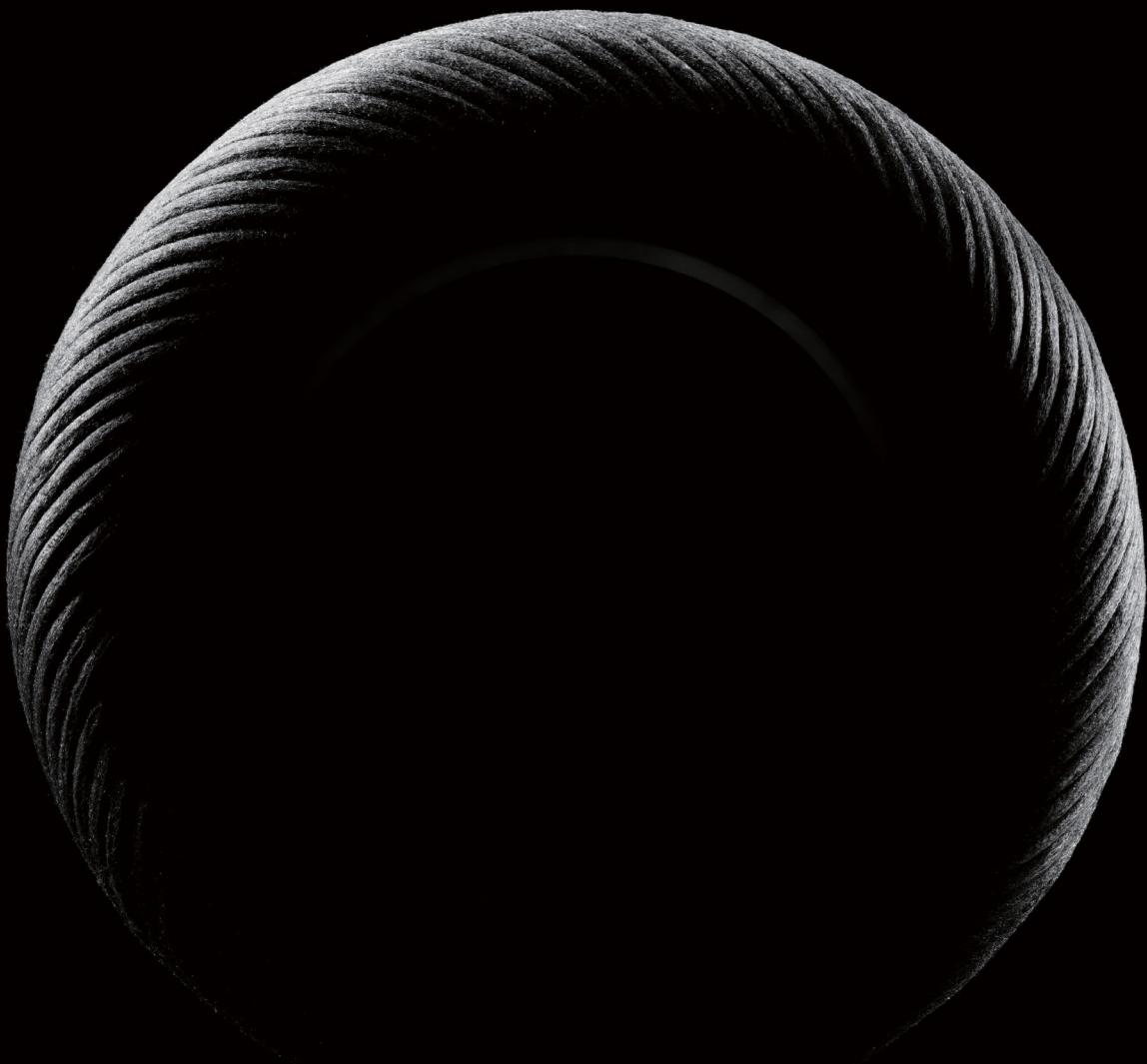




Bridgestone 3.0 Journey

2022 Integrated Report



**BRIDGESTONE**  
*Solutions for your journey*





Toward 2050, Bridgestone is evolving into a sustainable solutions company.

Born of our enduring Bridgestone values, this is our personal E8 Commitment to support the realization of a sustainable society.

**Energy** Committed to the realization of a carbon neutral mobility society.

**Ecology** Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations.

**Efficiency** Committed to maximizing productivity through the advancement of mobility.

**Extension** Committed to nonstop mobility and innovation that keeps people and the world moving ahead.

**Economy** Committed to maximizing the economic value of mobility and business operations.

**Emotion** Committed to inspiring excitement and spreading joy to the world of mobility.

**Ease** Committed to bringing comfort and peace of mind to mobility life.

**Empowerment** Committed to contributing to a society that ensures accessibility and dignity for all.

## Bridgestone E8 Commitment to Our Future

For the sake of the Earth, which future generations of children have entrusted in our care.

Together with you.

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## About the Cover

The cover depicts a profile image of the tire Bridgestone designed for the [LUNAR CRUISER](#), jointly developed by the Toyota Motor Corporation and the Japan Aerospace Exploration Agency (JAXA), which will provide support for the Team Japan lunar research mission. This tire embodies the Bridgestone Design pursuit of the aesthetics of a circle with special textures and contours based on the tire's unique function.

Please see [pages 63-64](#) for more information on Bridgestone Design.

# About this Report

For the first time, the Bridgestone Group is publishing the Bridgestone 3.0 Journey 2022 Integrated Report to provide stakeholders with a more comprehensive and better understanding of its approach and initiatives aimed at enhancing corporate value over the medium- to long-term while deepening dialogues with them.

The Group's vision is "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company." This report specifically emphasizes accelerated transformations centered on the "Bridgestone E8 Commitment" established in March 2022 aimed at realizing the vision and clearly conveys its approach to co-creating value with stakeholders.

In preparing this report, the Group referenced the International Integrated Reporting Framework of the Value Reporting Foundation, as well as the Reporting Principles and Disclosures of the Global Reporting Initiative (GRI) Standards.

## Reporting Scope

- Period: January 1, 2021 to December 31, 2021  
(Some activities before or after the period have also been included.)
- Organizational coverage: Bridgestone Corporation and its subsidiaries and affiliates around the world.

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

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

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

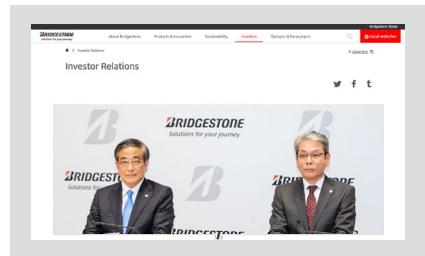
## Forward-looking Statements

Forecasts based on projections and plans for the future in this report contain unpredictable elements that may cause fluctuations. As such, they do not constitute guarantees by the Company of the achievement of those forecasts. Accordingly, actual business results may differ substantially from the Company's current assessment.

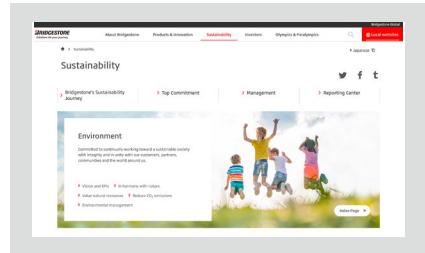
## Website and Report Information

Please refer to the following websites for additional financial and non-financial information.

- Website: Investor Relations



- Website: Sustainability



- Securities Reports (Website: IR Library)
- Corporate Governance Reports, reports on corporate governance and the Corporate Governance Code (Website: Corporate Governance)

# Bridgestone at a Glance

The Bridgestone Group includes tire, solutions and diversified products businesses with approximately 160<sup>1</sup> production and development bases in more than 150 countries throughout the world.

