

**SUSTAINABILITY  
REPORT  
2016**



# The Bridgestone Essence

The Bridgestone Group's mission is based on the words of its founder: "Serving Society with Superior Quality." To fulfill this mission, Bridgestone Group has used the concept of "foundation" to demonstrate the sustained commitment of employees to provide its customers with world class products and services and to serve the communities where Bridgestone does business. "The Bridgestone Essence" is composed of the above words, integrated corporate culture, and diversity that today's company has inherited and a shared sense of values that can be embraced by Bridgestone employees around the world.



## Mission

### Serving Society with Superior Quality

We aspire to offer the best for our customers and to society, not only in terms of our products, services and technology, but in all of our corporate activities. Our commitment to quality is based on more than the desire for profit, it stems from out of a passion for improving the safety and lives of people everywhere. Through our Mission, we strive to be a company trusted by the world - a company in which all of us can take great pride.

## Foundation

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

Seijitsu-Kyocho is about adhering to principles of good faith as you carry out your work, in the way you treat others, and as you participate in and engage with society. It is about producing positive outcomes by respecting a diversity of skills, values, experiences, genders, and races and fostering teamwork.

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

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

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

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

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

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

## ■ Corporate Profile

Company name

**Bridgestone Corporation**

Headquarters

1-1, Kyobashi 3-chome, Chuo-ku,  
Tokyo 104-8340, Japan

Member of the Board CEO and Representative Executive  
Officer Concurrently Chairman of the Board

Masaaki Tsuya

Paid-In capital

JPY 126.3 billion (As of December 31, 2016)

Sales

(consolidated) JPY 3,337 billion (FY 2016)

Employees

(non-consolidated) 13,617 (As of December 31, 2016)

(consolidated) 143,616 (As of December 31, 2016)

Summary of Bridgestone's manufacturing plants

169 plants in 26 nations  
(Bridgestone Group total as of April 1, 2017)

## ■ Major products and operations

### Tires

Tires and Tubes for Passenger cars, Trucks and buses, Construction and mining vehicles, Industrial machinery, Agricultural machinery, Aircraft, Motorcycles and scooters and Others  
Automotive parts, Retreading materials and services, Automotive maintenance and Repair services, Raw materials for tires and Others



### Diversified products

<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. supplying Commercial Roofing materials and Others

<Sporting goods>

Golf balls, Golf clubs, Golf wear, Tennis goods and Others

<Bicycles>

Bicycles, Other bicycle goods and Others

<Others>

Finance and Others



### Solution Business

Leveraging the potential for more tightly integrating elements of the company's portfolio, the Bridgestone Group is working on new "solutions" service package by combining maintenance services, IT/sensing technology, tires and diversified products to meet the needs of customers.

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# Editorial Policy

To communicate initiatives intended to increase corporate value over the medium to long term, the Group reports financial and non-financial information in accordance with the following reporting framework. In preparing these reports, the Group referenced the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC). In the following report intended for a wide range of stakeholders, the Group describes its fundamental management policies for achieving sustainable growth, clarifies the social and environmental issues that it seeks to address, and proactively discloses the initiatives that it is taking to address those issues.

This report is a detailed version of the Sustainability Report, which discloses non-financial information, forming a companion to the Annual Report, which conveys mainly financial information.

## Annual Report

Operational Review



Financial Review



## Sustainability Report

Digest Version



This report



CSR Website



<http://www.bridgestone.com/responsibilities/index.html>

## Overview of Corporate Communication Tools

Library



<http://www.bridgestone.com/corporate/library/>

Investor Relations



<http://www.bridgestone.com/ir/index.html>

Our Way to Serve



<http://www.bridgestone.com/responsibilities/ourwaytoserve/index.html>

## About This Report

### Period

This report focuses on data and activities for fiscal 2016 (the period from January 1 to December 31, 2016), although it also includes some information applicable to years before and after fiscal 2016. The contents of the Sustainability Report that are not historical facts are forward-looking, aspirational and based on information current as of the date of this summary and the Sustainability Report. Actual results may differ materially from those expressed in any forward-looking statement.

### Organizational Coverage

This report covers the initiatives of the Bridgestone Group, including Bridgestone Corporation and subsidiaries and affiliates around the world. Throughout the text, “Bridgestone” or “the Company” refers to Bridgestone Corporation, while “the Bridgestone Group” or “the Group” refers to all group companies, including subsidiaries and affiliates around the world. Notes are provided where this distinction does not apply.

### Reference Guideline

Sustainability Reporting Guidelines (Version 4.0) (published by the Global Reporting Initiative)

This report refers Standard Disclosures from the GRI Sustainability Reporting Guidelines.

## Major Sustainability Ranking and Rating

(As of May 2017)

Ranking/Rating System	Assessment in 2016
DJSI (Dow Jones Sustainability Index) World	selected
RobecoSAM Sustainability Award	Silver Class
CDP (Climate Change)	A-
CDP (Water)	A-
CDP Supplier Engagement Ranking	A

# The Overview of the Bridgestone Group

The Bridgestone Group is the world's largest tire and rubber company.

Since the early stage of its establishment, the Group started exporting its products as well as overseas marketing research a year after the establishment aiming to globally expand its business. Our history has been formed as we refine our technologies, pursue higher quality and aim to produce better society.

We continue to contribute to solving social issues in an innovative manner respond to the demand of our stakeholders by effectively using our strength and competence, which we have gained through long history.

## Bridgestone History Overview

Chapter 1.

From foundation to Deming Prize award

Chapter 2.

Merger, and Integration of Firestone

### The corporate culture – Our DNA

### The second foundation

1931

1988

Founder

Shojiro Ishibashi

Foundation with far -- Seeing globalization

Named to be a global company

Stone Bridge Ishi Bashi → Bridgestone

For the society

"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."

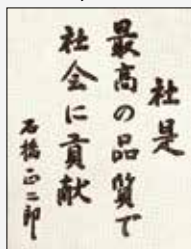
For the society with innovation

"I have set my sights on contributing to the advancement and development of society by constantly seeking insight into the changes of the times, trying to be ahead of the times, and manufacturing products of superior quality."



1968

The company's motto written by the founder



Serving Society with Superior Quality

1988

Firestone Merger



Headquarters of Firestone at that time



1931

"Bridgestone Tire Company" founded in Kurume, Fukuoka



1968

Earning Deming Prize



1995

Returning to Indy-car race for the first time in 20 years



2013

The 25th anniversary after Firestone Merger

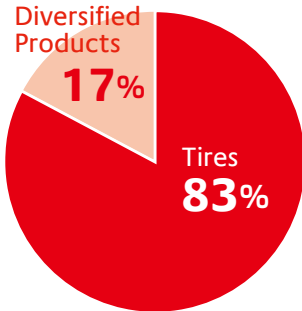


# 2016 Bridgestone by Numbers (Financial Highlights)

**Net sales (consolidated)**

**3,337 billion yen**

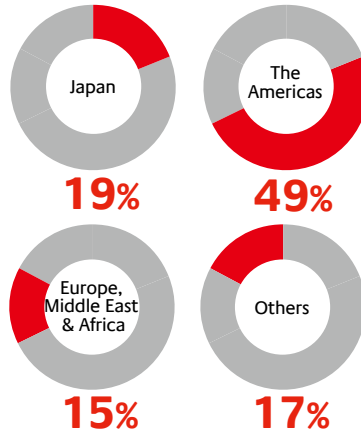
Sales by Business Segment



**Business development**

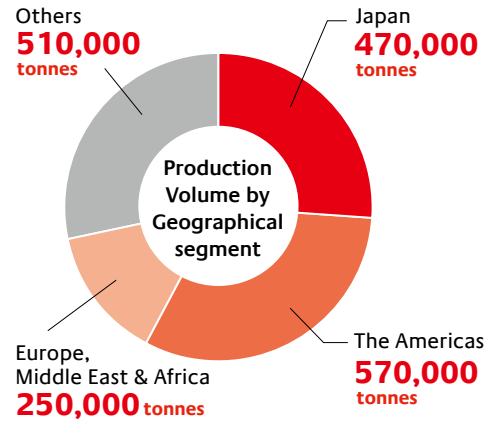
over **150 countries**

Sales by market



**Tire production volume (Tonnage of Rubber)**

**1.8 million tonnes**



## Chapter 3.

The first phase of management reform

**Refinement of the Corporate Philosophy "the Bridgestone Essence"**

2006

## Chapter 4.

The second phase of management reform

**Management Goal - A truly global company / "Dan-totsu" in each and every aspects of our business**

2012

To the future

2011

Refinement of the Corporate Philosophy "the Bridgestone Essence"



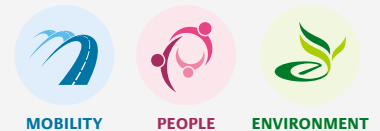
2015



2017

Practice of Bridgestone Essence — Unveiled a refined global CSR commitment, "Our Way to Serve"

**Our Way to Serve**



2006

Introducing SBU (Strategic Business Unit) organization



2008~ Bridgestone Group Awards

2010~ Bridgestone Group Global TQM Conference



2014 Bridgestone becomes Official Worldwide Olympic Partner

2016 Bridgestone becomes a Tokyo 2020 Paralympic Gold Partner



# 2016 Bridgestone by Numbers (Non-Financial Highlights)

## Environment



Resource productivity improvement  
(Base year:2005)

**31%**



Reduced amount of energy consumption

**382** thousand GJ

Recycled waste ratio

**90%**

Amount of reclaimed rubbers

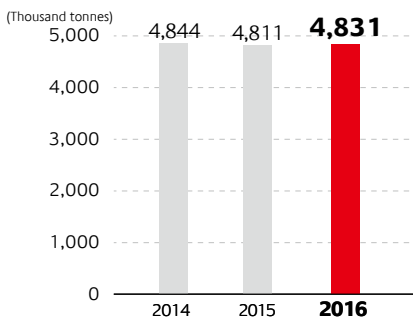
**16.4** thousand tonnes



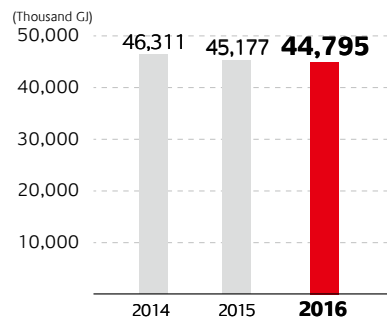
Volume of recycled water

**456** million m<sup>3</sup>

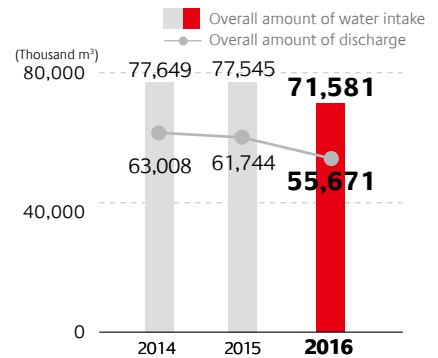
Amount of raw material used



Total consumption of primary energy



Total water intake / Total water discharge

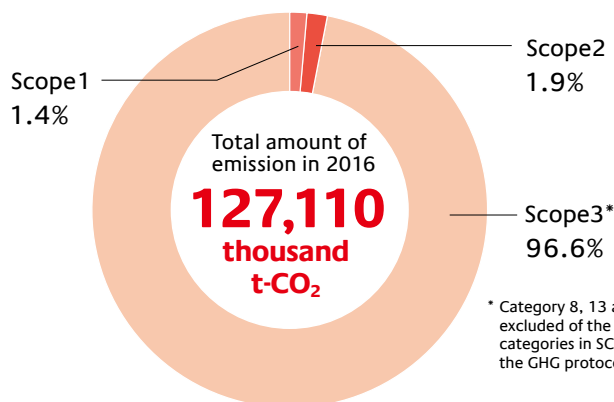


Sites with ISO 14001 certification\*

**99.4%**

\*Sites targeted by Bridgestone for ISO 14001 certification.

Amount of Greenhouse gas emissions



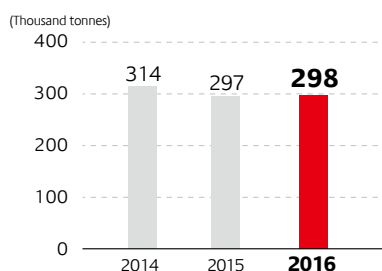
\* Category 8, 13 and 15 are excluded of the 15 categories in SCOPE 3 of the GHG protocol.



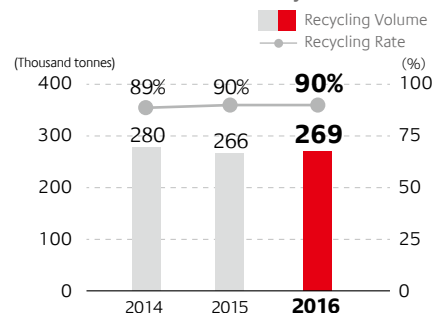
CO<sub>2</sub> emission reduction ratio in the operations and products' after-use (compared to the year 2005)

**29%**

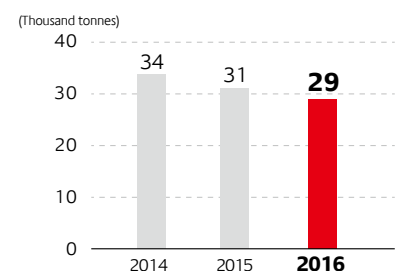
Volume of generated waste



Volume and Ratio of recycled waste



Volume of waste sent to landfill





## Social

Number of employees  
(as of December 31, 2016)

**143,616** people

Europe  
**13,518** people

Japan  
**28,326** people

The Americas  
**60,544** people

Other areas  
(The Middle East, Africa, Russia, China, Asia Pacific)  
**41,228** people

Percentage of  
female directors  
(including external directors)  
**2** people **11.8%**

Average age\* \*Bridgestone Corporation Only

**39.3** year-old

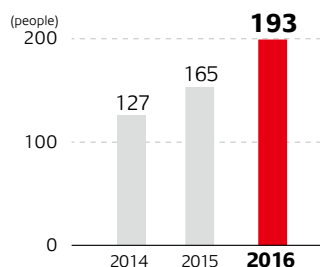
Average years of employment\* \*Bridgestone Corporation Only

**13.5** year

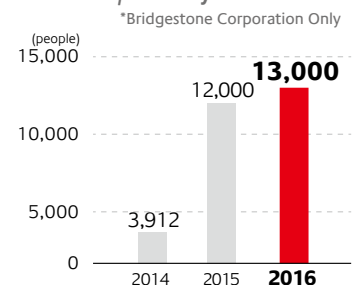
Sites with  
ISO 9001  
certification\* **98.7%**

\*Sites targeted by Bridgestone for ISO 9001 certification.

Number of staff promoting  
the Global Manufacturing  
(masters)

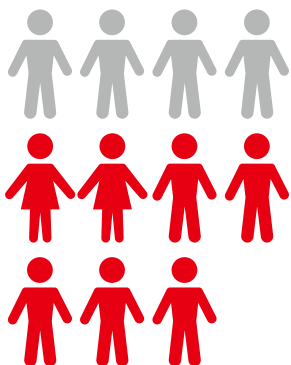


Number of those participated  
in lectures on the prevention  
of cartel/bribery



## Governance

Board of Directors (as of December 31, 2016)



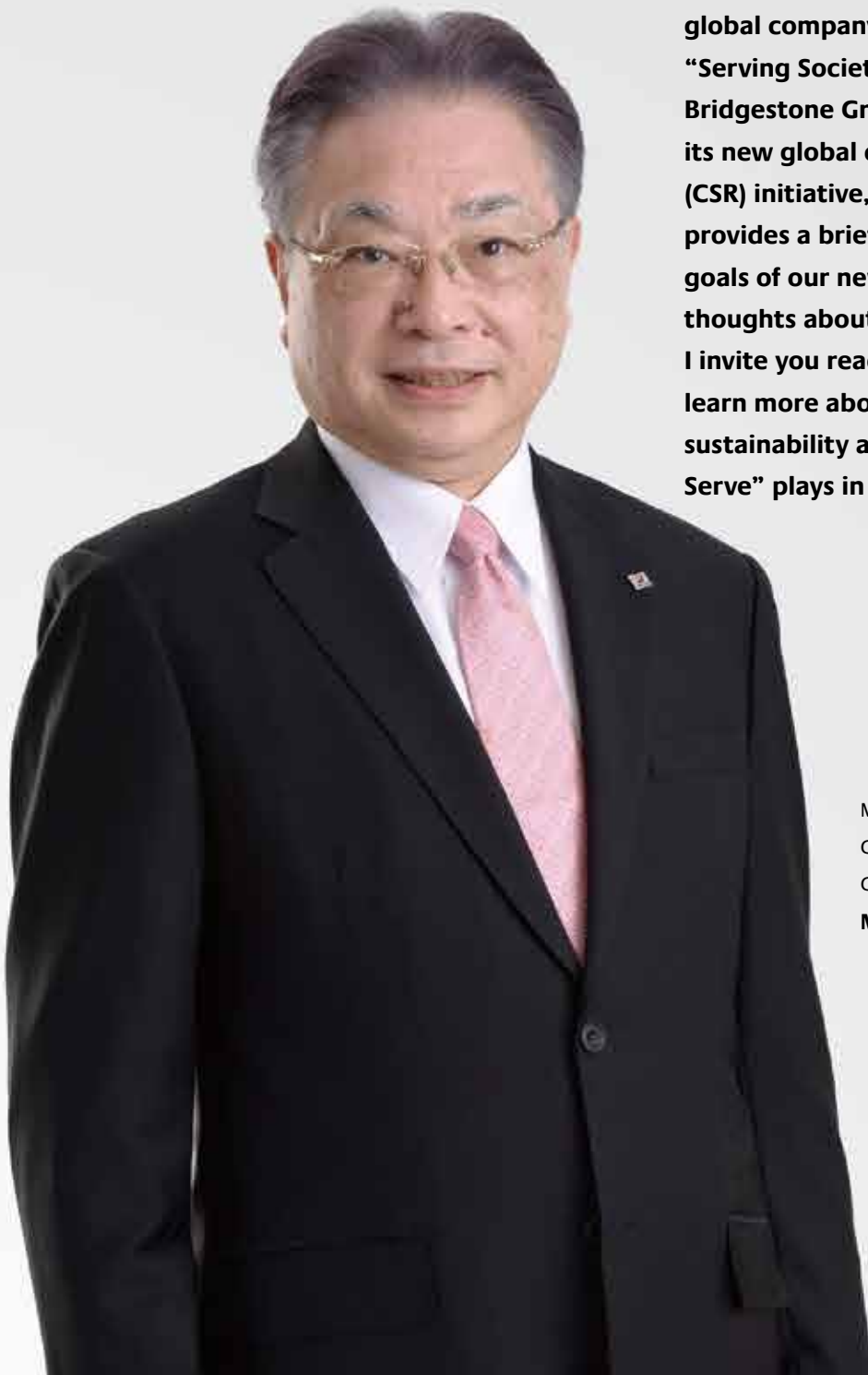
**11** people  
(among them,  
the number of  
outside directors is **7** People)

Directors' Fees (January-December 2016)

Division	Total Fees (million yen)	people
<b>Directors</b>	<b>213</b>	<b>13</b>
(outside directors)	(97)	(8)
<b>Executive Officer</b>	<b>562</b>	<b>10</b>
<b>Auditors</b>	<b>24</b>	<b>4</b>
(outside corporate auditors)	(6)	(2)
<b>Total</b>	<b>800</b>	<b>27</b>

# Our Way to Serve

In order to support its goal of becoming a truly global company – and one truly committed to “Serving Society with Superior Quality” – the Bridgestone Group launched “Our Way to Serve,” its new global corporate social responsibility (CSR) initiative, in March 2017. The following provides a brief overview of the background and goals of our new CSR commitment as well as my thoughts about the importance of this initiative. I invite you read our full Sustainability Report to learn more about Bridgestone’s commitment to sustainability and the role that “Our Way to Serve” plays in support of that commitment.



