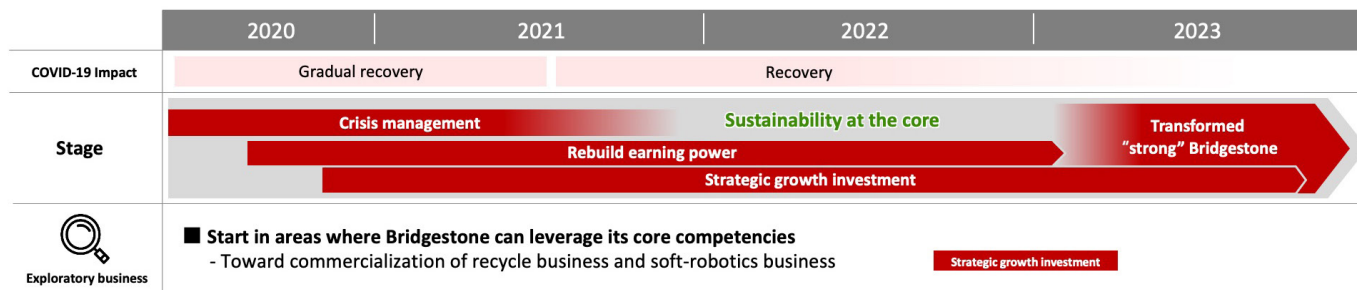
By using advanced simulations to analyze customer driving data in real time, the Group can accurately ascertain the tire condition of the vehicle being driven. This is made possible by the Group's unique algorithm, which is based on its knowledge of the world's roads and its ability to obtain highly accurate data from customers worldwide. Going forward, the Group will further strengthen the development of such algorithms to accelerate the development of Dan-Totsu solutions and provide new social and customer value.

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Exploratory Business: Enablers for Start-ups

Starting a new journey toward a sustainable solutions company

The Bridgestone Group, which aims to become a sustainable solutions company, has added the “exploratory business” to its business portfolio to achieve sustainable growth for the future.



Based on its mission of “Serving Society with Superior Quality,” the Group is exploring new business areas leveraging its core competencies, creating potential synergies with its existing businesses, contributing to the achievement of SDGs, and ensuring synergy with its Sustainability Business Model.

At present, the Group has set up a specialized organization to explore the commercialization of recycling and soft-robotics and is examining these areas in collaboration with global partners. To interact with a broader range of partners, the Group has introduced a corporate venture capital fund called the Bridgestone Sustainability Fund and also will utilize M&A and other means to speed up the commercialization process.

A global hub to create new value: Interaction with empathy, Co-ideation, Co-R&D, Co-creation

Co-creation and innovation are essential for the Group to advance its growth and exploratory business. The Group is constructing the Bridgestone Innovation Park as a base for this co-creation with various partners.



The Group believes that four steps are necessary to create new value: interaction with empathy, co-ideation, co-R&D and co-creation. Last year, the Bridgestone Innovation Gallery opened as a place to engage with a wide variety of stakeholders. The Gallery introduces the Group’s history as well as innovation initiatives to generate empathy. At the B-Innovation center and the B-Mobility mini-test course scheduled for completion at the end of 2021, the Group will accelerate the process of co-ideation, co-R&D and co-creation.



A MESSAGE FROM

Masato Banno

Senior Vice President and Executive Officer
Global Chief Technology Officer
Responsible for Technology, Quality Management

Bridgestone aims to achieve its Mid-Long Term Business Strategy and Sustainability Business Framework with technological innovation that supports its vision — toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company.

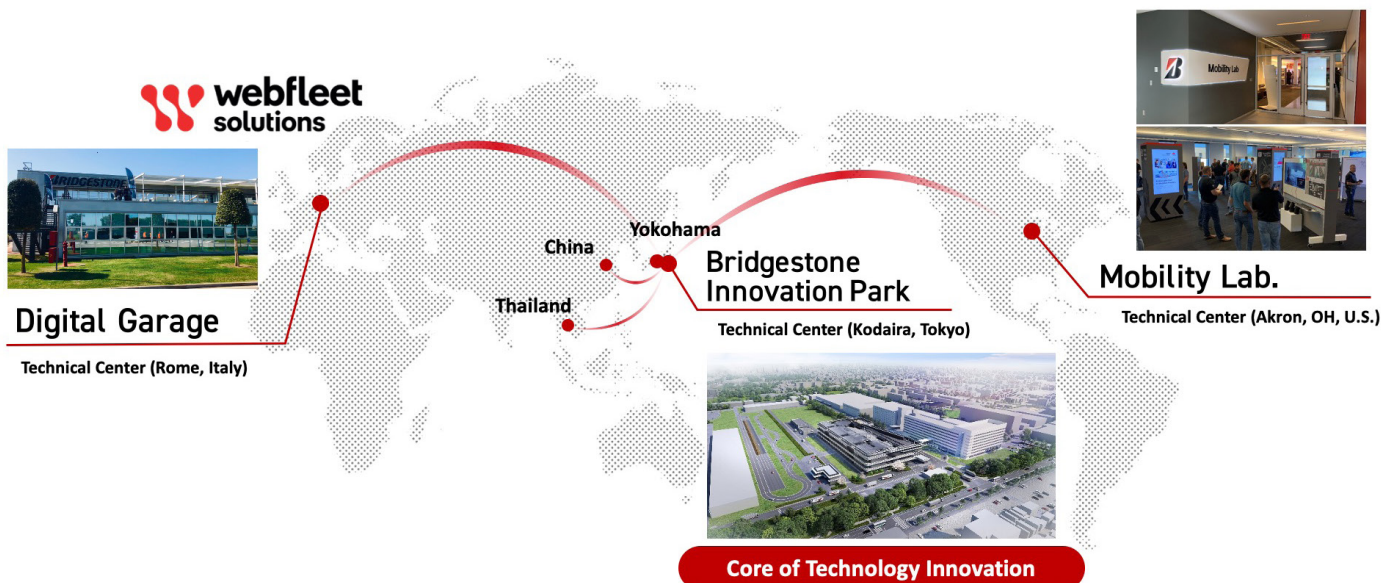
Bridgestone will continue to provide social and customer value by combining its strength in the Real world (such as its overwhelming experience and abundant market data gained through its mastery of rubber, grounding and hysteresis as a long-standing industry leader) with the evolution of its own style of digital transformation to create innovation and the Dan-Totsu products and solutions that result. This is Bridgestone's approach to technological innovation.

The Bridgestone Innovation Park, a place to accelerate this technological innovation, is scheduled to be completed at the end of 2021. Bridgestone also is embarking on work style reform by combining a simple organizational structure with an agile employee development system. In addition, through its Park operations, Bridgestone will collaborate globally with other innovation hubs and have touch points with various partners to explore new business opportunities.

Bridgestone will interact with society, customers and partners, and then deepen these relationships to foster co-ideation, co-R&D and co-creation. This, in turn, will accelerate technological innovation and enable Bridgestone to provide social and customer value.

In addition, the Group is developing innovation sites in each of its global regions. With the Bridgestone Innovation Park in Kodaira, Japan, at the core, the Group will strengthen collaboration and accelerate co-creation and innovation

with Digital Garage in Rome, Mobility Lab in Akron, USA, and KTC, a diversified business technology center in Yokohama, Japan.



Realization of Mid-Long Term Business Strategy with Sustainability as its Core

Exploratory Business: Recycle Business

Realization of a circular economy

To deliver its sustainability business model, the Bridgestone Group is promoting initiatives to build a new business to advance tire recycling technology. Since there are many technical challenges involved in returning tires to rubber or raw materials, the Group will promote open innovation, including various partnerships.

The shift from a linear economy, in which natural resources are extracted, made into products and disposed of in large quantities without being reused, is an issue being faced by society as a whole. The transformation into a circular economy, in which resources are reused and recycled, is an opportunity closely aligned to the Group's business activities.

As resource consumption increases due to economic growth, the supply-demand balance of resources likely becomes tighter. A depletion of natural resources, and the resulting sharp rise in raw material prices, is expected to have a significant impact on production activities.

The Group recognizes that using resources more wisely and sustainably is an opportunity to address this important issue. For this reason, the Group believes it will be necessary to establish a material-recycling system that returns end-of-life tires, which are currently used mainly as fuel, to tire raw materials.

The Group is accelerating its initiatives to realize a circular economy by recovering tire materials and introducing various recycling technologies, with the aim of achieving both resource recycling, in which customers return used tires to recycled raw materials, and CO₂ reduction.

To realize the tire recycle business, the Group considers end-of-life tires as a resource and is exploring technologies to return tires as economical and high-quality raw materials and rubber. The Group aims to achieve both resource circulation and CO₂ reduction, and continues to work toward the realization of a circular economy and achieving carbon neutrality.

Building the recycle business

TIRE-TO-RAW MATERIAL

The Bridgestone Group has been searching for technologies to convert tires back into raw materials. In partnership with [Delta-Energy Group LLC](#), Bridgestone Americas, Inc. is producing tires that use recovered carbon black (rCB). This material is recovered from end-of-life tires through pyrolysis, or thermal decomposition, as a replacement for virgin carbon black, a raw material used in tires. Using rCB reduces CO₂ emissions from carbon black production by 81% compared to virgin materials, while offering similar product performance.

In 2020, Bridgestone purchased over 1,200 metric tons of rCB, the equivalent of approximately 380,000 end-of-life tires, resulting in the reduction of approximately 1,900 metric tons of CO₂ emissions. Annually, the company targets to increase the use of rCB to 6,800 metric tons and reduce the equivalent of over 10,800 metric tons of CO₂ emissions. The Group is also investigating ways to convert recycled oil to virgin carbon black by upgrading the pyrolysis process. In addition, the Group has verified that the recycled oil can be used as a substitute for naphtha through a low-energy and precisely controlled pyrolysis process, and the Group aims to obtain butadiene and isoprene, which are raw materials for synthetic rubber used in tires.

TIRE-TO-RUBBER

In general, when tires are converted back into rubber, they are downsized and used as ground rubber or reclaimed rubber material by adding further processing to the ground rubber.

However, the use of these conventional products is limited to small amounts because it is difficult to obtain the same level of fracture resistance as that of new rubber when large quantities of these products are used in rubber compounding.

The Group is conducting multifaceted research into innovative technologies that will enable the reprocessing of rubber from tires by applying heat and other methods, so that this recycled material can be widely used as a material for new tires. In the future, these technologies will make it possible to utilize end-of-life tires as raw materials for new tires, and the Group expects to significantly enhance material circularity¹.

BRIDGESTONE'S CIRCULAR DESIGN

Along with the development of individual technologies for the recycle business, the Group also will promote the circular design of tires. In addition to developing materials and designs that make tires more recyclable, the Group is aiming for a design that enables efficiency and optimization throughout the entire value chain, including procurement, production, logistics, sales, service and collection. The Group will continue to turn waste to wealth to create social and customer value.

Its accumulated tire and rubber research development expertise and innovation is very important for these activities. Equally essential is the knowledge and leadership of various partners, which is why co-creation for social and customer value will be a priority as the recycle business evolves.

¹ A concept that indicates the circularity of raw materials. The Bridgestone Group uses the percentage of raw materials used that are recycled or derived from renewable resources as an indicator.

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

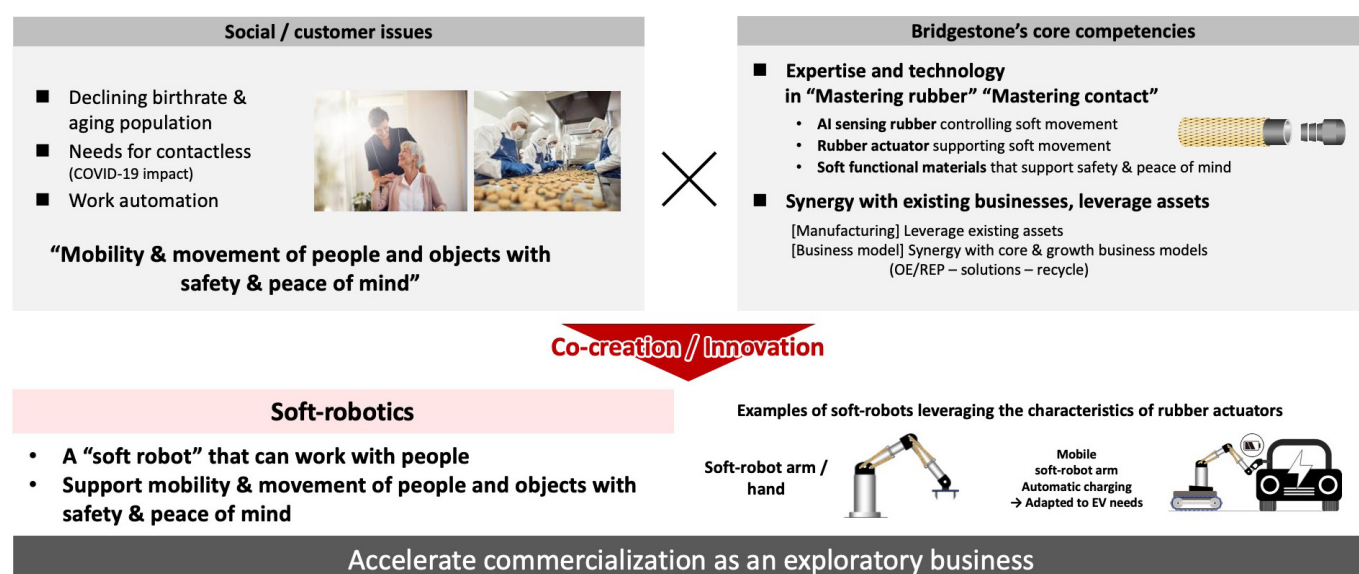
Exploratory Business: Soft-Robotics Business

Supporting safe mobility and movement of people and objects

The soft-robotics business is a new attempt in the Bridgestone Group's diversified products business to support safe and secure mobility and movement of people and objects by utilizing soft-robots that can collaborate with humans. In particular, the Group is exploring the development of various soft-robots, such as lightweight and high output robot arms.

Societies in developed countries are experiencing workforce reductions due to declining birthrates and aging populations. There also is an increasing need for contact-less technology from COVID-19 pandemic impacts and work automation.

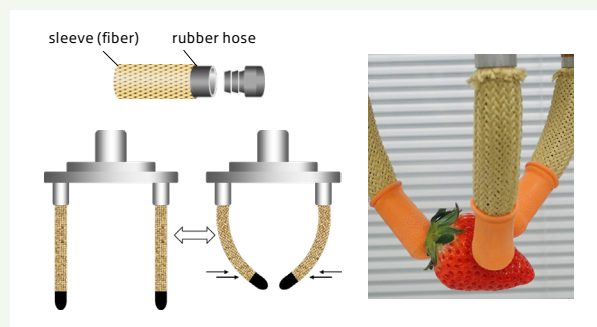
To address such social and customer issues, the Group is utilizing its expertise and technology in mastering rubber to further develop a soft-robotics business. Since this business also has a high-level of synergy with the Group's existing businesses, it can utilize current production facilities for manufacturing. It also can utilize the expertise of core and growth businesses to further develop its business model. In doing so, the Group will accelerate the commercialization of this new business.



Soft-robot hand

COMBINING FLEXIBILITY AND HIGH OUTPUT TO ACHIEVE THE RIGHT GRIP STRENGTH WITH A SINGLE HAND

The Bridgestone Group's rubber actuator is a polymer composite consisting of a rubber tube and a fiber-braided sleeve that applies its tire and hydraulic hose technologies. These rubber actuators are flexible, impact resistant, lightweight and high output. As one of its applications, the Group is developing a robot hand that can correctly grip everything from soft to hard objects of various sizes and weights, ranging from items like strawberries to tires. The soft-robot hand is expected to be used in a wide variety of applications. This is another example of how the Group is co-creating social and customer value with numerous stakeholders.



Realization of Mid-Long Term Business Strategy with Sustainability as its Core Financial Plan

Transforming into a “strong” Bridgestone by rebuilding earning power

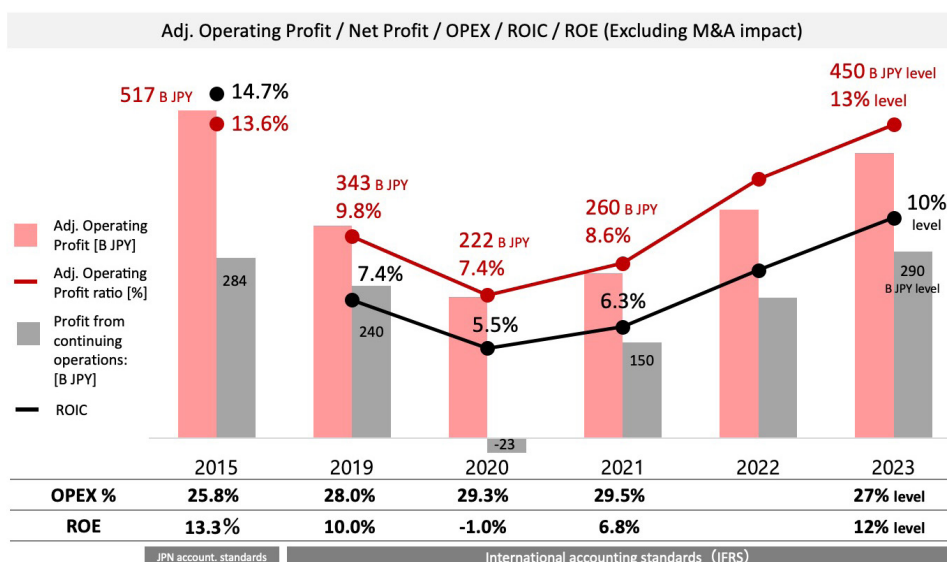
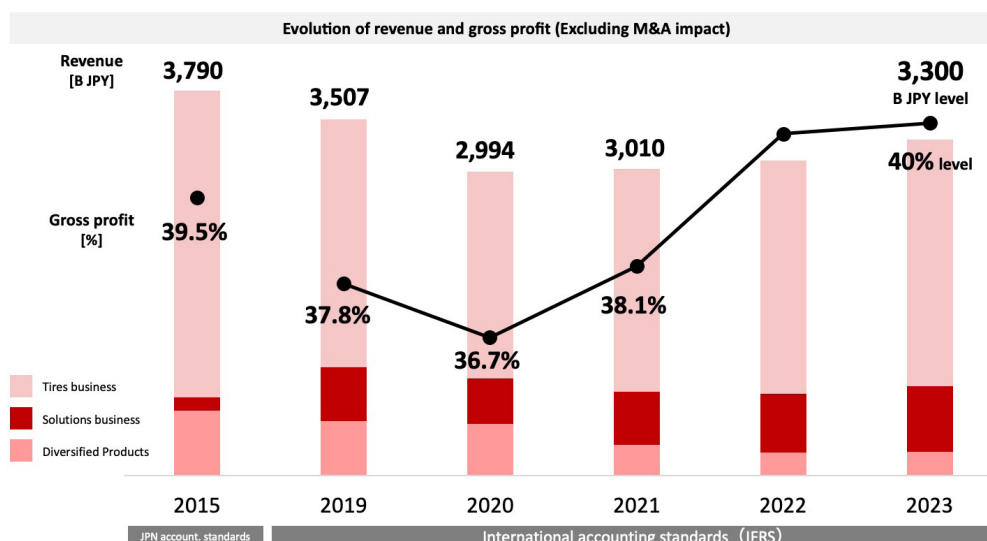
The Bridgestone Group’s financial plan is supported by rebuilding earning power through expense and cost structure reformation, reinforcement of its premium business strategy, and expansion of its solutions business. As a result of these efforts, the Group’s gross profit margin is expected to grow to the 40% level by 2023, exceeding that of 2015, and revenue is expected to reach the 3,300 billion JPY level. These figures reflect an improvement of business quality and a new business portfolio as shown below and indicate a transformation to a resilient and highly profitable structure in all businesses. These results are being achieved by:

- Increasing the sales ratio of premium products in the tire business.
- Increasing the sales ratio of the solutions business (tire-centric solutions and mobility solutions) to 20% of total sales.