## Tire Business

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



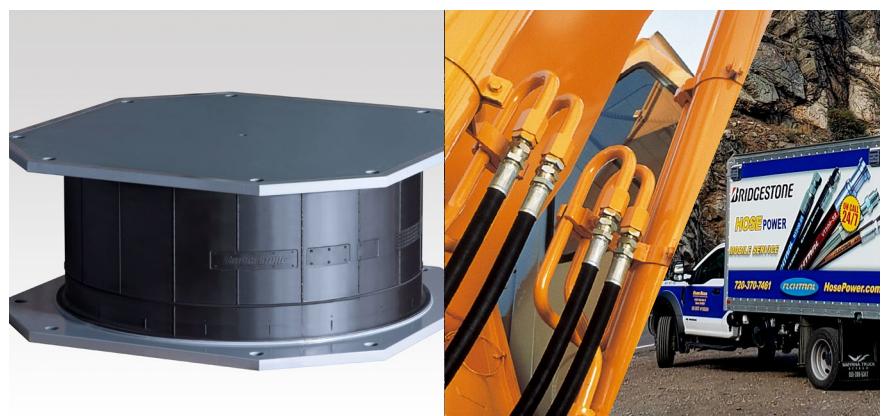
## Solutions Business

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

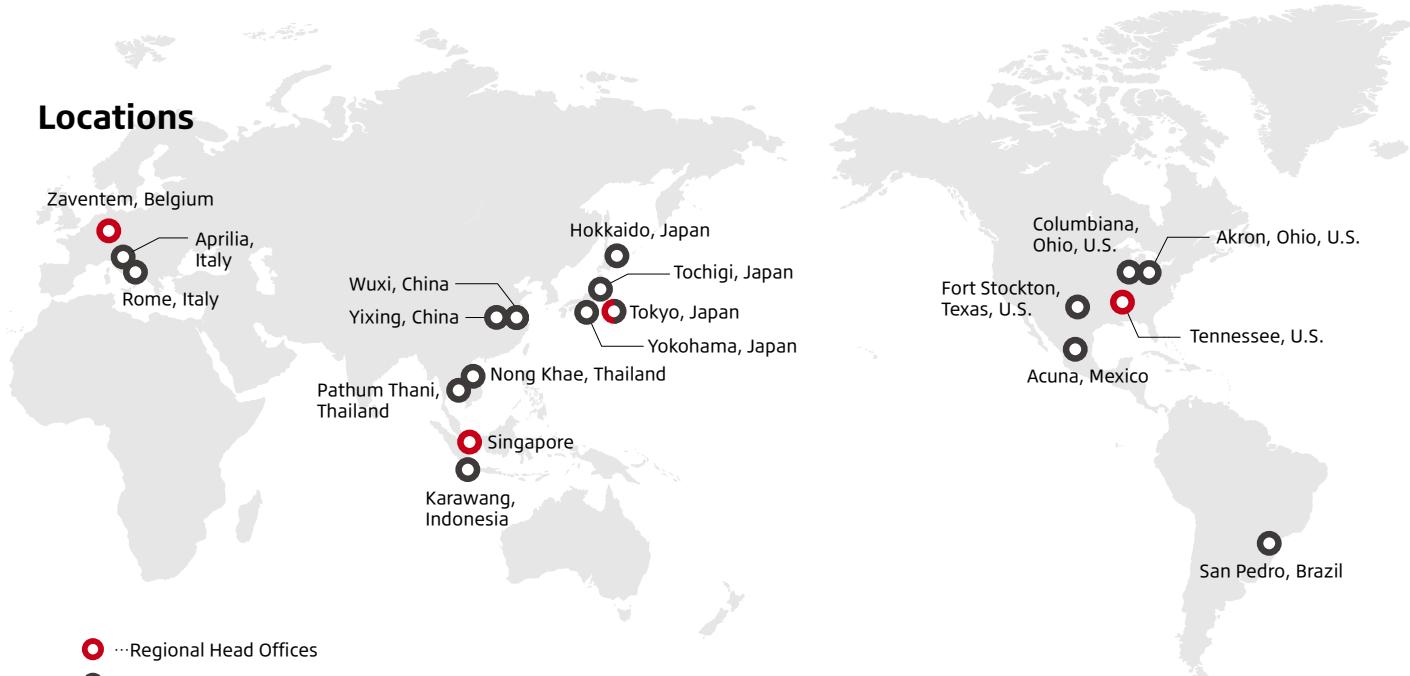


## Diversified Products Business

- Chemical and industrial products: Industrial rubber products, building materials, hoses and other products.
- BSAM Diversified Products: A business under BSAM.
- Golf goods: Golf balls, golf clubs, golf wear and others.
- Bicycles: Bicycles and bicycle goods.
- Others: Finance and others.

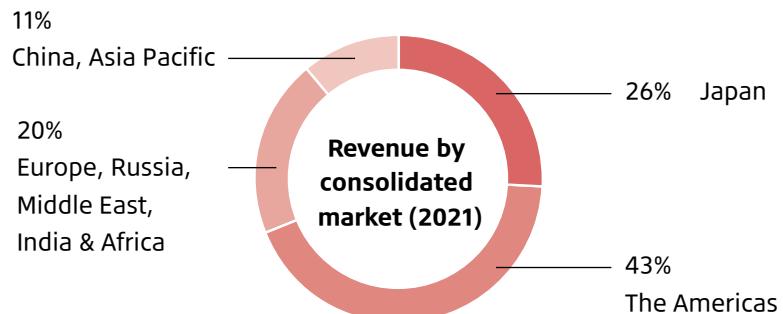


<sup>1</sup> As of March 1, 2022.



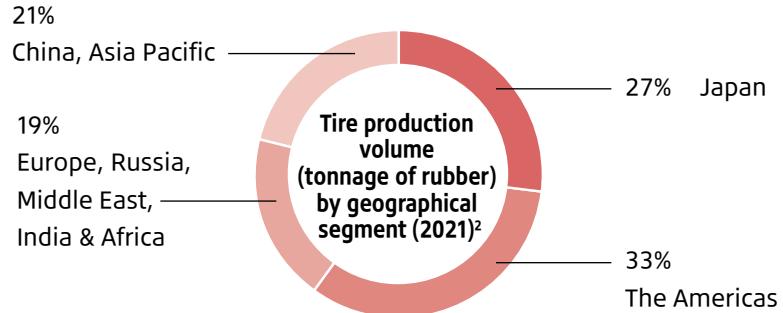
**Revenue**

**3,246.1 billion JPY/  
28.22 billion USD<sup>1</sup>**



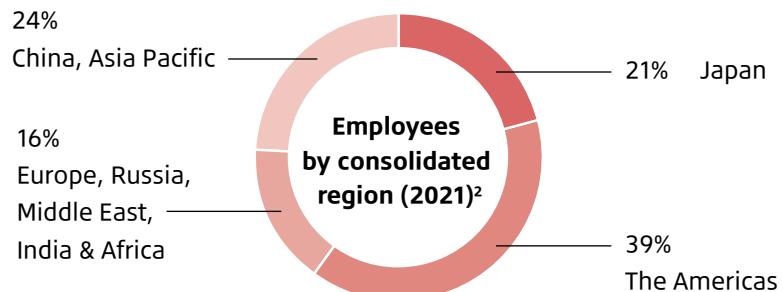
**Tire Production Volume  
(tonnage of rubber)**

**1.78 million tonnes**



**Consolidated Employees**

**135,636 people**



<sup>1</sup> Based on the 115.02 JPY to 1.00 USD, the approximate year-end rate.

<sup>2</sup> As of December 31, 2021.

# Bridgestone's History of Taking on Challenges

## Foundation

### Bridgestone 1.0

**1931-**

Since its founding in 1931, guided by its unchanging Mission of "Serving Society with Superior Quality," the Bridgestone Group has expanded and evolved its business to meet the changing needs of society by continuing to support the mobility and lifestyles of individuals. In the "second foundation" Bridgestone 2.0, with the merger of Bridgestone and Firestone in 1988, the Group became a global corporation, and with the 2007 acquisition of Bandag and 2019 acquisition of Webfleet Solutions, the Group accelerated the development of its retread and solutions businesses.



石橋正二郎  
最高の品質で  
社会に貢献  
社是

Company Code:  
"Serving Society with Superior Quality"  
Shojiro Ishibashi

#### **1931** **Foundation**

Founded in Kurume, Fukuoka Prefecture (Japan) and business expansion from Japan to Asia supporting motorization from the ground up

**1968**

#### **Establishment of the Company's motto: "Serving Society with Superior Quality"**

Founder Shojiro Ishibashi believed that a business that contributes to its society and country will be forever profitable. This belief shaped Bridgestone's motto of "Serving Society with Superior Quality," established in 1968. This Mission continues to guide the Group today as it lives on in Bridgestone's DNA.

## Second Foundation

### Bridgestone 2.0

**1988-**

**Firestone**



**1997-2010**  
Formula 1™ 1998 Round 16 Suzuka



**2002-2015**  
MotoGP™ 2015 Round 18 Valencia

**1988**

#### **Merger with Firestone Tire & Rubber Company, the second-largest U.S. tire manufacturer**

Bridgestone acquired Firestone Tire & Rubber Company, the second-largest U.S. tire manufacturer at the time. This acquisition made Bridgestone one of the top three manufacturers in the global tire market. From here, Bridgestone's journey toward globalization starts. Bridgestone continued its evolution into a global company, encountering and overcoming various obstacles such as seeking harmony of corporate cultures between the two companies, Bridgestone and Firestone.

**1997**

#### **Participation in Formula 1™ racing**

Bridgestone began participating in Formula 1™ racing in 1997 to establish trust as a global brand and enhance the Company's brand awareness. Just one year later, in 1998, a team won the series championship on Bridgestone tires. With the return to Indy with Firestone brand in 1995 and the participation in MotoGP from 2002, Bridgestone supported the development of motorsports culture from the ground up.

## Third Foundation

### Bridgestone 3.0

## 2020-

Bridgestone positioned 2020 as the first year of the “third foundation” or Bridgestone 3.0 and announced its Mid-Long Term Business Strategy, placing sustainability at the core of management and business. The Group identified a vision of “Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company.” In addition, to accelerate transformation toward the realization of its vision, Bridgestone announced its corporate commitment “Bridgestone E8 Commitment” as the axis to drive management while earning the trust of future generations on March 1, 2022, the 91st anniversary of its founding. The Group will drive its transformation as Bridgestone 3.0 Journey to be a company that supports employees, society, its partners and customers and continues to provide values with sustainable growth.



2007-



2019-

**Start solutions business for the future growth toward Bridgestone 3.0**

**2007**

**Merger with Bandag, a leading retread company**

Bridgestone acquired the U.S. firm Bandag to expand its retread business throughout the world. This established a structure for the development of a global retread business and a foundation for the expansion of solutions business.

**2019**

**Merger with Webfleet Solutions (formerly TomTom Telematics), a leading digital fleet solutions Provider in Europe**

With this acquisition, Bridgestone started the expansion of fleet solutions utilizing digital technologies.