Member of the Board  
CEO and Representative Executive Officer.  
Concurrently Chairman of the Board  
**Masaaki Tsuya**

A handwritten signature in black ink, appearing to read 'M. Tsuya'.

# Our New CSR commitment

## “Our Way to Serve”

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Shojiro Ishibashi, who founded Bridgestone in 1931, expressed his belief that a company can not be sustainable unless it also contributes to society. This philosophy continues today through the Bridgestone Group’s mission, “Serving Society with Superior Quality”. Our new CSR commitment, “Our Way to Serve,” incorporates this philosophy and is intended to guide the Bridgestone Group as it serves society while achieving the next stage of sustainable growth.

What do we seek to achieve through “Our Way to Serve” ? Simply stated, we commit to put our ideals into practice by leveraging our strengths and competencies - thousands and dedicated teammates worldwide, a global network, industry leadership and a history of innovation – as we improve the way people move, live, work and play with a focus on our three Priority Areas:

**Mobility:** Delivering easier, safer smoother and seamless mobility through innovative technology

**People:** Addressing health, safety and education issues in our communities, and

**Environment:** Continually working toward a sustainable society.

Along with these Priority Areas, we are committed to continuing to strengthen the basic governance, compliance and behavioral characteristics expected of any responsible company – those elements we call Management Fundamentals. We have grouped those characteristics into six categories and we are committed to leadership in each of them:

**Compliance, Fair Competition**

**Business Continuity (BCP), Risk Management**

**Human Rights, Labor Practices**

**Safety, Industrial Hygiene**

**Procurement**

**Quality and Customer Value**

Our CSR commitment is not a slogan. Nor is it a short-term campaign. Rather, it is at the core of our enterprise, serving as a guide for the way we intend to do business. It serves as our guide as we innovate and offer products and services of the highest quality and engage in business activities with sincerity and transparency, and demonstrate our ethical values in all that we do. It is also important to know that our Priority Areas and Management Fundamentals build on our experience with and success of our “22 CSR Focus Points,” our first formal CSR program which we launched in 2007, and that Our Way to Serve is consistent with commitments we have made to our stakeholders and our communities. For example, in 2012 we articulated a long-term environmental vision for 2050 and beyond which includes medium-term targets for 2020 to ensure that we are on a clear path towards achieving this vision. As a further example, one of these goals is focused on reducing water consumption as one way for us to lessen our environmental footprint. Specifically, Bridgestone’s global mid-term target is to reduce water intake by 35% (per unit) by 2020 based on 2005 levels. As of 2016, we have already achieved a 28.5% reduction.

## **G**lobal CSR management structure

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In order to ensure the sustainability, and underscore the importance of Our Way to Serve, Bridgestone is building a global CSR management structure. Consisting of members of our global management team, the Global CSR Enhancement Committee (GCEC) will serve as a centralized resource to prioritize Bridgestone's approach to global issues, and will plan and propose global strategies for sustainability, as well as track the progress of our CSR activities and how well these activities are embedded in our daily operations. The GCEC is also charged with identifying areas for improvement and then sharing all of this information, as well as recommendations for improvement, with the Global Executive Committee (Global EXCO), whose members are the senior leadership team of the Company. In this way, each member of the G-EXCO is actively engaged and participating in "Our Way to Serve".

## **U**sing innovation to become a "Solutions Provider"

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Bridgestone is known for using innovation in technology, business model and design to improve the way people move, live, work and play and we will apply these skills in the areas of Mobility, People and Environment in order to contribute to ensuring a sustainable society for future generations.

And while Bridgestone has always used innovation to develop a wide range of products and services, going forward we intend to develop and offer solution businesses that can address social issues while fulfilling customer expectations. The result is a high quality, high innovation benefit for our customers, a positive impact on society, and the recognition by our customers that Bridgestone is a trusted solutions provider. "Our Way to Serve" will help us achieve this aspirational goal.

# Addressing management issues to become a truly global company

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Sustainable corporate growth is not possible without a sustainable society. To address the questions around ensuring a sustainable society, in 2015, the United Nations (UN) adopted the Sustainable Development Goals (SDGs). In addition, in 2016, the COP 21 Paris Agreement was adopted, calling for substantially zero CO<sub>2</sub> emissions in the latter half of the 21st century.

As an industry leader, one which aims to be a truly global company and Dan-Totsu in those businesses in which we participate, we recognize our responsibility to understand the requirements articulated in these pronouncements and to assess the impact our business has on our world, all as we serve society by improving access to smart, safe transportation; building healthy, resilient communities; and balancing business operations with environmental stewardship. Society expects this from us, and those expectations are growing each day.

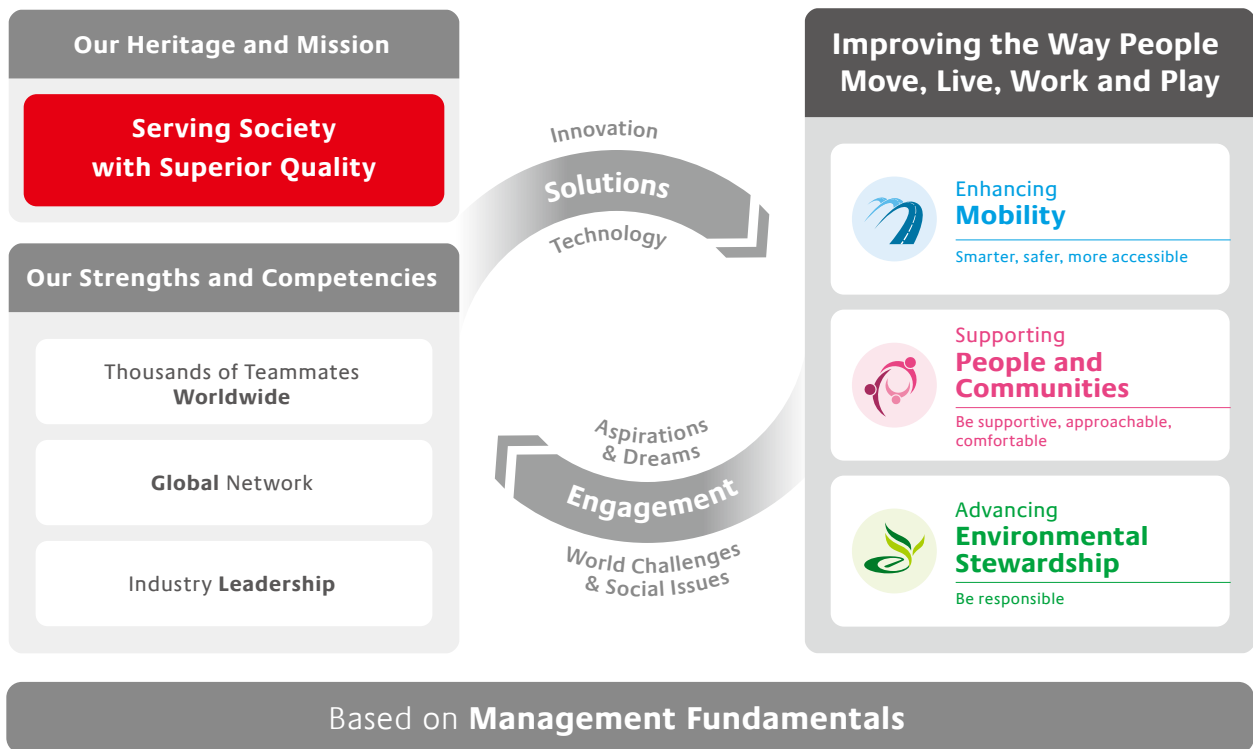
# Creating common value for our customers and society

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Put another way, by fulfilling our social responsibility as a company and securing sustainable growth, earnings and competitiveness, we are creating value for all of our stakeholders. And for that reason it is important to instill a commitment to CSR among all of our 140,000 employees across the 150 countries in which we operate. We are proud of the fact that Bridgestone has been named to the Dow Jones Sustainability World Index (DJSI World), but this recognition only means that now we must work even harder to enhance enterprise value from both financial and non-financial standpoints.

The year 2017 marks a new start for the Bridgestone Group and its commitment to CSR. To become a truly global company, we will proactively address social issues, work to fulfill society's expectations, and contribute to the realization of a sustainable environment and society. Through active dialogue with a wide range of stakeholders, we aim to create common value for our customers and society.

# Our Way to Serve



## VISION

“Understanding that Serving Society with Superior Quality is our heritage and our mission, and embracing our responsibility to future generations as a global leader in our industries, Bridgestone and its teammates around the world employ innovation and technology to improve the way people move, live, work and play.”

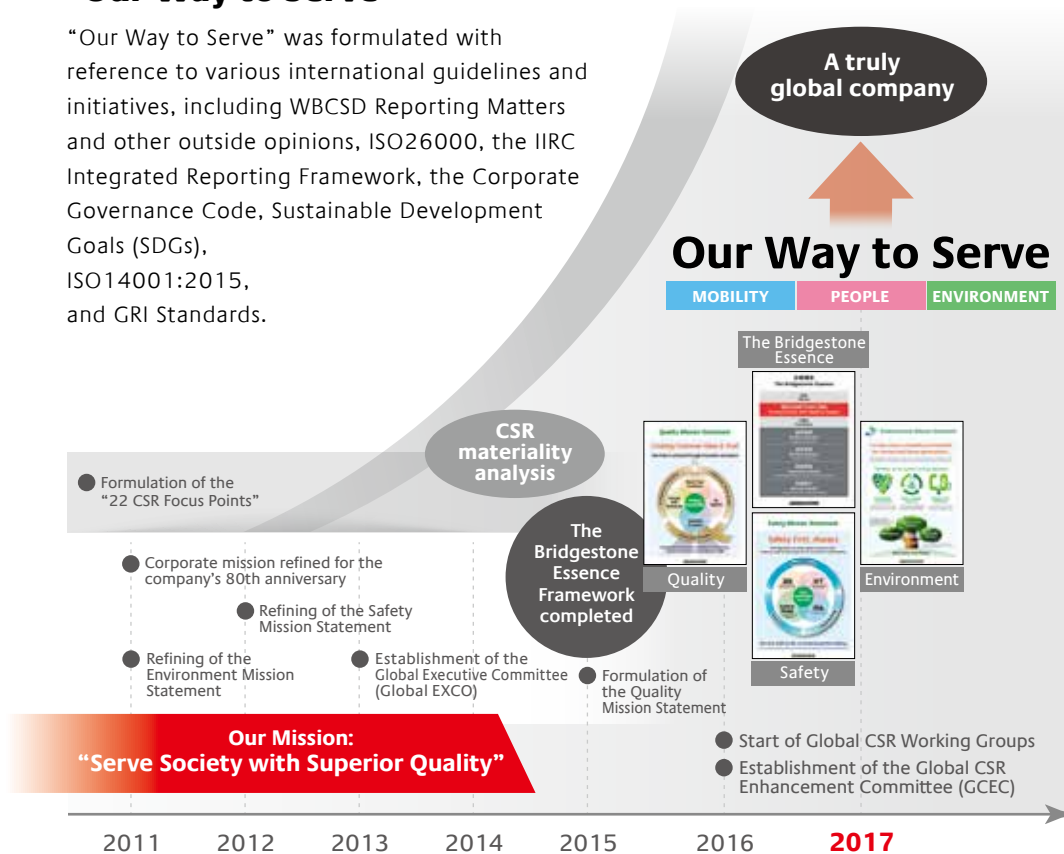
## To Continue “Serving Society with Superior Quality”

From our beginnings in the 1930s, our founder, Shojiro Ishibashi, believed that a business that contributes to society would do well by doing good. Today, this is more important than ever, with mounting social and environmental challenges threatening the planet and the quality of life of all people living on it. Now, as a global leader, the Bridgestone Group is committed to serving society by improving access to smart, safe transportation, building healthy, resilient communities, and minimizing our environmental impact. Looking forward, we remain committed to driving innovation around mobility, people, and the environment – so that we can continue to serve society with superior quality for generations to come.

“Our Way to Serve”, which is closely linked to the Bridgestone Essence, refines and builds upon the recent 10 years of success and learning from the Bridgestone’s 22 CSR Focus Points.

### Formulation Process for “Our Way to Serve”

“Our Way to Serve” was formulated with reference to various international guidelines and initiatives, including WBCSD Reporting Matters and other outside opinions, ISO26000, the IIRC Integrated Reporting Framework, the Corporate Governance Code, Sustainable Development Goals (SDGs), ISO14001:2015, and GRI Standards.



# Bridgestone's Priority Areas and Management Fundamentals





# Serving Society with Superior Quality



Preserve biodiversity



Value natural resources

## ENVIRONMENT

Build a recycling-oriented society

Address climate change

Build a carbon-free society



## Our Way to Serve

As a company, Bridgestone has redefined its global corporate social responsibility (CSR) commitment, now called “Our Way to Serve.” “Our Way to Serve” aims to inspire Bridgestone teammates to continue doing great work, by continuing to do good for the world. “Our Way to Serve” organizes Bridgestone’s CSR efforts under three Priority Areas: Mobility; People; and Environment. “Our Way to Serve” reflects the company’s longstanding philosophy of Serving Society with Superior Quality and a recognition that the best companies not only perform for their stakeholders, but also contribute to a better world.

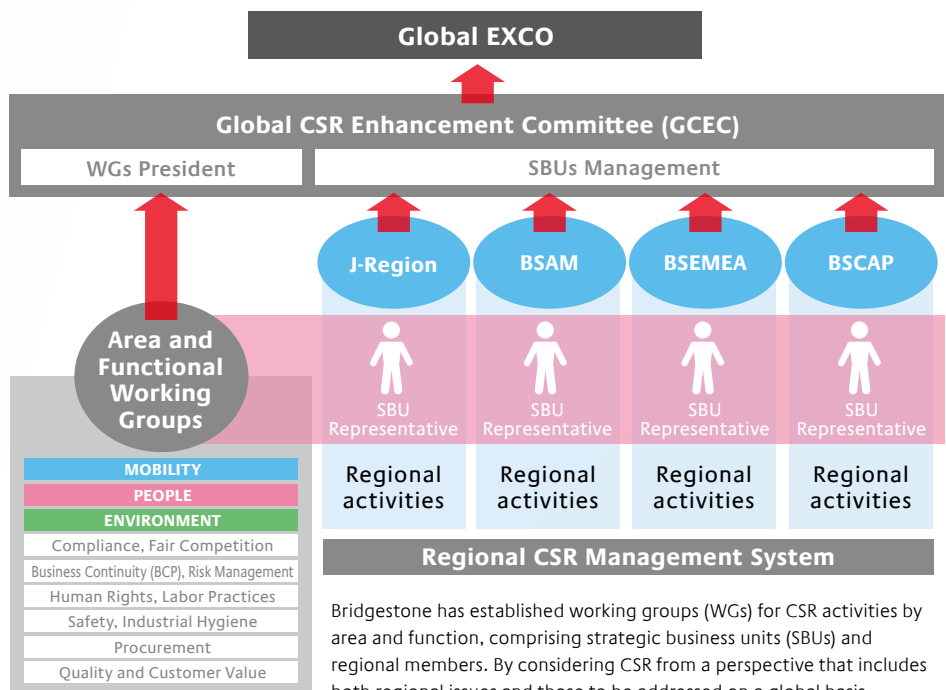
Along with these Priority Areas, Bridgestone continues to strengthen the basic governance, compliance and behavioral characteristics expected of any responsible company through its Management Fundamentals. These are exemplified in the company’s commitment to leadership in six major areas including Compliance and Fair Competition; Business Continuity and Risk Management; Human Rights and Labor Practices; Safety and Industrial Hygiene; Procurement; and Quality and Customer Value.

### “Our Way to Serve” System

To implement “Our Way to Serve” on a global basis, Bridgestone Group has established a collaborative network made up of a global CSR management system, a regional CSR management system, and working groups (WGs) for specific areas and functions.

The Global CSR Enhancement Committee (GCEC), which implements the global CSR management system, evaluates the corporate group’s overall CSR policy based on working group and regional issues.

The GCEC submits its recommendations to Global Executive Committee (G-EXCO), which includes CSR as a management priority.



Bridgestone has established working groups (WGs) for CSR activities by area and function, comprising strategic business units (SBUs) and regional members. By considering CSR from a perspective that includes both regional issues and those to be addressed on a global basis, Bridgestone has established a system to energize its global and regional CSR activities.



## Priority Areas



# Mobility

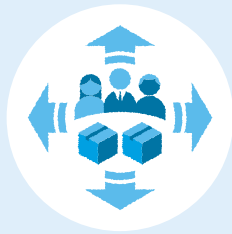
Mobility is just as important to human progress as it is to everyday life. The ability to safely, efficiently, and affordably travel between two points helps drive the economy forward while enhancing the way we live, work and play.

Through high-performance mobility, we can improve quality of life in our cities with better public transportation, reduced congestion, and increased accessibility while at the same time reducing chances of transportation-related accidents.

By using resources more efficiently, we can help deliver a safer and smarter transportation experience while we improve social and environmental outcomes across the globe.

## To accelerate sustainable mobility innovations through advanced technologies and solutions

Through innovative technology, the Bridgestone Group is committed to easier, safer, smoother and seamless mobility for our society and customers.



### Accessible mobility

Making smooth and seamless mobility available.



### Smart mobility

Utilizing unique technologies to improve the way people /goods move.



### Safe transportation

Utilizing unique technologies to enhance safe mobility.

## ■ The Value Generated by the Bridgestone Group

As one of the world's leading tire and rubber companies, the Bridgestone Group supports the movement of people and goods around the world. Mobility is essential to everyday life today, and making it convenient and comfortable contributes to a better society.

At the same time, the social problems arising from mobility, such as traffic accidents and congestion, and regional inequality due to a lack of means of transportation, have become increasingly serious. The further aging of societies and forecasted population growth have raised concerns that conventional mobility is unsustainable.

The Bridgestone Group is working to address these issues, utilizing its core competencies to resolve individual problems through its solutions business and realize safer and more comfortable transportation. We also seek to play a key role in building new mobilities society that people around the world can enjoy.



Social Issues

Case 1

**Provide access to safe, affordable, accessible and sustainable transport systems for all**

The value provided by Bridgestone

**Innovative IT Solutions for safer and easier transportation**

Bridgestone subsidiary Bridgestone do Brasil Industria e Comercio Ltda. (BSBR), in cooperation with Bus Rapid Transit (BRT) the principal means of transportation in Rio de Janeiro, conducted a demonstration of a new transportation solution utilizing a proprietary IT system. By expanding easily accessible public transportation, this initiative promotes economic development and contributes to the creation of a more comfortable society for all people.

\*BRT is an express bus rapid transit system that utilizes articulated buses and special traffic lanes to provide regular and rapid service. This eco-friendly, next-generation urban transport system has been adopted mainly in emerging countries in recent years and is spreading into developed countries as well.



New transportation solution utilizing a proprietary IT system

**Tirematics**



Tirematics is an IT system that uses sensors to measure the pressure and temperature of truck and bus tires, track the location of vehicles, and provide remote monitoring in real time of a network. The system helps to prevent unexpected transport disruptions due to tire failure, ensure the safety of passengers, and maintain a regular schedule. Tire pressure checks by maintenance workers are also unnecessary, significantly increasing the efficiency of tire maintenance. Longer tire life and improved fuel efficiency also help to reduce costs.