- Reorganizing diversified businesses and focusing on businesses where core competencies can be leveraged.

The Group aims to keep its operating expenses ratio below the 2019 level through steady structural reforms. As a result, it plans to achieve an adjusted operating margin of 13%, on par with 2015, and an adjusted operating profit of 450 billion JPY by 2023. The resources generated by narrowing down operational resources will be reinvested as strategic resources for growth.

As a result of the above outlined actions, profit from continuing operations in 2023 is expected to be approximately 290 billion JPY, exceeding the 2015 level. The Bridgestone Group has adopted return on invested capital (ROIC) as a new core management indicator and aims to achieve a ROIC of 10% in 2023 and return on equity (ROE) of around 12%.



Realization of Mid-Long Term Business Strategy with Sustainability as its Core Financial Strategy

Strategic resource deployment

In its Mid Term Business Plan, the Bridgestone Group is working to evolve into a “strong” Bridgestone with an aggressive approach and challenging spirit. To do so, it plans to invest 700 billion JPY in strategic resources by 2023 that will be generated by thoroughly narrowing down its operational resources. This includes 350 billion JPY for strategic investments and expenses and 350 billion JPY for co-creation activities such M&A, the Corporate Venture Capital Fund and strategic partnerships. The Group plans to identify business opportunities and invest with the aim of further strengthening its core business and skillfully balancing strategic investments to expand its growth business.

STRATEGIC INVESTMENTS AND EXPENSES

Strategic resources account for 30% of total investments and 5% of expenses. The Group will invest resources to restructure its business portfolio and manufacturing footprint, transform the structure of its Japanese business, as well as to expand its growth business. Resources will be allocated as strategic growth investments toward the premium business strategy in the tire business and in tire-centric solutions and mobility solutions to support the solutions business.

M&A, CORPORATE VENTURE CAPITAL, STRATEGIC PARTNERSHIP

In the solutions and the exploratory businesses, which aim to commercialize recycling and soft-robotics, it is essential to expand and establish the business through co-creation with partners. Through M&A and strategic partnerships with various stakeholders including government and academia, the Group will strategically accelerate the realization and expansion of its business. Furthermore, the Group will introduce the Bridgestone Sustainability Fund, a corporate venture capital fund, to secure its touch points with potential partners, including start-ups.

LINKING CREDIT TO SUSTAINABILITY

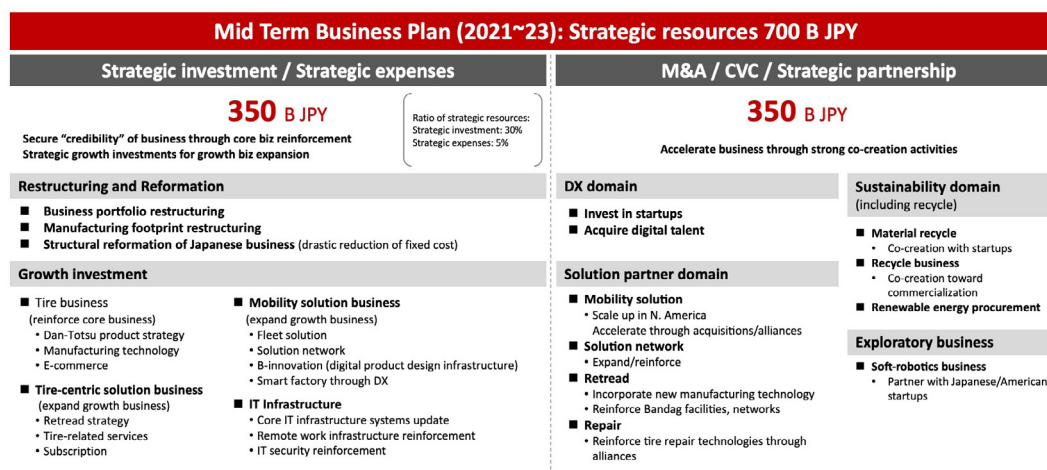
Linking credit to sustainability performance is an innovative approach that drives continued environmental, social and

governance (ESG) improvements. BSAM is one of the first companies in the U.S. tire manufacturing industry to create a 1.1 billion USD sustainability-linked committed credit facility. As its ESG ratings improve, its committed credit facility fee and borrowing costs will be reduced. BSEMIA has created a sustainability-linked loan. It also rewards its suppliers with financial incentives for obtaining ESG ratings from [EcoVadis](#).

Strengthening Investment Management by Project and Implementing Carbon Pricing

In investing strategic resources, it is important to have a process to correctly assess opportunities and investment targets. For this reason, the Bridgestone Group continues to strengthen its corporate finance function. In January 2021, the Group established a new global controller function to manage individual investment projects on a global basis, and put in place a structure that enables it to properly evaluate the return of each project. In addition, it has established an M&A Steering Committee, led by the Global CEO and with senior executives from each business and region as members, which discusses, evaluates and carefully selects deals on a target-by-target basis, thus enabling speedy decision-making. A committee led by the Global COO also has been established to carefully select capital investments. For the allocation of strategic resources, Bridgestone conducts comprehensive assessments using new management indexes such as ROIC (Return on Invested Capital), and sets hurdle rates in factoring in capital costs and risks by business and region. In addition, Bridgestone has introduced internal carbon pricing since 2011, incorporating sustainability factors into its investment decisions, for example, by taking into account CO₂ emission costs and reduction benefits in its assessments.

With sustainability at the core of its business, the Group will implement PDCA (Plan-Do-Check-Act) cycles even more rigorously from strategic and financial perspectives to correctly assess opportunities and investment targets for the allocation of strategic resources.



Topic: Strengthening Financial Strategy Foundation to Support the Mid Term Business Plan Realizing Portfolio Management Using ROIC as a Key Management Index

The Bridgestone Group is rebuilding its financial strategy foundation to realize portfolio management. To progress with an “aggressive approach” and “challenge” spirit, it is essential to build a framework to support strategic decision-making, including divestments and financial evaluation, by portfolio.

For this reason, in the Mid Term Business Plan (2021-2023), in addition to adjusted operating profit ratio and return on equity (ROE), which have been used as management indices, ROIC, has been newly designated as a key management index.

In line with the portfolio set in the Mid Term Business Plan, the Group uses ROIC to evaluate profitability by business and region, accelerating the “rebuilding of earning power.” Furthermore by introducing ROIC, the Group emphasizes management that is even more conscious of the cost of capital.

Promotion of Portfolio Management

ROIC by portfolio (by business and region) supports strategic decision-making in line with the Mid Term Business Plan, including evaluation of progress in initiatives to rebuild earning power, optimal allocation of management resources, and reasonable decisions for “strategic growth investment.”

In addition, for each portfolio, the Group promotes portfolio management by clarifying do’s and don’ts including management of divestments, such as formulating and following up on recovery plans if established criteria are not met in each business, and considering discontinuation if the business does not recover.

Definition of ROIC in the Group

ROIC is an index that shows how much profit is generated in relation to the capital invested in business activities. In other words, it evaluates return on investment and capital efficiency. The basic calculation formula used by the Group follows.

$$\text{ROIC} = \frac{\text{Adjusted operating profit (after tax)}}{\text{Working capital + Noncurrent assets (Invested capital)}}$$

Adjusted operating profit (after tax): Fixed tax rate of 30%
Working capital: Notes and accounts receivable and other assets + Inventories
– Notes and accounts payable and other liabilities (FY-end balance)
Noncurrent assets: Noncurrent assets excluding deferred tax assets (FY-end balance)

The advantage of placing ROIC at the core of management indicators is that it can strengthen both profitability management by portfolio and the improvement cycle. By visualizing returns (capital efficiency) by business and region, it is possible to correctly evaluate each business and region with different attributes. In addition, the ROIC tree makes it easier to incorporate improvements and key performance

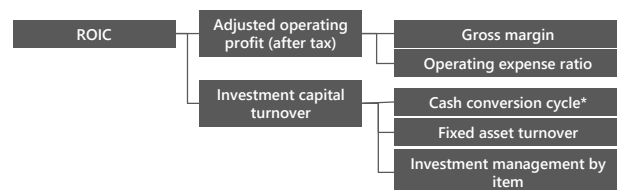
indicators (KPIs) in operations, such as at each regional production/sales entity level, and to quickly take action.

Using the ROIC tree to drive improvement activities:

The ROIC tree is a diagram that breaks down and visualizes ROIC into KPIs from the operational perspective, and connects “the Group’s goal” and “operational level goals” in an integrated manner. Through the ROIC tree, operational and corporate functions of each portfolio can work together to improve ROIC in an end-to-end manner for the entire value chain, rather than through individual or departmental optimization.

Drive capital improvement efforts based on the ROIC tree

Drive capital improvement efforts based on the ROIC tree



- Add new management KPIs based on ROIC tree
- Strengthen management at each production/sales entity level
- Manage investment of operational/ strategic items separately

*Cash conversion cycle =
Days of inventory outstanding + days of sales outstanding
– days of payables outstanding

Driving activities to promote the dissemination of ROIC

To disseminate the ROIC concept and implement improvement activities in the Group, the financial strategy department at the Global Headquarters oversees global activities and has appointed ROIC ambassadors for each business and region. The ambassadors are responsible for explaining the ROIC concept (dissemination activities) and supporting and monitoring KPI setting at each business site, as well as following up on operational improvements and ensuring there is alignment between the Mid Term Business Plan and actions in each operation. Bridgestone is strengthening such activities so that, in the future, each site will be able to realize improvement activities by themselves.

Through such activities, the Group is accelerating portfolio management to achieve ROIC at the 10% level in 2023 as set in the Mid Term Business Plan.

Realization of Mid-Long Term Business Strategy with Sustainability as its Core

HR and Organizational Strategy

Human Resource Transformation (HRX) to enable the Mid-Long Term Business Strategy and the Mid Term Business Plan

Human resources (HR) are the foundation for executing the Bridgestone Group's Mid-Long Term Business Strategy and its Sustainability Business Model.

The Bridgestone Group will promote its own HRX to maximize its organizational capability (organization x talent) and promote the development of diverse talent and next-generation global management. To this end, the Group will build strategic talent programs and organizational structures that match the characteristics of each of its core, growth, and exploratory businesses.

In the core business, the Group is working to fundamentally change its culture while leveraging its unique strengths, optimizing its global operations from a strategic perspective, and evolving into glocal management.

These initiatives will help it create resources to achieve its

goals and flexibly reallocate them to growth and exploratory businesses.

In the growth business, the Group aims to create a new culture, structures and work styles for the solutions business, including the development of digital talent. The Group also is promoting the exchange of talents among global bases and businesses to strengthen the foundation of its expanding solutions business.

In the exploratory business, the Group is building a new structure based on challenging the status quo. It will promote diversity and inclusion, global talent exchange, and the establishment of internal and external networks for co-creation. In particular, since the exploratory business involves creating a new business from the ground up, it will establish an organizational structure that emphasizes an entrepreneurial spirit.

Bridgestone HRX

DIVERSITY & INCLUSION

Promoting diversity and inclusion is an important element of the Bridgestone Group's [Global Human Rights Policy](#) that it implemented throughout the organization. In addition, as the Group expands its solutions and exploratory businesses in the future, it will be essential to have a multifaceted perspective, so it will focus more than ever on developing and promoting diverse talent. In addition, to empower female participation and representation, the Group will strengthen the appointment of female managers and reinforce external hiring. It also is establishing support systems such as the mentoring program.

GLOBAL TALENT MANAGEMENT

To achieve its Mid-Long Term Business Strategy, it is essential for the Group to develop human resources with a global perspective. To this end, the BRIDGESTONE NEXT 100 talent development program was launched in 2020. The Group is selecting and developing 100 candidates who will become next-generation management. Also, in January 2021, the Group revamped its human resource system to clarify and optimize the allocation of its human resource portfolio and promote new talent-development initiatives to reinforce its management structure.

DIGITAL TALENT

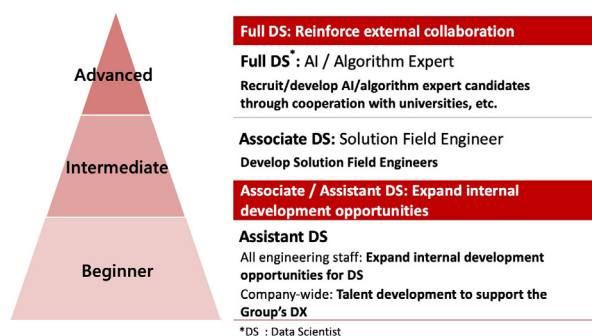
To expand its solutions business, it is essential to create new value using digital technology and know-how, so the Group is focusing on the development of digital talents to carry out this task. The Group has established a training program to

develop "data scientists" who are responsible for digital data analysis and system development at three levels: beginner, intermediate and advanced. The Group also is promoting collaboration with teammates in Webfleet Solutions and iTrack Digital Solutions businesses, who have newly joined the Group through M&A.

In addition, the Group is strengthening its partnerships with external organizations to train and recruit high-level digital talents, especially experts in artificial intelligence (AI) and algorithms, who are essential for implementing digital solutions and DX. For example, the Group has established Bridgestone Endowed Chairs at universities where students can practice and conduct research with Bridgestone dispatched employees based on case studies.

As a result, the Group is planning to increase the number of advanced digital talent from the current 900 to approximately 1,200 by 2023. The Group will continue to accelerate the development of talent who can realize its DX.

Program to develop digital talents (Japan)



Topic: Mid-Long Term Environmental Contribution

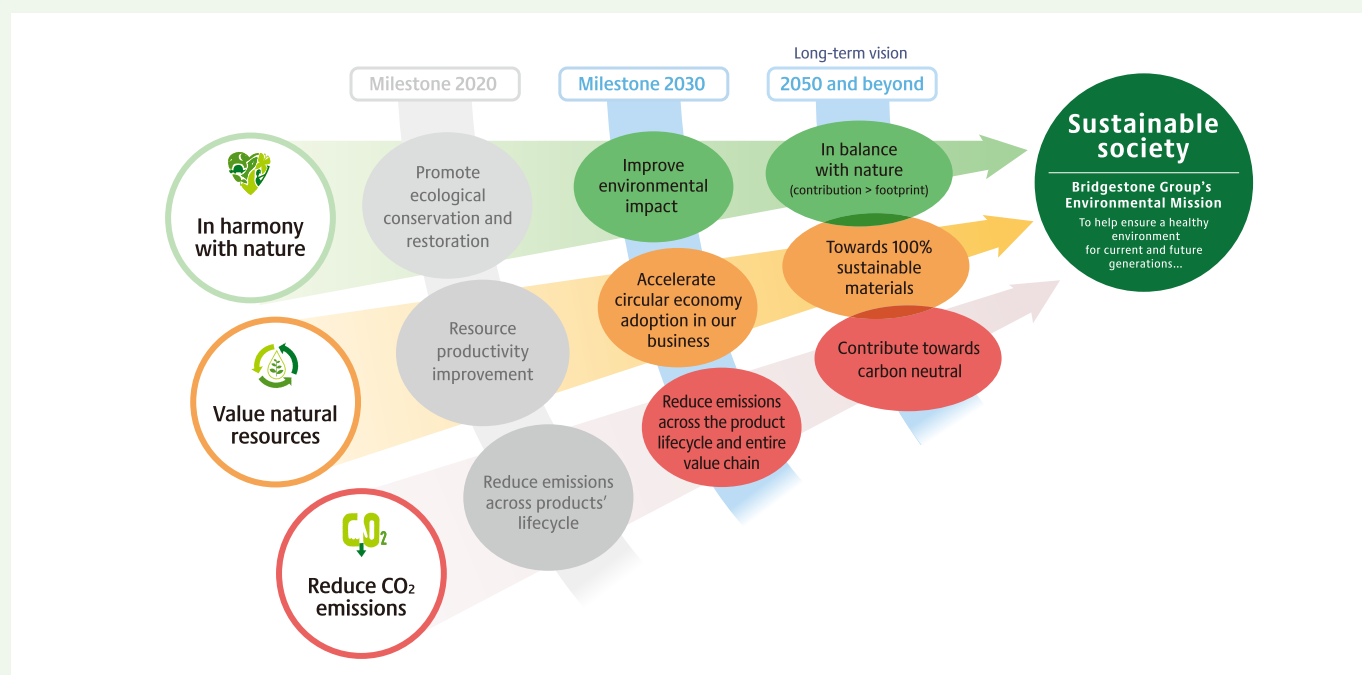
Long-Term Environmental Vision and Milestone 2030



The Bridgestone Group has placed sustainability at the core of its Mid-Long Term Business Strategy. It is taking on the challenge of realizing a sustainable business model that creates social and customer value, while also achieving competitive advantage.

For some time, the Bridgestone Group has been addressing environmental issues to realize a sustainable society, based on its unchanging desire to “To help ensure a healthy environment for current and future generations ...”, as stated in its Environmental Mission Statement. Its 2050 and beyond long-term environmental goals to achieve this mission include reducing CO₂ emissions to become carbon neutral. To best value natural resources, the Group also set a goal toward utilizing 100% sustainable materials¹ in manufacturing activities, contributing to the realization of a circular economy.

The Bridgestone Group achieved its Milestone 2020 goals set in 2012 ahead of schedule and formulated a new Milestone 2030.



Toward a sustainable society

To achieve Milestone 2030, the Bridgestone Group accelerated its ambition to decouple business growth from environmental impact and increased resource consumption. It is doing so by intensifying efforts toward carbon neutrality, increasing its contribution to a circular economy and reducing absolute CO₂ emissions by 50%². The Bridgestone Group also aims to contribute to the reduction of CO₂ emissions throughout its entire value chain, while at the same time creating customer value.

In 2020, the first year of Milestone 2030, the Group introduced new initiatives for achieving its long-term targets of operating in harmony with nature, valuing natural resources, and reducing CO₂ emissions.