Bridgestone 3.0 Journey

**Vision**

**2050**

**Bridgestone continues to provide social and customer value as a sustainable solutions company**



**Corporate Commitment**

**Bridgestone E8 Commitment**

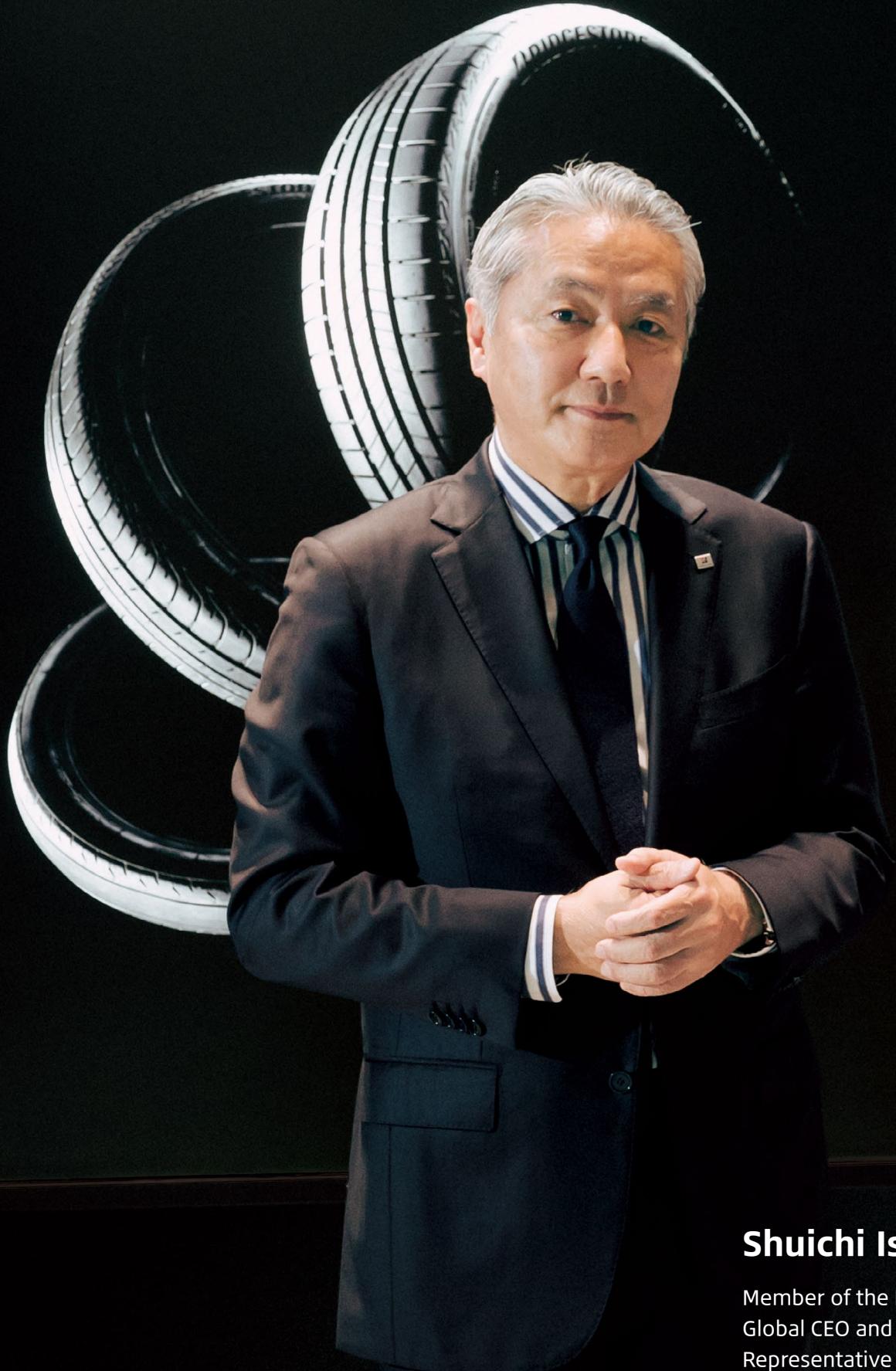
**Axis to drive management while earning the trust of future generations**



**2022**

**Full-scale operation of the Bridgestone Innovation Park to promote open innovation**

The Bridgestone Technical Center in Kodaira, Tokyo, was redeveloped and opened as the [Bridgestone Innovation Park](#), a global hub for innovation and co-creation. Bridgestone will interact with society, customers and partners, and then deepen these relationships to foster co-ideation, co-R&D and co-creation. This, in turn, will accelerate innovation and enable Bridgestone to create new social and customer value.



## **Shuichi Ishibashi**

Member of the Board  
Global CEO and  
Representative Executive Officer

# For the sake of the Earth, which future generations of children have entrusted in our care. Together with you.

In 2022, the Bridgestone Group established the “Bridgestone E8 Commitment,” a new corporate commitment in its “third foundation,” or Bridgestone 3.0. This will serve as the axis to drive management while earning the trust of future generations, as the Group accelerates transformation toward becoming a sustainable solutions company.

Guided by our unchanging Mission, “Serving Society with Superior Quality,” we positioned 2020 as the first year of our “third foundation” Bridgestone 3.0, and began our new journey. Placing sustainability at the core of management and business, we strive to realize our vision, “Toward 2050, Bridgestone continues to provide social and customer value as a sustainable solutions company.”

Ever since our founding in Kurume, Fukuoka, Japan in 1931, in order to continue supporting the mobility and lifestyles of individuals in each era, we expanded our business from Japan to Asia, evolving into a global company through the “second foundation” Bridgestone 2.0, which started with the merger of Bridgestone and Firestone in 1988. We have expanded and evolved our business beyond tires, our core business, to diversified products that supports lives and industries, and to solutions that understand and solve societal and customers’ challenges.

The environment around us is undergoing significant change including international relations, the global economy and the structure of society. The impact of the COVID-19 pandemic brought about major change in our lives and economies. In addition, various issues such as climate change, environmental degradation, biodiversity loss, widening disparities, increasing social unrest and geopolitical risks continue to increase, each connected to the other. With regard to the destabilization of the global energy supply triggered by the Russia-Ukraine crisis, we must not only thoroughly conserve energy and improve efficiency of energy use, but also continue to promote

the expansion of renewable energy that is unaffected by world affairs, through our own initiatives as well as through cooperation with society. In such circumstances, initiatives to realize a sustainable society are becoming increasingly important.

In conjunction with changes in society, the mobility industry is undergoing a “once in a century” fundamental transformation, as represented by concepts such as MaaS<sup>1</sup>, CASE<sup>2</sup>, and the accelerating shift to electric vehicles (EVs). The industry structure itself is changing.

In such turbulent times, we believe it is our role and responsibility – as a leading company in the tire and rubber industry that has continued to support social transformation and the movement of people and objects from the ground up – to support the realization of a sustainable society. With the Sustainable Development Goals (SDGs) as a common language, the world is moving significantly toward achieving a sustainable society. Based on the belief that the Earth has been entrusted in our care by future generations of children, in addition to continuing our activities for the achievement of the SDGs, we have selected 8 values through our unique perspective and thoughts that we will especially focus on to establish our corporate commitment: the “Bridgestone E8 Commitment.” Using this as the axis to drive management while earning the trust of future generations, we will commit to supporting the realization of a sustainable society by co-creating value with employees, society, our partners and our customers.

<sup>1</sup> MaaS (Mobility as a Service)

<sup>2</sup> CASE (Connected, Autonomous, Shared, Electric)

## **Bridgestone 3.0 “Bridgestone E8 Commitment”**

### **The axis to drive management while earning the trust of future generations**

In the “third foundation” Bridgestone 3.0, we are placing sustainability at the core of management and business and driving efforts to transform to a company that continues to create value while also growing on its own. In order to build a base for this transformation, these past two years from 2020 to 2021, we have been driving corporate transformation (CX) according to our Mid-Long Term Business Strategy Framework and Mid Term Business Plan (2021–2023). As a result, in the 2021 financial results, we achieved our 2022 targets a year ahead of plan and became closer to building a “strong” Bridgestone capable of responding to changes in the business environment. It was against this backdrop that the “Bridgestone E8 Commitment” was established on March 1, 2022 in celebration of the 91st anniversary of Bridgestone’s founding. Looking ahead to 2031,

our 100th anniversary and beyond, the “Bridgestone E8 Commitment” embodies our vision and will serve as guiding vectors as the global group accelerates its transformation.

The “Bridgestone E8 Commitment” consists of 8 Bridgestone-like values starting with the letter “E” (Energy, Ecology, Efficiency, Extension, Economy, Emotion, Ease and Empowerment), which we will commit to creating, through Bridgestone-like “purpose” and “process,” together with employees, society, our partners and customers to support the realization of a sustainable society. They include the realization of a carbon neutral mobility society, advancing tire technologies and solutions, and inspiring excitement and spreading joy to the world of mobility. The 8 “E’s embody



## **Bridgestone E8 Commitment to Our Future**

For the sake of the Earth, which future generations of children have entrusted in our care.  
Together with you.

### **Bridgestone E8 Commitment**

- **Energy** Committed to the realization of a carbon neutral mobility society.
- **Ecology** Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations.
- **Efficiency** Committed to maximizing productivity through the advancement of mobility.
- **Extension** Committed to nonstop mobility and innovation that keeps people and the world moving ahead.
- **Economy** Committed to maximizing the economic value of mobility and business operations.
- **Emotion** Committed to inspiring excitement and spreading joy to the world of mobility.
- **Ease** Committed to bringing comfort and peace of mind to mobility life.
- **Empowerment** Committed to contributing to a society that ensures accessibility and dignity for all.

our Mission, Bridgestone Essence Framework (corporate philosophy) and our DNA cultivated throughout our 91-year history including: "focus on quality," "respect for 'on-site,'" being "attentive and supportive of customer problems," and "challenge." They also embody our vision and are indicative of the future possibilities and evolution of our corporate activities.

In addition, this commitment is a progression of our global sustainability activities, which began in earnest in the 2000s.

To promote consistent CSR activities, the Group defined the *22 CSR Focus Points* and pursued comprehensive activities across the Group. In 2017, we established our global compass, *Our Way to Serve*, identifying three Bridgestone-like priority areas that helped evolve our CSR activities: Mobility, People and Environment. In using this as a guideline, we promoted sustainability activities, staying close to local communities around each of our sites while ensuring global consistency. As we enter the next stage, we are evolving our CSR compass to a corporate commitment with business management perspectives, while including the three priority areas. We will accelerate our transformation to a sustainable solutions company both by strengthening alignment with corporate strategy and by developing a new corporate culture.

## **Bridgestone 3.0 Journey – Corporate transformation (CX) for the past two years**

The corporate transformation (CX) that we have driven the past two years has been based on three axes: "Tackle past negative legacies without delay," "Immediate issues: Focusing on execution and delivering results," and "Lay foundation for the future growth." By focusing on "execution" and "delivering results" with an "aggressive

approach" and "challenging" spirit, according to our Mid-Long Term Business Strategy Framework and Mid Term Business Plan (2021–2023), the Bridgestone Group aims to build the foundation for a "strong" Bridgestone, capable of responding to change.