Social Issues

Case 2

Make cities and human settlements inclusive, safe, resilient and sustainable

The value provided by Bridgestone Unique Safety Technologies

Bridgestone is helping to reduce traffic accidents with a solutions business using technology to support safe driving. Our measures include developing tires that even when flat allow a vehicle to be driven to a location where the tire can be changed safely and the practical application of technologies to support safe driving by utilizing sensing technologies in tires—the only part of a vehicle in contact with the road—to acquire information on road surface conditions.



Proprietary technologies for a safer driving experience

Tires with run-flat technology



Run-flat tires have sidewall-reinforced rubber, allowing the vehicle to be driven a certain distance at specified speeds, even with zero inflation pressure. Originally developed for use on vehicles designed for physically disabled people, this technology through continual research is now widely used in standard passenger vehicles, offering a comfortable ride comparable to normal tires. Bridgestone continues to expand the range of applicable sizes in an effort to make this technology useful worldwide.



Sensing technologies for a safer driving experience

CAIS®\*1 (Contact Area Information Sensing)



CAIS is a general term for Bridgestone's tire-sensing technologies, which provide value to consumers by collecting and analyzing tire contact

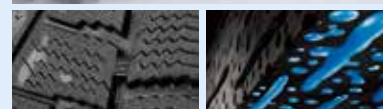
area data and using this information to classify road conditions. In 2015, Bridgestone realized the world's first\*\*2 practical application of this tire sensing technology with classification of road conditions. This technology classifies the road conditions into seven different states (dry, semi-wet, wet, slush, fresh snow, compacted snow, and ice) through an onboard system in real time. Bridgestone promotes technological development for not only tires but also entire systems in support of a safe and secure mobile society.

\*1 Contact Area Information Sensing. CAIS is a registered trademark of the Bridgestone Corporation.
\*2 Among tires equipped with classification of road condition technologies (Source: Bridgestone research, November 2015)



Continued pursuit of sure handling on ice and snow

BLIZZAK studless winter tires



The leading brand of studless winter tire, BLIZZAK uses Bridgestone's acclaimed foamed rubber technology to deliver safe and sure handling on icy roads. Combined with various other technologies, these tires provide peace of mind on slippery winter roads.



## Priority Areas



# People

As a global leader, seeking to build a truly global company, Bridgestone touches a diverse array of communities across the world. By enhancing how people live, learn and work, the company strives to have a positive impact on the communities in which it operates at the global and local levels.

Acting on these commitments and working with our various partners, we will help build safer, healthier communities and make education more accessible and inclusive. We will build on our strengths and competencies to serve communities today and in future generations.

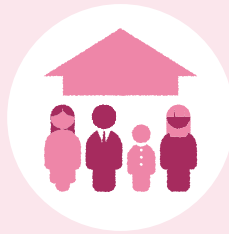
## Employ our strengths to support our communities and enhance the way people live, learn and work

We, the Bridgestone Group, are committed to utilizing our strengths and competencies to address health, safety and education issues in our communities.



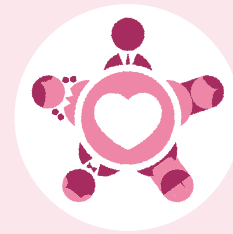
### Contributing to a safer society

Building safer communities through services, products, and company and individual initiatives.



### Accessible and inclusive education

Expanding education and training opportunities in order to develop job and life skills.



### Promoting healthier communities

Promoting access to the resources people need to lead healthier lives.

## ■ The Value Generated by the Bridgestone Group

The Bridgestone Group conducts business in more 150 countries throughout the world. From the company's beginnings in the 1930s, founder, Shojiro Ishibashi, believed that a business which contributes to society would do well by doing good. Today, this is more important than ever, with mounting social and environmental challenges threatening the planet and the quality of life of all people living on it.

Now, as a global leader, Bridgestone is committed to serving society by improving access to smart, safe transportation, building healthy, resilient communities, and balancing business operations with environmental stewardship.

Looking forward, Bridgestone remains committed to driving innovation around Mobility, People and the Environment – so that it can continue to serve society with superior quality for generations to come.



Social Issues

Case 1

**Build resilient infrastructure, promote sustainable industrialization and foster innovation**

The value provided by Bridgestone

**Improvement in the prevention for local safety and disaster prevention**

When a natural disaster occurs, it is important that shelters that victims use are functional to save many lives. We at the Bridgestone Group contribute to the strengthening of disaster prevention of local areas by providing Seismic Isolation Bearing that prevent buildings from collapsing in case of earthquake.

Moreover, the Group establishes disaster prevention functions in some local areas, which are usually seen only in hub areas in order to improve the level of natural disaster prevention for the whole local areas.

The Bridgestone Group supports local areas to improve the ability of responding to safety and safety of local areas, disaster prevention and the reduction of the number of local areas by providing its technologies, products and infrastructure for disaster prevention.



Protection for life and assets from earthquakes

**Seismic Isolation Bearing**



Leveraging technology which is core to our tire production, Bridgestone has developed high-quality, highly-functioning seismic isolation bearings. These bearings help prevent buildings from collapsing and sustaining significant damage from earthquakes. This technology has allowed Bridgestone to contribute to the safety and reliability in people's everyday lives, as well as greater economic certainty in local communities.



Prevention of local areas from typhoons and cyclones

**Disaster Control Center**



Bridgestone Americas, Inc. owns and operates a weather center in one of its tire manufacturing facilities in the state of Tennessee, USA. The center includes weather spotter cameras, a local weather scanner, and current weather radar, giving the ability to predict weather patterns. This facility can alert surrounding areas when inclement weather is imminent or occurring in the area.





Social Issues

Case 2

Ensure inclusive and quality education for all

The value provided by Bridgestone

We support education for the next generation

Education can bring solutions for various social issues including the improvement of income gaps, poverty, health issues, etc. We at the Bridgestone Group promote activities that provide educational opportunities to underdeveloped areas of the world, including free vocational training relevant to electronics engineering and machine engineering, as well as language lessons and lectures on management skills.

We are committed to using our resources and capabilities to address health, safety and education issues in our communities. We are focused on helping to make society safer, making education more accessible and inclusive, and promoting healthier communities.

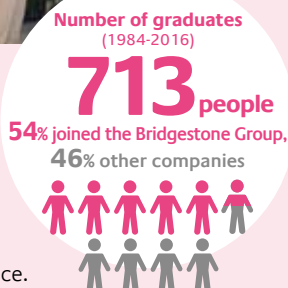


Staff development by providing educational opportunities

Vocational Training Facility



P.T. Bridgestone Tire Indonesia operates a vocational training facility in Indonesia. The facility offers a fair opportunity of learning as the facility fees and living costs are free for two years. Those, who have graduated from the facility, now work for companies in Indonesia including a local Bridgestone office.



Provision of educational programs that meet an individual's demand

Training programs



In Spain, Bridgestone Hispania S.A. provides a machine engineering training for young people with intellectual disabilities. The 400-hour program has been designed to correlate with the intellectual level of each participant.



## Priority Areas



# Environment

As a global leader, seeking to build a truly global company, Bridgestone's business presence spans multiple countries, with hundreds of production, development and corporate locations, employing thousands of teammates worldwide.

With the social and environmental impacts of climate change, resource scarcity, and nature's degradation becoming more clear, our communities and customers are demanding we act to address these challenges in our everyday operations.

This will contribute to building a sustainable society by balancing operations with environment, being in harmony with nature, and improving the quality of life for all.

## To help ensure a healthy environment for current and future generations...

We, the Bridgestone Group, are committed to continually working toward a sustainable society with integrity and in unity with our customers, partners, communities and the world around us.



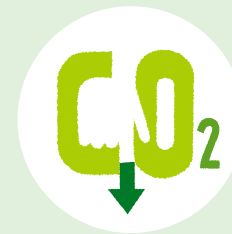
### In harmony with nature

To contribute to biodiversity through habitat enhancement, and through environmental education and research.



### Value natural resources

To continually improve natural resource conservation through operational improvements and product design.



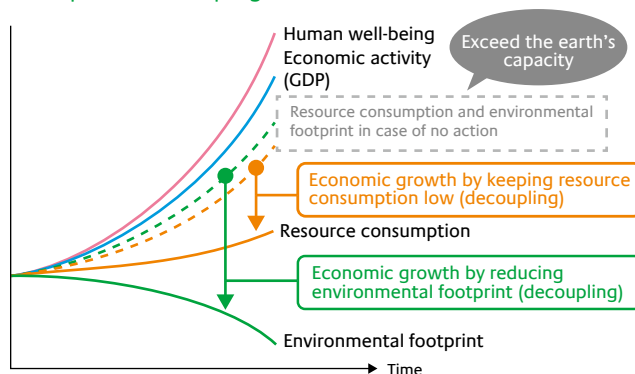
### Reduce CO<sub>2</sub> emissions

To continually reduce emissions of Greenhouse Gases, including CO<sub>2</sub> from our products' complete life cycle.

## ■ Sustainable Society through “Decoupling”

“Decoupling” is a key concept in our Long-term Environmental Vision. The total number of automobiles worldwide is expected to increase with the global population and economic development in emerging nations. As a result, resource consumption will increase and the environmental footprint will become greater. There is a possibility of exceeding the earth’s capacity, through global warming or resource depletion. To work toward a sustainable society, we shouldn’t simply accept that resource consumption and environmental footprint come with population increase and economic development, but work to separate them. The United Nations Environment Programme (UNEP) calls this separation “decoupling”. The Bridgestone Group established its Long-term Environmental Vision based on decoupling.

### Two aspect of “decoupling”



Prepared by Bridgestone with reference to the UNEP

## ■ Long-term Environmental Vision

We have established Mid-term targets and positioning to meet the Long-term Environmental Vision toward 2050 while working to build a sustainable society. With the increased demand accompanying population increases and improved lifestyles, the world could possibly face significant problems related to climate change and resource consumption. As the world’s leading tire and rubber company, the Bridgestone Group aims to contribute to the realization of a sustainable society by balancing its operations with the earth’s capacity, maintaining harmony with nature while meeting the various needs of the market.

# Looking ahead to the world in 2050

## Working toward a sustainable society

The Bridgestone Group's Environmental Mission Statement

To help ensure a healthy environment for current and future generations...

Long-term Environmental Vision for 2050 and beyond

**In balance with nature\***<sup>1</sup>  
(Contribution > Footprint)

**Towards 100% sustainable materials\***<sup>3</sup>

**Contribute to globally agreed target\***<sup>5</sup>  
(Over 50% reduction of CO<sub>2</sub> emissions)

Mid-term Environmental Targets for 2020 (Base year:2005)

**Promote ecological conservation & restoration**

- Minimizing footprint (Reduce water intake per unit\*\* by 35%)
- Enhancing contribution activities

**Resource productivity improvement**

- Reduce CO<sub>2</sub> emissions per sales from operations and products' after-use by 35%

- Reduce rolling resistance of tires by 25% and thereby achieving CO<sub>2</sub> reductions during use exceeds all other emissions in the product's lifecycle

Main Achievements in 2016

- 28.5% reduction in water intake per unit (compared to 2005)
- Signed the Sustainable Natural Rubber initiative (SNR-i) established by the International Rubber Study Group (IRSG)
- Local ecosystem conservation activities

- 31% improvement in Resource productivity
- Announcement of research results for ImPACT\*\*<sup>4</sup>

- 29% reduction in CO<sub>2</sub> emissions per net sales from operations and products' after-use (compared to 2005)
- 13% reduction in tire-rolling resistance (compared to 2005)
- Successful synthesis of polyisoprene rubber with advanced control of the molecular structure



**In harmony with nature**

\*1 "In balance with nature" is the commitment of Bridgestone Group to contribute to biodiversity through habitat enhancement, environmental education and research.

\*\*2 Bridgestone manages water intake per production volume and sales for each business unit. A weighted average efficiency of the reduction rate is used as an index.



**Value natural resources**

\*3 The Bridgestone Group defines sustainable materials as materials "1) that come from resources with a guaranteed 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."

\*4 The Impulsing Paradigm Change through Disruptive Technologies Program (ImPACT) aims to generate innovative technologies that if realized would revolutionize industry and society. It was established to promote high-risk, high-impact, ambitious research and development.



**Reduce CO<sub>2</sub> emissions**

\*5 At the G8 Hokkaido Toyako Summit (held in July 2008), G8 leaders agreed on a reduction of at least 50% in greenhouse gas emissions worldwide by 2050. The same year, at the Major Economies Meeting on Energy Security and Climate Change, the developed countries plus certain emerging nations, such as China, India, etc, adopted this target as a shared global objective.

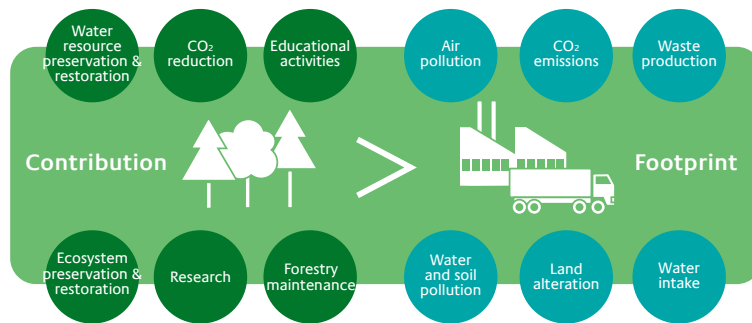
In harmony with nature



**Long-Term Vision**  
(For 2050 and beyond)

## In balance with nature (Contribution > Footprint)

**Activity Concept**



The Bridgestone Group is committed to being “in harmony with nature” in accordance with the long-term vision formulated at the tenth meeting of the Conference of the Parties (COP 10) held in 2010. To accomplish this, we will maintain a constant understanding of the relationship between our business and biodiversity, based on which we will define the priority issues that we must address. “In balance with nature,” the Group’s long-term environmental vision for the this goal, is our commitment to contribute to biodiversity through habitat enhancement, environmental education and research. Our business operations will take into account the impact on the ecosystem as a whole. The Bridgestone Group is conducting activities targeting “in balance with nature” throughout all business areas.

### Relationship between the Bridgestone Group’s tire operations and biodiversity

Since 2013, the Bridgestone Group has conducted a materiality analysis on its footprint on and contributions to biodiversity made by the Group’s operations. This analysis is based on the interrelationship represented in the above, which is used to prioritize issues. We will improve our activities by taking key actions in relation to these issues in the future, while reviewing the priority issues to meet the changes in social needs.

Meanwhile, quantification methodology for biodiversity have been developed by various organizations, including the Natural Capital Protocol. Paying attention to these international trends, the Bridgestone Group has promoted the qualitative and quantitative understanding of the relationships between its business operations and biodiversity.

#### Priority Issues and Key Actions



#### Minimizing footprint

- Reduce impact on land utilization
- Reduce impact on water intake
- Reduce air and water emissions
- Reduce CO<sub>2</sub> emissions from lifecycle stages
- Reduce waste production



#### Enhancing contributions

- Preservation and restoration of habitat areas for wild plants and animals
- Improvement of natural rubber farm productivity
- Water resource preservation or restoration
- Reduction of CO<sub>2</sub> emissions (customer use)

## Minimizing footprint

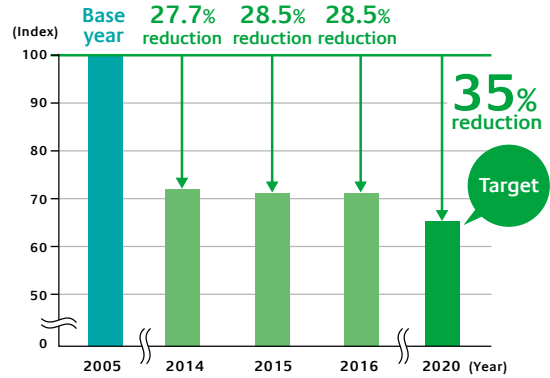
### ■ Reducing the Impact of Water Intake

The Bridgestone Group employs cooling water and steam in the production process. Continued use of such water resources is a current production requirement that cannot be separated from continuation of business for the Group. The Group has therefore set the target of reducing water intake at 35% per unit\*<sup>1</sup> by 2020 throughout the Group, based on 2005 levels.

We are reusing/recycling water at many of the Group's manufacturing facilities, including operations in areas where there are serious concerns regarding for water shortage such as China and Mexico. We are also using water resources more efficiently by enhancing the production process and using rainwater.

In addition to implementing a risk assessment for water quality and volume, we take efficient use of water resources and wastewater into account when building new tire facilities. We use the WBCSD Global Water Tool\*<sup>2</sup> and WRI Aqueduct\*<sup>3</sup> to assess water risk at existing facilities and are studying corrective measures for each location.

Target and Actual Figures of Water Intake at Manufacturing Facilities (per Unit)



\*<sup>1</sup> Bridgestone manages water intake by unit of production volume and net sales for each business. A weighted average efficiency of the reduction rate is used as an index.

\*<sup>2</sup> Water risk assessment tool developed by World Business Council for Sustainable Development (WBCSD)

\*<sup>3</sup> Water risk assessment tool developed by World Resources Institute (WRI)

### ■ Our Approach to Sustainable Natural Rubber

Because natural rubber consumption is expected to increase alongside the demand for tires, it is a business imperative to foster a sustainable natural rubber supply. The Bridgestone Group recognizes sustainable natural rubber as a key issue for the tire industry and for the Bridgestone Group's sustainable growth.

Since 2016, the Bridgestone Group has been an active participant in the Sustainable Natural Rubber Initiative (SNR-i), established by the International Rubber Study Group (IRSG). SNR-i is aimed at developing criteria that balance economic, environmental and societal aspects to promote a global sustainable natural rubber economy benefiting all industry stakeholders. Furthermore, we are finalizing enhanced procurement guidelines to facilitate our own sustainable natural rubber supply.

## Enhancing contribution

### ■ Technology Provision to Improve the Productivity of Small-Scale Natural Rubber Farmers

The majority of natural rubber production in the world is conducted by small-scale rubber farmers in Southeast Asia. The Bridgestone Group uses large volumes of natural rubber produced by such farmers. However, the productivity of the rubber trees raised by these farmers is low and the quality and volume of natural rubber produced vary. To help such small-scale farmers improve the quality of their operations, P.T. Bridgestone Sumatra Rubber Estate (BSRE), a subsidiary that directly operates rubber farms in Indonesia, provides these farmers with the productivity-improving technologies Bridgestone has developed on its own rubber farms.

The company started providing technical assistance to the agricultural training center established in the city of Siantar in North Sumatra. The company also provided Hevea rubber tree seedlings to the farmers and implemented a technical training program for instructor candidates selected from various areas.

Such initiatives are expected to improve the quality of natural rubber and income per unit area for small-scale farmers and help control expansion of agricultural land utilization.