Details of Milestone 2030 are available [online](#).

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

² Baseline year: 2011.

Topic: Mid-Long Term Environmental Contribution

Contribution to Carbon Neutrality

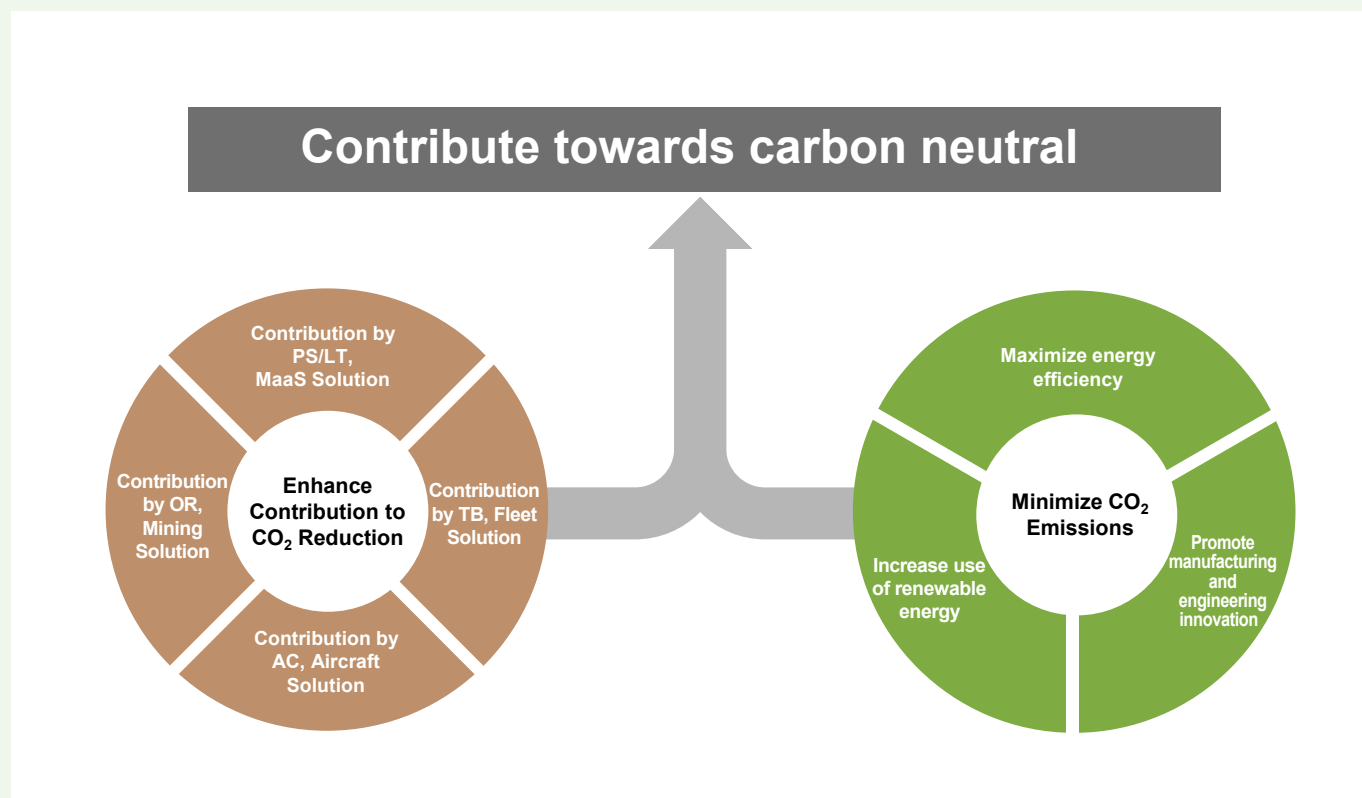
Reducing CO₂ emissions

The Bridgestone Group believes the demands of society and customers to reduce CO₂ emissions will continue to increase in the future, given the need to respond to climate change. Toward its goal of carbon neutrality for 2050 and beyond, the Group is working to both enhance its contribution to CO₂ reduction and to minimize CO₂ emissions.

Milestone 2030 sets targets for CO₂ emission reductions throughout the life cycle and value chain of the Bridgestone Group's products and services. To achieve these goals, it will not only reduce CO₂ emissions in production, but also contribute to the reduction of CO₂ emissions in the processes of customer use, raw-material procurement, distribution, reuse and recycling. Much of this work will be achieved by providing Dan-Totsu products and services that deliver increasing customer value. It also will strive to differentiate its business and strengthen its competitiveness by helping customers reduce their CO₂ emissions to become carbon neutral. Through these initiatives, the Group will contribute to the reduction of CO₂ emissions in society as a whole and aim to create social value together with customers and partners.

The Bridgestone Group has set a goal to contribute to global CO₂ emissions reductions across the lifecycle and value chain of its products and services that exceed by five times the CO₂ emissions from its operations by 2030¹. Across the entire life cycle of tires, emissions during product use account for about 90% of total CO₂ emissions². Therefore, the Group also will expand the range of products and services it provides that contribute to the reduction of CO₂ emitted during customer use. Some examples of this effort are its ECOPIA fuel-efficient tires; fuel-efficient tires equipped with ENLITEN, a new tire weight reduction technology; and transportation solutions, such as Webfleet Solutions business, a fleet management service that contributes to improved fuel efficiency and reduced CO₂ emissions by helping to streamline fleet operations.

Overall, the Group set an absolute reduction target for its own CO₂ emissions to become carbon neutral by 2050, in line with the [Paris Agreement](#) and other societal commitments.



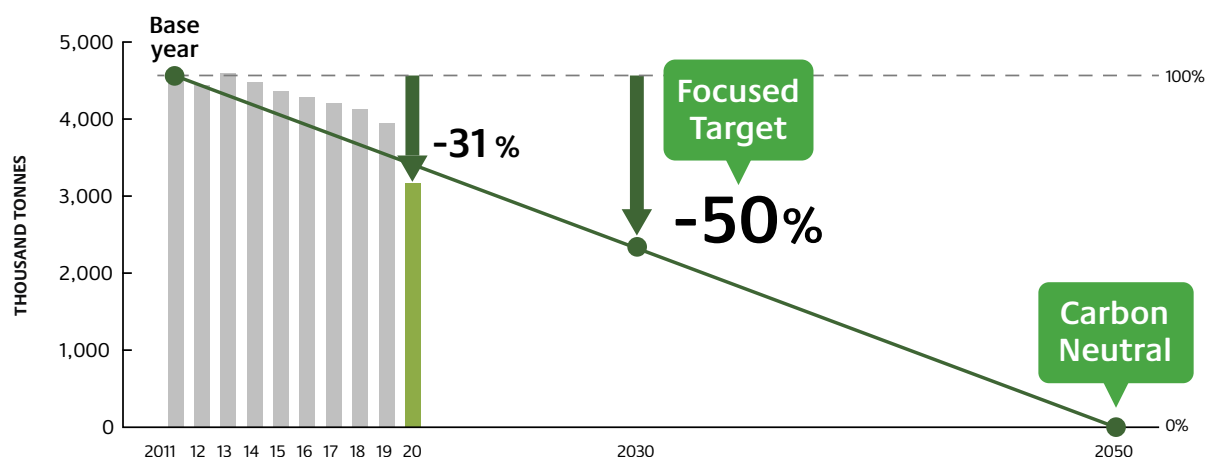
¹ Baseline year: 2020.

² Source: "Tyre LCCO₂ Calculation Guidelines Ver. 2.0", Japan Automobile Tyre Manufacturers Association, Inc.

Topic: Mid-Long Term Environmental Contribution

Contribution to Carbon Neutrality

CO₂ emission (Scope 1, 2) reduction target in manufacturing



In addition to innovating new products and services, the Bridgestone Group is finding other ways to achieve its Milestone 2030 goals by reducing absolute CO₂ emissions by 50%³.

One of these approaches is strengthening efforts to introduce renewable energy across the operation. As a result, in 2020, CO₂ emissions were reduced by 31%, compared to 2011, due in large part to the impact of the decrease in production volume caused by the COVID-19 pandemic.

Although the production volume is expected to increase in the Mid Term Business Plan, the Group will further accelerate its global efforts while minimizing the impact of the recovery of production volume on CO₂ emissions by setting the target of reducing CO₂ emissions in 2023 by 30% or more compared to 2011.

Energy efficiency improvement

The Bridgestone Group also has been working to reduce CO₂ emissions from product lifecycle stages other than use. It has continued to reduce the amount of raw materials used per product through weight reductions and minimizing production losses. In 2020, the Group reduced those CO₂ emissions per unit of sales by 37% compared to its 2005 level.

Additionally, the Group has implemented energy-saving measures such as visualization of energy usage, identification of energy losses, introduced high-efficiency equipment, and undertaken other measures to reduce energy loss. Milestone 2030 sets a standard of 0.5% energy-efficiency improvement per year. The Group will continue to promote activities to achieve this goal.

Expanded use of renewable energy

This use of renewable energy as part of the Bridgestone Group's initiatives to become carbon neutral has been in place for several years. The Group is now using renewable energy in the U.S., launching a new 2 megawatt (MW) large-scale solar power generation system at the passenger and light truck tire plant in Aiken, South Carolina in 2020. Through these efforts, the Bridgestone Group's renewable energy ratio (electricity) reached 11% in 2020. It will continue to expand the use of renewable energy and addresses its aim to increase this ratio to more than 50% by 2023 in the Mid Term Business Plan.



Aiken County, South Carolina passenger/light truck tire plant

³ Baseline year: 2011.

In particular, measures to introduce renewable energy in Europe have taken significant steps forward. In 2018, BSEMIA switched 100% of its electricity to renewable energy at four plants in Spain. In 2020, five more plants in Poland, Hungary, Belgium and the U.K. switched to renewable energy, as well as a plant in Italy in 2021. This completes the transition of electricity use to 100% renewable energy at all tire plants producing new tires in Europe.

In addition, BSEMIA is promoting the attainment of ISO 50001 certification and focusing on enhancing energy management by achieving certification for all its tire plants in Europe by 2020.



A MESSAGE FROM

Laurent Dartoux

Vice President and Senior Officer of Bridgestone Corporation
BSEMIA Management Board Chair, CEO and President

Working to achieve a carbon neutral state by 2050 is one of our long-term sustainability ambitions, but it's not our only goal within CO₂ reduction.

In fact, what's key to achieving a macro aim like this is targeting short- and mid-term goals on the road to 2050 — like we have done internally with Milestones 2020 and 2030 — and aligning ourselves with external objectives, such as the Paris Agreement and the sustainability ambitions of our customers and original equipment manufacturer (OEM) partners.

We have adopted a holistic, end-to-end approach in our efforts to cut carbon emissions across our entire value chain, which begins with the sourcing of our raw material and our manufacturing and production. We're proud to say in 2021 that 100% of the electricity we consume in our European locations is from renewable energy sources and all of our European tire plants are ISO 50001 certified.

We're very aware that delivering against our ambitions requires constant investment and improvement: set for completion in 2022, our Burgos plant in Spain is constructing one of the country's biggest photovoltaic solar panel roof installations.

These are two concrete examples of decisions already

made on our way to carbon neutrality. But we've also pioneered best-in-class, fuel-efficient tyres, tyre-centric solutions and mobility solutions, innovating new materials and technologies that are specifically designed to cut carbon emissions. Tyres made with our ENLITEN Technology, for example, decrease fuel consumption and CO₂ emissions; our digital fleet management solution, Webfleet Solutions business, reduces fuel consumption and associated CO₂ emissions by up to 25%; co-developed with ARLANXEO and Solvay, our TECHSYN tyre technology platform creates tyres with a rolling resistance reduced by up to 6%.

Partnership is key if we're to successfully shape a future of sustainable mobility; no single person or company can answer the huge challenges we collectively face. We must unite forces and bring our assets together to accelerate the pace of change. TECHSYN would not have been possible without ARLANXEO and Solvay, just like the electric future won't be possible without established leading OEMs, and innovative newcomers such as Lightyear solar.

For us, constant improvement means rethinking how we've traditionally done things with a strong sense of urgency and the end goal front of mind: carbon neutrality across the value chain and product life cycle no later than 2050.

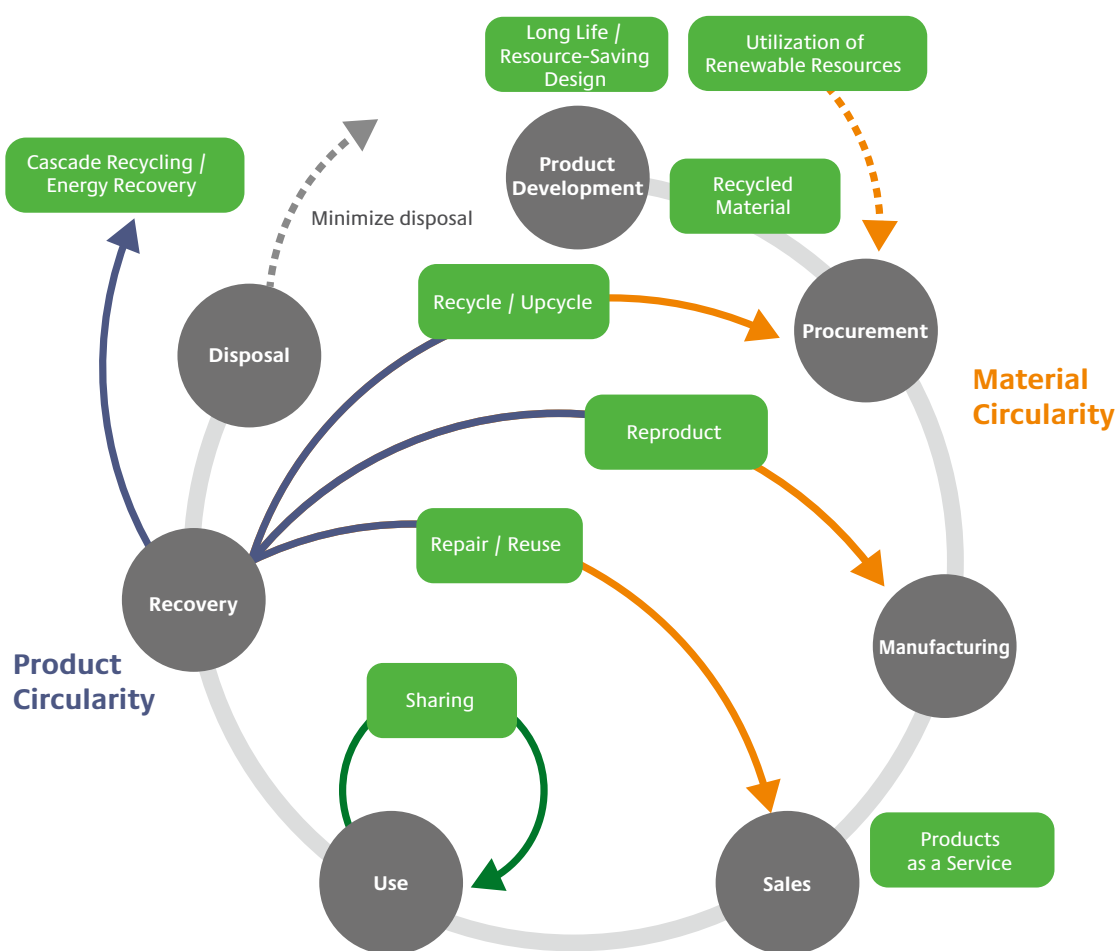
Topic: Mid-Long Term Environmental Contribution

Contribution to a Circular Economy

As part of Milestone 2030, the Bridgestone Group will work toward contributing to a circular economy.

A circular economy not only helps mitigate pressures on the environment, it also provides an opportunity to transform the Group's business model to increase the business value of tires and gain competitive advantage by using resources more wisely and sustainably. To this end, the Group is integrating circular economy concepts into its Sustainability Business Model. It also is making comprehensive efforts to contribute to the attainment of the identified four social and customer values of safety, environment, economy and productivity (see pages [23-24](#)).

Bridgestone Group's approach to contributing to the circular economy

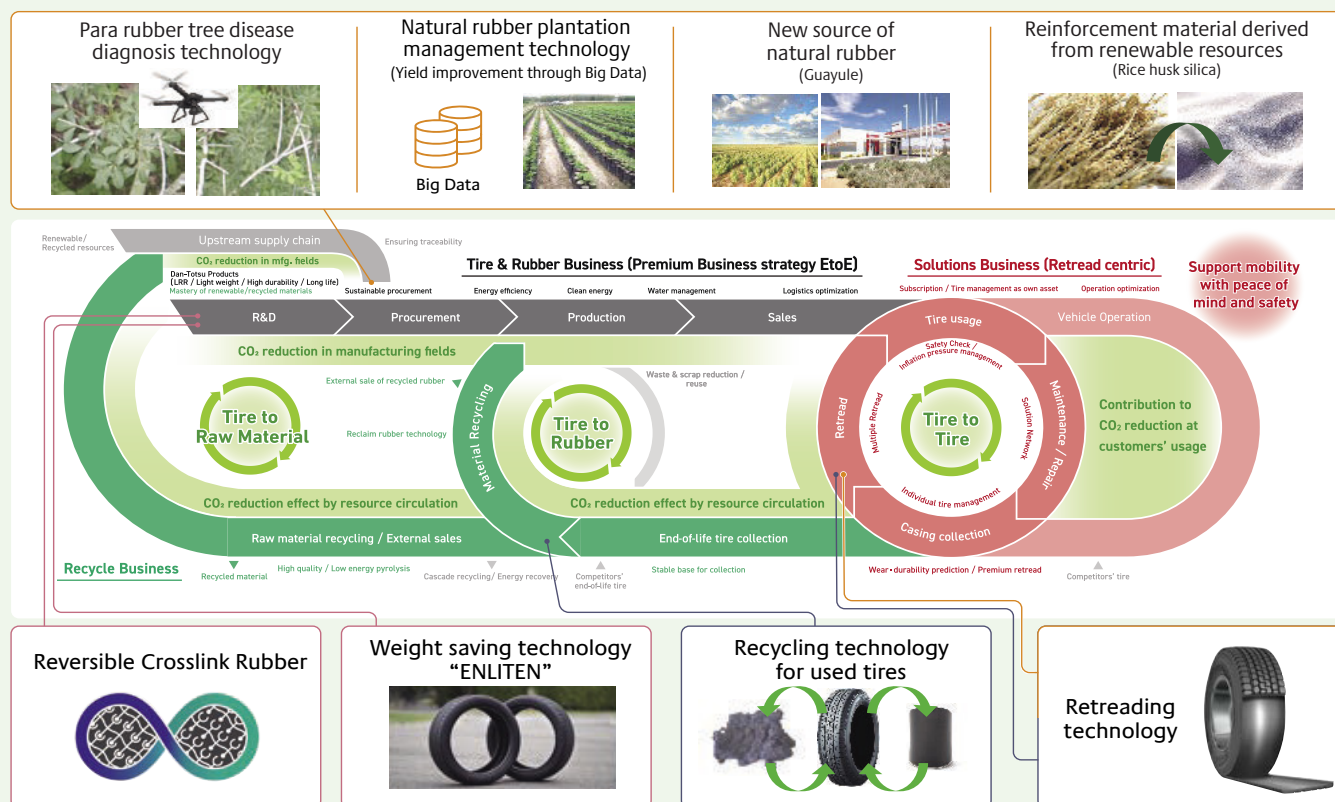


To contribute to a circular economy, the Bridgestone Group is working on three approaches to realize its Sustainability Business Model.