Regarding "past negative legacies," we looked back on the Group's performance from 2015 to 2019, and have been addressing our declining profits, working to rebuild earning power. We have restructured our manufacturing footprint and business portfolio over the mid-long term across all of our business, including tires, diversified products and material manufacturing, while also working on expense and cost structure reformation such as fixed cost reduction. In addition, we reinforced the foundations for our financial strategy, including establishing an extended Global CFO role, emphasizing ROIC (return on invested capital) as the most important management index, and reinforcing the Global Controller function. This function supports agile decision making by thoroughly evaluating capital and return on investments, while also strictly monitoring post-decision progress and flexibly suggesting improvements. We are establishing foundations to further reinforce our earning power.

Regarding "immediate issues," we are conducting thorough flexible and agile management especially of our supply chain, maximizing supply in response to changes in the business environment and tire demand, and enabling aggressive sales. We have also been thoroughly improving the quality of our business, expanding sales of high-value-added premium products such as High Rim Diameter tires for passenger cars, tires with ENLITEN technology (innovative tire technology achieving both environmental and driving performance), and Bridgestone MASTERCORE tires for mining vehicles. As a result of these initiatives, we achieved 2022 targets ahead of schedule in our 2021 financial results, and are steadily building the foundations for a "strong" Bridgestone. The Bridgestone Group will continue efforts to transform change into opportunity with an "aggressive approach" and "challenging" spirit.

## Further growth toward 2030

To accelerate further growth looking ahead to 2030 and beyond in line with the "Bridgestone E8 Commitment," we are "laying foundations for future growth," executing strategic growth investments focused around the tire business (our core business) and the solutions business (our growth business). In the tire business, we are building and implementing the ENLITEN business strategy as the core of our new tire business strategy. Until now, we have been expanding ENLITEN as an innovative tire technology optimized for EVs. We will now expand its value to products and business models as a new premium strategy for the EV era, and strive to simultaneously create values that can sometimes be contradictory, such as reducing our environmental footprint while achieving business growth, and customizing tire performance for individual customers while streamlining the entire value chain from manufacturing to sales and optimizing costs.

Also, we have started examining our global production footprint from a mid-long term perspective, and are enhancing production to respond to sales expansion of premium products, as well as replacing production equipment from that for Low Rim Diameter passenger tires to High Rim Diameter tires. While keeping "local production for local sales" to some extent in Europe and the United States, from a global optimization perspective, we will strengthen our structure to "produce and sell" premium products and also build a sourcing strategy capable of responding to drastic changes in demand. In terms of our growth business, we are continuing investments in each region for the global expansion of solutions. So far, we have enhanced mobility solutions through M&A, including Webfleet Solutions in Europe and Azuga in the United States. We will create new value, maximizing the synergy between the tire business and between the two companies. We are also accelerating expansion of the solutions business that amplifies value during the "use" of tires, reinforcing retail & service business leveraging our global retail network. We will continue to execute strategic growth investments including M&A, strategic partnerships and creating business ecosystems, carefully determining the growth and profitability of each business in order to establish a solid foundation for the solutions business.

In addition, we will promote our exploratory business in areas leveraging the Group's core competencies and strengths. In the recycle business that "renews" tires to



raw materials, the soft-robotics business, and the guayule business that aims for the diversification of natural rubber sources, based on co-creation we are continuing the exploration of technologies and business models for commercialization. We are also looking into new potential exploratory business areas.

By evolving business activities in our core, growth, and exploratory businesses, we will drive our journey to realize the 8 "E's, including Energy, Ecology, Efficiency, Extension, Economy, and Ease.

Moreover, we established a new business portfolio for the Group's further growth. Apart from our core tire business which remains our base, we divided the solutions business that is our growth business, into three businesses based on the characteristics of each: tire-centric solutions, retail & service, and mobility solutions. By adding the diversified products business to these four businesses and establishing a new business portfolio that consists of five businesses as well as the exploratory business, we will pursue the realization of the new "glocal/ portfolio management." So far, the Group has been driving "glocal (global x local)" management that employs a local strategy tailored to each business and region in line with the global strategy, securing group global optimization. Looking forward, assuming continuous turbulence, further reinforcement of a flexible and agile management structure capable of responding to changes in the business environment and seeking global optimization, is becoming urgent. One such effort is the appointment of two Joint Global COOs under the Global CEO in May 2022. We will leverage the strengths of our global management team cultivated so far, demonstrate the strengths of each of our businesses, and continue to evolve a management structure capable of responding to change with flexibility and agility.

## Sustainability at the core of management and business

Regarding sustainability, which we have placed at the core of our management and business, we are focusing our efforts in particular around the realization of carbon neutrality and a circular economy as described in "Energy" and "Ecology" of the "Bridgestone E8 Commitment." We aim to establish a Sustainability Business Model that ensures the link between sustainability activities and business. The Group set its long-term environmental vision toward 2050 in 2012, and Milestone 2030, its mid-term environmental targets toward 2030 to realize this vision, was announced in 2020. In terms of carbon neutrality, we have set a clear target of reducing CO<sub>2</sub> emission (Scope 1 and 2) by 50% in 2030 compared to our 2011 baseline, and achieving carbon neutrality in 2050. In Europe, our group company BSEMIA achieved a renewable energy ratio of 100% for electricity for all its European sites in 2021. We will expand our use of renewable energy globally and also promote the development of green and smart manufacturing sites. In addition, we are driving our

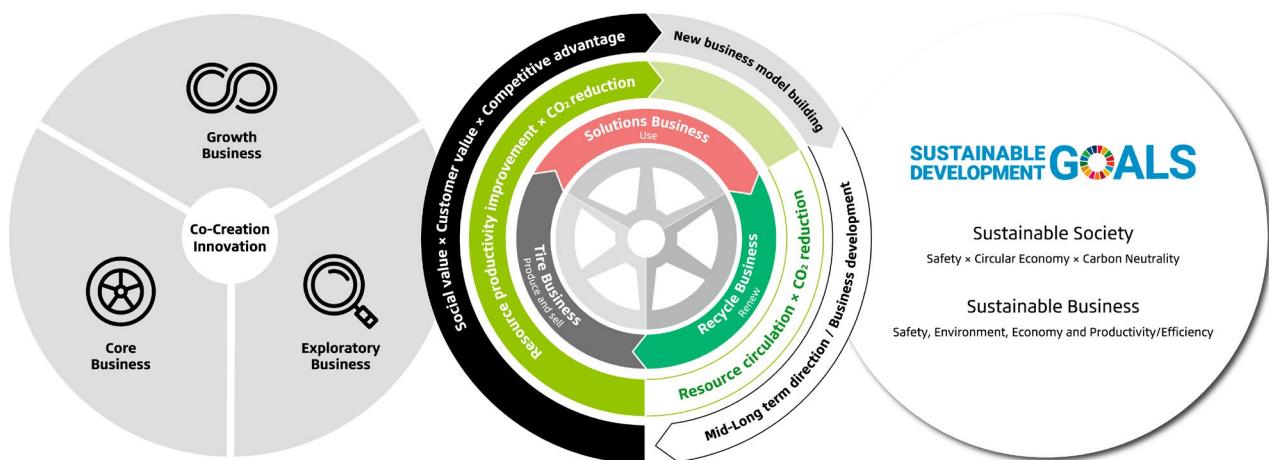
initiatives to expand ENLITEN tires optimized to EVs and enhance EV charging service utilizing the Group's retail network. We will continue to strengthen our global initiatives to contribute to the realization of a carbon neutral mobility society, including addressing Scope 3 emission. Regarding a circular economy, we are driving efforts to pass on a better Earth to future generations. With the target of increasing the use of recycled and renewable materials to 40% of its resources by 2030 and achieving 100% of sustainable material by 2050, we are promoting the retread business which is the core of our solutions business, and our recycle business.

We will reinforce and accelerate initiatives for sustainability across the entire value chain, in all of our "produce and sell," "use," and "renew" phases.

## Bridgestone 3.0 Journey toward 2030

### Toward a Sustainable Solutions Company

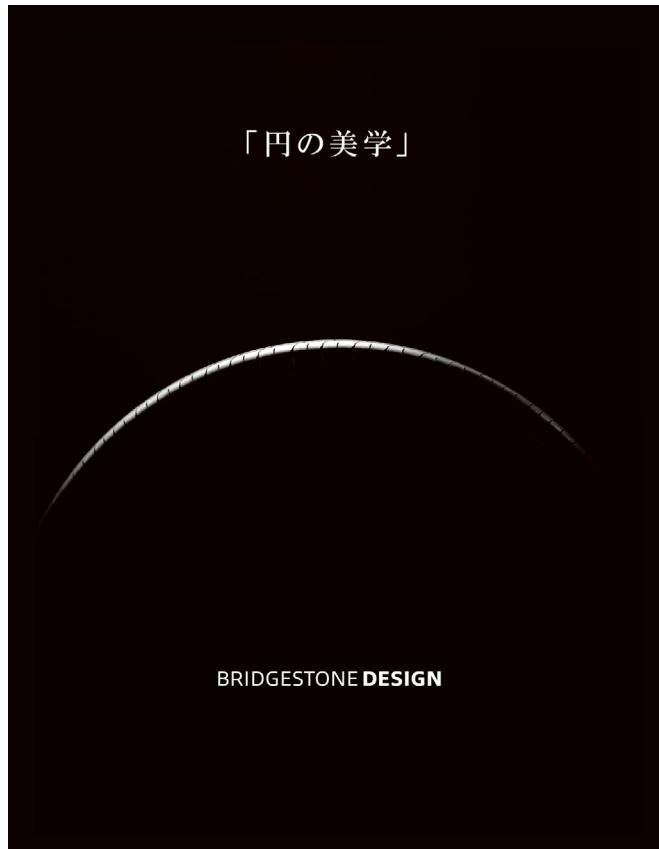
Support the mobility and movement of people & objects. Create social and customer value, and gain competitive advantage



To support the business evolutions, we have redeveloped our R&D site in Kodaira, Tokyo, Japan, and started full-scale operation of Bridgestone Innovation Park in April 2022. It will serve as a new venue for "earning empathy and promoting co-creation" to create new value through innovation with diverse stakeholders. With the "Bridgestone E8 Commitment" as our axis, we will drive innovation in technology, business model and design, and also continue driving Bridgestone DX (digital transformation) to accelerate such innovation. The Group will create new value by combining "mastering rubber" and "mastering road contact" — our strong "real" core competencies cultivated in our 91-year history — with digital technologies such as simulation. In addition, we are working on new workstyles and the transformation of our corporate culture to promote innovation. With the Bridgestone Innovation Park at the core, we will reinforce co-creation between global innovation sites, such as the Digital Garage in Rome, Italy, and the Mobility Lab in Akron, Ohio, United States, to drive innovation with employees and diverse stakeholders. Our passion for innovation is embedded in "Extension: Committed to nonstop mobility and innovation that keeps people and the world moving ahead."