## Value natural resources

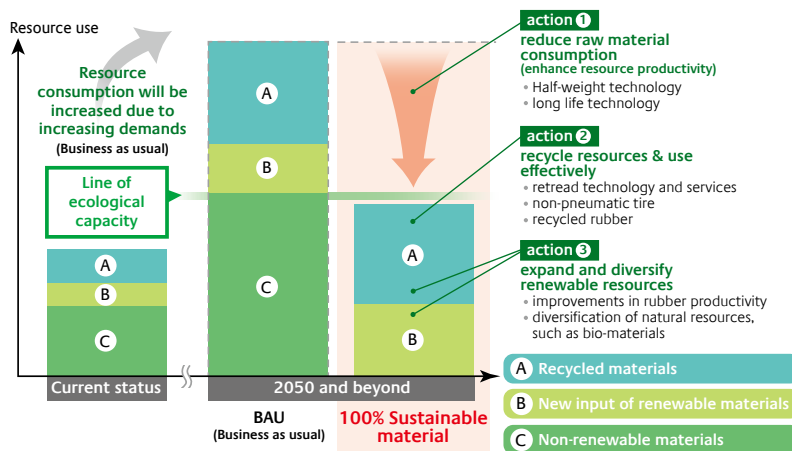


**Long-Term Vision**  
(For 2050 and beyond)

**Activity Concept**

## Towards 100% sustainable materials

It is expected that an increase in population and the number of automobiles will boost tire demand in the future. The Bridgestone Group's goal is to implement business operations in balance with the planet's ecological capacity. The Bridgestone Group has set the goal of using "100% sustainable materials" in our products as the long-term vision for 2050 and beyond. As necessary activities to achieve this goal, we are committed to taking the following three actions: (1) reduce raw material consumption (enhance resource productivity), (2) recycle resources and use them efficiently, and (3) expand and diversify renewable resources (i.e., technology aimed at zero use of non-renewable materials).



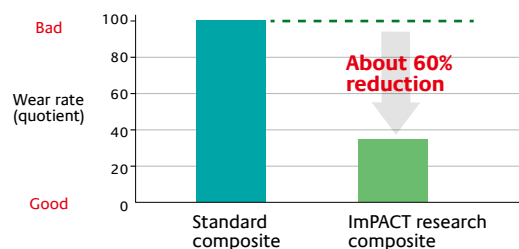
As necessary activities to achieve this goal, we are committed to taking the following three actions: (1) reduce raw material consumption (enhance resource productivity), (2) recycle resources and use them efficiently, and (3) expand and diversify renewable resources (i.e., technology aimed at zero use of non-renewable materials).

### Case 1 Research on resource conservation tires using tough polymer composite

Thinner tire material reduces the weight of a tire which contributes to lower vehicle fuel consumption and saves resources by using fewer raw materials. However, making a tire thinner requires ensuring sufficient durability, and the development of tough materials that exceed existing technology. Bridgestone participates in the Cabinet Office's ImpACT\*<sup>1</sup> initiative, and conducted research aimed at creating an ultrathin film, durable "flexible tough polymer."

We announced the results in 2016. Through this research we aim to develop a strong material that exceeds previous limits and create tires that achieve greater resource conservation.

### Concrete road surface travel



Result of verification test using a rubber track

The test showed that the wear rate for running durability of the rubber composite developed through this research is 60% lower than that of a standard composite, confirming the validity of the research principle.

\*1 The Impulsing Paradigm Change through Disruptive Technologies Program (ImpACT) aims to generate innovative technologies that if realized would revolutionize industry and society. It was established to promote high-risk, high-impact, ambitious research and development.

### Case 2 Activities to reduce environmental impact of used tires through WBCSD

It is projected\* that approximately one billion used tires will emerge worldwide each year. Reducing the environmental impact of used tires is a common issue within the tire industry.

Bridgestone has been involved in the Tire Industry Project of the World Business Council for Sustainable Development (WBCSD), which was established in 2006. As the tire and rubber company, the Company has worked toward building a sustainable society in cooperation with other companies in the industry. This project aims to develop an effective management system for used tires by encouraging related industries and governments in various countries to appropriately manage used tires and reduce their environmental impact through the publication of "End-of-Life Tires (ELT): A Framework for Effective ELT Management Systems" and disclosure of survey results.

\*WBCSD Tire Industry Project

Reduce CO<sub>2</sub> emissions

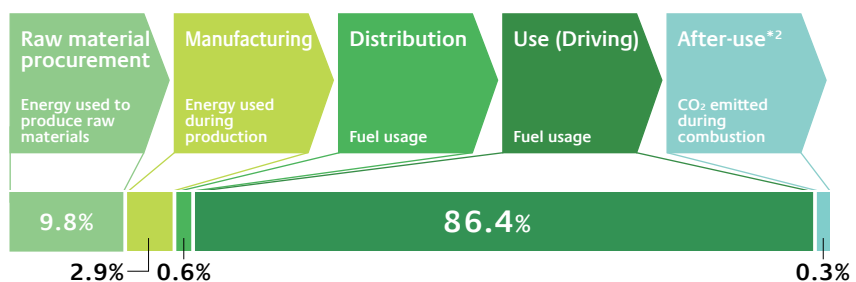


**Long-Term Vision**  
(For 2050 and beyond)

## Contribute to Globally-Agreed Target (over 50% reduction of CO<sub>2</sub> emissions)

**Activity Concept**

Greenhouse Gas Emissions by Tire Lifecycle Stage (Converted to CO<sub>2</sub> Base)\*<sup>1</sup>

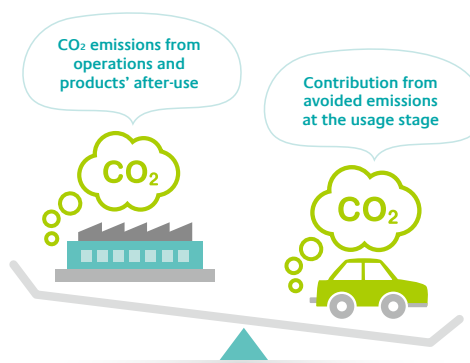


As a company involved in the automotive industry, the Bridgestone Group is paying close attention to the impact of CO<sub>2</sub> emissions. Based on the projections of IPCC\*<sup>3</sup> and other internationally recognized agencies, the Group has established a goal to reduce CO<sub>2</sub> emissions in our business operations.

Our efforts to reduce CO<sub>2</sub> emissions go beyond tire manufacturing. The tire lifecycle stage that accounts for the largest volume of CO<sub>2</sub> emissions is “Use (Driving).” Tire contribution to automobile exhaust emissions can be lowered by reducing rolling resistance, thus improving vehicle fuel efficiency and contributing to the reduction of CO<sub>2</sub> emissions from the vehicle. The Group will continue its efforts to reduce CO<sub>2</sub> emissions throughout our products.

Along with striving to mitigate climate change by reducing the amount of CO<sub>2</sub> emissions, the company recognizes the risk of climate change to Group activities and is implementing adaptation measures such as conducting research on sourcing natural rubber from areas other than tropical regions.

To reduce the volume of CO<sub>2</sub> emissions over the entire lifecycle of a tire, the Bridgestone Group has set two CO<sub>2</sub> reduction-related targets so that by 2020 the contribution from avoided emissions when the customer uses the tire exceeds the amount of its operations and products’ after-use.



\*<sup>1</sup> Greenhouse gas emissions throughout life cycle of 1 fuel-efficient passenger car tire (195/65R15): 243.9kgCO<sub>2</sub>e

\*<sup>2</sup> Greenhouse gas emissions from after-use stage: 13.1kgCO<sub>2</sub>e (emissions reductions: 12.5kgCO<sub>2</sub>e)

(Source: “Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 2.0”, Japan Automobile Tyre Manufacturers Association, Inc.)

\*<sup>3</sup> Intergovernmental Panel on Climate Change



Mid-term Environmental Targets (by 2020)

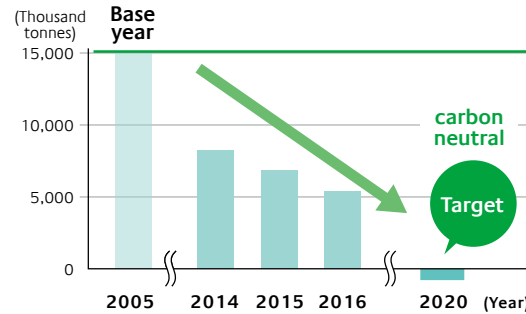
## Contribute to CO<sub>2</sub> reduction at usage stage more than all other emissions in the product lifecycle by 2020

- Reduce CO<sub>2</sub> emissions per sales from operations and products' after-use by **35%**
- Reduce rolling resistance of tires by **25%** and thereby achieving CO<sub>2</sub> reduction during use exceeds all other emissions in the product's lifecycle

The Bridgestone Group is working to achieve its mid-term targets to reduce the volume of CO<sub>2</sub> emissions over the entire lifecycle of a tire. Considering the value when CO<sub>2</sub> emissions from operations and products' after-use are offset by contribution of CO<sub>2</sub> reduction at usage stage\*<sup>1</sup>, the reduction in 2016 was 67% (compared to 2005). We are continuing activities with a dual approach aimed at achieving that contribution to CO<sub>2</sub> reduction during use exceeds CO<sub>2</sub> emissions from our operations and products' after-use by 2020.

\*<sup>1</sup> Calculated based on "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 2.0" (The Japan Automobile Tyre Manufacturers Association, Inc., April 2012)

Difference in CO<sub>2</sub> Emissions from Operations and Products' After-use and Contribution to CO<sub>2</sub> reduction at the Usage Stage



Main Achievements in 2016

- **29% reduction in CO<sub>2</sub> emissions per net sales from operations and products' after-use** (compared to 2005)
- **13% reduction in tire-rolling resistance** (compared to 2005)

The Bridgestone Group has set a target of a 35% reduction in CO<sub>2</sub> emissions volume per net sales from operations and products' after-use by 2020. In 2016, total CO<sub>2</sub> emissions decreased as a result of efforts to reduce wasted energy at all facilities, and initiatives to convert to low-CO<sub>2</sub> emissions energy usage. However, because of the decline in revenue from foreign exchange conversion and other factors, the reduction per net sales was lower than in the previous year, at 29% (compared to 2005). Excluding the effect from last year's exchange rate fluctuations, the Group continued to make steady progress toward achieving the reduction target. We will continue to promote further reductions in CO<sub>2</sub> emissions throughout the entire supply chain, aiming to meet the 2020 target.

CO<sub>2</sub> Emissions Reduction Rates by Life Cycle Stage (2016)

Raw materials	Reduced by around 26%
Manufacturing	Reduced by around 23%
Distribution	Reduced by around 22%
After-use	Reduced by around 44%

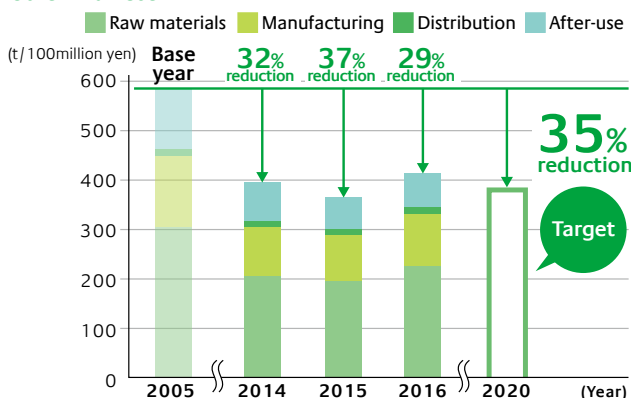
\*Rates of reduction per unit of sales in comparison to 2005

For the other target of a 25% reduction in tire-rolling resistance by 2020 (compared to 2005), the Group achieved a 13% reduction in 2016. This CO<sub>2</sub> reduction contribution is the equivalent of approximately 8.6 million tonnes\*<sup>1</sup>. Improving rolling resistance while maintaining safety is a difficult task requiring innovative technologies. Bridgestone has developed "NanoPro-Tech"\*<sup>2</sup> technology, and promotes sales of fuel-efficient tires utilizing this technology around the world, helping to reduce the volume of CO<sub>2</sub> emitted at the usage stage. We are also considering the establishment of new reduction targets after 2020.

Bridgestone's CO<sub>2</sub> reductions are verified by a third-party institution in an effort to ensure the transparency of information.

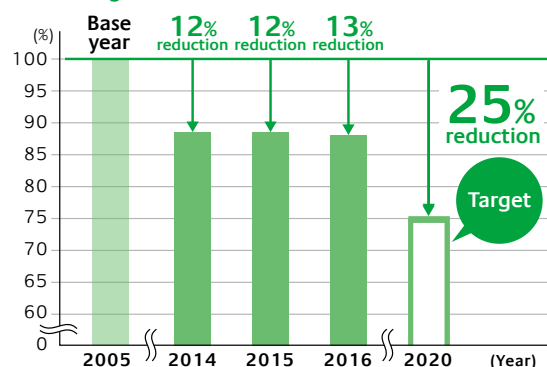
\*<sup>1</sup> Calculated based on "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 2.0" (The Japan Automobile Tyre Manufacturers Association, Inc., April 2012)  
 \*<sup>2</sup> NanoPro-Tech is a nanotechnology to analyze and control the molecular structure of rubber at the nanometer level.

CO<sub>2</sub> Emissions Per Sales from Operations and products' after-use Other Than Use<sup>3</sup>



\*<sup>3</sup> Includes CO<sub>2</sub> emissions reduction activities and exchange rate fluctuations of sales.

Tire-Rolling Resistance Coefficient



For more details of our activities in Environment, please see the website. <http://www.bridgestone.com/responsibilities/environment/index.html>

# Corporate Governance

## Basic Policy on Corporate Governance

The Group considers the enhancement of corporate governance to be one of its most important management focus points. The Group believes that working to increase management quality and enhance the transparency of decision-making is indispensable, and accordingly, continually strives to strengthen corporate governance. This ensures that the Group continues to fulfill its founding mission as stated in its corporate philosophy: “Serving Society with Superior Quality.”

Based on this approach, in accordance with the responsibility and authority delineated in the Administrative Authority Rules, and in line with the Policy Management Rules, the Company is committed to developing, communicating, and abiding by fair, transparent decision-making and management policies.

As one facet of initiatives to strengthen its corporate governance system, to achieve both further strengthening of its internal control system and heightened speed in execution, the Company transitioned to the “Company with Nominating Committee, etc.” model of corporate governance in March 2016. The Group will continue striving to further strengthen both the efficiency and the effectiveness of management and execution.

## Corporate Governance Structure

The Company has transitioned to the “Company with Nominating Committee, etc.” model and has a system that enhances the separation of management and operational responsibilities and allows the directors and the Board of Directors to focus more effectively on overseeing the execution of business operations. At the Annual Shareholders’ Meeting held on March 24, 2017, 11 directors were elected, including seven outside directors.

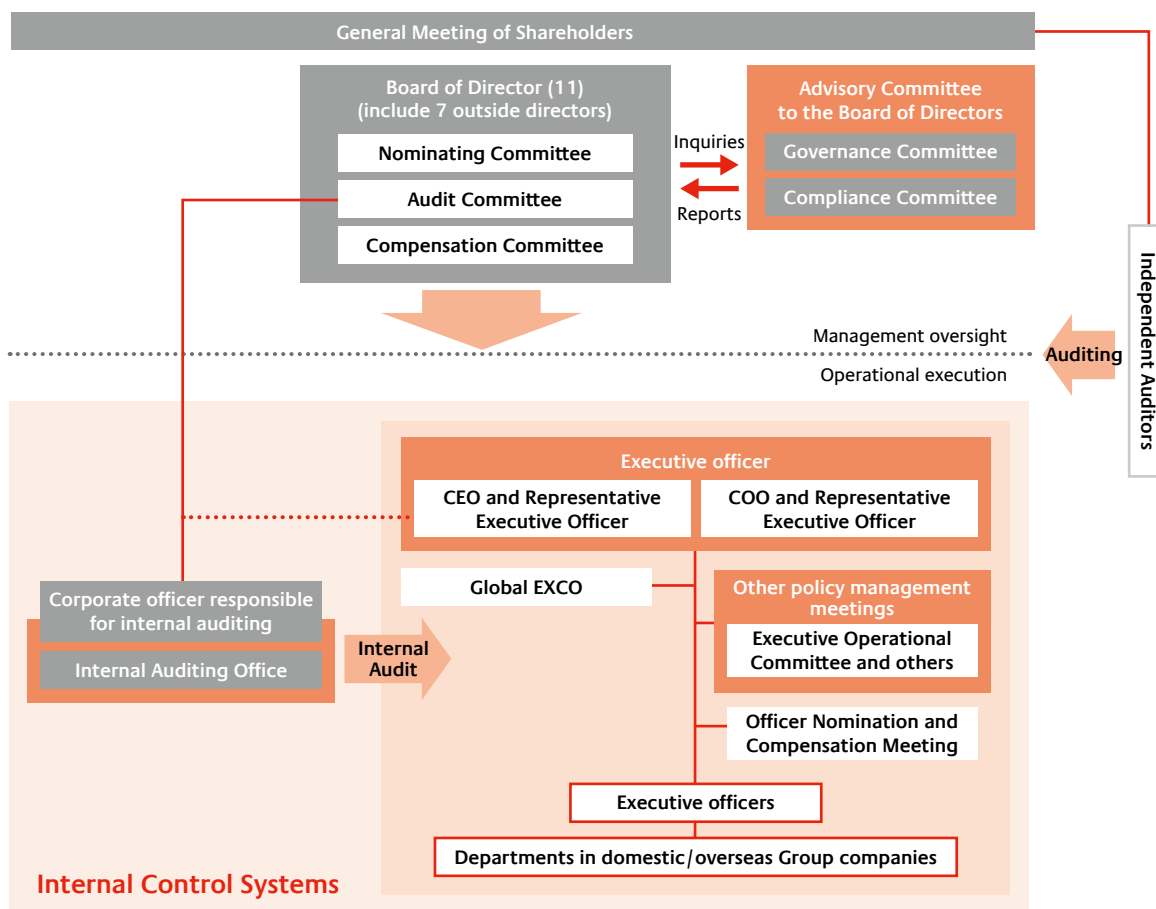
The Chairman of the Board, who is selected from among the directors in accordance with the Articles of Incorporation and the Board of Directors’ Rules, serves as the chairperson of both Board of Directors’ meetings and General Meeting of Shareholders.

In addition, items related to decisions on basic management policies, important business execution matters, and other matters that must be determined by the Board of Directors are stipulated in the Articles of Incorporation, the Board of Directors’ Rules, and Administrative Authority Rules. These matters are determined after careful deliberations by the Board of Directors.

The Company has established and maintains a corporate governance system that functions through appropriate, active performance of duties by the Nominating Committee, the Audit Committee, and the Compensation Committee, in conjunction with oversight of the executive officers and directors by the Board of Directors. The Nominating Committee has four members, all of whom are outside directors. This committee deliberates on such matters as standards and policies for the fair, transparent appointment and dismissal of directors. The Audit Committee has five members, consisting of three outside directors and two internal directors. This committee conducts audits regarding the business execution of executive officers and directors. The two internal directors on the Audit Committee are full-time members of the Audit Committee. The Compensation Committee has four members, all of whom are outside directors. This committee deliberates on such matters as the details of compensation for directors and executive officers.

Regarding the management system, the CEO and representative executive officer (CEO) and the COO and representative executive officer (COO) are the leaders of the operating divisions. The CEO is principally in charge of overall management and strategy, and the COO is principally in charge of operations. At the same time, these two officers implement a system of mutual checks. The Company is further strengthening its corporate governance system by separating and clarifying the respective roles and authority of the CEO and the COO, advancing the sharing of information, and increasing the transparency of decision-making processes. Further, under the CEO and COO, respective executive officers are responsible for decision-making and the business execution in relation to matters delegated to them by the Board of Directors. In addition, following deliberations by the Officer Nomination and Compensation Meeting, which is an advisory body to the CEO and COO, full-time corporate officers, who are elected by the CEO, are responsible for business execution under the direction of the executive officers.