- Enhancement of resource productivity: Create opportunities by introducing new business models. These include Dan-Totsu products with long-life and resource-saving designs epitomized by the new tire weight reduction technology, ENLITEN, as well as services and subscriptions.
- Enhancement of material circularity¹: Further strengthen the competitiveness of Dan-Totsu products by utilizing recycled and renewable resources. Currently, the Group

is expanding the use of recycled raw materials, such as recycled rubber and recovered carbon black, to improve the productivity of natural rubber and develop bio-derived raw materials. For example, in 2020, it developed a highly precise disease-diagnosis technology for Hevea Brasiliense rubber trees, using artificial intelligence and big data to help improve the productivity of natural rubber.

- Enhancement of product circularity²: Expand business models that create value throughout the product lifecycle, such as the retread business and aircraft solutions, and also consider new value creation in the recycle business (see [page 39](#)).



TIRE RETREADING CONTRIBUTES TO A CIRCULAR ECONOMY

Retreading, which reuses tire casings by replacing the treads of worn tires, reduces the amount of newly added raw materials used to less than one-third that of new tires. It also reduces the amount of scrap tires since other tire components can be reused as well. This growth business opportunity is an example of how the Bridgestone Group is investing in new business models that balance environmental sustainability with customer safety, economy and productivity.

¹ A concept that indicates the circularity of raw materials. The Bridgestone Group uses the percentage of raw materials used that are recycled or derived from renewable resources as an indicator.

² A concept that indicates the circularity of used products. The Bridgestone Group uses the ratio of used tires from its retail shops that go to beneficial next use as the indicator.

Build Trust to Propagate Value Co-creation

The Bridgestone Group is engaged in a variety of sustainability initiatives to ensure it is a preferred partner for stakeholders now and in the future. The wider and deeper it is trusted by partners, the greater the opportunities for the Sustainability Business that provides social and customer value.

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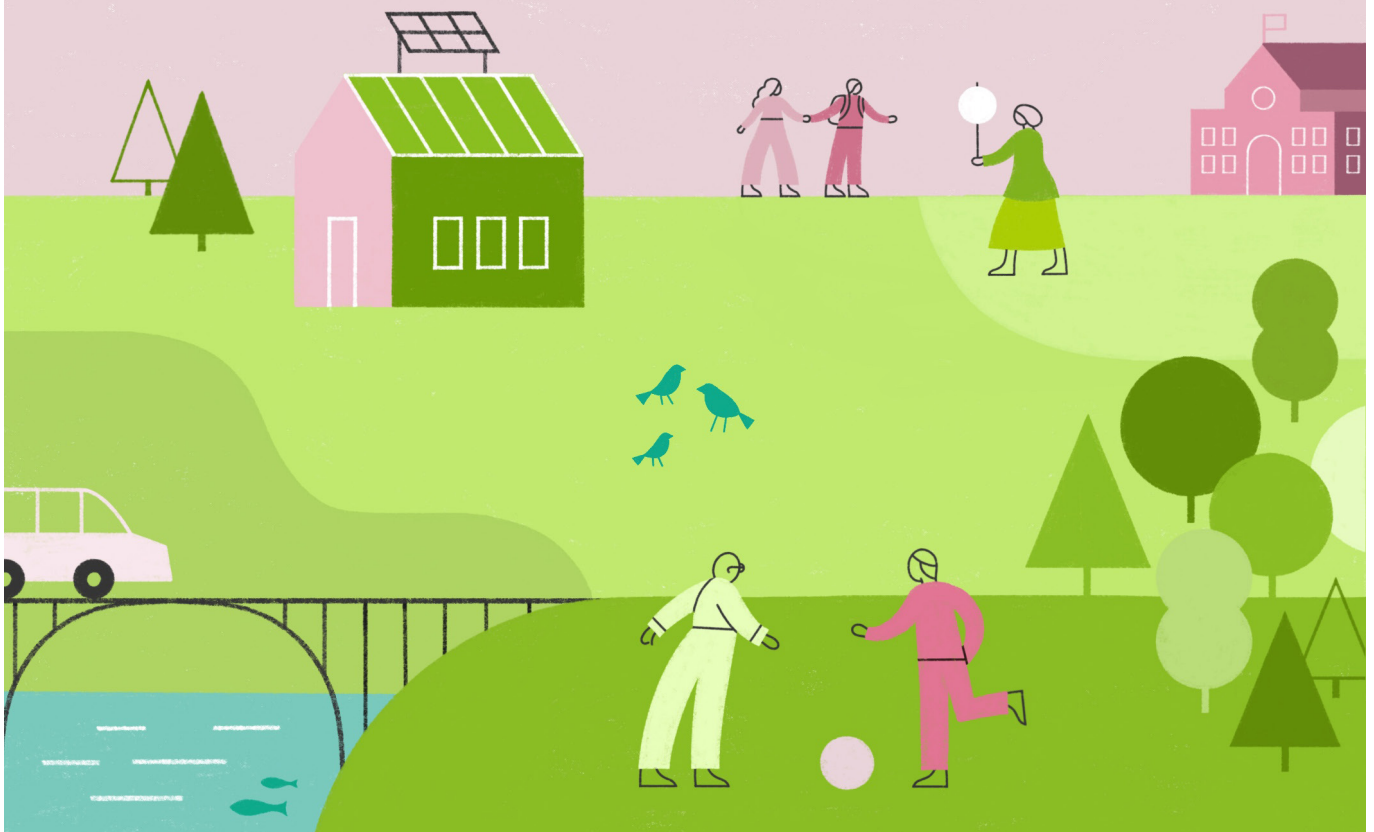
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Build Trust to Propagate Value Co-creation

Global COO Message



A MESSAGE FROM

Masahiro Higashi

Member of the Board
Global COO and
Representative
Executive Officer

As described in this Sustainability Report, Bridgestone is implementing its Mid-Long Term Business Strategy with sustainability at the core. In doing so, it will realize its Mid-Long Term vision of “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company.” Implementing Bridgestone’s Mid-Long Term Business Strategy is the very essence of becoming a sustainable business. By achieving sustainable growth together with society, customers and partners, it will create social and customer value and gain a competitive advantage.

The co-creation of value with customers and partners is essential to Bridgestone’s vision, and a strong and trusting relationship with those stakeholders is necessary for the co-creation of value. Bridgestone believes the depth of its sustainability efforts contributes greatly to fostering trust in the company, and is actively involved in social contributions and other activities that help foster that trust with local communities. Bridgestone intends to continue to build trust, maintaining its position as a company preferred by society, customers, and partners, thereby gaining a competitive advantage and expanding its sustainability business.

Bridgestone believes that part of creating social and customer value as a responsible company is having solid foundational initiatives that proactively anticipate social demands and turn risks into opportunities. Six key Management Fundamentals — including human rights, labor practices, and safety throughout the value chain — are addressed as foundational areas. In addition to the Code of Conduct, Global Sustainable Procurement Policy, and Global Human Rights Policy (all established in 2018), Bridgestone also launched its Global Anti-Bribery Policy in 2020. It is confident that by acting in accordance with these policies, it will continue to earn the trust of its customers and local communities and, together, create new value.



Build Trust to Propagate Value Co-creation Sustainability Framework

How the Bridgestone Group creates social value and customer value

Although its mission — “Serving Society with Superior Quality” — remains unchanged since the Group’s founding, how it will achieve this mission in response to today’s business and societal needs continues to evolve. In 2020, the Group identified a new vision of “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company.” As a result, the Group’s Mid-Long Term Business Strategy places sustainability at its core.

However, sustainability is not a new concept for Bridgestone. In 2017, the Group introduced *Our Way to Serve*, the compass for its sustainability journey. *Our Way to Serve* guides how the Group contributes to realize a sustainable society. It clearly defines the areas where the Group will concentrate on co-creating value by leveraging its strengths and competencies.

To understand where it can impact society and customers through its business and value co-creation with partners, the Group introduced its Sustainability Framework that explains how it will become a sustainable solutions company. The Sustainability Framework identifies the main themes and activities of focus over the coming years. To develop the Framework, the Group conducted a materiality assessment in 2020, gathering input from internal and external stakeholders via surveys and interviews that informed its comprehensive look at material topics.

The result of the materiality assessment is available [online](#).

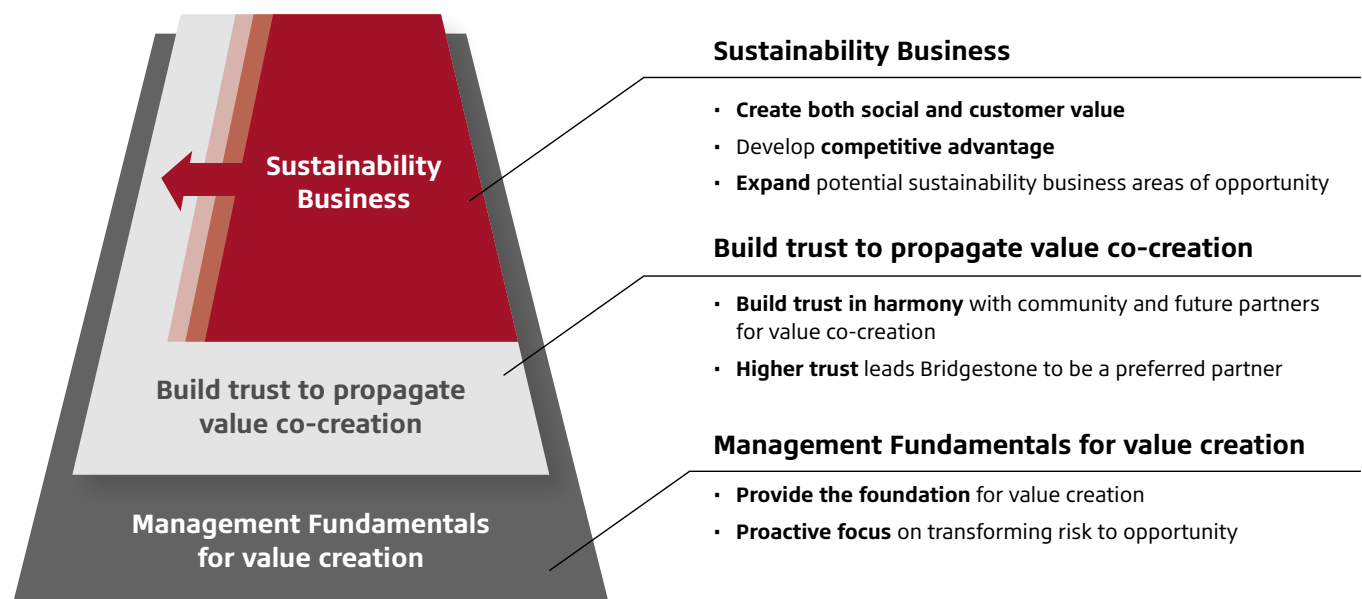
About the Sustainability Framework

The area in the red arrow extending to the left, **Sustainability Business**, indicates the Group’s intention to promote and expand its business models to develop the competitive advantage detailed in its Mid-Long Term Business Strategy. This includes continued efforts to advance the tire and rubber, solutions and recycle businesses, and to contribute to a circular economy and carbon neutrality across the Group. In doing so, the Group will create social and customer value.

The second layer, **Build trust to propagate value co-creation**, represents the importance of fostering trust with customers and partners. These relationships establish the Group as a preferred partner to co-create innovations that will contribute to its Mid-Long Term Business Strategy. The wider and deeper this trust, the greater the opportunities for the Sustainability Business that provides social and customer value.

Finally, the third layer, **Management Fundamentals for value creation**, reminds the Bridgestone Group of the indispensable foundation of corporate governance and [Management Fundamentals](#) as it accelerates its sustainability journey. These efforts go beyond risk avoidance to finding innovative ways to transform risk to opportunity.

Sustainability Framework



Sustainability Framework in action

Below are the items the Bridgestone Group will pursue to deliver its Sustainability Framework. The three icons in the table represent the connection with its three Priority Areas of Mobility, People and Environment outlined in *Our Way to Serve*.

Of course, as a dynamic document, this sustainability approach will continue to evolve while the Sustainability Framework remains constant.

Sustainability Business	<ul style="list-style-type: none"> • Tire, Tire-Centric Solutions • Mobility Solutions • Road Safety and Consumer Education  
	<ul style="list-style-type: none"> • Contribution to a Circular Economy (Resource Productivity, Material/Product Circularity) 
	<ul style="list-style-type: none"> • Contribution to Realize Carbon Neutrality 
	<ul style="list-style-type: none"> • Exploratory Areas (Recycle, Soft-robotics)  
Build trust to propagate value co-creation	<ul style="list-style-type: none"> • In Harmony with Nature: Water stewardship, Biodiversity • Community Development • Worldwide Olympic and Paralympic Partner  
Management Fundamentals for value creation	<ul style="list-style-type: none"> • Corporate Governance, Ethics & Compliance • Business Resilience (incl. Climate Change), Cybersecurity and Data Privacy • Social Supply Chain & HR (HR Due Diligence) • Sustainable Sourcing incl. NR • Diversity & Inclusion, Talent • Product & Solution Safety, Quality and Reliability • Occupational Health, Safety and Wellness • Air Quality, Waste & Hazardous Substance

Integrating sustainability across the Bridgestone Group

The Bridgestone Group continues to integrate sustainability culturally, strategically and operationally across the organization as part of its Mid-Long Term Business Strategy.

- Culturally, the Group incorporates its Sustainability Framework and *Our Way to Serve* into its business, values and brand every day to ensure that it becomes an integral part of teammates' lives, in all that they do.
- Strategically, with sustainability as its core, the Group is working toward its Mid-Long Term Business Strategy and Mid Term Business Plan, aligned with its Sustainability Framework.
- Operationally, the Global Sustainability Committee that reports to the Global Executive Committee, is responsible for holistically leading the Bridgestone Group's Sustainability Framework. The Committee includes working groups of cross-functional, cross-regional leaders from throughout the Group.

More information on the Bridgestone Group's Sustainability Framework and *Our Way to Serve* is available [online](#).

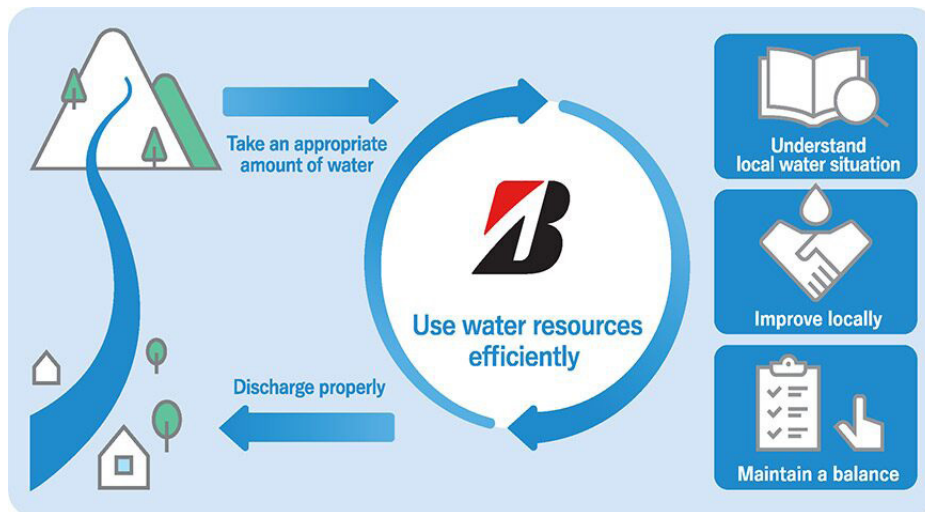
Build Trust to Propagate Value Co-creation In Harmony with Nature

Contributing to water stewardship

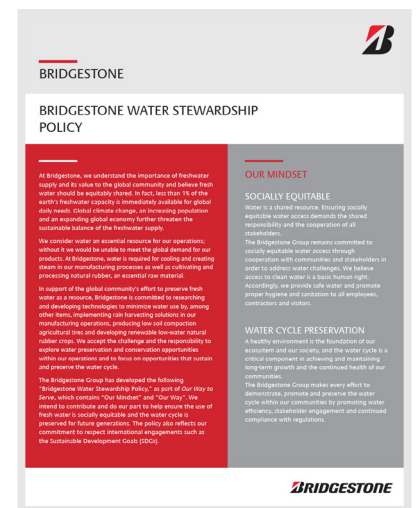
The Bridgestone Group is collaborating with stakeholders throughout its products' lifecycles and value chains to maximize its contribution to water stewardship. In particular, in Milestone 2030, the Group set a target to execute water stewardship plans at manufacturing facilities in water stress areas¹ by 2030. In doing so, it is helping to ensure that water is available on a socially equitable basis and the water cycle is preserved.

The Group has been making continuous efforts to improve the efficiency of water use at every production facility globally. For example, the Buenos Aires plant in Argentina, located in a water stress area, achieved a 65% reduction of water withdrawal in 2020 (compared to a 2005 baseline)

and the Izmit plant in Turkey reduced its water withdrawal by 35%, (compared to a 2005 baseline). The Buenos Aires plant also provided another company with its water discharge treated by reverse osmosis, thereby contributing to the reduction of water withdrawal in the entire community.



Concept of Bridgestone's Water Stewardship



Bridgestone Water Stewardship Policy

Protecting biodiversity

The Bridgestone Group launched "In Harmony with Nature – Promoting Biodiversity Program" in 2019 to evaluate the contribution to biodiversity at its manufacturing facilities globally. In 2020, 138 manufacturing sites participated in the program. P.T. Bridgestone Sumatra Rubber Estate (BSRE), which operates a rubber plantation in Indonesia, received the highest internal rating of Gold Class. BSRE employees joined local NGOs and elementary school children in environmental conservation and awareness-raising events, such as planting native trees, releasing fish and other activities to protect the environment around a spring-fed water area.



¹ Manufacturing facilities in water stress area: Manufacturing facilities that have water-related risks due to the locations with the risk of deterioration of quantity and quality of freshwater resources.

Build Trust to Propagate Value Co-creation In Harmony with Communities

As a global organization with operations in more than 150 countries, the Bridgestone Group is uniquely positioned to co-create long-term social and customer value in communities around the world.

It does so by working collaboratively with customers, employees and partners to develop sustainable community solutions that positively impact a wide variety of cultures facing unique challenges. Although this work tends to be longer-term, when urgent support is essential — for example, in times of disaster — the Group also steps up to immediately support its communities.