We are also promoting activities to earn the empathy and trust of more stakeholders. For example, we will evolve our motorsports activities that helped establish Bridgestone as a global brand with the return to Indy in 1995, participation in Formula 1 from 1997, and in MotoGP from 2002. We will evolve our motorsports pursuits to ones based on co-creation and sustainability. Our intention to continue providing "driving excitement" and supporting the development of motorsports culture is represented in the "Emotion: Committed to inspiring excitement and spreading joy to the world of mobility" value of the "Bridgestone E8 Commitment."

Furthermore, from an innovation perspective we will evolve Bridgestone's design - which has led our corporate activities and played an essential role in both the founding and second foundation of Bridgestone. The introduction of the new corporate identity including the Bridgestone logo and B Mark in 1984 was positioned not only as the regeneration of visual design, but also that of the corporate culture, and eventually supported the Group's globalization. In our "third foundation"



Bridgestone 3.0, we will first pursue "circle aesthetics," focusing on embodying our transformation to a sustainable solutions company by incorporating the image of the "circle" and the concept of "circulation" into various designs and business models.

Concerning talent investment, the most important element for our transformation and the source of competitive advantage, we are promoting Bridgestone's HRX(human resource transformation) to build an environment where the company and diverse individuals can challenge and grow together. We will continue to promote different initiatives such as the development of digital talent crucial for Bridgestone 3.0, and Bridgestone Next 100, a program to develop talent for the next generation of global management. The Group also promotes diversity, equity and inclusion (DE&I) through initiatives such as joining The Valuable 500, the global movement empowering people with disabilities. We will continue to proactively work on the development and appointment of diverse talent, aiming to realize a great

place to work that encourages diversity and empowers all teammates. These initiatives are represented in the "Empowerment" value of the "Bridgestone E8 Commitment": Committed to contributing to a society that ensures accessibility and dignity for all.

Basing ourselves on this axis of "Empowerment," the Group will also continue various social contribution activities in each region, staying close to local communities. In March 2022, we donated approximately 500 million JPY across the group in response to the Russia-Ukraine crisis, and employees in our European group company have been participating in volunteer activities. We will continue supporting humanitarian efforts for children and those placed in difficult situations by the crisis, staying closely by their side to regain peace and safety.

As a global company, by responding to society's expectations and fulfilling our social responsibilities through business and social contribution activities, we hope to foster trust from society and our stakeholders, and build foundations for further value creation.

## **Invitation for co-creation toward the realization of a sustainable society**

To accelerate our transformation, the Group will also relentlessly continue to strengthen fundamental initiatives, especially in six key themes as Management Fundamentals for value creation: Compliance and Fair Competition, Business Continuity (BCP) and Risk Management, Human Rights and Labor Practices, Safety and Industrial Hygiene, Procurement, and Quality and Customer Value. In advancing our transformation following the "Bridgestone E8 Commitment," we

will continuously evolve the Group's governance. In addition to reinforcing corporate governance to keeping promises and carrying them out, governance for co-creation will become more important as we promote co-creation with diverse partners. By building trust and deepening interactions with empathy, we hope to accelerate further value co-creation in the future.

We will accelerate the Bridgestone 3.0 Journey toward a sustainable solutions company together with our global 130,000 teammates (employees), society, our partners and customers with the "Bridgestone E8 Commitment" as the axis to drive management while earning the trust of future generations. The journey ahead is sure to contain many obstacles, including the pursuit of both social and customer value, and the pursuit of sustainability and corporate growth. However, the Bridgestone Group will confront and overcome these challenges to continue advancing.

I hope this report will become an opportunity to earn your empathy toward the "Bridgestone E8 Commitment," so that you would join our journey for the sake of the Earth. The Bridgestone Group will commit to creating 8 values together with employees, society, our partners and customers to realize a sustainable society.



**Shuichi Ishibashi**

Member of the Board  
Global CEO and Representative Executive Officer

## Bridgestone E8 Commitment



# Bridgestone E8 Commitment to Our Future

For the sake of the Earth, which future generations of children have entrusted in our care.  
Together with you.

In 2022, the Bridgestone Group launched its "Bridgestone E8 Commitment" to realize its vision: "Toward 2050, Bridgestone continues to provide social and customer value as a sustainable solutions company." It includes eight Bridgestone-like values starting with the letter "E" (Energy, Ecology, Efficiency, Extension, Economy, Emotion, Ease, and Empowerment) that the Group, through Bridgestone-like "purpose" and "process," will commit to creating together with employees, society, partners, and customers to support realization of a sustainable society.

### Bridgestone's approach to sustainability

Since its founding, the Bridgestone Group has expanded and evolved its business to meet the changing needs of society and continue supporting the mobility and lifestyles of individuals, guided by its Mission of "Serving Society with Superior Quality" which was established as its corporate motto in 1968 and remains unchanged. It is based on founder Shojiro Ishibashi's business philosophy embodied in his words, "I am convinced that a simple profit-seeking business will never thrive, but a business that contributes to its society and country will be forever profitable." It is also in line with the Group's current approach to sustainability.

The Bridgestone Group believes that it is the Group's role and responsibility to anticipate changes in society, turn them into opportunities, and contribute to the realization of a sustainable society through its business and social contribution activities.

### Bridgestone's journey of CSR and sustainability activities

In 2007, the Bridgestone Group established the 22 *CSR Focus Points* as a Group-wide "common language" to continue to fulfill its Mission and promote consistent CSR activities. Based on its belief that "CSR is at the heart of management itself," the Group built a foundation for its CSR activities by integrating the 22 issues that form the basis of its corporate activities, including environmental conservation, quality and safety, into its Mid-term Management Plan. Building on this foundation, the Group established its *Our Way to Serve*, in 2017 as a compass to respond to society's expectations of a global company and its commitment to contribute to realizing a better future. By identifying Mobility, People and Environment as the three Priority Areas, the Group reinforced its activities through a "glocal" (global x local) approach with regional leadership, while ensuring global consistency. This approach continues to facilitate the identification of key areas where it can leverage its strengths to forge partnerships for value creation and transformation. Going forward, the Group is evolving its efforts to the next stage with the "Bridgestone E8 Commitment."

## Bridgestone E8 Commitment

Following the Group's founding in 1931, and its "second foundation" in 1988 with the merger of Bridgestone and the Firestone Tire & Rubber Company, the Group positioned 2020 as the first year of its "third foundation" Bridgestone 3.0 and established its new vision "Toward 2050, Bridgestone continues to provide social and customer value as a sustainable solutions company." To realize this vision, the Group has formulated a Mid-Long Term Business Strategy Framework with sustainability at its core, and has been advancing initiatives. Based on the "strong" Bridgestone, capable of responding to the changes it built these past two years through corporate transformation (CX), the "Bridgestone E8 Commitment" will serve as the axis to drive the Group's management while earning the trust of future generations in accelerating its transformation.

The eight "E"s in the "Bridgestone E8 Commitment" embrace the Group's Mission, the Bridgestone Essence, and DNA cultivated over its 91-year history. They also are aligned with the Mid-Long Term Business Strategy and vision and indicative of our future possibilities and evolution for value creation.



### **Energy | Committed to the realization of a carbon neutral mobility society.**

In addition to accelerating the introduction of renewable energy at its manufacturing sites, toward carbon neutrality by 2050, the Group is also supporting the adoption of EVs from the ground up by developing tires optimized for EVs and enhancing the EV charging networks by leveraging its retail network. To realize carbon neutral mobility, the Group will accelerate its efforts to reduce CO<sub>2</sub> emissions throughout its value chain and in each of the "produce and sell," "use," and "renew" tires to raw materials phases, such as providing products and solutions including Tiremetrics that support safe and efficient fleet management to help customers reduce their CO<sub>2</sub> emissions during the use stage of its tires.



### **Ecology | Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations.**

Toward its goal to use 100% sustainable materials by 2050, the Group is further promoting retread and recycle business. In addition to this, seeking the potential of materials, the Group is accelerating its efforts, such as the development of material with high environmental performance and rubber suitable for recycling, toward the realization of a circular economy and enhancement of resource productivity throughout its value chain and in each of the "produce and sell," "use," and "renew" phases. The Group is also conducting forest conservation activities, such as the ECOPIA's Forest Projects in Japan and other biodiversity conservation activities around the world, to preserve a better environment for future generations.



### **Efficiency | Committed to maximizing productivity through the advancement of mobility.**

The Group is accelerating its efforts to maximize the efficiency and productivity of both its and customers' operations, by supporting safe and efficient operations throughout its value chain, centered around Dan-Totsu Products and Dan-Totsu Solution such as fleet solutions that combine tires, retread and maintenance service with digital tools.