■ Corporate governance structure (as of March 24, 2017)



## Advisory Committees to the Board of Directors

To further increase transparency of corporate governance, the Governance and Compliance Committees has been established as advisory bodies to the Board of Directors. These advisory committees provide advice to the Board of Directors in regard to such matters, the governance system and related issues, and overall compliance activities. These committees are comprised of a total of seven outside directors and one or more internal directors, who are members of the Audit Committee participate as observers.

## Executive Operational Committee

With regard to the execution of business operations, the Company has established the Global Executive Committee (Global EXCO) in 2013, which oversees business execution on a Group and Global basis, the Executive Operational Committee and other policy management meetings. These Committees deliberate and report on specific matters set forth in Company policy as well as other important matters. In addition to key executive officers such as the CEO and COO, full-time corporate officers also participate in the Global EXCO and the Executive Operational Committee meetings along with other policy management meetings.

## Internal Control Systems: Basic Approach and Implementation

The Company implements audits through cooperation among the Audit Committee, the Internal Auditing Office, and the independent auditors.

## Auditing Structure

The Company implements audits through cooperation among the Audit Committee, the Internal Auditing Office, and the independent auditors.

In accordance with audit policies determined by the Audit Committee, the Committee works in cooperation with the Internal Auditing Office and other bodies to audit the execution of business duties by executive officers and directors. These auditing activities include attendance at important meetings, such as the Global EXCO and the Executive Operational Committee; interviews to ascertain the status of operations; reviews of important business documents; and on-site audits of business offices. Moreover, information and opinions are exchanged with the representative executive officers, and meetings are held with such persons as the corporate auditors of major subsidiaries in Japan. In addition, the Company has assigned a corporate officer with full-time responsibility for auditing to assist the operations of the Audit Committee. Under the supervision of this corporate officer, dedicated staff have been assigned to assist with audits by the Committee. Decisions to select and replace this corporate officer require the agreement of the Audit Committee.

The Internal Auditing Office and internal auditing departments within the Company's operating divisions and major subsidiaries conduct internal accounting and operational audits of the Company and Group companies. The Internal Auditing Office makes annual audit plans and conducts on-site audits of each function, operating division, and subsidiary.

In cooperation with the Audit Committee, Deloitte Touche Tohmatsu LLC performs the accounting audit of the Company's financial statements.

The Audit Committee, the Internal Auditing Office, and the independent auditors exchange information and opinions as necessary and generally maintain close contact, thereby working to further increase audit efficiency and effectiveness.

### ■ Board of Director, Executive Officer and Corporate Auditor Remuneration (January-December 2016)

Positions	Members	Amount of Compensation, Etc.
<b>Directors</b>	<b>13 People</b> (of whom eight are outside directors)	<b>¥213 million</b> (of which ¥97 million is for outside directors)
<b>Executive Officers</b>	<b>10 People</b>	<b>¥562 million</b>
<b>Corporate Auditors</b>	<b>4 People</b> (of whom two are outside corporate auditors)	<b>¥24 million</b> (of which ¥6 million is for outside corporate auditors)
<b>Total</b>	<b>27 People</b>	<b>¥800 million</b>

1. Figures include two directors (one an outside director) who retired during the subject fiscal year, and one executive officer who resigned.

2. Bridgestone transitioned to a "Company with Nominating Committee, etc." model of corporate governance from a "Company with Board of Company Auditors" model through a resolution adopted at the 97th General Meeting of Shareholders held on March 24, 2016. Accordingly, the figures in the above chart for the amount of compensation paid to corporate auditors and the number of auditors reflect the total amount for duties performed and the number of corporate auditors during the period from January 1 to March 24, 2016.

3. The figure for total number of members is an overlapping total including a director who retired with the transition to the "Company with Nominating Committee, etc." model and was appointed an executive officer, a corporate auditor who retired and was appointed director, and a person who serves concurrently as director and executive officer.

## Report on the Corporate Governance Code

Bridgestone Corporation submitted the report on the "Corporate Governance Code" to the Tokyo Stock Exchange, with verification concerning the state of correspondence to all principals. The "Corporate Governance Code" was added to the listing rules of the Tokyo Stock Exchange in 2015 to contribute to the realization of effective "Corporate Governance" as the KEY principals. The Company publishes "Corporate Governance Code Report" and published them on its website.

Through the explanation of the Company's idea of the "Corporate Governance" and introducing efforts towards it, Bridgestone Corporation is aiming to promote greater understanding of its "Corporate Governance".

[http://www.bridgestone.com/corporate/library/corporate\\_governance/pdf/2016\\_Report\\_on\\_the\\_Corporate\\_Governance\\_Code.pdf](http://www.bridgestone.com/corporate/library/corporate_governance/pdf/2016_Report_on_the_Corporate_Governance_Code.pdf)

# 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.

## Management Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area, reports to the Global EXCO,\*<sup>1</sup> and confirms the in-house implementation of CSR activities conducted by the Global CSR Enhancement Committee (GCEC).

Within Bridgestone group, “Global Legal Leadership team” was established by leaders of the legal and compliance departments in the Americas, Europe, Middle East and Africa (EMEA), China, Asia and Pacific (CAP) and Japan and the team is taking a lead to design the overall plans.

The Compliance, Fair Competition WG supervises the progress of the compliance activities on a global scale, which activities have been significantly overlapped by initiatives created by the Global Legal Leadership Team. The WG regularly reports the activities to the top management of GCEC and each SBU region.

Since the establishment of the WG in 2016, the WG has created a plan for more effective programs to create a best-in-class compliance culture in the organization globally. These programs are designed consistent with the Bridgestone Essence and the core elements of effective compliance programs recognized by various preeminent government agencies and compliance experts.

Firstly and most importantly, Bridgestone’s top management has clearly identified compliance as a top priority for all members of the organization and has continued to systematically reinforce this message.

Bridgestone Corporation adopted a new corporate governance structure, a “Company with Nominating Committee etc. system” in 2016. Under the new governance structure, a Compliance Committee, which is comprised of independent board members, remains as an advisory committee to the Board of Directors and supervises Bridgestone’s compliance activities, particularly cartel and bribery prevention.

In 2016, the Compliance Committee convened a total of nine times whereby its members shared opinions based on their own experiences and specialties.

In addition to the regular report to the Compliance Committee, Bridgestone’s Chief Compliance Officer (CCO) presents an annual update on the company’s compliance activities to the Board of Directors.

\*1 Global Executive Committee: The highest-level committee associated with Bridgestone Global Group business execution

## Compliance Activities

The Bridgestone Group takes every aspect of compliance very seriously. Among others, the Group places the highest priority on cartel and bribery prevention for the fair competition, and continues to strengthen its cartel and bribery prevention compliance activities by various means, including, but not limited to standards and rules, training and monitoring activities.

### 1. Establishment of corporate standards and rules

Some of major The Bridgestone Group companies have their own code of conducts and policies. The Global Legal Leadership Team considers a possibility of a single common Code of Conduct that applies to the entire group, and the project team is working.

In order to clearly show the Bridgestone Group's commitment to cartel and bribery prevention, Bridgestone established a group-wide policy strictly prohibiting cartel and bribery conduct. Each SBU adopted and maintains a similar code and guideline.

Bridgestone Corporation issued its Cartel Prevention Code in October 2012, which sets out the basic rules of cartel prevention. Bridgestone issued Cartel Prevention Guidelines in December 2014 as a supplement to its Cartel Prevention Code. The Guidelines demonstrate the appropriate course of action to be taken by employees in day-to-day business situations.

Bridgestone also issued its Guidelines on Gifts and Entertainments in October 2012, and renewed the guidelines as "Bribery Prevention Guidelines" in October 2016.

### 2. Trainings

The Bridgestone Group continues to provide its employees with various types of compliance training. While themes are selected by legal and compliance departments of each SBU, cartel and bribery prevention is a common theme globally. Live, online and workshop style trainings are offered depending on targeted people within the organization.

### 3. Monitoring

The Bridgestone Group is expanding hotlines throughout the Bridgestone enterprise. In addition to a longstanding general whistleblowing line, Bridgestone established a hotline in 2014 to exclusively receive report related to cartel and bribery as part of its effort to detect any anticompetitive or unfair business conduct at an early stage. The compliance hotlines receive anonymous reports and ensure confidentiality and investigation.

Bridgestone initiated various measures to monitor the status of its internal rules and promptly uncover potential misconduct particularly for cartel and bribery prevention. For instance, the Cartel Prevention Guidelines require its officers and employees to record all contacts with competitors and encourage them consult with legal and compliance department if they have any question or require guidance. In 2016, Bridgestone established its Bribery Prevention Guideline which requires employees to submit an approval form in advance before all payments to official governments. Bridgestone periodically reviews emails of certain employees who have opportunities to come in contact competitors. Furthermore, since 2014, Bridgestone's CCO regularly interviews officers and division heads to assess level of risks related to legal and compliance.

### 4. Others

Intercompany compliance meetings for overseas small subsidiaries have been set up to promote compliance activities throughout the organization. In 2016, such meetings were held in Americas, Europe, Asia and Japan. The Global Legal Leadership Team created a plan to strengthen effective legal and compliance oversight over the subsidiaries worldwide and started to take actions to the next phase.

In addition, a variety of initiatives to enhance compliance globally have been started by Global Compliance Practice Team under the guidance of the Global Legal Leadership Team. The Practice Team exchanges ideas and explores opportunities, for instance, an effective means and tools for senior management team to recognize compliance risks around the world, a common training theme and tools, and KPIs for compliance.

# Business Continuity (BCP), Risk Management



## Mission

### Prevent and mitigate operational risks

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

## Management Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area, reports to the Global EXCO,\*<sup>1</sup> and confirms the in-house penetration of CSR activities conducted by the Global CSR Enhancement Committee (GCEC).

The Bridgestone Group broadly divides risks into two categories: business strategic risks, which are related to management decision-making, and operational risks, which are related to daily operations. The former is handled through business operations, while the latter is handled by the Chief Risk Officer (CRO), who has overall responsibility for managing risks. In this way, the Bridgestone Group promotes risk management activity initiatives.

With respect to risk management activities, the Bridgestone Group promotes identification, evaluation, corrective measures, review/monitoring and audit of risks under normal circumstances, as well as the development and implementation of business continuity Plan while enables the swift resumption of business in emergency situations.

In 2016, under GCEC, the BCP, Risk Management WG was established, comprising members from each SBU\*<sup>2</sup>. The WG developed “the Risk Management Principle” including the WG Mission, Role and the responsibilities of Leadership, Organization and individual. Based on the Principle, the WG has been upgrading the Risk Management System.

The Bridgestone Group endeavors to fulfill the expectation of society in a proactive manner and to apply this same objective to its activities.

\*1 Global Executive Committee: The highest-level committee associated with Bridgestone Global Group business execution

\*2 Strategic Business Unit

## ■ Activities under Normal Circumstances

The Bridgestone Group promotes the appropriate management of important risks common for the Group, as well as carefully crafted activities that consider the scale and unique characteristics of each business office and subsidiary through Group Global unified activities and autonomous activities at divisions and SBUs.

In terms of unified activities, we began identifying risks at the Bridgestone Group (excluding companies in which Bridgestone has an equity stake of 50% or less) in 2009. From then on, we select important risks common for the Group from among those identified and promotes unified Group-wide countermeasures every year. These activities will continue to be conducted in 2017.

At the same time, to promote autonomous activities at divisions and SBUs, the CRO was established in each division and SBU to promote detailed risk management activities corresponding to the scale and unique characteristics of each business office and subsidiary under each division or SBU.

## ■ Emergency Responses

The Bridgestone Group develops Business Continuity Plans (BCPs) to take measure to important risks of the countries and regions with the aim of ensuring immediate initial responses to emergencies, as well as business continuity and rapid recovery in the event of disaster. When incidents occur, the Bridgestone Group has the immediate reporting system to CRO. And the crisis management organizations are activated to respond to the incidents systematically.

### Earthquake Countermeasures

The Bridgestone Group develops BCPs and conducts drills to prepare for major earthquakes, which pose a significant risk.

In Japan, the Bridgestone Group also has established a BCP in preparation for a major earthquake in the Tokyo metropolitan area that would affect our head office, technical centers, and many other functions. We created a three-pronged office framework approach (consisting of Kyobashi, Kodaira, and Yokohama) for emergencies, ensuring backup functions. Emergency countermeasure organization drills are conducted in these three districts annually.

In 2015, evacuation points placing the highest priority on the preservation of human life and evacuation procedures were put in place at domestic facilities at risk in the event of a tsunami.

In addition, since the Great Hanshin-Awaji Earthquake in 1995, the Bridgestone Group has systematically implemented earthquake-resistance measures in buildings.

This is to protect the lives of each of our employees, but we also believe that protecting production facilities and other corporate assets from destruction is the basis of good corporate management. In the interest of business continuity, these initiatives also go toward mitigating risk to meet social requirements.

Since the Great East Japan Earthquake in 2011, we have again looked carefully into the vulnerability to disaster of building components such as ceilings and pipes. We have put in place our own standards in these regards and are proceeding with earthquake-proofing in a well-planned manner.

In overseas SBUs, BCP and Earthquake-resistance measures in buildings/manufacturing equipment based on the risks assessment are deployed and being implemented, too.



Emergency countermeasure organization drill in Kodaira



## Response to New Types of Influenza and Other Severe Infectious Diseases

The Bridgestone Group has formulated BCPs to address the spread of new types of influenza and other severe infectious diseases that are potentially pandemic in scope.

During the 2013 outbreak of type H7N9 avian influenza in China, we held weekly meetings to ensure the consistent sharing of information about conditions. We also supported the creation and maintenance of BCPs for all subsidiaries throughout China.

In 2015, we revised our response standards in light of pandemic phase changes indicated by the World Health Organization, which announces epidemic levels, and in response to the China avian influenza and Ebola hemorrhagic fever. Going forward, Bridgestone will promote these initiatives throughout the entire Group to create a structure enabling a unified response to the spread of infectious diseases in all countries.

## Information Security

### ■ Personal Information Protection

The Bridgestone Group recognizes that it has been entrusted with the personal information of its customers and business partners, and has an obligation to handle this information carefully under the philosophy of respecting the personalities of individuals. In March 2005, we formulated a basic policy for personal information protection and put into place a structure for information management based on this policy. We created a Compliance Casebook, incorporated into our e-learning program cases involving personal information protection, and conduct ongoing trainings utilizing specific examples for all employees at Bridgestone and its group companies in Japan.

### ■ IT Security

The Bridgestone Group takes a systematic approach to IT security in order to prevent leaks of customer data and other confidential information and to ensure stable business continuity. We have formulated key points and standards for IT security as the regulations and rules regarding IT security activities and make regular revisions in response to technological advancements and changes in IT risks. Particularly strict standards have been set for the information systems handling personal information.

For the global group company network, Bridgestone is coordinating with the IT security teams in regions with Bridgestone Group companies, and working to formulate a new global security framework.

Bridgestone also takes steps to continually strengthen IT security throughout the corporate group, including e-learning programs for employees regarding email and other aspects of IT security, and regular internal audits to raise IT security awareness among employees.

Further, to counter targeted attacks and other advanced cyber threats, Bridgestone is strengthening its monitoring of networks and other systems and has established a structure to provide an immediate response to any IT security incident.

# 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 for fundamental human rights.

## Policy

### ■ Our Group's Stance on Human Rights

In addition to respecting human rights in accordance with Our Group's Stance on Human Rights, we appointed a Chief Human Rights Officer (CHRO) and are taking steps to ensure the Group's approach to this issue is well understood throughout the organization.

#### 1. Prohibition of Discrimination

In all corporate activities, Bridgestone prohibits any act that impairs individual dignity or discrimination based on race, ethnicity, nationality, gender, age, language, religion, creed, social status, disability, or any other protected characteristics.

#### 2. No Harassment

No personnel shall speak or act in ways that degrade individual dignity based on protected characteristics such as gender, authority, or any other type of harassment.

#### 3. No Child Labor/Forced Labor

Bridgestone prohibits child labor/forced labor in any country.

### ■ The Bridgestone Group's Stance on "Respect for Diversity"

The Bridgestone Group provides a work environment in which individuals who have diverse values and personalities can work comfortably and demonstrate their abilities. To make this possible:

- We recognize and respect diversity of culture and customs in each country of the world.
- We sympathize with ideas from diverse viewpoints of diverse people and create new value.
- We establish a system in which employees can perform their duties with peace of mind and demonstrate their abilities to the fullest across the various stages of their lives.

And finally, we focus all of these efforts on "improving employee satisfaction," "activating and improving the Company," and "increasing stakeholders' profits."

## ■ Approach to Continued Enhancement of Job Satisfaction and Pride and Related Initiatives

The Bridgestone Group has adopted the following approach to continued enhancement of job satisfaction and pride.

**Employees will strive to create a motivating workplace and to grow through their work as they share the following global and Group values:**

- Communications:** Encourage mutual communications that build shared understanding and trust
- Teamwork:** Operate with a sincere respect for diversity. promote decisive and planned actions that accommodate what is the best for both the team and the company
- Compliance:** Encourage sincere actions that comply with both the letter and spirit of all applicable laws, regulations and polices.
- Customer Orientation:** Consider the internal and external customer perspective, and encourage actions that put customer satisfaction first.
- Improvement:** Respectfully challenge the status quo, and always strive for excellence without fear of failure. Foster an environment that promotes improvement and innovation, taking into account the importance of both the process and the results.
- Personnel Training:** Provide a training system that supports proactive learning and encourages employees to develop their own abilities.
- Evaluation, Compensation:** Build a human resources system that encourages employees to excel by fairly evaluating their achievements and compensating them accordingly.

### Management Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area, reports to the Global EXCO,\*<sup>1</sup> and confirms the internal penetration of CSR activities conducted by the Global CSR Enhancement Committee (GCEC).

In addition to respecting human rights in accordance with the Bridgestone Group's Stance on Human Rights, we appointed a Chief Human Rights Officer (CHRO) and are working to ensure the Group's approach to this issue is well understood throughout the organization. In accordance with the Global CSR management system, the Human Rights, Labor Practices WG verifies the content and progress of overall global efforts in human rights, labor practices and diversity, and reports to the GCEC and top management in each SBU\*<sup>2</sup> and region.

\*1 Global Executive Committee: The highest-level committee associated with Bridgestone Global Group business execution

\*2 Strategic Business Unit

### Spreading Awareness of Our Group's Stance on Human Rights Worldwide and Initiatives on Human Rights Due Diligence

In 2011, we translated Our Group's Stance on Human Rights into 15 languages and distributed it to all offices, plants and group companies. We then provided education and training which concluded in 2012, with the goal of spreading awareness of this stance among all employees worldwide.

To foster an ongoing awareness and understanding of Our Group's Stance on Human Rights throughout the Bridgestone Group, we have included this topic in New Hire training and Level-wise training since 2013. To further promote human rights, we have human rights consultation desks in place at each of our offices in Japan, with which employees can consult in cases of facing human rights infringement. We regularly confirm the state of compliance and check that our perspectives are being followed.

We conduct human rights due diligence within the Group. Based on our findings, we have formulated a three-year plan to address each area of human rights, such as discrimination and harassment. In 2016, we continued to define human rights topics for assessment and worked to identify potential human rights risks at each of our offices.

## ► Approach to Respecting Diversity and Related Initiatives

In 2008, the Bridgestone Group established a unit responsible for overseeing the promotion of diversity in Japan and has been applying this approach to respect for diversity throughout the Bridgestone Group since 2009.