Supporting communities is part of the Group's Sustainability Framework as it builds trust to propagate value co-creation. The efforts are intended to enhance the well-being of people in communities where the Group operates and are instrumental to realizing its goal of societies where all people can live Active and Healthy Lifestyles. To achieve this aim, the Group focuses its strengths and competencies on building safer, healthier communities and making education more accessible and inclusive for current and future generations.

Road safety education

Given its foundation as a tire company, the Bridgestone Group understands that road safety is essential to mobility systems and resilient communities. In 2020, the Group co-created social value around the world with a number of partners.

- In Vietnam, where motorbikes are the most prevalent form of personal transportation, Bridgestone and local dealer Xuan Tung donated 900 safety helmets to school children.
- In Australia and New Zealand, BSCAP continued its sponsorship of a highly engaging one-day road safety workshop with [RYDA](#) at two high schools. Since beginning this partnership, more than 1,650 students have learned how to stay safe on the road, as both drivers and passengers.
- In Madrid, more than 200 students studying to be mechanics learned to better understand the challenges facing pedestrians who are vision-impaired or have other disabilities during driving simulations co-sponsored by BSEMIA and [Fundtrafic](#).

- More than 1,000 pedestrians and bicycle riders in Poznan, Poland received reflective bands from the Bridgestone Test Dummy to help them be more protected at night. Because the program took place during the COVID-19 pandemic, residents also received face masks and hand sanitizer.

Helping professional drivers operate safely also is a priority of the Bridgestone Group. In 2020, a one-month Bridgestone-led "Eyes on the Road" campaign helped truck drivers in Egypt and the Kingdom of Saudi Arabia understand the importance of physical fitness and eye health to safely performing their jobs.



Contributing to a safer society

The Bridgestone Group is making community safety more sustainable with its services, products and initiatives. For example, during Vietnam's rainy seasons, many of the country's worn-out wooden bridges pose significant safety challenges for people commuting to work and school. To help, the Bridge to Knowledge campaign, led by Bridgestone Tire Manufacturing Vietnam LLC, pledged to build 20 bridges across flood-prone Vietnam by 2030, and to maintain the bridges for 10 years. In 2020, the Group built three new bridges that provide safe access to educational facilities for students from over 1,000 households.



Build Trust to Propagate Value Co-creation In Harmony with Communities



In 1983, the Bridgestone Group developed high-quality, highly-functioning seismic isolation bearings by applying tire manufacturing technologies. Today, as the leading manufacturer of seismic isolation bearings for buildings in Japan, these products are utilized in a wide range of public and private buildings, including logistics facilities that are becoming increasingly important as e-commerce increases due to the COVID-19 pandemic. In addition, more than 73,000 people (as of the end of 2020) have learned about the key role of seismic isolation technology in disaster prevention via experiential information vehicles that visit educational institutions and local community events.

The Bridgestone Group also helps keep people safe by providing immediate assistance when disaster strikes. In early 2020, Indonesia experienced heavy rains and flooding. Later in the year, Vietnam faced floods and typhoons. To help people impacted by these natural disasters, the Bridgestone Group donated groceries, medicine, jackets, electric kettles, rice cookers and other essential supplies. The Bridgestone Group also supported U.S. communities when tornados and storms struck in 2020.

Accessible and inclusive education

Education is essential for developing life and career skills, which is why the Bridgestone Group supports accessible and inclusive education in the communities in which it operates.

The Group is training the next generation of automotive service professionals. In Nashville, Tennessee, U.S., BSAM sponsors the Maplewood High School Automotive Training Center, and in Akron, Ohio, U.S., it sponsors the Bridgestone Academy of Applied Engineering & Technology at East Community Learning Center. Both schools host a near-replica Firestone Complete Auto Care store and training curriculum. Since 2015, 39 students have been hired by the Bridgestone Group from the Nashville program and 90 students are currently studying in the Akron program. Increasingly, women are pursuing the automotive service profession and receiving great training at these BSAM-sponsored programs.

BSEMIA is helping people incarcerated at the Featherstone prison in Staffordshire, U.K. prepare for a successful career as tire technicians when they are released. About 30 inmates are training to receive [Institute of the Motor Industry](#) accreditation credentials, leveraging Bridgestone's well-regarded REACT Roadside Tyre Technician Training.

In Japan, Bridgestone Corporation held online a Global Communication Class for junior high school students. Employees shared their experiences helping the Group expand its business globally. This gave participants an opportunity to understand the importance and challenges of communicating effectively with a wide variety of people. The Corporation also has been holding environmental programs since 2004 and has reached 29,000 students to date. It plans to continue these efforts in 2021 and beyond.

In 2020, as the COVID-19 pandemic hit, schools around the world moved to remote learning. Many families lacked the basic technology needed for children to keep pace with their studies, so the Bridgestone Group stepped in to help.

- In Mexico, BSAM donated tablets and school supplies to children at Mexico City's Amelia B de Casas Kindergarten to help them continue their studies. BSAM also donated laptops to the [Bandera Blanca Foundation](#) in Costa Rica for children in vulnerable situations. Digital workshops also were offered to parents and grandparents of these children to help them learn to use the technology.
- In partnership with the CompSharing charity project, BSEMIA donated computers to the Russian Red Cross for families in need of computer access during the pandemic.
- In the U.S., BSAM has long partnered with the [Boys and Girls Clubs of America \(BGCA\)](#). In 2020, customers donated 3.6 million USD to the Bridgestone Driving Great Futures partnership that supports BGCA. Among other uses, these funds provided technology grants to help BGCA participants adapt to remote learning.



Promoting healthier communities

Helping people live healthier lives is another of the many ways the Bridgestone Group makes its communities and society more resilient.

For example, BSEMIA helped neighbors near its India operations by organizing a health camp that offered regular check-ups and hemoglobin, diabetes, blood pressure and calcium tests. The Health Camp also provided medicine free of charge to those in need.

As a worldwide partner of the Olympic and Paralympic Games Tokyo 2020, and in anticipation of the games being held in its headquarters' city of Tokyo, BSEMIA's B-Olympic platform promoted employee's Active and Healthy Lifestyles through regular athletic challenges, articles, workouts and other information. When employees collectively reached a specific kilometer target by walking, running, cycling, etc., BSEMIA donated to 14 local cancer charities. In 2020, employees moved for 1.2 million kilometers, resulting in a donation of 124,000 EUR.



To spread enthusiasm for Active and Healthy Lifestyles via Olympic and Paralympic sports in Australia, BSCAP hosted surfing, swimming and wheelchair tennis lessons for young athletes. Forty surfers, 100 swimmers and 12 wheelchair tennis enthusiasts enjoyed lessons with well-known athletes and Team Bridgestone members, surfer Connor O'Leary, Olympic-hopeful swimmer Ariarne Titmus and Paralympic wheelchair tennis medalist Heath Davidson.

Also in 2020, a great deal of the Group's efforts focused on the impact of the COVID-19 pandemic. In countries all across Europe, Asia, and North and South America, the Bridgestone Group provided personal protective equipment (PPE) to people and organizations. In Latin America, the U.S. and Japan, the Group also manufactured face shields and donated them to hospitals and other healthcare facilities. Overall, the Bridgestone Group raised or donated 1.29 million USD for global COVID-19 pandemic relief efforts.

In May 2021, the Group committed to send 56 ventilators, 120 oxygen concentrators and 10,000 N-95 masks to India through its global network in Japan, United States and Europe.

The Group and its employees helped in numerous other ways as well:

- Offering free, 24-hour emergency tire repair for healthcare workers in Spain and France, crucial services for delivery vehicles in South Africa, and sanitization of front line workers' vehicles in Ireland and all customers' vehicles in Thailand.
- Providing NGO and fleet partners in India with food and other essentials for truck drivers stranded on highways.
- Donating two cars, 100 blankets and bags for patients' belongings to a field hospital in Spain.
- Supplying tires for emergency vehicles in Hungary, Mexico, Costa Rica, Colombia, Dominican Republic and Guatemala.
- Collecting necessities for families in need in Costa Rica, France, Germany, Italy and Mexico.
- Partnering with [Food Bank Singapore](#) to host a food donation campaign for those in need and providing new tires for the organization's fleet of vehicles in Singapore.
- Sponsoring "Be Heroes Together" blood drives in Thailand and Taiwan to boost supplies to fight the COVID-19 pandemic. More than 490 employees donated over 200,000 cc of blood.
- Supporting seven hospitals, one school and Faculty of Medicine COVID-19 vaccination research efforts at Thailand's Chulalongkorn University.

More information on ways the Bridgestone Group is contributing to a safer society, supporting accessible and inclusive education and promoting healthier communities is available [online](#).



Build Trust to Propagate Value Co-creation Build Higher Trust

Build higher trust to make Bridgestone a preferred partner

The Bridgestone Group is engaged in a variety of sustainability initiatives to ensure it is a partner of choice for its stakeholders now and in the future, including measures to promote diversity and inclusion. Since its founding, the Group has been working to realize a symbiotic society in which diverse people respect and help each other, while each individual lives well and healthy, utilizes his or her individuality, and achieves self-fulfillment. In particular, in recent years, the Group has been working to solve social issues facing the elderly and disabled through co-creation with local communities and various partners.

MEMBERSHIP IN THE VALUABLE 500

The Bridgestone Group has joined [The Valuable 500](#), a global initiative launched at the World Economic Forum's annual meeting in Davos in January 2019. The Valuable 500 aims to help business leaders transform their businesses and unlock the social and economic value of people living with disabilities around the world. It gained the endorsement of the CEOs of 500 companies worldwide. The concept of The Valuable 500, which respects diversity and promotes inclusion, has much in common with the Group's corporate philosophy and is in line with the intended direction of its Global Human Rights Policy and *Our Way to Serve*. The Group will continue to focus on creating work environments where diversity is embraced and employees with disabilities can easily demonstrate their abilities.



In addition, through its support of "Challenge for Tomorrow," an on-site class organized by the Nippon Foundation Paralympic Support Center that invites para-athletes to schools to help teach about a symbiotic society, the Group will continue to encourage children's learning by helping them understand respect for diversity and a symbiotic society.



SUPPORT FOR THE OLYMPIC AND PARALYMPIC GAMES

As a Worldwide Olympic and Paralympic Partner, the Bridgestone Group promotes the spirit at the core of these global movements, which seek to realize a better world through sport and their commitment to diversity, inclusion, and equality. For example, the Group supports the Paralympic Games by providing innovative equipment and solutions to address the challenges faced by para-athletes. Applying its tire surface pattern development technology, the Group worked with para-triathlete Yukako Hata to develop a rubber sole for a prosthetic running blade that is long-lasting and can run on various surfaces with a stable grip.



Photo courtesy of the Nippon Foundation Paralympic Support Center



A MESSAGE FROM

Yoshikazu Shida

Vice President and Senior Officer
Seconded to Bridgestone Asia Pacific Pte. Ltd.
BSCAP Member of the Board, CEO
Chairman of Bridgestone (China) Investment Co., Ltd.

2020 was a year like no other and our hearts go out to all colleagues and members of the community affected by the pandemic.

However, while the global pandemic captured headlines, it was not the only crisis on hand. As part of Bridgestone's global CSR commitment, *Our Way to Serve* — specifically in the People Priority Area — we rallied to support our local communities suffering from other crises that included natural disasters.

Our teammates have gone above and beyond in delivering social value to the best of their abilities. Last year, we conducted blood donation drives in Thailand and Taiwan, distributed food and soap packages to villages in Indonesia that were facing supply shortages, assisted firefighters in combatting the wildfire crises

in Australia and Thailand, built bridges in typhoon and flood-stricken areas in Vietnam, and supported our own teammates who were impacted by the floods in Indonesia. We also conducted a food donation campaign in Singapore, for distribution to needy families affected by the pandemic. In total, Bridgestone contributed over 1 million USD for COVID-19-related support, disaster relief and community-related initiatives in the China and Asia Pacific region. For the former, we supplied medical equipment and direct support to healthcare front-line workers, and partnered with governments and NGOs in their efforts against the pandemic.

To contribute towards a better future, Bridgestone will continue to constantly be in harmony with our communities while we strive toward becoming a sustainable solutions company.



FTSE4Good

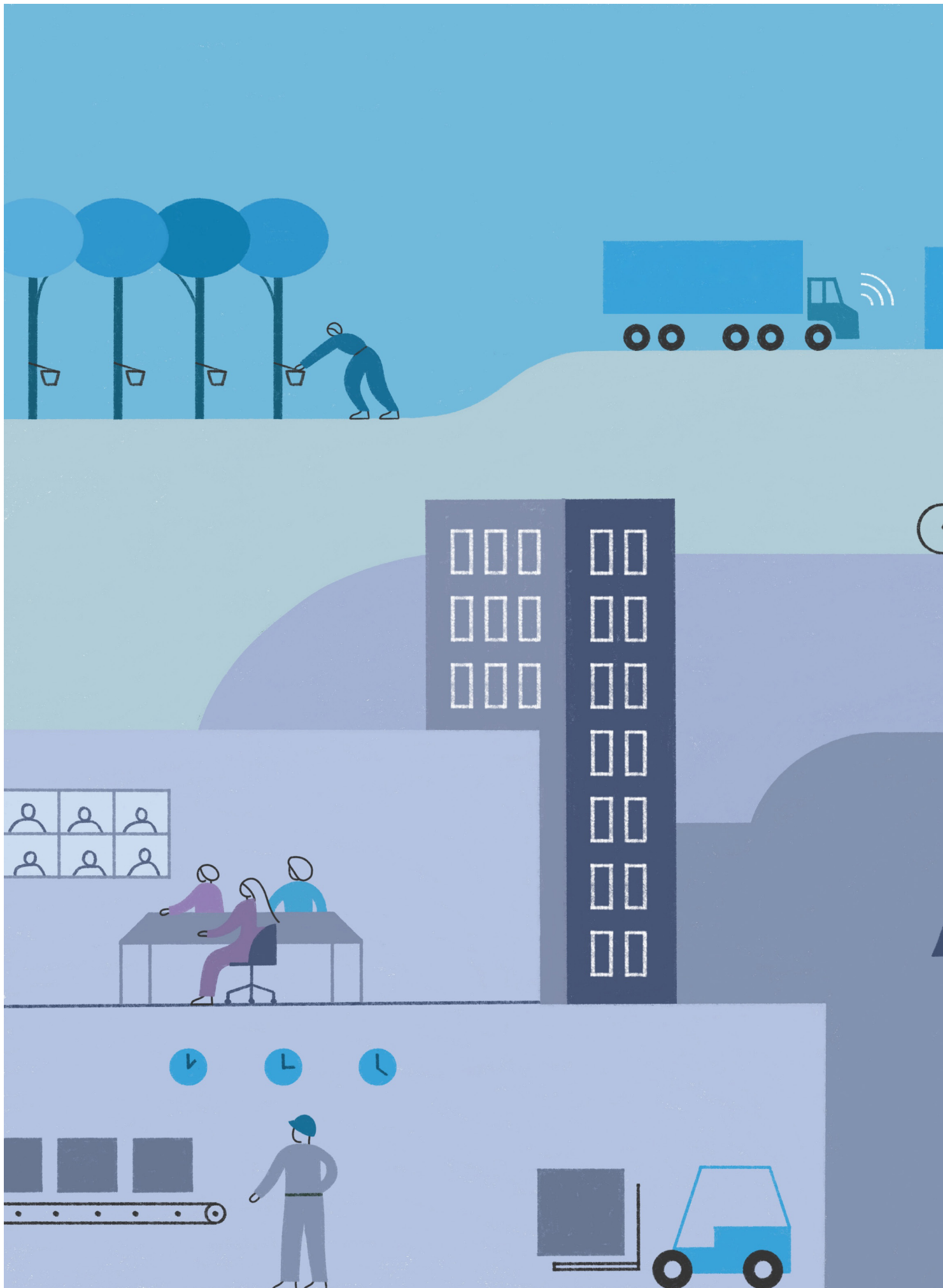


EXTERNAL EVALUATION IN THE SUSTAINABILITY FIELD

The Bridgestone Group's sustainability efforts have been highly evaluated externally.

- Dow Jones Sustainability Asia Pacific Index: Selected as a component of the Dow Jones Sustainability Asia Pacific Index for the 11th consecutive year.
- FTSE4Good Index Series: Selected as a constituent stock of the FTSE4Good Index Series for the third consecutive year. The Group received full scores in all environmental areas (climate change, pollution and resources, supply chain, and water security) for the first time.
- STOXX Global ESG Leaders Index: Included in the STOXX Global ESG Leaders Index for the second consecutive year.
- CDP: Selected for the "Climate Change A-List" for its outstanding efforts to address climate change by proactively self-reporting environmental information.
 - CDP Climate Change: A
 - CDP Water Security: A-
 - CDP Supplier Engagement: A
- ISS ESG Corporate Rating: Designated as "Prime" for its advancements in ESG initiatives and information disclosure.

The Bridgestone Group will continue to take on the challenge of transforming social systems through all of its corporate activities to contribute to the realization of a society in which all people can live well within planetary boundaries.





Management Fundamentals for Value Creation

The Bridgestone Group believes that foundational initiatives are essential to creating social and customer value. As a responsible company, the Group is fulfilling its social responsibility by proactively responding to society's expectations. Underpinning these efforts are six Management Fundamentals and governance practices that articulate the high expectations it has for operating as a responsible business. The following pages detail the Group's work within each Management Fundamental.

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Management Fundamentals for Value Creation

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.

As the Bridgestone Group works around the world to fulfill its vision of “continuing to provide social and customer value as a sustainable solutions company toward 2050,” it is imperative that it does so with the integrity expected of a leading global business. That is why the Group is working toward its long-term goal of achieving a best-in-class compliance program.

One important aspect of compliance is the global [Code of Conduct](#) that provides guidance to employees, suppliers and contractors for handling ethical issues such as anti-corruption, competition/antitrust, conflicts of interest, political contributions and charitable donations. The Group strives to communicate with all employees around the world and provide training (including in-person, virtual and e-learning formats) on a regular basis about the importance of the global Code of Conduct and how it relates to each employee’s role.

Global Anti-Bribery Program

To further clarify its expectations of all employees and third-parties acting on its behalf, the Bridgestone Group introduced its [Global Anti-Bribery Policy](#) in 2020. The policy reinforces the Bridgestone Group’s longstanding policy against bribery and corruption and represents another significant milestone in its global compliance program.

The Global Anti-Bribery Policy was launched via live and online trainings in each region. The policy provides that “Bridgestone strictly prohibits all forms of bribery” and applies to employees of the Bridgestone Group companies across the globe, including joint ventures that it controls, and third parties acting on the Group’s behalf. Where the Group participates in but does not control a joint-venture relationship, it encourages partners to adopt similar requirements and abide by the principles of this Policy in their own operations.