### **Extension | Committed to nonstop mobility and innovation that keeps people and the world moving ahead.**

Through activities that encompass the entire value chain with a focus on Dan-Totsu Products and Dan-Totsu Solution, the Group ensures continuous innovation in technology and business models to keep mobility and industry moving ahead. For example, in mining solutions, the Group supports day-to-day operations at physically demanding mining sites by optimizing tire usage with its Dan-Totsu Products, maintenance and data. It is also taking on challenging projects that support the dream of humankind with mobility innovations, such as a space exploration mission.



## **Economy | Committed to maximizing the economic value of mobility and business operations.**

The Group is promoting initiatives to optimize costs and maximize economic value for customers and its business throughout its value chain, with a focus on Dan-Totsu Products and Dan-Totsu Solution. For example, in aviation solutions, the Group's digital tire wear and durability predictions provide greater accuracy in tire management and maintenance plans, while also enhancing economic value by reducing wheel and tire inventories and improving the efficiency of aircraft maintenance programs.



## **Emotion | Committed to inspiring excitement and spreading joy to the world of mobility.**

The Group continues to provide "Driving Excitement" through motorsports such as the SUPER GT car races, the Suzuka 8 Hours Endurance Race and the Indy. It contributes to the development of motorsports culture while also advancing and refining its technologies that push the limits of tire performance. Through its involvement in sporting goods such as bicycles and golf balls, the Group continues to inspire excitement, spread joy and promote initiatives that support various challenges.



## **Ease | Committed to bringing comfort and peace of mind to mobility life.**

Bridgestone's fundamental principle is "tires carry life." In addition to providing high-performance and high-quality products such as passenger car tires, aircraft tires and seismic isolation bearings, the Group also addresses social issues such as safety education and traffic safety activities to support the mobility and lifestyles of individuals.



## **Empowerment | Committed to contributing to a society that ensures accessibility and dignity for all.**

The Group is also focusing on initiatives to solve various social issues by staying close to local communities and people's lives. These efforts include promoting DE&I and improving accessibility. In its support of para-athletes, the Group developed rubber soles for prosthetic running blades and tires for wheelchairs, so that all athletes can enjoy sports, regardless of their challenges. In the soft-robotics business, the Group is taking on the challenge of supporting the lives of individuals through the power of rubber, in light of the labor shortage against the backdrop of declining birthrates and aging populations and the need for non-contact interactions and automation due to the COVID-19 pandemic.

The "Bridgestone E8 Commitment" will serve as Bridgestone-like eight vectors for its transformation. The Group will drive reinforcement of corporate strategy and transformation of corporate culture along this commitment, and accelerating its transformation toward a sustainable solutions company together with its 130,000 global employees. The Group also believes it can realize and support a sustainable society by earning empathy from all of our stakeholders and co-creating new values with society, partners and customers through the "Bridgestone E8 Commitment."

More than ever, the Group will work with others to continue to face the challenges and possibilities of the evolving world, for the sake of the Earth, which future generations have entrusted in our care.

# Global Leaders Roundtable on the Bridgestone E8 Commitment

## Thoughts on the Bridgestone E8 Commitment toward accelerating transformation



Participants (from left to right)

<b>Masahiro Higashi</b>	Member of the Board, Joint Global COO (In charge of Global OR/AC Business, Japan Business and BSCAP) and Representative Executive Officer
<b>Paolo Ferrari</b>	Joint Global COO (BSAM, BSEMIA) and Executive Officer, Global CSO (Global Chief Business Solutions Officer), BSAM Member of the Board, CEO and President
<b>Laurent Dartoux</b>	Vice President and Senior Officer, BSEMIA Management Board Chair, CEO and President
<b>Yoshikazu Shida</b>	Vice President and Senior Officer, Seconded to Bridgestone Asia Pacific Pte. Ltd., BSCAP Member of the Board, CEO
<b>Scott Trevor Davis, Ph.D.</b>	Independent Director, Chairperson of the Board of Directors, Member of the Nominating Committee, Member of the Compensation Committee, Chairperson of the Governance Committee

### The time is ripe for promoting sustainability through business now

**Dr. Scott Davis:** In 2020, the Bridgestone Group announced its intention to become a sustainable solutions company — that Bridgestone would intensify its efforts to co-create social value through its business, by partnering with its stakeholders — and that it would create that value not by thinking only about what can be done, but what should be done.

In March 2022, the Bridgestone Group announced the “Bridgestone E8 Commitment” (*E8*). That brings me to my first question, why now? Why is this the right time for *E8*?

**Laurent Dartoux:** In the BSEMIA region, disruption and transformation have been taking place on multiple dimensions — technology, climate, regulations, culture and many others. This is creating the need for us to move strategically and form new partnerships with various stakeholders that will enable us to work next to governments and NGOs as plans are made to tackle these complex problems. Social expectations are also advancing quickly. For example, a new EU directive will come into play in 2023 that sets the rules for how corporations report on sustainability.

**Masahiro Higashi:** In my view, awareness of sustainability in Japan is still more abstract than compared to other



**Scott Trevor Davis, Ph.D.**

regions such as Europe. I tell our teammates here in Japan that we also have to think about the changes being discussed in other parts of the world. We need to look for tangible ways to promote sustainability in day-to-day activities.

For example, the price of renewable energy in Japan is too high. We need to innovate and promote new technologies on our own, using the power of partnerships and markets to drive progress. This will also enhance our own competitiveness in the context of such rapid change.

**Yoshikazu Shida:** Due to the impact of COVID-19 pandemic restrictions, climate change, and other events over the last two to three years, teammates in the BSCAP region are beginning to see sustainability not only as a matter of strategic importance for business, but also as an issue of personal resilience and quality of life, as well

as a social issue of survivability.

Despite recent hardships, together as a company we have achieved much during these past few years. For example, the dedicated efforts of BSCAP plant workers have enabled the further enhancement of supply chain management flexibility and agility across the entire group, even during the turmoil of COVID-19 which impacted a range of factors including price and availability of raw materials, ocean freight, labor supply and demand for our goods and services.

This has led to greater feelings of confidence and pride among our teammates, both freeing them up and encouraging them to do better. Now is a prime time to systematically and comprehensively rethink and further improve the way we do business.

**Davis:** What does *E8* mean in the context of your regions today?

**Paolo Ferrari:** From a BSAM point of view, it really comes down to broader stakeholder management. Investor interest is increasing, stakeholder concerns are developing and together they are very willing to listen to stories of long-term sustainable value creation. Internally, our values and actions on sustainability affect our ability to recruit and retain talent.

These and other factors all call for a commitment that allows us to accelerate our cultural transformation to stay ahead of the disruption taking place in our business environment. We often use the Japanese word *Dan-Totsu* to express our ambition to be the best, to serve society with superior quality. Well, it's not our goal to be *Dan-Totsu* in sustainability as another area of concern. I strongly believe that we need to be sustainable in order to be *Dan-Totsu*.



**Paolo Ferrari**

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## ***E8 — the latest step in a carefully planned process***

**Davis:** I sometimes describe Bridgestone's journey as climbing a flight of stairs. Each step doesn't replace previous ones. It builds upon them and is a necessary part of the learning process.

**Dartoux:** Yes, I agree and I think that we are ready for the next step in our sustainability journey. We started in 2007 with the *22 CSR Focus Points*, which was a focused, top-down initiative to embed ESG as a core part of our global business and operations. In 2017, *Our Way to Serve* was a bottom-up initiative to communicate and share initiatives and knowledge generated by the *22 CSR Focus Points* across regions. We want to build on those legacies.

We're always looking for ways to do better than we have in the past, so that we can provide more value to our customers and society. That's what the word *Dan-Totsu* means for us. It might be helpful to understand, for example, that BSEMIA was awarded platinum status by [EcoVadis](#) in 2021, which places us in the top 1% of sustainable companies. This is a significant achievement but it is not our endpoint. *E8* now allows us to jump to the next level based on the foundational work that we have done in the last several years.

**Shida:** The *22 CSR Focus Points* and *Our Way to Serve* created a legacy that's deeply linked to Bridgestone's pride and contributed significantly as a foundation for fostering a relationship of trust with local communities. For instance, in Indonesia, a region susceptible to a range of natural disasters, our teammates have formed their own voluntary emergency response and rescue teams that serve a critical role in their community in times of urgent need. Our people are proud and active members of their communities. Just one example. There was one day when a natural disaster occurred in the middle of annual salary negotiation. The phones of the labor representatives suddenly all started ringing. They checked their phones, stood up and told the management representatives, "We're members of the company emergency response volunteer team. We've just received a call. Sorry, but we'll have to postpone salary negotiation to another day." The teammates walked out of their own pay negotiations so they could help the people in their community in their time of need.

**Davis:** That's a great illustration of how *E8* rests upon the cultural, organizational and business achievements of past initiatives. Co-creating social value is already deeply rooted in the BSCAP region. Like BSCAP, I have seen that



**Masahiro Higashi**

each region throughout Bridgestone has its own way of understanding what is required to contribute to their own respective communities.

**Higashi:** I think our teammates are finding *E8* very appropriate given where Bridgestone is coming from in its sustainability journey.

At Bridgestone in Japan, we used a video message in our initial rollout phase to introduce *E8* and explain what it means. The response has been very positive and encouraging. Many are interpreting *E8* as a clearer articulation of our strategic commitment to sustainability, which we have been talking about in our way of managing and operating the business for a long time. People see *E8* as our next step.

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## Implementation — inclusivity and scalability

**Davis:** What you are saying is that *E8* is closely aligned to global strategy but at the same time, very locally aligned. That, to use a term often used at Bridgestone, it's *glocal* (global x local). *E8* gives you eight different vectors to work with. This comprehensiveness means it's carefully designed to push you out of your comfort zone and into your innovation zone.

How is Bridgestone communicating *E8* to build awareness and engagement internally and to deepen and accelerate business partnerships for co-creation?