Based on the Bridgestone Group's Stance on Respect for Diversity, for each Bridgestone Group company we will establish diversity-related programs specific to the respective countries or regions and laws.

Bridgestone has held lectures on diversity and work-life balance conducted by outside experts since 2009, with a total of approximately 3,500 employees attending to date.



Diversity seminar

### Initiatives for Female Employees

The Bridgestone Group, based on the Bridgestone Group's Stance on Respect for Diversity, implements measures for the active participation and advancement of women in the workplace of each SBU.

In Japan, Bridgestone undertakes a variety of initiatives to help female employees succeed. We provide career development training for interested female employees, offer support to help female employees develop networks, and conduct career support training targeting gender diversity awareness for managers. We also have introduced a program in Japan to promote female employees to be in management positions with the goal of developing female managerial candidates over the medium term.

Bridgestone Americas has adopted strategies to increase female representation in management, including support for the WOMEN Unlimited programs to develop leaders by managerial level, as well as development and mentorship programs through the women's affinity group BWIN. Candidates slates for Leadership level positions, and the top two of the four Management levels must include at least one diversity candidate.

### Initiatives for Diverse Workstyles

Based on the Bridgestone Group's Stance on Respect for Diversity, we aim to create a workplace environment in which diverse individuals can succeed.

To support employees raising children, Bridgestone has established nursery facilities close to its office, and conducts seminars on childcare. In Europe, we offer flexible work schedules for families, and provide opportunities for employees to maintain communication while on childcare leave. Bridgestone also promotes employment for persons with disabilities, including establishing the special exceptional subsidiary Bridgestone Empowerment Co., Ltd. to provide disabled persons with employment opportunities.

Bridgestone will further promote such measures with the aim of establishing an inclusive society where employees can work with an easy mind.

### External Assessment

#### ■ Selected as a "Nadeshiko Brand" for Four Consecutive Years

In March 2017, Bridgestone was selected for the fourth consecutive year as a "Nadeshiko Brand," by which the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly publicize enterprises that are exceptional in encouraging women's success in the workplace.

In fiscal 2016, the "Nadeshiko Brand" introduced companies aggressively promoting the utilization of women employees, including the creation of environments in which women are able to continue working, in each industry from among approximately 3,500 companies listed on the Tokyo Stock Exchange.

Bridgestone was recognized for its efforts to increase the ratio of women among new hires and directors (including outside directors), supporting women's careers and initiatives supporting a work-life balance.



"Nadeshiko Brand" logo

## ▶ Continued enhancement of job satisfaction and pride

### Initiatives for Continued Enhancement of Job Satisfaction and Pride

Based on the approach to continued enhancement of job satisfaction and pride, in 2013, we conducted voluntary checks to determine whether the necessary systems for human resources, compensation, education and training were in place. We then moved forward to establish plans for system improvements at each company, based on the results of the voluntary checks. In addition, we conducted training for each company's human resource coordinators to encourage system improvements at each Group company. We are following this plan to steadily improve the human resource and compensation systems, as well as education and training, and make them consistent throughout the Group.

### Ongoing Education for the Next Generation of Management

One of the Bridgestone Group's personnel policies is to optimally utilize human resources throughout the Group. We conduct selective education over the medium to long term on an ongoing basis for the human resources who will support Group management in the future.

We have identified some 250 posts as Global Key Positions (GKPs) that play an important role in Group management. Since 2004, we have held a Global Development Class (GDC) as a program for training selected personnel for these GKPs.

Under the GDC program, initially, we conduct 360-degree evaluations of selected members from within the Group (approximately 15 to 20 people per year, and recently once every two years), including evaluations by supervisors, colleagues and subordinates, as well as self-evaluations. We then prepared individual educational plans based on the evaluation results. Group training concentrates on skill development and the honing of leadership skills, focusing on the behavioral characteristics the members' desire. By assigning people who have completed this program to management at Group companies in Japan and globally, we cultivate management resources with an international perspective.

In 2014, we introduced the Global Development Network (GDN) to help personnel early in their careers establish global networks. The GDN program targets selected members from within the Group (approximately 20 people per year, selected once every two years). Group training is held twice each year to assist in building global networks.

### Developing Manufacturing Human Resources Group-wide

The Global Manufacturing Education Centre (G-MEC) was established in 2007 with a mission of developing manufacturing human resources who can implement the Bridgestone manufacturing way. G-MEC expands global manufacturing human resources through three pillars: "Establish standard human resource development program," "Train-the-trainer program," and "Systemization of manufacturing resources development."

Overseas facilities currently account for 70% of the Group's production, and Bridgestone focuses on maintaining and enhancing production at all plants to "make and supply quality products consistent with standards" and ensuring self-directed, high levels of production. Accordingly, promotion structures were established in each region: C-MEC (China), AP-MEC (Asia), E-MEC (Europe), BRISA-MEC (Middle East), NA-MEC (North America), and SA-MEC (South America). Promotion leaders ("Masters") were trained and placed at each SBU/facility as the key person promoting education and post-education activities and improvement efforts at their facility.

#### Number of Masters (as of December 2015)

By Category	Region	Japan	Americas	Europe Middle East	China	Asia	Total
Production Process Management		23	3	5	13	17	61
Standard Skill Instructor		20	0	15	14	15	64
Equipment Maintenance Management		22	3	11	12	20	68
Total		65	6	31	39	52	193

## Employee Satisfaction Survey

In Japan, Bridgestone conducts a satisfaction survey of all employees annually, covering a broad range of personnel policies including work, workplace, and compensation. The results of this survey are reported to the executives and provided as feedback to employees via the intranet and posters.

In 2016, the survey response rate was 96.0%, with “General workplace attractiveness” receiving an average of 3.19 points (compared with 3.22 points in the previous year) out of a possible 5.0 points, while “General attractiveness of the company” earned an average of 3.27 points (from 3.35 points). We will take these results into account as we move forward with efforts to enhance workplace communication.

We will continue to conduct these surveys and to include the results in the formulation and development of new measures and improvements.

Category	2014	2015	2016
General workplace attractiveness	3.19	3.22	3.19
General attractiveness of the company	3.33	3.35	3.27

\* Full score: 5

# 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.



Refined version of the Bridgestone Safety Mission Statement

The Bridgestone Group refined the Bridgestone Safety Mission Statement in 2012, changing the wording to “Safety First, Always” and “At Bridgestone, we make safety a business value. Creating a safe working place is everyone’s responsibility.”

Along with refining the Group-wide guidelines for Safety, Health and Disaster Prevention activities, we established Bridgestone Safety Fundamental Activities:

- (1) 3S: Select and Remove, Sort, Keep Clean
- (2) KY: Finding hazards beforehand
- (3) RA: Risk Assessment
- (4) Safety Rules

Those activities are to be conducted by all employees in all workplaces. We have been challenging employees to understand objectives and expectations of the activities and asking them to proactively conduct these activities.

## Management Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area, reports to the Global EXCO,\*1 and confirms the in-house penetration of CSR activities conducted by the Global CSR Enhancement Committee (GCEC).

The Safety, Industrial Hygiene Working Group considers the most effective means to implement the Bridgestone Fundamental Safety Activities on a global basis. The WG has three task forces (Global Management Systems, Global Standards, and Benchmarks/KPI), and drafts global standards from each perspective. The GMP\*2 collects information on disasters and prevention related to health and safety and prepares a quarterly report that the WG utilizes for practical application.

During 2016, the Safety, Industrial Hygiene WG reviewed the scope to which the Bridgestone Safety Mission Statement and general regulations are applied to employees, contractors, and visitors and reported its findings at the GCEC.

\*1 Global Executive Committee: The highest-level committee associated with Bridgestone Global Group business execution

\*2 Global Management Platform

## Bridgestone Group Safety Mid-term Management Plan and Policies

The Bridgestone Group developed a Safety and Health Mid-term Management Plan that aimed for ideals to ensure safety and health and promotes specific policies in the areas of awareness, engineering and systems (management) to achieve those ideals.

In 2012, we formulated the Bridgestone Safety Fundamental Activities, which bring together our efforts to date and promotes Group-wide discussion and activities concerning the specific content of the mid-term safety and health plan. Moreover, to facilitate accelerated adoption of strategies throughout the Group, we formulated and executed specific Group-wide strategies based on the Group Global Quality Management Activities.

### ■ Activities Based on the Bridgestone Safety Fundamental Activities

The Bridgestone Group has been promoting the activities set forth in the Bridgestone Safety Fundamental Activities as standard safety activities for all of our workplaces. Under this approach, the basic safety activities are 3S (Select & Remove, Sort, Keep Clean), KY (Finding hazards beforehand), RA (Risk Assessment), and Safety Rules. All Bridgestone Group employees and workplaces are making constant efforts to implement these activities in a consistent manner.

In order to standardize the content of the activities in all of our workplaces, we have issued Activity Guidelines setting forth the specific items to implement and activities to promote in accordance with these guidelines. In addition, we have assigned instructors who are familiar with the Bridgestone Safety Fundamental Activities to each workplace to establish a structure facilitating the development and implementation of standard activities.

Bridgestone offers safety education in workplaces that is position-specific, including managers and supervisors, and aimed to heighten awareness for everyone in an effort to protect all employees and colleagues from serious injury. Bridgestone encourages proactive measures in which all staff members participate. Moving forward, the Bridgestone Group will continue its efforts to spread and establish these activities in the Group.



Employees engaged in Instructor Training



Training of Bridgestone (China) Investment Co., Ltd.



Training of Bridgestone Logistics Europe NV

### ■ Safety awareness

To create safe workplaces, it is essential to foster safety awareness as a means of ensuring every employee adheres to applicable standards. The Bridgestone Group has been conducting Safety Consciousness Surveys since 2009. These surveys identify safety issues at each workplace through a questionnaire related to the occurrence of accidents, with the results used to make Group-wide improvements. In 2016, the survey was conducted at group company workplaces worldwide.

In addition, to enhance safety awareness, Bridgestone managers regularly visit worksites in Japan and overseas to discuss the importance of prioritizing safety. Going forward, we will continue these initiatives, with management taking a leading role to actively promote the Bridgestone Safety Fundamental Activities and foster safety consciousness in the workplace.



## Engineering Initiatives

### Standard chart for evaluating the risk of equipment use

Unit = Points (Evaluation points)

		Possibility of damage = Probability of injury occurring			
		Hardly any	Possibility exists	High possibility	Definitely
*		A	B	C	D
Extent of injury	①	1	2	4	7
	②	3	6	9	11
	③	5	10	13	14
	④	8	12	15	16

\*Possibility = A < D, ① < ④

- A = Surrounded by safety cover and difficult to enter dangerous zone
- B = Safety cover exists, but so do inadequacies such as low rail; may come in contact with dangerous area if ones pushes it
- C = No safety cover, but has emergency stop equipment
- D = No safety cover plus inadequacies in such areas as warning and display
- ① = Minimal injury
- ② = Light injury
- ③ = Serious injury (including inability to work)
- ④ = Critical injury (including death)

Work procedures and equipment that could lead to serious injury require reliable technical measures to prevent future incidents. Therefore, the Bridgestone Group is working to lower risk by pursuing safety from the equipment design stage and maintaining safety during equipment use. This includes store and warehouse equipment, as well as production equipment. These efforts include conducting risk assessments to identify risk and establish engineering controls or work procedures to reduce risk and potential for serious injury.

During 2016, we continued with efforts to assign and train safety engineers (SEs) as experts in equipment safety and conduct risk assessments. Based on the results, we are working to identify hazardous equipment and implement safety measures, giving priority to equipment with major injury risks. This effort includes both store and warehouse equipment. In addition to these measures, we have been re-appraising the hazard level of procedures and implementing the necessary safety measures through risk assessment (RA) activities associated with the Bridgestone Safety Fundamental Activities and constantly promoting the creation of safe workplaces.

## System (Management) Related Initiatives

The majority of the Bridgestone Group's production work sites use a checklist to assess the status of safety and health activities including legal compliance, while working to strengthen areas needing improvement.

Information on industrial accidents and fires that have occurred within the Group is shared along with information on the same kind of accidents at other companies in our industry and companies at large. Where necessary, we take measures to prevent similar accidents from occurring.

We are currently implementing and expanding safety and health management systems across the Bridgestone Group. These efforts ensure that the Bridgestone Safety Fundamental Activities function appropriately, and support ongoing improvements.

### Safety initiative evaluations

Within the Bridgestone Group (with the exception of some Group companies) checklists are used to confirm the status of training, education and drill execution; work rule guide composition and abnormality data uptake and improvement action; daily and regular fire equipment testing; and other safety activities. By understanding the results of these evaluations and moving forward steadily with improvements, we can enhance our status.

## Injuries

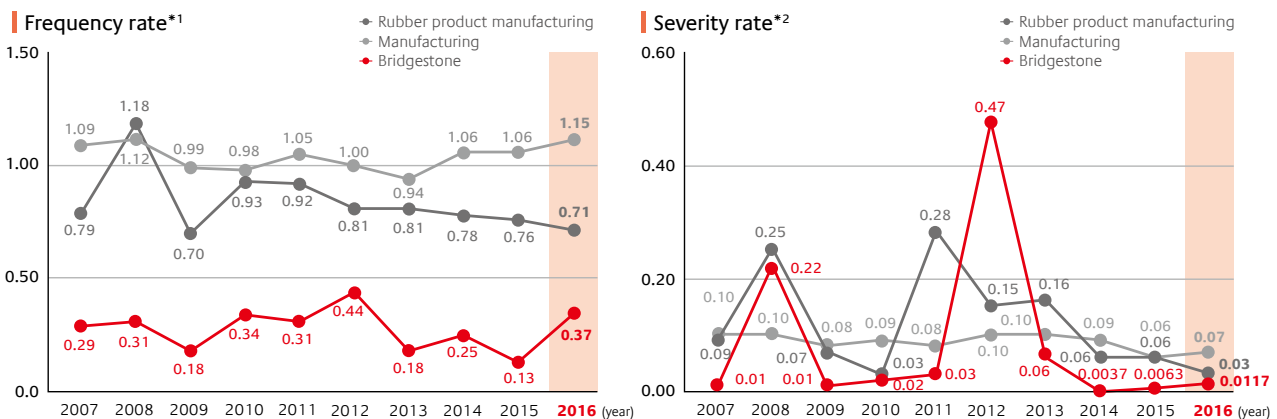
The Bridgestone Group has established Global Criteria for Occupational Injury to assess injuries occurring at Group production, distribution and sales facilities, as well as warehouses. In addition to compiling injury statistics on a quarterly basis, we put the results to use in preventing similar injuries.

During 2016, the number of work-related injuries was below the average Japanese manufacturing industry level in terms of frequency\*<sup>1</sup> and below the average industry level in terms of severity\*<sup>2</sup>. During 2016, for all of Bridgestone Group's 190 production and logistics sites, there were 24 fatal or serious injuries (+3 instances compared to 2015), including fractures due to falls (at December 31, 2016).

Bridgestone will continue to promote safety activities centered on the Bridgestone Safety Fundamental Activities without compromise, deviation or exception, with the aim of reducing the number of serious accidents closer to zero.

\*<sup>1</sup> Frequency rate indicates the frequency of accidents with casualties. Frequency rate = (number of casualties/total actual working hours) x 1,000,000

\*<sup>2</sup> Severity rate indicates the severity of accidents. Severity rate = (total number of working days lost/total number of working hours) x 1,000



## Disaster Prevention Management Activities

We have created a Disaster Prevention Global Guideline based on previous incidents with primary focus on Disaster Prevention preparedness exercises, including incipient fire-fighting drills, and preventative inspections such as electrical wiring. We will strengthen fire prevention activities and strive to create safe and stress-free workplaces.

Additionally, we share information on fires that occur within the Group and the measures taken to prevent similar accidents.

We have designated September 8 as Bridgestone Group Disaster Prevention Day, and all of our workplaces now conduct disaster prevention drills every year on that day.

### Global Disaster Prevention Center

To instill in all Group employees the Bridgestone Safety Mission Statement of "Safety First, Always" from a disaster prevention perspective, the Global Disaster Prevention Center was established in Kodaira, Tokyo, located inside the Bridgestone in September 2015.

The Global Disaster Prevention Center engages in education and training to review the causes of unforgettable disaster prevention failures, such as the fire at the Bridgestone Tochigi Plant on September 8, 2003.

Bridgestone conducts various types of training at the Global Disaster Prevention Center, including sessions that resonate with employees by telling stories about the fire disasters in the past, and sessions that demonstrate the danger of fire by allowing employees to experience the sensations of static electricity and dust explosions. Bridgestone also conducts training that leads to prevention and early detection of disasters using wreckage found in fire-devastated areas and model facilities. By introducing examples of fires that have



Training session at the Global Disaster Prevention Center

occurred not only in Japan but also overseas, the center has established a hands-on learning environment for global disaster prevention training.

Bridgestone has continually enhanced the trainings provided at the Global Disaster Prevention Center. Sessions related to natural disasters were added on March 11, 2016, the anniversary of the 2011 Great East Japan Earthquake, presenting the lessons learned from that disaster.

## Health Management

### Health Management Approach in Japan

Our goal at Bridgestone is “To Maintain a Sound Labor Force and Create a Pleasant Workplace,” and we conduct our health management, including healthcare management, accordingly.

#### ■ Regular Check-ups

In Japan, Bridgestone conducts regular and special health check-ups, as well as health exams, for employees working overseas as required under the Industrial Safety and Health Law. Employees facing health issues are given proper healthcare guidance, typically by resident industrial physicians at our Health Care Center.

In addition to having 12 industrial medicine specialists available at 12 sites nationwide, we hold an annual meeting in which all industrial physicians participate. We also have a full industrial health staff, including public health nurses, for handling special examinations and health insurance guidance.

#### ■ Preventing Overwork

Bridgestone recognizes the need to prevent long hours at the office and unusual amounts of overtime or late-night work to prevent health risks caused by overwork. In Japan, Bridgestone complies with the Labor Standards Act by working to reduce overtime and encouraging employees to use their annual holiday leave. In 2016, the rate of employees taking annual paid leave was 75.5%, with an average of 15.1 days.

We also have a program requiring employees working more than a fixed number of hours to consult with industrial physicians to help maintain good health.

**Total annual hours worked\* 2,060 hours (FY 2016)**

**Annual overtime hours worked 259 hours (FY 2016)**

\* Total annual hours worked = (Annual regular hours worked) + (Annual overtime hours worked) - (Annual paid holidays taken) - (Other holidays taken)

#### ■ Thorough Smoking Area Enforcement

Bridgestone complies with the Health Promotion Act executed in Japan in May 2003 by thoroughly enforcing smoking in designated areas only. This policy applies to visitors.

#### ■ Mental Health Efforts

In Japan, Bridgestone is concerned about the psychological and physical health of its employees. Industrial physicians and industrial medical staff serve as the core of Bridgestone’s mental health efforts, along with an external Employee Assistance Program (EAP). In line with Ministry of Health, Labour and Welfare guidelines (covering self-care, consultation line care, on-site industrial medical staff care, and off-site care), we have established a mental health plan for each office.