The Bridgestone Group also recognizes the bribery risks that exist in working with third parties and conducts due diligence on third parties it engages. In 2020, the Bridgestone Group bolstered its compliance due diligence program with the introduction of a new, third-party management system to help identify bribery and trade-compliance risks presented by third parties with which the Group works. This supports

the rollout of the Global Anti-Bribery Policy, and the tool and policy together help to significantly strengthen the Group’s global anti-bribery program.

Ensuring compliance is prioritized

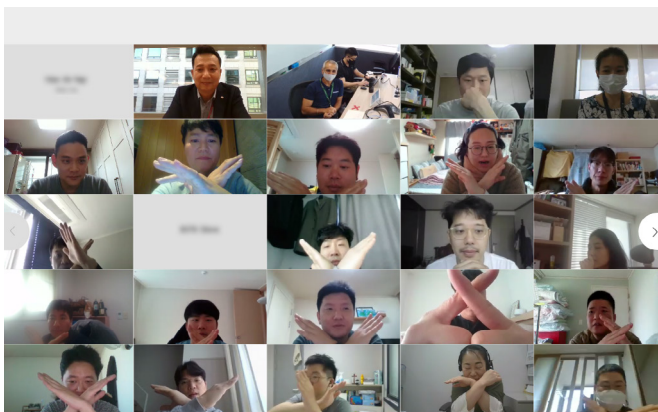
The Bridgestone Group’s compliance program is built upon five key elements:

1. Leadership, including engaging leaders, managers and supervisors on compliance to ensure employees act with integrity in everything they do.
2. Risk assessment, including taking a risk-based approach in designing the ethics and compliance program.
3. Standards and controls, including the Code of Conduct, Global Anti-Bribery Policy and other global and regional standards and controls.
4. Training and communication, including e-learning, in-person and other trainings that are risk-based and designed for targeted audiences.
5. Monitoring and responding, including providing multiple channels for employees and others to report allegations of misconduct or wrongdoing.

Across the enterprise and with all employees, the Bridgestone Group is simultaneously pursuing multiple channels to ensure compliance. For example:

- It hosted Regional Ethics and Compliance Advisory Panels featuring leaders from different parts of the business who encouraged employees to regularly address the importance of ethics and compliance with their teams.
- The Group’s operation in Japan conducted a survey of more than 10,000 employees to measure overall knowledge and secure feedback on the Compliance program, the Code of Conduct, the Global Anti-Bribery Policy and the different resources available for sharing concerns.
- In Europe, Middle East, India and Africa, the Group launched its first-ever Integrity Day in November 2020 with 37 compliance-related events involving more than 3,000 employees.

- In the China Asia Pacific region, the Group launched a regional conflicts of interest policy via multiple training events and held a variety of Integrity Day events.
- The Group's Americas operation was named an honoree for Convercent's Compliance Innovation Award for its sixth annual Ethics and Compliance Week. Activities included a leadership discussion on compliance attended by 1,100 participants, Leading with Integrity Awards and the Bridgestone Compliance Battle Royale gamification training.



Reporting concerns

As set forth in its Code of Conduct, the compliance program provides multiple channels for employees and others to report allegations of misconduct or wrongdoing, including through an employee's supervisor, Human Resources, the regional Chief Compliance Officer, the Law Department, Internal Audit, and the BridgeLine ethics hotline.

The BridgeLine is a web-based reporting system and phone hotline operated by third-party specialists that allow employees and others to confidentially and anonymously report suspected violations of the Bridgestone Code of Conduct or other ethical concerns and questions. The BridgeLine is available in multiple languages in all Bridgestone Group companies. Each report is thoroughly investigated, and information is regularly provided to the Boards of Directors of Bridgestone Corporation and each of its significant subsidiaries around the world.

More information on the Bridgestone Group's global ethics and compliance program is available [online](#).

Our Approach to Tax

The taxes the Bridgestone Group pays are an important part of its broader economic and social impact and play a key role in the development of the communities in which it operates. The Group regards taxes as a cornerstone of its commitment to grow in a sustainable, socially responsible way. The Group introduced a Global Tax Policy to employees responsible for corporate taxes with the intent to improve penetration throughout the organization. The Tax Policy will be used as a guide as it strengthens its governance to align with society's expectations of responsible companies.

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, 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 impacts business success while also protecting employees. To advance this knowledge organization-wide, the Group conducts regular trainings and frequently reviews risk management and business continuity plans and controls.

Managing risk across the enterprise

The Bridgestone Group divides risks into two broad categories: business strategic risk directly related to the realization of the Mid-Long Term Business Strategy, and operational risks related to daily operations. These risks are guided by [ISO 31000:2018](#), the international standard for risk management, and fall into the following four main areas:

- Occupational safety
- Environmental protection
- Sustainable operations and supplies
- Ethics and compliance

More information on each of these categories is available in the Group's [Annual Report](#).

The Bridgestone Group initiates an annual, Group-wide process to identify potential business risks facing each Strategic Business Unit (SBU) and the overall organization. Once risks are identified, the Group names individuals responsible for driving risk mitigation and management activities at the department and SBU levels. These people focus on advancing the concept of autonomous and continuous improvement, and ensure effectiveness by establishing and promoting a risk-audit system.

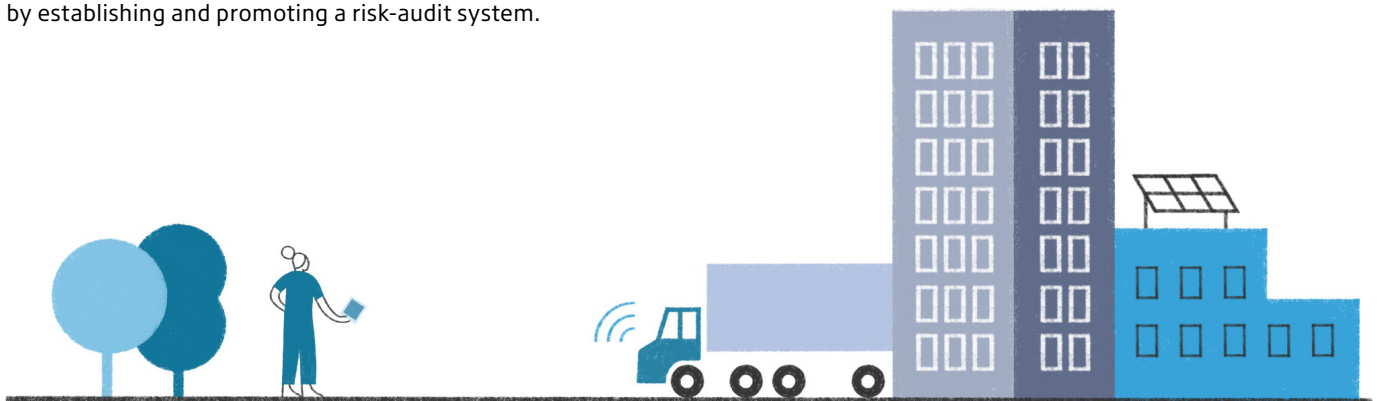
The Group also regularly reviews and updates its global risk identification process to more effectively and efficiently identify and mitigate global risks. This information, along with best practices, is shared with all SBUs around the world to further improve processes. Information also is shared with employees, so they understand how their actions best contribute to preventing and mitigating operational risks.

Global risk identification

In 2020, the Group leveraged the unified, global crisis management and business continuity approach it previously developed to ensure it effectively responded to the COVID-19 pandemic. This approach included sharing best practices that helped drive consistent responses to challenges the organization faced in locations around the world.

To identify its cybersecurity risk, the Group conducted the first assessment on its IT digital maturity in 2020. The Group also continued to strengthen IT security organization-wide with e-learning programs for employees that addressed email and other technologies. To raise awareness of IT security among employees, the Group also regularly conducts internal audits.

Moving forward, the Bridgestone Group will focus on instituting a management system for addressing climate change risks, as part of its Mid-Long Term Business Strategy. It also will continue to address ongoing cybersecurity and crisis management, as well as BCP framework improvements.



BCP/Crisis management system

A prompt initial response is essential for business continuity. In preparing for this response, the Bridgestone Group gives top priority to ensuring life and safety, minimizing business losses, and anticipating business-impacting events that may occur in the supply chain.

To achieve an early crisis recovery, it has established a tiered response system based on the specific crisis situation, and a system of countermeasures and protocols to address each situation. The Group's approach enables prompt initial response in the event of an emergency and immediate steps toward early recovering and business continuity. Instrumental to the Group's success is a commitment to understanding past experiences for continuous improvement in future-focused plans.

In addition, even in the event of a large-scale natural disaster or industrial accident, the Group is prepared to maintain

business operations and can transfer decision-making and execution of event response and operations to a non-impacted team, as necessary.

In 2020, a crisis management committee comprised of the Global CEO, Global COO and key management was established to review emerging information on various changes associated with the COVID-19 pandemic and make swift decisions to protect employees' health and safety and minimize business losses. This approach included sharing best practices that helped drive consistent responses to challenges the organization faced in locations around the world.

Going forward, the Bridgestone Group will continue improving 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](#).

Climate Change Risk Management and Response to TCFD

The Bridgestone Group supports the Task Force on Climate-related Financial Disclosure (TCFD) and its recommendations, and is working to address and disclose climate change risks and opportunities identified in line with the TCFD framework.

The Group formulated a medium- to long-term strategy towards carbon neutral in light of the climate-related risks and opportunities. For strategy, the Group is working to reduce transition risks ([see pages 45-48](#)) through climate

change mitigation actions, such as reducing greenhouse gas emissions, while at the same time working to reduce physical risks through adaptive measures, such as diversifying natural rubber supply sources.

PHYSICAL RISKS	TRANSITION RISKS
<ul style="list-style-type: none">• The risks include stronger typhoons and increased frequency of flooding and drought, which pose the risk of interrupting business activities• The risks related to the procurement of raw materials as a result of changing rainfall patterns leading to poor harvesting of natural rubber• The risk of lowering demand for winter tires due to snowfall reduction	<ul style="list-style-type: none">• The risk of adverse effects on the Companies' operating results and financial position, such as limitations on business activities and increased costs, in the event that the R&D expenses required to meet the changing needs of clients and customers do not produce sufficient results when systems and regulations related to carbon taxes, reduction obligations for CO₂ emissions, emissions trading, and fuel-efficient tires, etc. are introduced.

The disclosure information recommended by TCFD is available online: [TCFD Index](#) / [Annual Report](#)

Management Fundamentals for Value Creation

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.

As part of its commitment to be a true global leader, the Bridgestone Group is committed to advancing fundamental human rights and responsible labor practices throughout its worldwide operations. In addition to being the right thing to do, this commitment enhances job satisfaction and pride for employees, which is critical to the long-term, sustainable success of its business.

The Bridgestone Group's [Global Human Rights Policy](#) guides the organization as it strives to uphold fundamental human rights principles through interactions with employees, consumers, customers, suppliers, contractors and community members wherever the Group conducts business.

The Policy respects international norms including 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 Bridgestone Group's Global Human Rights Policy also closely aligns with its global [Code of Conduct](#) and [Global Sustainable Procurement Policy](#). Since the policies were introduced in 2018, the group has trained more than 84,000 employees, 92.9% of its target audience, on these important guiding principles.

The Bridgestone Group's cross-regional Human Rights and Labor Practices Working Group is collaborating with the Sustainable Procurement Working Group and the global sustainability team to develop human rights-specific content as part of a holistic global due-diligence and risk-assessment process. The process is being designed to help build awareness of specific contexts and causes of human rights concerns, to understand the relationship between business activities and human rights implications, and to forge a deeper understanding of the importance of human rights across the value chain.

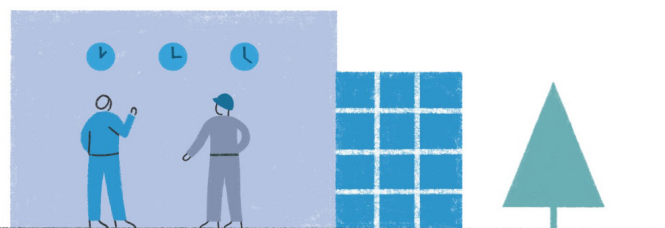
In 2020, as part of its exploration of a comprehensive due-diligence program, the Bridgestone Group conducted an exploratory human rights assessment at the P.T. Bridgestone Sumatra Rubber Estate in Indonesia with [Caux Round Table](#), an independent third-party organization, to evaluate potential assessment methodologies. These pilot learnings are informing and accelerating efforts to develop optimal human rights content to be included in the Group's holistic due-diligence approach.

Ensuring the safety and promoting the development of employees

In 2020, the Bridgestone Group and its strategic business units (SBUs) quickly deployed policies and practices to protect the safety and security of employees around the world as the business environment shifted rapidly during the COVID-19 pandemic.

On an ongoing basis, the Group also conducts education programs to help develop key talent with the ability to guide and support the global organization. The Bridgestone Group has invested significantly in programs to develop next-generation business leaders to ensure that it has the best talent available to guide the business in the future.

More information on the Bridgestone Group's Human Rights and Labor Practices is available [online](#).



Management Fundamentals for Value Creation

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 Bridgestone Safety Mission Statement applies not only to employees, but also to contractors and visitors. In every Bridgestone Group operation around the world, the Safety Mission Statement is prominently displayed for employees, contractors and visitors to see. Through leadership, training and other educational approaches, the Group strives to continue to grow and ensure all employees embody the Safety Mission Statement.

The Bridgestone Group aims to mitigate and control all work-related injury risks. In an effort to achieve this goal, the Group has established an internal global safety management system in reference to [ISO 45001](#) and [national standards/regulations](#). It also created global standards on occupational health and safety, as well as disaster prevention. In 2020, it developed the nine standards mentioned below. Today, the Group has 28 global standards being introduced at all sites across the organization.

- Management of change
- Communication
- Emergency preparation and response
- Safety training
- Near miss, hidden danger report system
- Handling large tires
- Motor vehicle safety
- Chemicals
- Ergonomics

Foundation for all areas of the business

As the COVID-19 pandemic struck, the Bridgestone Group developed a risk assessment method regarding COVID-19 and deployed it globally. In this way, the Group carried out safe business operations and provided a stable product supply to customers.

Also in 2020, the Group began developing common global requirements that each department should implement to ensure safety, prevent disasters and protect the environment.

The Group also is in the process of expanding safety-risk assessments beyond equipment to include work performed in production, sales and warehouse locations. Future efforts will include new technology to improve worker safety, such as human detection in hazardous areas.

As part of its safety mission, the Group is deploying innovations to best assess and visualize enterprise safety maturity in all regions. Doing so will help it accelerate safety maturity across the organization. A key part of this workstream is the development of a digital platform that allows employees to evaluate the implementation status and activity results of safety-related projects at any time.

Safety Performance

In 2020, across the Bridgestone Group, there were 12 serious injuries¹ and no fatalities among employees at its 4,691 production and logistics sites and retail shops.

Global lost-time injury frequency rates² were 2.57 for employees. The rate for contractors, which the Group also works hard to protect, was 2.31.

The Bridgestone Group's safety-related data is verified by [Lloyd's Register Quality Assurance](#), a third-party organization, to ensure the accuracy and transparency of this information.

More information on the Bridgestone Group's global Safety and Industrial Hygiene initiatives is available [online](#).



¹ 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 infraction) or hospitalization of more than one month.

² Lost-time injury frequency rate = (number of lost-time injuries/total working hours) x 1,000,000.

Management Fundamentals for Value Creation

Procurement

MISSION

Create value to society through sustainable procurement practices

We are committed to creating value and continually working towards a sustainable society to realize long-term environmental, social and economic benefits by incorporating the following into the supply chain:

1. Transparency
2. Compliance

The Bridgestone Group's sustainable procurement initiatives create long-term environmental, social and economic benefits for stakeholders across its supply chain. This work is guided by its [Global Sustainable Procurement Policy](#) that aligns with the Group's goal of using 100% sustainable materials¹ by 2050 and beyond. The policy helps identify and evaluate qualified suppliers, promote best practices and serves as a communication and improvement tool for the industry.

To align with stakeholder expectations, including the [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#) Policy Components that were approved in September 2020, the Group will revise its Global Sustainable Procurement Policy within 2021. One of the main revisions is the expectation that suppliers promote a carbon-neutral supply chain. This expectation mirrors the Group's December 2020 update to its long-term environmental target of achieving a carbon-neutral state by 2050 and beyond, along with its target of reducing total CO₂ emissions by 50%² by 2030. The Group also includes new requirements for the enhancement of environmentally responsible procurement and respect for human rights.

Ensuring compliance

To monitor compliance with its Global Sustainable Procurement Policy, the Bridgestone Group works with [EcoVadis](#) to conduct enhanced ESG risk assessments of new and existing major Tier 1 suppliers to its tire business. As of April 2021, 60% the Group's Tire 1 tire-direct material suppliers completed the third-party assessment with EcoVadis. Of suppliers who were reviewed, 64% scored an overall average of 45 or higher, which indicates a commitment to Sustainable Procurement Practices.

3. Quality, cost, delivery (QCD) and innovation
4. Sustainable procurement practices

The Bridgestone Group's goal is to increase EcoVadis assessments from 89% as of April 2021 to 95% or more of its spend basis for the Group's Tire 1 tire-direct material suppliers by 2023.

The Bridgestone Group also conducts sustainable procurement seminars in all business regions to help suppliers improve their ESG activities, based on the results of the EcoVadis ESG risk assessment. In 2019, 65 suppliers attended the seminars in Japan.

Tracing conflict minerals

The Bridgestone Group's Sustainable Procurement Policy covers all materials, including conflict minerals (tin, tungsten, tantalum and gold) and cobalt extracted in conflict areas such as the Democratic Republic of the Congo (DRC) and adjoining countries. The Group conducts risk assessments across its supply chain using the [Conflict Minerals Reporting Template \(CMRT\)](#) and the [Cobalt Reporting Template \(CRT\)](#) compiled by the [Responsible Minerals Initiative \(RMI\)](#) alliance consisting of over 380 global corporations and organizations. Bridgestone Group suppliers whose products potentially contain conflict minerals are required to complete and submit the CMRT and CRT annually.

Additionally, the Group has traced 100% of the smelters from which it sources tire-product materials globally. All are compliant with the [Responsible Minerals Assurance Process \(RMAP\)](#), which is certified by RMI.

More information on the Group's procurement practices is available [online](#).

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

² Baseline year: 2011.

Topic: Sustainable Procurement of Natural Rubber

As a leading company in the tire and rubber industry, the Bridgestone Group is focused on continually meeting the increasing global demand for natural rubber, while also addressing the environmental and social risks arising from this expansion.

This is why it is focusing on the sustainable procurement of natural rubber. In doing so, the Group is addressing environmental stewardship practices, respect for human rights, support of fair labor practices and increased transparency, all of which are outlined in its Global Sustainable Procurement Policy.

To prevent deforestation by all practicable means, the Group's sourcing and production activities protect and restore primary forests, as well as High Conservation Value (HCV) and High Carbon Stock (HCS) areas that are critical to addressing climate change and preserving wildlife.