**Ferrari:** Sustainability, like digital innovation and DE&I, must be embedded in the business for it to have real meaning. To do that, we use two tried-and-true methods of communication. The first is exploratory and more personal. In the Global Executive Committee (Global EXCO), we share documents and then engage in a sort of a Q&A and debate. This is actually how we developed *E8* over the

last year. For instance, the initial *E8* plan did not include *Empowerment*. We added that toward the end, because we asked, "Where's the cultural element? Where's the DE&I element?" This development was possible because of the Global EXCO. After this phase, all the Global EXCO members, as the leaders in their own areas, do the same with their teams at each SBU through town hall meetings, so there's a cascading effort whereby the *E8* becomes increasingly more relevant.

The second is a formal, structured system for getting constant feedback from our team. This reaches the broader population about where they are in their journey of awareness, understanding, engaging with, and contributing to *E8*.

**Dartoux:** The *E8* rollout is also being integrated into the business planning process through committee systems between the SBUs globally. It is also planned to be used as key criteria for our TQM (Total Quality Management) and Bridgestone Group Awards, the highest level of recognition in the company. This will help to embed *E8* into the actual business itself from the start.

**Davis:** So you're using the exact same deliberation and communication processes for *E8* that you have used for all your other important initiatives. You're further embedding sustainability into Bridgestone's business, organization and culture, not bolting it on as some external component.

**Shida:** My area, the Asian Pacific region, is extremely diverse when it comes to geography, culture, language and religion — but what connects us all is a commitment to serving and contributing to the society as responsible citizens. It's an ethos cultivated from the bottom up, especially during *Our Way to Serve*, and now closely tied to *Empowerment* in *E8*. It's helped to build trust with our customers and partners and boost teammates' engagement, leading to nurturing their pride and higher retention.

Bridgestone's growth as a global company began in the Asia-Pacific region in the 1960s and we have a deeply rooted



**Yoshikazu Shida**

presence here. When we shared the *E8* video with our teammates, many said that they are proud and sometimes surprised by our accomplishments as a global company. It gave them the inspiration to say, "We can do even more, even better." The trust our teammates have built at the community level will be essential for co-creating value through *E8* going forward. We're looking to continue that legacy by linking such efforts to *Empowerment*.

**Higashi:** We have been holding town hall meetings across Japan to talk eye-to-eye with teammates about *E8* so that they can digest it.

As Bridgestone in Japan has a long history of *monozukuri*, the culture of making things with diligence and a dedication to quality, our front-line teammates bring a strong sense of responsibility and rigor to their work. They require a concrete, practical understanding when implementing principles or concepts. So their understanding is crucial for any initiative, but once they have it, they can drive innovative changes on the factory floor, which leads to innovation in Japan as whole. Thanks to these meetings, our teammates are really getting on board with *E8*. They are now having small-group discussions about *E8* and sustainability at the level of day-to-day operations like how to link *E8* to their PDCA cycle.

**Davis:** The positive response of Bridgestone people at the *Genba* of manufacturing is important because manufacturing is a key defining strength of the company. The *Genba* has accepted the challenge of the *E8* and are using it to promote sustainability as another dimension of quality in production.

## Synergies of *glocal* knowledge sharing

**Ferrari:** Over the last few years at BSAM, we articulated a *North Star* as a way of capturing and packaging the important global strategic frameworks that our Global CEO, with the Global EXCO support, created and unveiled to the markets in various stages since 2020. This included our new vision as a sustainable solutions company both in its sustainability and mobility angles, our A.B.C. Business model, while reinforcing our foundations such as the Bridgestone Essence. We have prepared and deployed a playbook to cascade this successfully throughout the organization with tools, processes, town halls, individual meetings and surveys to personalize and monitor awareness and engagement.

In this context, while *E8* is revolutionary, many of the initiatives in place since the last two years already connect well with many of the *Es* of *E8* and this is an important thing

as our teammates see that *E8* is a great new commitment but that our company is well underway in execution. The combination of a proven playbook for cascading, many proof points showing that *E8* is already alive, and the actual *E8* framework as a wonderful new pivot of our sustainability commitment make us feel very comfortable about the success in deploying this new framework and in capturing both awareness and engagement around it from all our teammates. This will therefore truly accelerate our execution towards our 2040 and 2050 goals and towards our performance in general.

**Dartoux:** Many of the emerging OEMs in the all-electric space, for example, come with a light-asset model. Well, we have tires, fleet management solutions and, increasingly, a network of retail stores. This means we can offer a catalog of services to which they otherwise lack access.

We have also recently been thinking about ENLITEN as an end-to-end business model. It includes raw material supply, material circularity — the percentage of recycled and renewable material in the tire, for example — and a series of other dimensions that we can link to *E8*. In effect, *E8* is a catalyst for us to work more holistically to provide value and to get the agenda done faster. It allows us and our partners to think more broadly in terms of all the eight dimensions that we could impact. *E8* enhances competitiveness by enabling us to create value out of our resources and partnerships within subjectively distinct contexts such as regions and industries because it includes both cultural as well as business dimensions.



**Laurent Dartoux**

## Partnerships on long-term perspectives

**Davis:** What you are saying is that *E8* is designed to promote the sharing of the existing knowledge currently embedded within the regional and business contexts across the group globally. It also enables Bridgestone to promote forward-looking partnerships as a “platformer for creating business solutions,” not simply as a platform of existing solutions.

**Higashi:** Many of our partners have expressed great interest in *E8*. Initial discussions with partners in the mining industry have been especially positive. Mining companies are very keenly aware of sustainability issues and consider competence in this area to be a key factor when choosing partners.

*E8* succinctly communicates our corporate posture, the behavior we expect as a corporation. It also clearly defines the value we want to co-create through our partnerships. Co-creating value in accordance with *E8* means that together with our partners, we embed sustainability throughout the strategy, create positive and innovative partnerships that create new sources of sustainable revenue, which in turn allows us to invest in further innovation to increase our capability for sustainable value creation. This process is now supported by the Bridgestone Innovation Park designed on the concept of being an “open space for collaboration” that we have just opened in Kodaira, Tokyo. Adding a tangible asset like this shows stakeholders that we are serious about value co-creation and organized to do it. It’s crucial to tangibly show our commitment because Bridgestone’s solutions business model hinges on the idea of working together.

**Ferrari:** BSAM has been engaging in top-to-top discussions

with our key business partners, and *E8* is having the same effect here. The starting point of co-creating with leading companies is cultural alignment. They will open their strategic journey up to us if we can show them that our *E8* is a clear and well-articulated commitment to sustainability. So instead of just talking about when the next tire is coming, all of a sudden, we are also talking about: How can we work together on end-of-life tires (ELT)? How will we co-invest in transformational technology for recycling?

*E8* gives us the platform that enables long-term and innovative collaboration with partners. *E8* allows us to say: “Yes, we play in the Champions League for transformation and innovation, just like you do. Let’s talk.”

**Davis:** Would you agree that the increasing awareness of sustainability has made external and internal stakeholders more willing to look at business over the longer term? That performance is not just quarter by quarter, but that business should also be looking ahead?

**Ferrari:** I think so. ELT is a great example. Investment in ELT is difficult to justify because the technologies are long-term and still relatively unknown, and the short-term paybacks are hard to see. There are also no regulations yet that allow us to quantify the risk of not investing. But we go beyond that and think: Is this good for society? Is this good for the industry based on *E8*? We’re moving towards ELT technologies because it has a huge sustainability impact, and all our stakeholders are aligned.

**Shida:** Long-term value co-creation is very important at the local, personal level as well. In Indonesia, Bridgestone has been sponsoring a mechanical and electrical engineering school since 1981. This came out of a response to meet a social need. Roughly 70% of high school students there were unemployed, so the government asked us to help train



them for the job market. The school accepts 48 students every two years. Tuition is free and accommodations and meals are provided. To date, about 800 people have graduated, with roughly half going on to work for Bridgestone, and the remainder at other companies.

One of the graduates from that school is now working with us on *E8*, and he is very excited to help us drive *E8* forward. He knows our background and culture, so he knows how to communicate in ways that are relevant for our *monozukuri* (making things) culture. This is critical because, in the case of BSCAP, 65% of our teammates are front-line workers. We are equipping people with valuable skills not only to build their careers, but also to develop solutions that benefit their respective communities in the long term. We also have community skill programs in Australia and other areas.

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## New conversations for innovation and solutions

**Davis:** It seems that *E8* gives you a language that you can use to speak eye-to-eye with each of your constituents, from companies operating globally to individuals who want to work and contribute to their families and communities.

**Dartoux:** Reframing existing business and products within the context of *E8* will be the challenge, but it's going to unlock value. ENLITEN, which I mentioned previously, is one such example.

The agenda on sustainability is so huge that we have to engage with partners broadly, sometimes even with our competitors. In BSEMIA, we're working with two companies, BB&G and Versalis (ENI Group), to build a recycling player that doesn't exist in the market today. We need to be more open to these kinds of partnerships.

To innovate with us, our partners, both internal and external, must be able to understand what we stand for and what we can do. *E8* does this because it expresses both our values and our plans and actions as a business. It starts the conversation with the statement that we are unique as a business and valuable as a long-term partner.