#### Bridgestone’s Efforts in Japan

1. Since 2006: Consultation department member’s care for managers and supervisors and self-care for new employees and mid-career hires
2. 2006: Introduction of external EAP covering employee families as well
3. Since 2007: Launch of psychological consultation website on the company intranet, providing information
4. “Return to Work Program” launched in 2010 for return to work assistance and recurrence prevention through ties with Human Resources, superiors, industrial physicians, main physicians and external EAP.
5. Since 2011: Strengthened secondary prevention and implemented mental health questionnaires (stress tests), mainly during health check-ups. Questionnaire results are provided as feedback to the employee for early detection of mental health issues.
6. Since 2013: Counseling Office staffed by career counselors established at headquarters. This office conducts two-tiered mental health care, primary and secondary, by selecting the company level and providing counseling for all employees in it.
7. Since 2014: The Company conducted an “organizational diagnosis” of three offices in the Tokyo metropolitan area. As primary prevention, initiatives were undertaken to reduce risk of mental health disorders occurring as a result of the workplace.
8. Since 2016: Stress tests and organizational assessments conducted at all business locations.

## ■ Selected as a “Health and Productivity Brand” (Japan)

In February 2016, Bridgestone was named a “Health and Productivity Brand” through joint selection by the Japan Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

Under this program, METI and TSE select and publicize outstanding enterprises listed on the TSE that focus on employee health from the viewpoint of management and undertake strategic initiatives. METI and TSE select and introduce investors to attractive enterprises that prioritize improvement in corporate value from a long-term perspective, and aim to make the program an incentive for more enterprises to undertake health and productivity management.

Bridgestone was selected under this program for the numerous measures it is undertaking to further employee health management, including efforts to prevent overwork, enhance mental healthcare and counter lifestyle diseases.



“Health and Productivity Brand” logo

## Health Program Evaluation

Bridgestone seeks transparency in its approach to evaluating occupational health efforts. We formulated a management status checklist based on our original standards concerning five areas of occupational health: overall management; health education; work environment management; work management; and health management. Bridgestone introduced this checklist at factories and/or offices in 2010, extending it to Group companies in Japan in 2011, and conduct regular checks and make improvements, in an effort to establish and maintain the system. Going forward, we will further enhance health education, and continue activities to maintain and improve the system for compliance with regulations and standards for occupational health in the Bridgestone Group.



# Procurement

## Mission

### Create value to society through sustainable procurement practices

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

1. Transparency

3. QCD & Innovation

2. Compliance

4. Sustainable Procurement Practices

## Setting policy & Commitments for Stakeholders

### ■ Procurement policy

Bridgestone's Procurement vision is to create value to society through sustainable procurement practices. We aim to realize this vision through our Global Sustainable Procurement Policy (Procurement Policy).

### ■ Procurement Guideline

The Bridgestone Group pursues CSR procurement through a Supply Chain Partnership Development System framework, which improves the overall competitiveness of the Bridgestone Group and our business partners.

## Management Structure

To promote Group-wide sustainability activities, Bridgestone created a structure comprising a global CSR management system, a regional CSR management system, and working groups (WGs) for each area of activity.

The global CSR management system prioritizes initiatives in areas pertaining to a variety of global issues, formulates global sustainability strategies, confirms the progress of activities in each area, reports to the Global EXCO,\*<sup>1</sup> and confirms the in-house penetration of CSR activities conducted by the Global CSR Enhancement Committee (GCEC).

The Procurement WG, in consideration of the current demands of society, checks the progress of the matters and activities for the whole procurement activity that is embraced on a global scale, and reports outcomes to the top managements of GCEC and each SBU\*<sup>2</sup> region. We endeavor to fulfill the expectations from society in a proactive manner and apply this attitude to our activities.

\*1 Global Executive Committee: The highest-level committee associated with Bridgestone Global Group business execution

\*2 Strategic Business Unit

## Enhancing CSR procurement

### ■ Initiatives Designed to Promote CSR Procurement

The Bridgestone Group pursues CSR procurement through a Supply Chain Partnership Development System framework, which improves the overall competitiveness of the Bridgestone Group and our business partners.

### ■ Holding Supplier Meeting to Extend Procurement Policy

Bridgestone Group holds an annual conference to explain its procurement policy to ensure that business partners understand Bridgestone procurement policies.

Information pertaining to the business environment surrounding the industry, as well as our strategy for mutual improvements to overall supply chain competitiveness, was shared with suppliers. The status of Supply Chain Partnership Development System activities was discussed as one aspect of improving competitiveness. Business partners were asked to make voluntary CSR improvements.

In Japan, Bridgestone established the “Green Partner Award” to recognize suppliers for their environmental activities in 2013. Based on the Environmental Mission Statement of the Bridgestone Group, “In harmony with nature,” “Value natural resources,” “Reduce CO<sub>2</sub> emissions,” it commends activities that help reduce the environmental footprint and result in an environmental contribution. The winners of the Green Partner Award in 2016 were Asahi Kasei Corporation and AOKI CO., LTD.

### ■ Holding CSR Seminars

Bridgestone holds CSR Seminars for business partners selected based on the results of their CSR Self-Check Sheet, in support of their efforts to improve the level of CSR activities.

Going forward, Bridgestone Group will continue to support activities that enhance the CSR activities of our business partners through these seminars and other methods.

#### Overview of CSR Seminars

##### Basic Course

1. Description of the seminar’s purpose (Theme: conducting CSR procurement activities)
2. Fair trade (Subcontract Act of Japan)
3. Fraud prevention
4. The Environment (promoting environmental activities throughout the entire supply chain)
5. Human rights and labor (issues pertaining to labor and workplace management)
6. Occupational health and safety/disaster prevention
7. Information security

##### Extended Course

1. Explanation of CSR Workshop goals
2. The Environment
3. Health and Safety/Disaster Prevention
4. Quality

## Monitoring & Supporting for Improvement

### ■ Offering On-Site Environmental Assistance to Business Partners

Bridgestone has begun offering on-site assistance to business partners whose CSR Self-Check Sheet results indicated environmental initiatives that needed improvement since 2009. In 2016, Bridgestone sent employees from environmental-related departments to five business partners' worksites to review their environmental initiatives and propose advice to their improvement.

The business partners who received this assistance made comments such as "This was very worthwhile, and will be helpful when considering future improvements." In addition to ensuring business partners are engaged in initiatives with the usage of the CSR Self-Check Sheet, Bridgestone works with business partners to improve the level of CSR activities throughout the supply chain. We plan to continue offering this on-site environmental assistance.

### ■ Supporting activities for Natural Rubber industry

In 2016, Bridgestone Singapore Pte Ltd, in cooperation with Bridgestone Sumatra Rubber Estate, helped to improve productivity and quality in rubber production by holding a workshop on tapping in Hatyai, Thailand, the process of making an incision in a Para rubber tree to extract the latex. This workshop was attended by around 30 local rubber farmers, who gained tapping knowledge and techniques.



### ■ Global Rollout of the CSR Self-Check Sheet

In 2016, the Bridgestone Group continued its efforts to promote a better understanding of our CSR activities on the part of business partners, distributing CSR Self-Check Sheets and the CSR Procurement Guideline to business partners in Japan, in Europe, Southeast Asia and China. These sheets cover the issues of human rights and labor, occupational health and safety/disaster prevention, the environment, fair trade, information security and contribution to society. The Check Sheet indicated that 97% of Bridgestone's business partners had started CSR activities.

To support our business partners' voluntary improvement activities, Bridgestone visited the production sites of our business partners to provide proposals on improvements based on the business partner's completed Self-Check Sheet and to offer advice as part of their on-site environmental assistance.

Going forward, we will continue to work closely with our business partners to make improvements to CSR initiatives being undertaken across the entire supply chain.

## Increase transparency & ensure compliance

### ■ Enhancing Fair Procurement Activities

Bridgestone Group pursues numerous initiatives worldwide in order to enhance our fair procurement activities.

In 2016, Bridgestone held educational programs on the Subcontract Act of Japan, which is related to the Anti-Monopoly Act, at 12 major Group companies in Japan. Bridgestone also conducted an e-learning program through which participants could gain a better understanding of the law. Moreover, Bridgestone has held educational programs on purchasing compliance at the work site level for members of related administration departments, in addition to purchasing staff, since 2012.

Tangible examples closely connected to the daily work of participants, along with a variety of other techniques employed to improve understanding, are incorporated into the programs. 333 new employees took part in these programs in 2016, with participants providing valuable feedback related to improvement in knowledge and better understanding of acceptable practices. Many stated they found the programs useful to improve their job performance.

In addition, we conduct a survey on supplier satisfaction and confirm that fair procurement activities are being undertaken at Bridgestone through the 100 supplier companies that take part. Results of the 2016 survey showed that some suppliers desired more improvements in communication. We also worked with an external research firm to conduct interviews through visits to some suppliers to gain a deeper understanding of supplier opinions and thoughts. In light of the survey results, we plan to continue training employees in procurement departments to improve our efforts in this area.

#### Content of educational program on the Subcontract Act of Japan

- Structure of the Subcontract Act of Japan and definitions of subcontracting transactions
- Examples of infringement by other companies
- Duties of main subcontracting enterprise
- Prohibited actions by main subcontracting enterprise
- Compilation of actual Q&A concerning Bridgestone subcontracting

#### Participants and graduates of the 2016 Subcontract Act of Japan program

Number of times courses were held in 2016: 4

Number of participants: 333

Number of graduates: 319

Bridgestone Group continues to strengthen and encourage employee training and establish internal rules to promote fair business practices in each workplace.

### ■ Enhancing Internal Audits

Bridgestone formed an audit team to improve the level of fair procurement activities of each Bridgestone Group company and conducted a general audit on procurement and purchasing operations.

In addition, Bridgestone has been working to enhance the audit program and continued to implement a cross-audit program between work sites in Japan. Fifteen Bridgestone work sites in Japan are engaged in mutual auditing with neighboring work sites, which enhances our auditing capabilities by training internal auditors to adopt the dual perspectives of the entity undergoing the audit as well as the entity conducting it.

The 2016 audit revealed administrative matters such as errors in documentation requiring improvement at some work sites, which we plan to conduct and follow up on going forward.



# Quality and Customer Value



## Mission

### Creating Customer Value & Trust

To create 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”



Formulation of the Quality Mission Statement

The purpose of the Quality Mission Statement is to empower our future direction based on the spirit of our founder, Shojiro Ishibashi, by bringing Bridgestone’s DNA and the proud heritage of quality and continual improvement to new generations of Bridgestone employees. Through innovation and employee engagement, we can achieve unparalleled quality, not only in manufacturing, but also throughout the value chain and in all products and services delivered to the customer.

All Bridgestone Group global business domains, functions and employees create customer value and trust through innovation and improvements.

## Management Structure

The Bridgestone Group, to respond as a corporate group to the rapidly shifting social environment and meet customer expectations, has established a structure covering all functions from product planning to after-sales service, and works to ensure quality throughout the entire supply chain.

For its quality assurance structure, the Bridgestone Group has established the Group Global CQO Organization, comprising the Global CQO\*<sup>1</sup>, together with SBU-CQOs appointed by SBUs\*<sup>2</sup>. The CQOs work to promote the Group’s quality policy and understand quality aspects, and provide appropriate and prompt responses to quality issues. The Quality and Customer Value WG has been established as one of the working groups (WGs) for specific areas and functions in the Global CSR management system. It discusses global issues selected by the CQO Organization, and issues reports to the Global CSR Enhancement Committee (GCEC), and top management of the SBUs.

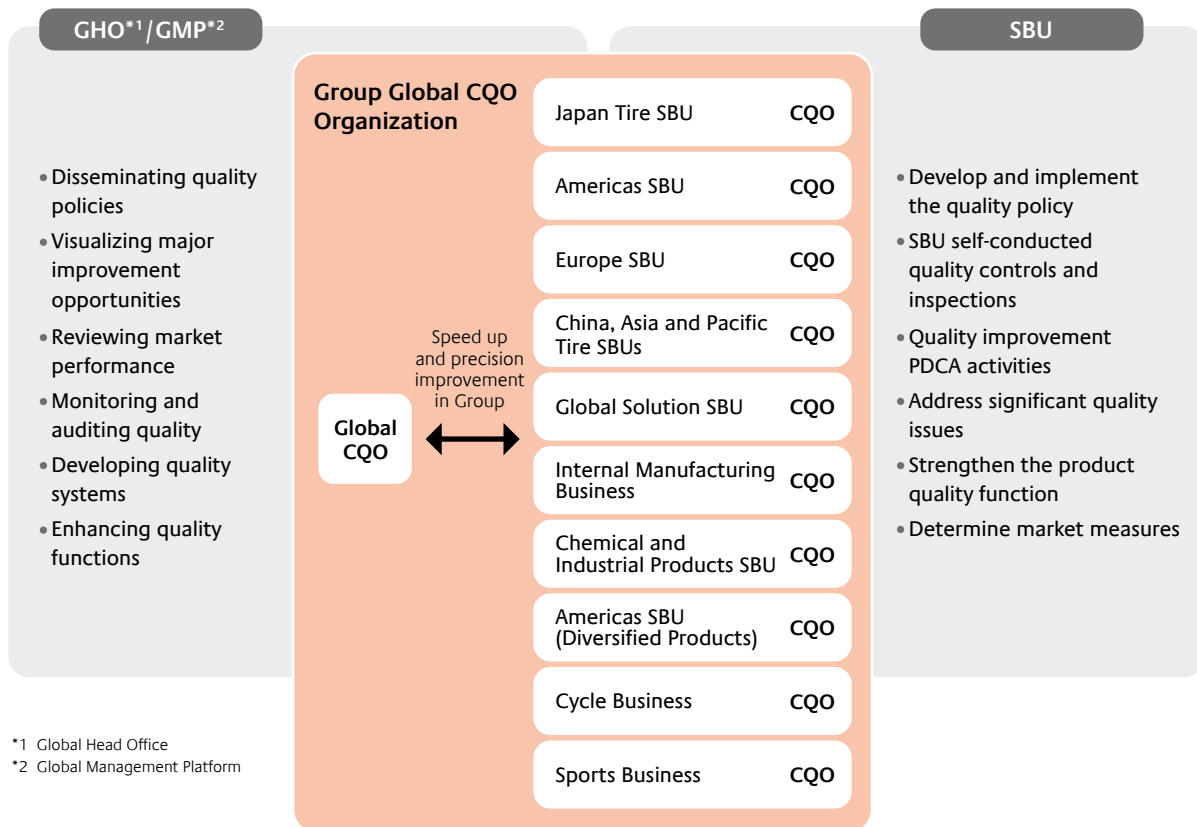
In 2016, the Group Global CQO Organization was revised to clarify the role of each CQO, quality control indices were established, and monitoring begun. In 2017, we are working to improve the quality improvement PDCA cycle, based on the new structure.

In 1968 Bridgestone received the Deming Application Prize, an eminent quality award, and in 2018 will mark the 50th anniversary of that achievement. Looking ahead to this milestone year, to achieve customer value creation based on the Quality Mission Statement, we will further strengthen our quality structure throughout the value chain.

\*1 Chief Quality Officer

\*2 Strategic business unit (SBU): An operational department or worksite that conducts business activities

Group Global CQO Organization (2016)



VOC / VOB Management

In complying with changing the business model from “product out” to “market in” the Bridgestone Group has promoted utilization and improvement of the VOC (Voice of Customer) / VOB (Voice of Business Partner) management system and incorporated it into the development step to increase customer value. In each region, systematic management of VOC / VOB has been implemented according to market conditions and used to optimize products and services offered to customers.

In Japan, the customer summary system collects VOC from the Customer Communication Center and other related departments. The system has been utilized by related departments for sharing VOC information timely and improving product and service quality.

Bridgestone Americas and Bridgestone EMEA (Europe, Middle East and Africa) integrated corporate activities such as commercial market segmentation surveys, understand overall consumer satisfaction with tire patterns using net promoter score (NPS) method, support future product plans Customer value indicator (CVI) is set and used as an important indicator.

In Asia and Pacific region, Bridgestone periodically conducts market research including products from other companies, and the results are fed in to the development step.

Bridgestone Group will continue to build a solution business model with improving and strengthening the VOC / VOB management system. Through these activities, we improve product and service quality and create value for our customers.

## Product Development Initiatives

### Development Quality Assurance Activities Flow

To avoid quality issues in the development process, the Bridgestone Group standardizes the development process at all development centers and enhances various process check systems to improve development quality.

The Development QA\*<sup>1</sup> Consulting process was implemented in Japan in 2011 to identify and improve potential problems in all development processes. In order to cope with problems identified by regular consulting, we completed the development standardization process in all product development groups. In 2016, we expanded development process assessments to standardize the development process for production technology.

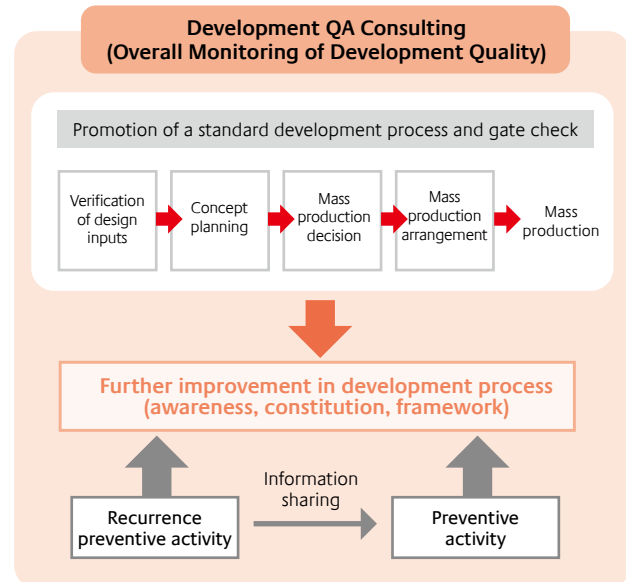
In the Americas, in 2015 we adopted a new product development process with six gates to consider product development from the standpoints of varied customer demands and overall brand risk. In 2017, we plan to expand this process to the Latin American market.

In Europe, Bridgestone EMEA began new product development to ensure that development meets varied customer demands. In 2016, we expanded development of OE tires (tires fitted on new cars).

In Asia Pacific, APTC\*<sup>2</sup> has standardized development procedures and plans to adopt a high-quality gate system based on global standards in order to further improve quality at the design and development stage. In 2017, we began coordination efforts to establish a global development QA consulting system, including the new APTC development QA.

\*1 Quality Assurance \*2 Bridgestone Asia Pacific Technical Center Co., Ltd.

#### Development quality assurance activities process



### QA in Raw material Procurement

The Bridgestone Group operates a global business, working with a wide range of suppliers to procure raw materials and outsourced products. With the cooperation of our many suppliers, we have established Group-wide approval criteria related to raw materials and outsourced products to ensure high quality.

Even after establishing a relationship with suppliers, we continuously monitor the quality of goods received, conduct supplier audits, and make other efforts to ensure suppliers are maintaining their quality assurance structures and that products supplied consistently meet Bridgestone's quality requirements.

In 2016, based on our Q&A policy we established a receiving inspection system for reinforcing materials for Japan and the Asia-Pacific region. We are working in cooperation with GMP to establish a structure in the Asia-Pacific region by the end of 2017.

GMP and working teams in the Americas, Europe, and Japan have begun collaborating to build a global raw material supply management system. We also hold discussions on such issues as the evaluation and assessment methods for issues raised and audits, and the periodical rating of suppliers.

### QA in Outsourcing

GMP and SBUs are strengthening cooperation on outsourced products in an effort to raise the level of global quality assurance. In 2016, we launched an effort to improve the three core competencies of outsourcing (Detection, Selection, and Deterrence) with the aim of enhancing outsourcing supplier management.

<b>Detection</b>	We applied compliance procedures for OEM* <sup>3</sup> work and made assessments of their effectiveness. In 2017, we plan to broaden this system to other areas and improve the audit check sheet.
<b>Selection</b>	We conducted quarterly sampling inspections to prevent undeclared changes in tube values. In 2017, we will consider effective ways to reduce market risk and disseminate information on Key performance indicators (KPIs).
<b>Deterrence</b>	We revised contracts regarding compensation for abnormalities caused by outsourcing suppliers. The new contract terms will be applied from 2017 as contracts are renewed.