Natural rubber is a renewable resource that provides livelihood opportunities for millions of people around the world. The natural rubber economy is massive but fragmented, consisting of many complicated layers of raw material dealers, processing plants, rubber product manufacturers and smallholder farmers. While a key ingredient in many products, 70% of the world's natural rubber consumption is used in tire production. Most of this is grown by farmers in Southeast Asia, where rubber trees are planted on small farms and large plantations. Globally, farming of rubber trees provides employment for more than 6 million people.

To improve traceability and sustainability along the complex natural rubber supply chain, the Bridgestone Group introduced new KPIs on natural rubber traceability. The Group is committed to collecting 100% of its natural rubber sourcing information from direct suppliers by 2023.

SEEDING SUCCESS TO SMALLHOLDERS

Nearly all of the world's natural rubber is derived from *Hevea brasiliensis*, a type of rubber tree found primarily in the rain forests of West Africa, South America and Southeast Asia. These forests risk depletion, so to offset its footprint in these regions, the Bridgestone Group provides *Hevea* rubber trees to smallholders. The Group also provides these smallholders with technical training and productivity-improvement techniques developed on its own rubber farms. Since 2005, the Group has provided more than 370,000 saplings to farmers in Indonesia alone.

Worldwide, it has donated 5.6 million budded stumps valued at 2 million USD. In addition, the Bridgestone Group uses genome data to improve breeding technologies and growing methods to make rubber trees more resilient and productive.

FIGHTING AGAINST RUBBER TREE DISEASE

In Southeast Asia, where over 90% of the world's rubber tree plantations are concentrated, white root rot disease is worsening, killing trees by infecting and rotting their roots. It can be difficult to detect, especially in the early stages when treatment is more successful. The Bridgestone Group has developed techniques to diagnose the disease early using satellite imaging and DNA testing, and by examining leaf colors and temperatures.

SUPPORTING RUBBER GROWING COMMUNITIES

Being respectful of local rubber farmers and smallholders is critical to the Bridgestone Group's commitment to protecting the environment while creating value for the communities where it operates. These efforts help protect the people and places the Group relies on.

On its farms, the Bridgestone Group ensures access to safe and clean water; provides free medical care; operates 26 free schools from kindergarten to 12th grade and employs more than 350 teachers; and has introduced renewable energy sources for sustainable and affordable access to lighting and energy.

To help independent smallholder farmers, the Bridgestone Group hosts *Seeding Success to Smallholders* workshops in Southeast Asia, providing technical training and productivity-improvement techniques developed on its own farms. In 2018 and 2019, hundreds of smallholders participated in sessions to learn techniques such as how to grow quality rubber trees, replanting trees, preventing disease and best practices for tapping trees.

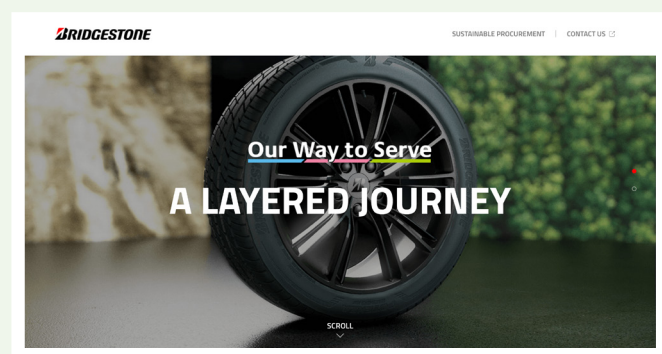
CO-CREATING A SUSTAINABLE FUTURE

The Bridgestone Group is proud of its sustainability progress but improvements at scale will be achieved through industry-wide collaboration. That's why the Group and other global

Topic: Sustainable Procurement of Natural Rubber

tire companies launched the [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#), to transform the industry for the better. As a member of the GPSNR Executive Committee, the Bridgestone Group actively drives discussions among rubber suppliers, automakers, NGOs, smallholder farmers and tire companies. GPSNR members are working together 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.

More information on the Bridgestone Group's commitment to sustainable natural rubber is available on its [Bridgestone Sustainability Journey microsite](#).



A MESSAGE FROM

Sadayoshi Tobai **Chief Executive Officer, WWF Japan**

Establishing GPSNR in 2018 as a place for discussion among various stakeholders was a major step forward towards sustainability of natural rubber, and WWF has been involved in many of the discussions ever since. Yet, ensuring supply chain transparency and sustainability, and the equitable sharing of the costs for sustainability throughout the supply chain, remain today's big challenges.

It is urgently important for GPSNR and its members to deliver positive impact on producing areas. Thus, WWF is pleased to start a joint effort with Bridgestone on the development of a due diligence process to uphold human rights and safeguard the environment, in addition to supporting the smallholders who account for the majority of rubber production. As multi-stakeholder discussions at the global level and best practices at the production level are equally essential, WWF expects Bridgestone to show the leadership in both areas.



Management Fundamentals for Value Creation

Quality and Customer Value

MISSION

Creating customer value and trust

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

Quality is essential for the safety and satisfaction of customers. 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 through innovation and Kaizen (continuous improvement).

The Quality Mission Statement enables the future direction of the Bridgestone Group and its leadership, based on the spirit of founder Shojiro Ishibashi, by advancing the Group’s proud heritage of quality and commitment to continuous improvements.

Through employee engagement with continuous improvement and innovation, the Bridgestone Group strives to apply the principles of excellence to achieve superior quality across all businesses globally and throughout the entire value chain. To further pursue this aim, in 2017, the Bridgestone Group established the Global Quality Management Committee to strengthen global governance to enhance the consistent deployment of the Quality Mission Statement across all SBUs.

Quality Assurance Under the COVID-19 Pandemic

In 2020, as the COVID-19 pandemic began to affect business, special attention was paid to addressing quality assurance, given the necessity to adapt operations and apply preventive measures to protect teammates and prevent the spread of infection.

Keeping in mind the Bridgestone Group’s priority to deliver safe and high-value products, services and solutions to customers, a global initiative was launched to ensure that high-quality standards were maintained. The Group also adjusted production volumes and resources to adapt to the variable market demand.

Bridgestone’s DNA, TQM activity

The Bridgestone Group’s long-standing TQM (Total Quality Management) activities are essential to support its unique, core solutions platform, “Bridgestone T&DPaaS.” TQM activities have been incorporated into the Group’s culture

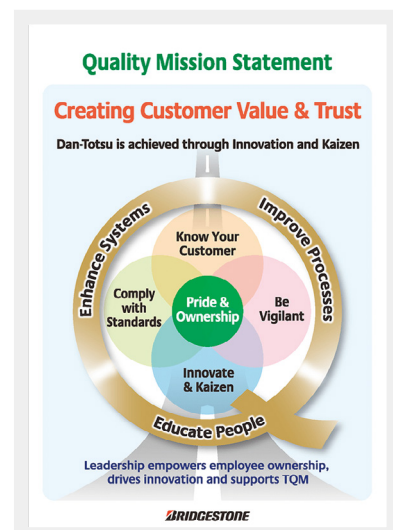
and growth for over 50 years. Employees from all over the world, who have passed rigorous regional qualifiers, have gathered at a global TQM conference for sharing best practices every year since 2010.

However, in 2020 during the pandemic, the Group shifted to using a variety of technologies such as remote work and web conferencing to share details on various TQM activities as it continued to increase employees’ awareness of the importance of quality.

Construction development and operation of the Solution Business Management Guideline to realize Bridgestone T&DPaaS

In 2020, the Bridgestone Group developed the Solution Business Management Guideline to enable Bridgestone T&DPaaS and support the Group’s journey to become a sustainable solutions company. The guideline will lead to the establishment of strong quality management systems in each business unit at the global level to enhance value creation along the development and operation process for the solution business model. Through the Guideline, the Bridgestone Group aims to continuously enhance value to customers and society in alignment with its strategy.

More information on the Bridgestone Group’s Quality and Customer Value activities is available [online](#).



Corporate Governance (Roundtable with Independent Directors)

Building Trust for Value Co-Creation: Achieving Further Objectivity and Transparency



PARTICIPANTS (FROM LEFT TO RIGHT)

Kenichi Masuda Independent Director, Chairperson of the Nominating Committee, Chairperson of the Compliance Committee

Yuri Okina, Ph.D. Independent Director, Chairperson of the Compensation Committee

Kenzo Yamamoto Independent Director, Chairperson of the Audit Committee

Scott Trevor Davis, Ph.D. Independent Director, Chairperson of the Board of Directors, Chairperson of the Governance Committee



1. Transformation of Bridgestone's governance

Dr. Scott Davis: It has been five years since Bridgestone transitioned to the "Company with a Nominating Committee, etc." model of corporate governance in March 2016. I'd like to take this opportunity to discuss the transformation of the Bridgestone Group's corporate governance by taking another look at how its governance has changed over the years, what it has been aiming for, why it has been important, and what efforts have been made to achieve such changes.

In my view, one of the most significant changes since becoming a company with a Nominating Committee is that the Board of Corporate Auditors became the Audit Committee. Mr. Yamamoto, what are your impressions looking back on the past five years?

Scott Trevor Davis, Ph.D.

Independent Director, Chairperson of the Board of Directors, Chairperson of the Governance Committee

1.1 Audit Committee: Strengthening checks and balances functions



Kenzo Yamamoto
Independent Director, Chairperson
of the Audit Committee

Kenzo Yamamoto: It has been three years since I was appointed Chairperson of the Audit Committee. First of all, I recognize that Bridgestone has raised its own bar through ongoing organizational reform since adopting the Company with a Nominating Committee, etc. model in 2016. One of the themes of the Audit Committee was to further improve the conventional audits that mainly focused on compliance and risk, and to further strengthen the management audit perspective. In particular, how are the control functions away from the work floor, such as quality control, safety and disaster prevention, environment, human resources and labor management, controlling the entire organization in a cross-sectional fashion? In other words, we have been strengthening audits from the perspective of how to formulate a common global, foundational policy, how this is implemented on the front lines, and how the control functions monitor it.

The second point I would like to highlight is the global coordination of auditing. This is being strengthened through the processes of the operating divisions in charge of business execution globalizing their organizations so that Bridgestone becomes an even more global company. We also have enhanced connections with the audit committees of BSAM, BSEMIA, and BSCAP as part of the Audit Committee's own global transformation. Furthermore, our accounting auditors also are expanding their activities globally, and as a result, we in Japan have been able to forge stronger links to them through global meetings with accounting auditors in each regional location.

As for our future policies, I would like to emphasize how the new structure will function in the process of further organizational reforms within the Group, in line with the Mid Term Business Plan.

I think there are still many issues to be addressed. For example, sustainability in some areas requires technological development, and enhancing disclosure is required in others. Bridgestone's journey is continuing, and I would like to follow along each step of it from an auditing perspective.

Davis: Before the transition to a Company with a Nominating Committee, etc., your position was to oversee Bridgestone as an auditor who participated in board meetings, but did not have the voting rights of a director. After the transition, you became a member of the Audit Committee as a member of the Board of Directors, which was a big change. How has this changed the capabilities or perspectives of the audit function?

Yamamoto: Information is now being gathered from both the Board of Directors and the Audit departments. At the board meetings, we receive input from operating divisions, while at the Audit Committee meetings, we hear from the Audit Department. This approach has deepened our overall understanding. In a sense, I also am a member of the Audit Committee as a director. I feel that a healthy tension between execution and management and between execution and independent directors has been fortified, such that it is now possible to oversee from multiple perspectives and in a more holistic manner.

1.2 Compensation Committee: Exploring compensation to drive the creation of social value

Davis: Dr. Okina, as the Chairperson of the Compensation Committee, you are asked to meet with people in key positions in Japan and around the world to lead discussions with management on how to plan and implement incentives. Looking back over the past five years, what have been the biggest changes you have seen?

Dr. Yuri Okina: Now that Bridgestone is a Company with a Nominating Committee, etc., I feel that the roles of the Nominating Committee, Compensation Committee and other committees are becoming very important. Discussions in the Compensation Committee have naturally focused on how to design incentives. Such discussions are a constant work in progress, but in the initial stages we introduced a number of innovations, such as successfully changing the weightings in variable compensation, transitioning the stock option system to a Performance Share Unit system, and rewarding behavior that is linked to long-term corporate value growth. We will persistently continue with such discussions as we face unprecedented challenges precipitated by the COVID-19 pandemic.



Yuri Okina, Ph.D.
Independent Director, Chairperson
of the Compensation Committee

Corporate Governance (Roundtable with Independent Directors)

Building Trust for Value Co-Creation: Achieving Further Objectivity and Transparency

Davis: Do you mean that when you think about the overall compensation package, in addition to reflecting quantitative performance in the incentives, you also consider behaviors that are difficult to quantify but are very valuable in terms of contributions to society and response to environmental issues?

Okina: Yes, that's correct. The Bridgestone Group, led by Global CEO Shu Ishibashi, is undergoing a corporate transformation amid the challenges brought on by the COVID-19 pandemic, with the aim of managing the company to address major social issues. Bridgestone also is highly regarded for explaining its initiatives to investors and other external stakeholders in an easy-to-understand manner. As such, sustainability is a major consideration in the Compensation Committee's discussions.

In my opinion, environment (E) and social (S), especially diversity, are very important within ESG. The environmental agenda has been addressed to a great extent, but there are growing expectations for circular business models, a shift to renewable energy in production, and support for electric vehicles. As for the social aspect, I think we need to work on both fronts: what kind of value we can provide to society and how we can ensure diversity within the Group.

In the face of widening inequity, we need to challenge ourselves first to think about what kind of contribution we can make to society as a global company. To make the most of its diverse talents, I hope Bridgestone will become a company where young people can play an increasingly active role, regardless of their backgrounds or genders.

1.3 Nominating Committee: Continuing to select Board members that we can be proud of and trust

Davis: The Group operates globally, and we have people with different skills in different places. While it is important to respond to the different objectives and considerations of each region individually, I think it also is vital to create synergies across the entire Group. What has been done by the Nominating Committee in terms of appointing the talent to key positions to move this process forward?



Kenichi Masuda
Independent Director,
Chairperson of the Nominating
Committee, Chairperson of the
Compliance Committee

Kenichi Masuda: In the early days of the transition to a Company with a Nominating Committee, etc., I think that both corporate and independent directors conceptually understood what a company with committees was, but not in actual practice. When Bridgestone was a company with a Board of Corporate Auditors, I felt that the Board of Directors, as the highest decision-making body for business execution, was focused on issuing messages to the executive officers and employees at the time, and I think that was only natural. However, when it became a Company with a Nominating Committee, etc., the Board of Directors took a major step forward as a so-called monitoring model. Yet at first, I do not think we necessarily shed our old habits. However, now it has become quite common for everyone who participates in the board meetings, both inside and outside the company, to cooperate and share their opinions, and for independent or non-executive directors to monitor the business operations through interviews or Q&A sessions.

Going forward, the Nominating Committee will continue to select suitable members for the Board of Directors. And I think it is important that these members be perceived as appropriate by shareholders, investors and others outside the company. I also would like to promote the selection of board members who Bridgestone employees can be proud of and trust.

Davis: It seems that you have been thinking about the ideal form of governance and management quality for the Group as a whole, while working to promote ever stronger governance going forward in accordance with the Bridgestone way.

Masuda: Of course, some initiatives were driven by regulatory requirements, but I think we have been able to bring those into a good form of governance in the Bridgestone style over the past five years, and I personally have been working to contribute to that.

2. A year after the Third Founding

Davis: Last year, Global CEO Shu Ishibashi delivered a very compelling and powerful message about the Bridgestone 3.0 journey. He discussed evolving through transformation, retaining what was good about the past while not hesitating to make changes and introduce new ideas where necessary. I think the first year was a very meaningful start to this journey. How would you evaluate this last year?

Yamamoto: Bridgestone 3.0 has been a huge transformation, and I think it is very meaningful that the company has come to view sustainability and the circular economy as its own issues and has clearly formulated its own policies to address these issues. To me, a sustainable society is one that balances the activities of nature with the degree to which we can control the risks we create. While many companies tend to separate business and CO₂ reduction and think of them as separate things to be achieved, I think it is excellent that the Group is thinking about the circular economy in the context of its business, and that all employees are moving forward with a clear understanding of the issues. Now that Bridgestone is actively balancing social value and customer value as an integral part of its framework, it is much easier for employees to work toward these goals and for its stakeholders to understand.

Okina: That's exactly right. I also would like to mention Bridgestone's success in formulating a policy of taking firm measures to deal with various issues in its business portfolio. It is very important to analyze the overall picture of the business portfolio and link it to future policies and strategies. And, as an independent director, I would like to support the company in addressing these issues.

Davis: The management team's discussions of the group's business portfolio places due emphasis on enhancing "earning power," while at the same time includes a story of mobility as the next growth business, as a pillar for a better society created through mobility solutions, and a dimension where the environment and the economy can do more than coexist but also create synergies. Could you share your thoughts on this?

Okina: It's clear how to become a "sustainable solutions company" will be a major topic of discussion for the Bridgestone Group. Due partly to the impact of the COVID-19 pandemic, I think it is becoming more important than ever for companies to consider what kind of social value they can provide as social entities. The Global CEO himself is addressing this timely topic, and I trust that he is thinking of a new business model that includes the values of how to become a company that can contribute to society. I strongly support such efforts.

Masuda: I also think Bridgestone 3.0 is a great vision because it has very clear goals and messages that Bridgestone is going to create both social and customer value. The Bridgestone 3.0 journey has been a challenging one when looked at as a business during a single fiscal year. Yet, I think it was a good start for the Global CEO and all employees to work together, heading in the same direction. I'm excited to see these efforts continue



Corporate Governance (Roundtable with Independent Directors)

Building Trust for Value Co-Creation: Achieving Further Objectivity and Transparency

3. Bridgestone's true colors under the COVID-19 pandemic

Davis: It is said that it is better to observe how people perform during times of crisis rather than to evaluate them during good times when everything is running smoothly. In this sense, the COVID-19 pandemic obviously qualifies as a crisis. As it has worked to prevent the spread of the pandemic and mitigate its effects, what sort of an organization do you think Bridgestone has shown itself to be given the myriad knock-on effects it has encountered during this crisis?

Okina: I believe that people's mindsets have definitely changed with the COVID-19 pandemic. As their sense of values and what they look for in a company change drastically through stay-at-home and remote working, it appears that the transition to what's called "stakeholder capitalism" is underway. I feel the Global CEO and other executives are closely monitoring this trend and are acting accordingly. I think this is reflected in the transformations seen in work styles and human resources management.

Masuda: As the nature of mobility in our society itself is being reevaluated, I expect the way cars are made and what is required of them to also change. This will, in turn, require a new way of looking at tires. I am confident that the company is formulating its management strategy while accurately grasping these social changes. Bridgestone will stay keenly attuned to such trends as it develops its business.

Davis: As well as being a crisis, the COVID-19 pandemic also serves as a catalyst for making the downside of the socio-environmental system, in other words the near-term issues, far more visible than they were previously. It also serves as a lens to help us focus on what we need to solve now for the sake of future generations. I believe the Global CEO's vision of Bridgestone 3.0 also is based on this perspective of forward-looking investments.

4. Appointing the board chair from outside Bridgestone: Striving for further transformation

Davis: One of the most obvious changes to the Board of Directors in fiscal 2020 was the appointment of a chairperson from outside Bridgestone. This change means that independent directors elected at the General Meeting of Shareholders will be able to act in the interest of shareholders and deliberate the direction and management of the company with greater objectivity and transparency. What do you think about this, Mr. Yamamoto?

Yamamoto: In a Company with a Nominating Committee, etc., the execution of business is entrusted to the executive arm, and the independent directors supervise execution and think about medium- and long-term strategies together with that arm. Therefore, I think it is natural that each of the three committees will be chaired by an independent director, and the chairperson of the Board of



Visiting the Welfare Hall at KTC, Chemical & Industrial Products Technical Center

Directors also be an independent director. Independent directors are in a difficult position. We are not in a position to think together about business execution, and we are not consultants. We are not always in a position to confront the executive arm, although we do challenge them. Keeping this in mind, we listen to the details from the executive side and judge whether the business operations are aligned with company's goals. I think this means that we now have a structure in place for the chair to act as a highly effective catalyst for these discussions.

Okina: The Bridgestone Group has undergone a series of governance reforms over many years. It became a Company with a Nominating Committee, etc., increased the number of independent directors, devised various governance evaluation frameworks, and has been making gradual, incremental improvements while diligently conducting these evaluations. I expect governance to be even better now that Dr. Davis has become the chair of this journey. In my opinion, the quality, not the quantity of independent directors, should be scrutinized. In other words, what kind of people are included as independent directors, what kind of person is the chair, and what kind of discussions are held? I personally look forward to contributing to this process.

Masuda: The nomination of directors and remuneration of directors and executive officers are now completely entrusted to outside parties, which is quite dramatic and like a breath of fresh air to me. Put differently, Bridgestone is now truly a company with committees. That made it possible to appoint an independent chair of the Board of Directors. We always have had an atmosphere of open discussion at our board meetings, where it was easy to speak out and questions were answered diligently. I anticipate Dr. Davis' appointment as chair will further promote that atmosphere.

5. "Serving Society with Superior Quality" around the world: Aiming to be a company that develops with the next generation

Davis: I think this structure works in the Bridgestone Group because there is close and frank communication among the independent directors. We have different contexts and different expertise, but we spend a lot of time talking with each other, deliberating within both board and committee meetings. We also invest a lot of time communicating with the leadership team, executives both within Japan and overseas. I think one of the characteristics of Bridgestone is its commitment to investing ample time for such high-quality communication.

I believe this is because Bridgestone is never satisfied with the status quo and has a history of constant improvement and evolution. As it expanded overseas from making tires suited to the Japanese market, Bridgestone progressed from being the "best in Japan" to pursuing the goal of being "best in each region." Currently, it shares best practices globally, and has been working over many years to create synergies on a global scale by taking advantage of the best of all worlds. In my opinion, Bridgestone's evolution from a multinational company to a truly global company is a credit to the former CEO Mr. Masaaki Tsuya, who established the Global Executive Committee. The foundation for this evolution is, of course, communication, and I feel that the Bridgestone Group excels in terms of both structure and mindset regarding its ability to communicate from a global perspective.

Another noteworthy aspect is the promotion of its mission of "Serving Society with Superior Quality." It is clear that all the employees in the Bridgestone Group are focused on this mission and act accordingly. When it formulated its global CSR commitment, *Our Way to Serve*, Bridgestone formed a team of global members, mainly next-generation employees, and spent a lot of time discussing it. *Our Way to Serve* is designed to give shape to the mission of "Serving Society with Superior Quality." Bridgestone's execution of *Our Way to Serve* means that solving social issues enables them to be approached as strategic issues at the core of business itself. Put another way, solving social issues through solutions will lead to the creation of business opportunities. Bridgestone's original mission of "Serving Society with Superior Quality" will be further enhanced by the *Our Way to Serve* policy and enable it to become a sustainable solutions company. In line with this mission, the Bridgestone Group is striving to achieve safe, secure and sustainable mobility and I am sure we are all looking forward to working toward making this a reality.

Stakeholder Engagement

The Bridgestone Group prioritizes engagement with stakeholders as it strives to understand their perspectives and to share its point-of-view as well. For example, in January and December 2020, the Group held meetings on

environmental, social and governance topics with investors. Learnings from stakeholders help inform the Group's business activities as it continues to sustainably grow its business.

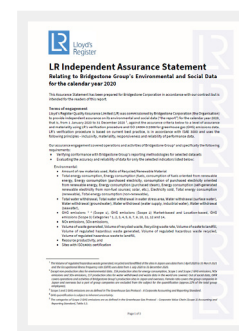
Stakeholder Group	The Bridgestone Group Responsibilities	Communication Channels
Customers	<ul style="list-style-type: none"> Developing appealing products/services Providing timely response and support Providing appropriate information Effectively managing customer information 	<ul style="list-style-type: none"> Responses to Customer Communication Center inquiries Analysis, database compilation and internal utilization of customer input Bridgestone Innovation Gallery dedicated to Bridgestone history and innovation initiatives Websites and social media Daily sales and service activities (retail stores, dealer channels, online commerce) Customer satisfaction survey Auto shows and exhibitions
Shareholders And Investors	<ul style="list-style-type: none"> Providing appropriate and timely information Maximizing corporate value 	<ul style="list-style-type: none"> Annual Shareholders' Meeting Corporate Governance Code Report Corporate Governance Report Financial results review meetings Mid-Long Term Business Strategy, Mid Term Business Plan and progress updates Investor relations website Reports based on International Integrated Reporting Framework Individual meetings with investors Communications at sustainability-related events Discussed the Group's sustainability journey with investors at a January 2020 ESG conference and at a December 2020 ESG conference featuring the global CEO. Also held individual meetings on ESG topics
Business Partners	<ul style="list-style-type: none"> Ensuring fair and impartial transactions Communicating Sustainable Procurement Policy 	<ul style="list-style-type: none"> Daily procurement activities Procurement policy explanatory forums/Sustainability seminars Global Sustainable Procurement Policy rollout Supplier awards Discussions with management (distributor meetings)
Employees	<ul style="list-style-type: none"> Respecting human rights Promoting diversity and inclusion, including diverse working styles Developing and utilizing human resources Promoting occupational health and safety, and health and productivity management Facilitating mutual understanding between management and labor 	<ul style="list-style-type: none"> Bridgestone Code of Conduct, Global Human Rights Policy and Global Anti-Bribery Policy Employee engagement survey Personnel evaluation systems and career development consultation Talent matching system (job-based employment, open-posting system and job-matching system) Participation in The Valuable 500, promote appointment and recruitment of female managers Meetings between labor and management In-house newsletters and intranet Town hall meetings Bridgestone Group Awards and other reward systems Internal events related to the Olympic and Paralympic Games
Local Communities, NGOs	<ul style="list-style-type: none"> Contributing to local communities Preserving local environments Supporting activities in locations with the Bridgestone Group operating sites 	<ul style="list-style-type: none"> Donations and social contributions Facility tours Environmental and safety education activities Sponsorship and aid for local events Local community events related to the Olympic and Paralympic Games Disaster relief support Dialogue and collaborations with NGOs
Government Agencies, Industry Organizations And Education Institutions	<ul style="list-style-type: none"> Contributing to the development of a safe and reliable mobile society Supporting education activities Participating in industry economic impact studies and supply chain assessments 	<ul style="list-style-type: none"> Trade association memberships, committees and conferences Dialogue and collaborations with economic and industry organizations Engagement with government officials Participation in global initiatives on sustainability and environment such as the Tire Industry Project operated under the World Business Council for Sustainable Development, the Global Platform for Sustainable Natural Rubber, Ellen MacArthur Foundation, Task Force on Climate-related Financial Disclosures, and Business for Nature Interaction and exchanges of opinion with municipal government agencies Communication, coordination and support of industry-government-academia partnerships

ESG Data

See the Bridgestone Group's [ESG data](#) online for complete information.

All of the Bridgestone Group's environmental data and a portion of its social data in FY2020 are verified by Lloyd's Register Quality Assurance (LRQA), a third-party institution, to ensure the accuracy and transparency of this information. The Group has also received gap analysis for part of its social data by LRQA to improve data calculation method and aggregation method.

LEGEND FY2020 data items in **bold** are those for which assurance is provided by LRQA.
FY2020 data items in *italic* are those reviewed through the verification processes by LRQA.



Environment-related Data¹

Data item	FY2017	FY2018	FY2019	FY2020	GRI
Materials					
Amount of raw materials used	5,047 thousand tonnes	5,229 thousand tonnes	5,048 thousand tonnes	4,147 thousand tonnes	301-1
Resource productivity ²	JPY 723 thousand/tonnes (USD 6.40 thousand/tonnes)	JPY 698 thousand/tonnes (USD 6.29 thousand/tonnes)	JPY 698 thousand/tonnes (USD 6.37 thousand/tonnes)	JPY 722 thousand/tonnes (USD 6.98 thousand/tonnes)	-
Ratio of recycled and renewable material ³	-	-	-	37%	301-1
(Ratio of renewable material) ³	-	-	-	26%	301-1
(Ratio of recycled material) ³	-	-	-	11%	301-2
Energy					
Total energy consumption ⁴	45,838 thousand GJ	46,014 thousand GJ	45,002 thousand GJ	38,297 thousand GJ	302-1
Energy consumption (fuel) ⁵	26,932 thousand GJ	26,881 thousand GJ	26,192 thousand GJ	22,032 thousand GJ	302-1
Energy consumption (purchased electricity)	4,802 thousand MWh	4,929 thousand MWh	4,852 thousand MWh	4,188 thousand MWh	302-1
Energy consumption (purchased steam)	1,630 thousand GJ	1,429 thousand GJ	1,382 thousand GJ	1,191 thousand GJ	302-1
Energy consumption per unit of sales	1,258 GJ/JPY 100 million (1,422 GJ/USD million)	1,261 GJ/JPY100 million (1,412 GJ/USD million)	1,276 GJ/JPY100 million (1,398 GJ/USD million)	1,279 GJ/JPY100 million (1,324 GJ/USD million)	302-3
Renewable energy ratio (electricity) ⁶	-	4.3%	4.7%	11.0%	-
Total energy consumption (renewable)	-	885 thousand GJ	953 thousand GJ	1,752 thousand GJ	302-1
Total energy consumption (non-renewable)	-	45,130 thousand GJ	44,049 thousand GJ	36,545 thousand GJ	302-1
Water and Effluents					
Total water withdrawal ⁷	68,685 thousand m ³	71,303 thousand m ³	68,303 thousand m ³	63,743 thousand m ³	303-3
Water withdrawal (surface water)	3,258 thousand m ³	2,926 thousand m ³	3,131 thousand m ³	2,856 thousand m ³	303-3
Water withdrawal (groundwater)	10,192 thousand m ³	10,312 thousand m ³	9,708 thousand m ³	8,480 thousand m ³	303-3
Water withdrawal (water supply, industrial water)	18,810 thousand m ³	18,384 thousand m ³	17,294 thousand m ³	16,136 thousand m ³	303-3
Water withdrawal (seawater)	36,426 thousand m ³	39,681 thousand m ³	37,844 thousand m ³	36,271 thousand m ³	303-3
Total water withdrawal by manufacturing facilities in water stress areas ⁸	3,450 thousand m ³	3,495 thousand m ³	3,208 thousand m ³	2,875 thousand m ³	303-3

¹ Data represents all Bridgestone Group facilities for the period of January 1 – December 31 for each year referenced. Part of the data includes estimated figures.

² Sales per raw material used.

³ Within total material weight for tire products including tire casing for retreading.

⁴ Calculated by "fuel consumption + purchased electricity + purchased steam + solar power generation, etc. - electricity sold".

⁵ Includes fuels used for in-house power generation.

⁶ Calculated by "(purchased electricity from renewable sources + self-generated renewable electricity)/(purchased electricity + self-generated renewable electricity - electricity sold)".

⁷ The water withdrawal does not include the recycled water from third party and the rainwater.

⁸ Manufacturing facilities that have water-related risks due to the locations with the risk of deterioration of fresh water resources in terms of quantity and quality.

ESG Data

Environment-related Data¹

Data item	FY2017	FY2018	FY2019	FY2020	GRI
Emissions					
Greenhouse gas emissions (CO ₂ Scope 1)	1,871 thousand t-CO ₂	1,868 thousand t-CO ₂	1,807 thousand t-CO ₂	1,504 thousand t-CO ₂	305-1
Greenhouse gas emissions (CO ₂ Scope 2, market-based)	2,327 thousand t-CO ₂	2,263 thousand t-CO ₂	2,139 thousand t-CO ₂	1,659 thousand t-CO ₂	305-2
Greenhouse gas emissions (CO ₂ , Scope 1 + Scope 2, market-based)	4,197 thousand t-CO ₂	4,131 thousand t-CO ₂	3,946 thousand t-CO ₂	3,162 thousand t-CO ₂	-
Greenhouse gas emissions (Scope 3) ⁹	128,884 thousand t-CO ₂	135,669 thousand t-CO ₂	121,566 thousand t-CO ₂	109,131 thousand t-CO ₂	305-3
NOx emissions ¹⁰	2,055 tonnes	2,041 tonnes	1,969 tonnes	1,629 tonnes	305-7
SOx emissions ¹⁰	1,141 tonnes	937 tonnes	850 tonnes	603 tonnes	305-7
Waste					
Volume of waste generated ¹¹	303 thousand tonnes	352 thousand tonnes	360 thousand tonnes	289 thousand tonnes	306-3
Volume of recycled waste	274 thousand tonnes	311 thousand tonnes	308 thousand tonnes	259 thousand tonnes	306-4
Recycling waste rate	90%	88%	86%	90%	306-4
Volume of waste to landfill	30 thousand tonnes	41 thousand tonnes	52 thousand tonnes	30 thousand tonnes	306-5
Volume of regulated hazardous waste generated ¹²	-	20 thousand tonnes	21 thousand tonnes	19 thousand tonnes	306-3
Environmental Management					
Sites with ISO 14001 certification ¹³	98.7%	98.7%	98.1%	98.0%	-

⁹ Category 8, 13 and 15 are excluded from the 15 categories in Scope 3 of the GHG protocol.

¹⁰ Emissions from combustion of fossil fuels estimated based on fuel consumption data and corresponding emission factors.

¹¹ Total volume of waste including non-hazardous waste and regulated hazardous waste.

¹² Calculated based on laws of each country (Scope of some data is from April 2020 to March 2021).

¹³ Within 153 sites that are targeted for ISO 14001 certification (As of December 31, 2020).

Social- and Governance-related Data

Data item		FY2017	FY2018	FY2019	FY2020	GRI
Number of employees	Total	142,669	143,509	143,589	138,036	102-7
	Japan	28,375	28,793	29,544	29,701	
	Americas	59,750	58,998	57,054	53,204	
	Europe, Russia, Middle East, India and Africa	17,510	17,637	18,501	21,935	
	China, Asia Pacific	37,034	38,081	38,490	33,196	
Global Executive Committee members	Total	16	9	14	11	405-1
	Number of foreign members	8	5	7	6	
	Percentage of foreign members	50.0%	55.6%	50.0%	54.5%	
Executive Officers, Vice Presidents and Officers ¹	Total	52	52	60	51	405-1
	Number of foreign members	12	10	11	9	
	Percentage of foreign members	23.1%	19.2%	18.3%	17.6%	
Product safety	Sites with ISO 9001 certification ²	99.0%	99.3%	99.4%	100.0%	416-1

Data as of December 31 for each year referenced.

¹ Including officers of Bridgestone subsidiaries.

² 151 sites are targeted for ISO 9001 certification/151 sites are certified (100.0%). Bridgestone requires all manufacturing locations in which it has 50% or more share ratio to achieve ISO 9001 certification.

Social- and Governance-related Data

Data item	Region	Total	Top Mgmt. positions ⁴				Other staff and positions	GRI
				Mgmt. positions ⁵	Junior Mgmt. positions ⁶	Total Mgmt. positions		
Female Ratio ³	Japan	11.5%	0.0%	1.8%	3.3%	2.4%	13.7%	405-1
	Bridgestone Corporation	9.0%	0.0%	1.6%	2.8%	2.2%	10.0%	
	Americas	12.0%	26.1%	22.6%	8.8%	12.7%	12.1%	
	Europe, Russia, Middle East, India and Africa	12.0%	10.7%	13.1%	17.6%	15.8%	11.1%	
	China, Asia Pacific	9.6%	9.3%	13.4%	15.2%	14.9%	9.1%	

Data item		2021	GRI
Number of directors in Bridgestone Corporation (as of April 1, 2021)	Total	12	102-22
	Men	10	
	Women	2	
	Independent external directors	8	
	Men	6	
	Women	2	

Data item		2020	GRI
All directors	Total fees	JPY 299 million / USD 2.794 million	102-35
Independent external directors	Total fees	JPY 138 million / USD 1.290 million	
Executive officers	Total fees	JPY 204 million / USD 1.907million	

³ Data as of December 31, 2020 from 121,276 employers and employees (87.9 percent of total workforce). The Bridgestone Group's female ratio is verified by Lloyd's Register Quality Assurance, a third-party institution, to ensure the accuracy and transparency of this information.

⁴ Management positions with a reporting line no more than two levels below the CEO in each company.

⁵ All managerial position excluding "Top management positions" and "Junior management positions."

⁶ First-line managers, junior managers and the lowest level of management within a company's management hierarchy.

⁷ Data on fees for January 1 – December 31, 2020. The figures above include remuneration paid to four Executive Officers who resigned during the current period.

Data item		FY2017	FY2018	FY2019	FY2020	GRI
Industrial Safety Data	Lost-time injuries frequency rate of employees	-	-	2.86 ¹	2.57	403-9
	Lost-time injuries frequency rate of contractors	-	-	1.86 ^{1,2}	2.31	403-9
	Number of fatalities of employees	1	0	1	0	403-9
	Number of fatalities of contractors	2	1	0	2	403-9

¹ Updated due to revise the scope of data

² The data is for six months from July to December 2019.

Management-related Data

Data item	FY2017	FY2018	FY2019	FY2020	GRI
Bridgestone Group sales	JPY 3,643.4 billion / USD 32.242 billion	JPY 3,650.1 billion / USD 32.883 billion	JPY 3,525.6 billion / USD 32.180 billion	JPY 2,994.5 billion / USD 28.932 billion	102-7
Rubber production volume	1,880,000 tonnes	1,860,000 tonnes	1,840,000 tonnes	1,450,000 tonnes	102-7
Number of manufacturing facilities ¹	164	163	163	165	102-7

¹ Number of facilities as of April 1 each year. All other data reported as of December 31 each year.



Sustainability Report 2020–2021

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