\*3 Original Equipment Manufacturing

## ■ QA in Tire Manufacturing

In response to the diverse and higher-level requirements of vehicle manufacturers and customers in the replacement market, the Bridgestone Group is driven to improve quality in each manufacturing process to continue providing the safest and highest-quality products.

Bridgestone promotes the “visualization” of potential quality risks at tire production plants and proactively implements preventive actions using the Failure Mode and Effect Analysis quality assurance method. Based on potential risk reduction activities in 2015, we have identified and now promoting the implementation of global quality improvements utilizing our mid-term planning process. Going forward, we aim to further improve product quality on a global basis.

In 2016 we proceeded with the early detection of potential problems for global and rapid market actions and the creation of a rapid and accurate risk management system for judgment and market action. And we could enhance the measure by deep analysis of root cause and prevention by YOKOTEN (sharing) information. In 2017, we will continue to evolve early warning system (EWS), improve VOC / VOB system, and promote rapid optimization of actions from a customer perspective.

## ■ QA for Diversified Products

The Bridgestone Group’s Diversified Products Business handles products other than tires, including automotive components, industrial materials such as conveyor belts and hoses, urethane-based chemical products, infrastructure-related products, bicycles, and sports equipment. In 2016, we implemented a quality improvement project for automobile vibration reduction products. We identified issues at production facilities, and made improvements. We also reviewed customer feedback on sporting goods and bicycles, and made continual efforts to address deficiencies.

In 2017, we will continue with measures to ensure the quality of all products from a demanding customer’s perspective, identify points for improvement, and take the lead on quality improvement activities. We will also maintain efforts to improve quality at Japanese factories for automobile anti-vibration rubber. For sporting goods and bicycle products, we will strengthen quality controls for principal and common parts.

## Human Resource Development in Support of Quality Activities

### ■ Passing On Manufacturing Technology Traditions

The Bridgestone places great importance of sharing the quality mindset and skills by the baby-boomers, who have supported our quality efforts up to now, to the younger generations.

The Quality Human Resources Development Unit that was newly established in 2012 reconstructed the Human Resource training system, and is driving quality training throughout the entire Bridgestone Group. In 2013, we introduced a QA instructor system in the China and Asia tire SBU. We defined necessary quality capability requirements and created training materials reflecting them. These activities have also begun deployment in Thailand. In 2014, we certified Thai national staff members as QA instructors for the first time after completion of a year-long training program. As of 2016, a total of 60 QA instructors were certified in the China/Asia region. Quality training will be led by QA instructors (national staff) at each facility in an attempt to continue raising the level of quality activities.

Going forward, we aim to develop human resources who can ensure even higher levels of quality and support products and services that can be used with safety and peace of mind throughout the Bridgestone Group.

### ■ Bridgestone Group Global TQM Conference

Since 2010, the Bridgestone Group has held a Global Total Quality Management (TQM) Conference each year attended by Bridgestone and Group companies.

The Group Global TQM Conference aims to enhance the level of quality activities and improve quality awareness through sharing examples of excellence in innovation and improvements selected from each region and SBU with the entire Group.

Furthermore, in conjunction with the internal deployment of the Quality Mission Statement in 2016, Bridgestone aims to create customer value and trust by promoting improvement activities in which all employees participate. These activities will be conducted not only in manufacturing, sales and service departments but in all Group departments globally.



# Stakeholders Communication

Bridgestone has always embraced its responsibility to help advance sustainable development and solve social issues.

Through proactive communication with stakeholders, we seek to facilitate an accurate understanding of the Bridgestone Group and its business activities. We also use communication as a means of gathering information on the opinions, evaluations, and anticipations of stakeholders so that this input can be incorporated into business activities to achieve ongoing improvements with a view toward sustainable growth.

Given the global nature of its business, the Bridgestone Group is endeavoring to optimize all aspects of its communication activities by establishing systems for transmitting uniform messages with one voice.



The Bridgestone Group has emphasized communication with various stakeholders. We strive to clarify our responsibilities and the issues we face with regard to each stakeholder group and to utilize the ideal communication methods and venues accordingly.

## The Bridgestone Group's Communication Activities

Major stakeholder groups	The Bridgestone Group's responsibilities and issues	Main communication methods and opportunities
Customers	<ul style="list-style-type: none"> <li>Development of appealing products and services</li> <li>Swift provision of ideal response and support measures</li> <li>Appropriate information provision</li> <li>Effective management of customer information</li> </ul>	<ul style="list-style-type: none"> <li>Customer Communication Center</li> <li>Analysis, database compilation, and internal utilization of customer input</li> <li>Rubber and tire museum Bridgestone TODAY</li> <li>Transmission of information via websites and social media</li> <li>Daily sales and service activities</li> <li>Customer satisfaction survey conducted in the form of market surveys, etc.</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Maximization of corporate value</li> <li>Appropriate and timely information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Annual Shareholders' Meeting</li> <li>Corporate governance report</li> <li>Reports related to Japan's Corporate Governance Code</li> <li>Financial results review meetings and Mid-Term Management Plan explanatory forums</li> <li>Information disclosure through investor relations website</li> <li>Reports based on International Integrated Reporting Framework</li> <li>Explanatory forums for investors</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>Fair and impartial transactions</li> <li>Promotion of CSR procurement</li> </ul>	<ul style="list-style-type: none"> <li>Daily procurement activities</li> <li>Procurement policy explanatory forums</li> <li>Establishment and implementation of procurement guidelines</li> <li>Supplier awards</li> <li>Distributor meetings (serving as venues for discussion with management)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Promotion of diversity (diverse working styles)</li> <li>Utilization of ideal human resources and development of human resources</li> <li>Promotion of occupational health and safety and health and productivity management</li> <li>Facilitation of mutual understanding between labor and management</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction surveys</li> <li>Group and nomination-based trainings</li> <li>Personnel evaluation systems and career development consultation</li> <li>In-house open application systems</li> <li>Meetings between labor and management</li> <li>Transmission and sharing of information through in-house newsletters and intranet</li> <li>Meetings allowing for direct communication between employees and management</li> <li>Bridgestone Group Awards and other reward systems</li> <li>In-house events conducted in collaboration with Olympians, Paralympians, and other athletes</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Contributions to local communities</li> <li>Environmental preservation support through social activities</li> <li>Activities in regions with Bridgestone operating sites</li> </ul>	<ul style="list-style-type: none"> <li>Plant tours for community members</li> <li>Environmental and safety education activities</li> <li>Sponsorship and aid for local events</li> <li>Local events leading up to the Olympic and Paralympic Games Tokyo2020</li> <li>Volunteer activities in regions impacted by Kumamoto Earthquake</li> <li>Post-Great East Japan Earthquake reconstruction support activities</li> </ul>
Government agencies, industry organizations, and education institutions	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Development of a safe and secure motoring society</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with economic and industry organizations</li> <li>Engagement with government officials in countries of operation</li> <li>Participation in the Tire Industry Project operated under the World Business Council for Sustainable Development</li> <li>Interaction and exchanges of opinion with municipal government agencies</li> <li>Communication, coordination, and support through cooperation via industry-government-academia partnerships</li> </ul>

## ➤ Direct Communication with Customers and the General Public

The Bridgestone Customer Communication Center gathers and analyzes customer impressions from inquiries and comments as well as assessments from the Internet and disseminates this information internally to corporate officers and other employees. This leads to improved products and services, while Group reports are used in an attempt to increase employee motivation. Bridgestone is also focusing efforts on communicating Company activities in an easily understandable way to customers and the general public using the Internet and other digital forms of communication incorporating images and video.

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## ➤ Mid-Term Management Plan Explanatory Forums

Bridgestone holds annual explanatory forums on its Mid-Term Management Plan (MTP) for institutional investors and securities analysts. At these forums, Bridgestone's Global CEO and representative executive officer provides in-depth explanations of the MTP in their own words, and attendees tend to be very proactive in asking questions. Although Bridgestone's MTP covers a five-year period, we institute yearly, rolling updates to this plan to reflect changes in the operating environment and our outlook for the future. We thereby aim to utilize this plan as an important tool for advancing reforms in the Group's management. MTP explanatory forums are valuable opportunities to inform investors about our medium-to-long-term efforts to maximize corporate value.

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## ➤ Plant Tours open for Local Communities

Bridgestone offers tire plant tours to the general public every year as a means of communication to local communities. Visitors can see how tires are made as well as how Bridgestone contributes to local environmental conservation throughout the plant operations.

In 2016, Bridgestone Corporation held 13 tours and welcomed more than 300 visitors in Japan. Bridgestone strives for proactive communications to local communities in order to contribute to the development of healthy communities as one of communities' member.

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## ➤ Branding Activities Linked to Rio 2016 Olympic Games

In 2014, Bridgestone became an official worldwide partner to the International Olympic Committee. We have since proceeded to use the Olympic Games as a venue for communication with our various stakeholders.

The first Olympic event Bridgestone participated in as a worldwide partner was the Rio 2016 Olympic Games. In conjunction with our involvement in this event, we advanced marketing activities at the airport and at various other locations within Rio de Janeiro. We were thereby successful in fostering a strong image for the Bridgestone brand among customers in Brazil. In addition, Bridgestone took advantage of the perfect opportunity for communication presented by the Olympic Games to deploy programs in which customers and business partners from around the world were invited to attend the event. We also used the event as a means of cultivating a sense of solidarity among Group employees. Furthermore, we contributed to the local community through support for Brazilian youths participating in education and sports assistance programs. These activities were conducted alongside other activities, including providing aid to athletes participating in the Olympic Games and helping support golf competitions in cooperation with the International Golf Federation.

The Olympic Games are a globally popular event loved by individuals of all genders and ages. Through its involvement in the Olympic Games and the universal platform they provide, Bridgestone will seek to make its brand known among customers around the world.



# Corporate Citizenship



## Bridgestone Children's Eco-Art Contest

Every year, we at Bridgestone hold the "Bridgestone Children's Eco-Art Contest", in which participating children are asked to draw a picture of nature as they see and to provide an opportunity to as many people as possible including us as an adult to understand "environment / nature." The 14th Contest this year attracted over 52,000 artworks. In order to contribute to a better society, the Bridgestone Group continues participating social contributions as a company citizenship.



## Toward Recovery from Disaster

The Bridgestone Group views the support of regional communities affected by natural disasters to be part of its social mission. Once again, we express our deepest condolences for the deceased and offer our sincerest sympathies for all those affected by disaster. Going forward, we will continue to provide a variety of reconstruction assistance based on disaster conditions and needs in the stricken areas. The Bridgestone Group sincerely hopes for a swift recovery of the people and areas affected by disaster.

### Bridgestone Groups Reconstruction Assistances and Relief Efforts for Disasters

Year	Disaster	Bridgestone Group's supports
2016	Kumamoto Earthquake	20 million yen
2015	Heavy rains in East Japan	10 million yen
2014	Ebola Hemorrhagic Fever	Bridgestone:54 million yen Bridgestone Americas Inc.:500 thousand dollars
2013	Typhoon in the Philippines	Bridgestone:10 million yen Bridgestone Asia Pacific P.T. Ltd.:50 thousand Singapore dollars
2013	Sichuan Earthquake	Bridgestone:15 million yen Bridgestone (China) Investment Co., Ltd.:300 thousand yuan

### Employee Volunteers for the Reconstruction of the Disaster-Stricken Areas



Volunteers removing dirt and wreckage in a residential area



The Damaged Buildings Repair Project

# Bridgestone Group Awards 2017



The Bridgestone Group Awards are a recognition program open to all organizations and employees of the Bridgestone Group. The Awards were created with the purpose of increasing employee awareness of corporate activities based on the Bridgestone Corporate Philosophy, fostering a sense of unity among Group employees and recognizing accomplishments. This program is the highest level of awards within Bridgestone Group and plays an important role in working toward achieving the Group's ultimate goal of becoming a truly global company and "Dan-Totsu" in all aspects of our businesses. This year marks the 10th anniversary of the program.

Using the framework established in our new CSR commitment "Our Way to Serve", the awards fall into five categories for 2017: "Achievement", "Mobility", "People", "Environment" and "Management Fundamentals".

Our global board members selected applications from all global business units to determine this year's winners. As a result, among all the various activities conducted by organizations and employees of the Group, seven activities were selected for recognition this year.

The Bridgestone Group considers the Bridgestone Group Awards as an important management tool. Amid significant change in our operating environment, innovation and continuous improvement is essential in order to secure a competitive advantage and create value for both our customers and society. By recognizing outstanding activities through the awards and sharing examples of best practices, we believe we can achieve further improvements across the entire Group.

The activities selected for recognition are as follows.

## Achievement: Two Winners

### Activating the Bridgestone Worldwide Olympic Partnership at the Olympic Games Rio 2016

#### ■ Bridgestone Americas, Inc., Bridgestone Corporation and the Group Companies

This activity entails Bridgestone achievements leading up to and during the Olympic Games Rio 2016. An integrated group of global leaders and contributors collaborated to create the foundational team, operating structure and governance process for Bridgestone's activation as a Worldwide Olympic Partner. Operating against a short timeline, the team also successfully planned and executed a variety of marketing, promotional, public relations, hospitality and teammate engagement activities for its debut as a Worldwide TOP Partner at the Olympic Games Rio 2016. These efforts helped increase global awareness for the Bridgestone brand, cultivate global corporate culture, and prepare the company to fully maximize its Worldwide Olympic Partnership through 2024.



### Innovative Strategic Partnerships for Retail Channel Reinforcement

#### ■ Bridgestone Europe NV/SA

This activity entails BSEMEA's Strategic Partnerships. The retail channel reinforcement is one of the key strategies for BSEMEA. BSEMEA developed a strategic partnership plan and executed various activities including the acquisition of Speedy and the joint-venture with PneuHage Management. These activities contributed to the growth of BSEMEA business.





## Mobility: One Winner

### The New Technology E-bike with Dual-Drive System

#### ■ Bridgestone Cycle Co., Ltd. (BSC) and the Group Companies

This activity includes the development of E-bike equipped with the new technology “Dual-Drive” system. BSC launched three E-bikes with Dual-Drive system: commuter bike, city cycle and bike with child carrier to provide experience of “safety”, “reliable” and “lightly” to various stakeholders. This unique technology also contributed to promoting Bridgestone's technical capabilities to the public and increasing brand value.



## People: Two Winners

### 30-Year Leukaemia Foundation Partnership Celebration

#### ■ Bridgestone Australia Ltd. (BSAL)

This activity celebrates the continuous support for the Leukaemia Foundation. BSAL has supported the Leukaemia Foundation for 30 years since 1986 through various activities including charity events, donation of transport vehicles and free accommodation for patients and their families.



### Bridgestone Corporate University Training Center

#### ■ Bridgestone Argentina S.A.I.C.

This activity entails the creation of Bridgestone Corporate University (BCU). BCU was established in 2004 to offer educational and training opportunities for stakeholders including employees, customers and neighbors. Additionally, a Training Center was opened in 2015 to provide continuing education and training. Since it was created in 2004, BCU has had 413 graduates and has trained more than 6800 stakeholders.



## Environment: One Winner

### Self Adhering Roofing Membranes with “Secure Bond™” Zero Volatile Organic Compound Technology

#### ■ Firestone Building Products Company, LLC (FSBP)

This activity recognizes the development of Secure Bond™ adhesion technology, a new technology that doesn't use Volatile Organic Compounds (VOC) and can be applied to various roofing applications. FSBP first launched products with the technology in 2015. These products have provided customers with easier and safer roofing solutions compared to similar existing materials, in addition to contributing to reducing environmental footprint with zero VOC.



## Management Fundamentals: One Winner

### The Restoration Activities from Kumamoto Earthquake and Reinforcing Crisis Measures

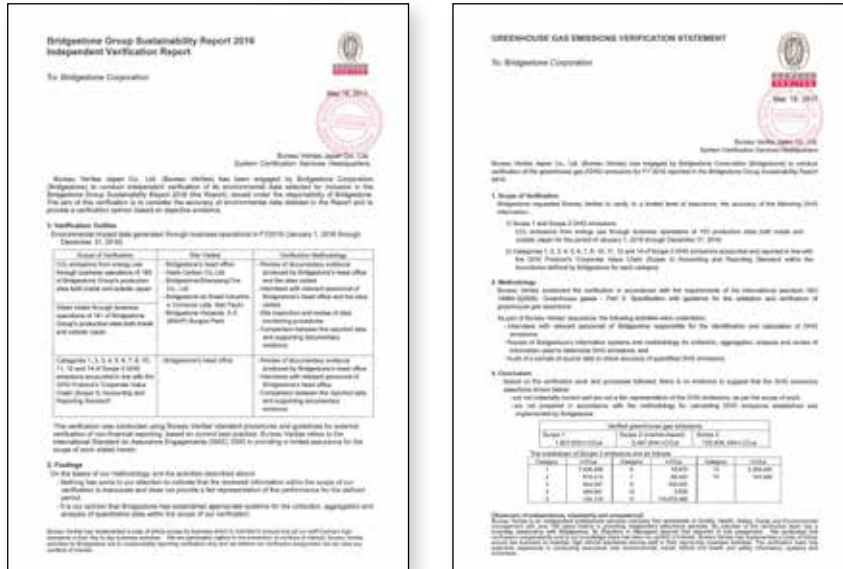
#### ■ Bridgestone Corporation, Bridgestone Tire Japan Co., Ltd. and the Group Companies

This activity entails restoration activities toward Kumamoto Earthquake occurred in April 2016. Group teammates in Japan cooperated with each other and supported affected teammates and communities. This prompt action contributed to the restoration of affected area, prevention of health problem and early restart of production and sales. This crisis response experience also led to the reinforcement of crisis measures.



# Third-party Assurance of Environment Data

The Bridgestone Group received the assurance of a third-party institution to ensure transparency, completeness, and accuracy of water intake results and results of tests concerning 2020 CO<sub>2</sub> emission reduction targets.



[http://www.bridgestone.com/responsibilities/environment/reduce\\_co2/operations/pdf/third-party\\_assurance.pdf](http://www.bridgestone.com/responsibilities/environment/reduce_co2/operations/pdf/third-party_assurance.pdf)

CO<sub>2</sub> emission data (Scope 1,2,3) was provided through evaluation by a third-party institution based on ISAE3000 and conforming to ISO14064-3; water intake data was provided by testing implemented by a third-party verification based on and conforming to ISAE3000. Verification of primarily production based in 4 countries, 5 bases/facilities was conducted by on-site inspection; issues at the various bases were identified and solutions were proposed and implemented. Initiatives to further reduce CO<sub>2</sub> emission are also being implemented.



On-site inspection at Asahi Carbon Co., Ltd., Japan



On-site inspection at Burgos Plant, Spain

## Locations where on-site inspection was implemented for third-party verification in 2017

Name of country	Name of facility	Main product(s)	Function of CO <sub>2</sub> emission and water intake report
Japan	CSR, Environment & Quality Management Planning Division	-	Summary and report concerning amounts of CO <sub>2</sub> emission (SCOPE 1/2/3) and water intake at various facilities
Japan	Asahi Carbon Co., Ltd.	Carbon black products	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility
China	Shenyang Plant	Tire	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility
Brazil	Sao Paulo Plant	Tire	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility
Spain	Burgos Plant	Tire	Measurement of and report concerning amounts of CO <sub>2</sub> emission and water intake from facility

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