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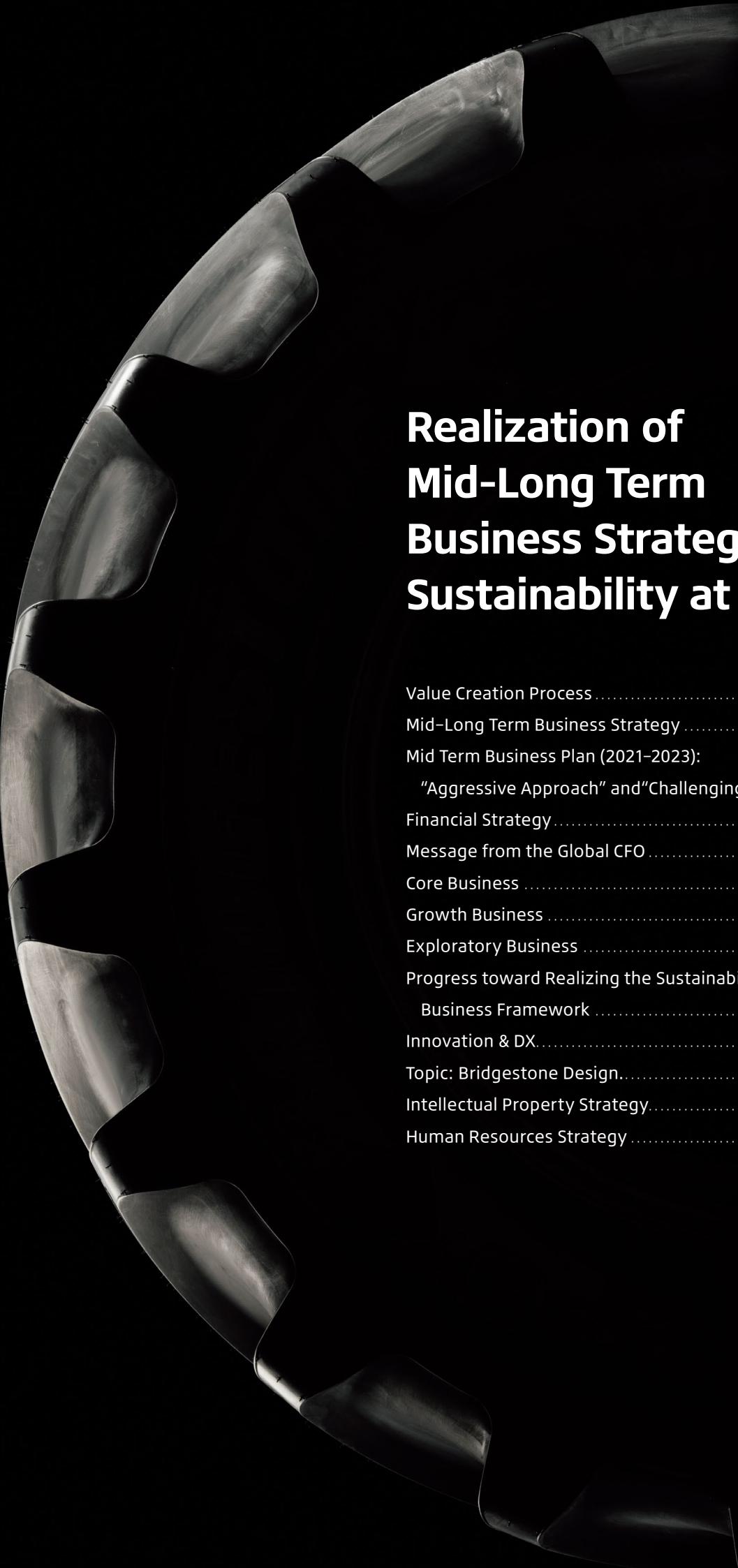
## Above all the *E8* is a commitment — a challenge

**Davis:** You have all spoken about many critically important things today, but one theme underlies them all and it's this: as a solutions business, it is essential to communicate what you have achieved and what you can do. The word "commitment" in the name *E8 Commitment* speaks volumes. That you can't stop at just an expression of values. If you fail to say what you're good at, and what you intend to do, potential partners won't know that they need you. With *E8* you are both recognizing and sharing your achievements, and planning a path forward.

**Higashi:** *E8* is unique. I firmly believe that only Bridgestone could express a corporate commitment to sustainability in this way. It is the culmination of a long and careful process of discussion and alignment at the local, regional and global levels. It builds on best practices and synergies created and shared within and across each of these levels, and it represents a challenge for the future, but one that Bridgestone is fully capable of realizing if it uses and communicates its strengths for collaborative innovation.

We have a reputation for being experts in making and selling tires. We can say that it's in our DNA. But in the emerging circular economy, that alone is not enough. To continue to serve society with superior quality, we must join with others in solving the issues challenging our industry and facing our stakeholders both globally and locally.

Our definition of quality is expanding: from products, to services, and now to sustainable mobility solutions. With its comprehensiveness, inclusiveness, and scalability, I think *E8* will serve a pivotal role in the next stage of Bridgestone's journey to further enhance our ability to realize even higher quality through deeper transformation, closer user perspective, and more active and collaborative partnership into the future.



# **Realization of Mid-Long Term Business Strategy with Sustainability at the Core**

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# Realization of Mid-Long Term Business Strategy with Sustainability at the Core Value Creation Process

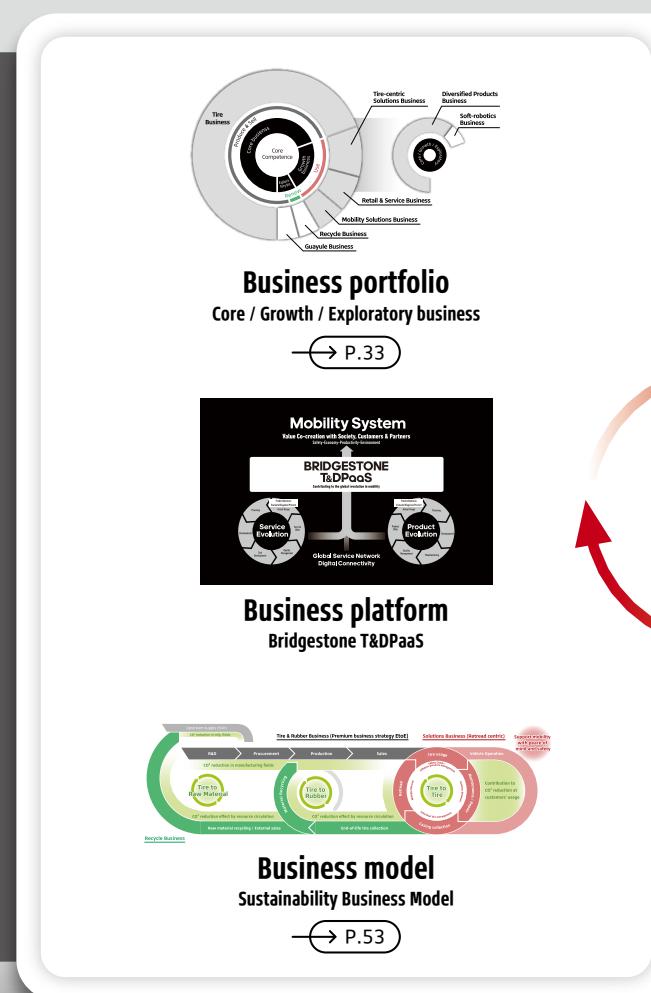
## Mission: Serving Society

Bridgestone 3.0 /

Vision: 2050 Bridgestone continues to provide social value

*Solutions for*

Input	
(2021 results)	
Financial capital	Total equity <b>2,675.4</b> billion JPY Strategic resources <b>150</b> billion JPY
Manufactured capital	Capital expenditure <b>262</b> billion JPY
Intellectual capital	R&D expenses <b>95.5</b> billion JPY
Human capital	Number of employees <b>135,636</b>
Social and relationship capital	Dan-Totsu Network with operation in more than <b>150</b> countries and regions
Natural capital	Amount of raw materials used <b>4,611</b> thousand tonnes Total energy consumption <b>42,726</b> thousand GJ



## Governance and Management Fundamentals

Compliance, Fair Competition | Business Continuity (BCP), Risk Management | Human Rights,

Social issues and momentum of transformation

# with Superior Quality

Third Foundation  
and customer value, as a sustainable solutions company

*your journey*

## Corporate Commitment Bridgestone E8 Commitment



Axis to drive management while earning  
the trust of future generations

→ P.17-19

Build trust to propagate value co-creation

→ P.71-79

for Value Creation → P.80-99

Labor Practices | Safety, Industrial Hygiene | Procurement | Quality and Customer Value

## Output / Outcome

Mid Term Business Plan (2021-2023)

FY2023 Revenue **3,300** billion JPY level

% of revenue from solutions business **20%** level

Adjusted operating profit margin **13%** level

ROIC **10%** level

ROE **12%** level

Mid-long term environmental targets

Milestone 2030

**50%** reduction in CO<sub>2</sub> emissions (Scope 1, 2) from 2011's level

**40%** rate of materials using recycled and renewable resources

2050

**Carbon neutrality**  
**100% sustainable materials**

Changes in environment surrounding Bridgestone and risks and opportunities → P.29, 89-90

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core

## Mid-Long Term Business Strategy

Placing sustainability at the core of management and business, the Bridgestone Group is promoting the execution of Mid-Long Term Business Strategy to realize its vision of "Toward 2050, Bridgestone continues to provide social and customer value as a sustainable solutions company." When constructing its Mid-Long Term Business Strategy, the Group carefully assessed the internal and external business environment — considering social trends, transformations of the mobility and tire industry structures — to determine the impact of each on the Group. The Group then formulated strategies to transform change into opportunity. The changes the Group considered, and its response to each, include:

### Changes in the external and social environment

- Unprecedented changes → Introduce a more agile change management system.
- Geopolitical risk → Promote "glocal (global x local)" management.
- Climate change → Place sustainability at the core of management.
- Technology innovation and DX → Co-creation, innovation and promotion of Bridgestone's DX.

### Changes in the mobility industry structure

- Acceleration of MaaS and CASE, especially acceleration of Electric which means adaptation of EVs → Reinforce Dan-Totsu product strategy, considering sustainability and the evolution of mobility; expand tire-centric solutions, retail & service and mobility solutions.
- Emerging original equipment manufacturers (OEMs) and horizontal integration of OEM → Establish new operational and organizational structures to adapt to the changes.

### Changes in the tire industry

- Changes in the tire industry structure including emerging competitors.

## Mid-Long Term Business Strategy Framework



# Realization of Mid-Long Term Business Strategy with Sustainability at the Core

## Mid Term Business Plan (2021-2023): "Aggressive Approach" and "Challenging" Spirit

The Group's Mid Term Business Plan, to be implemented over the three-year period from 2021 to 2023, clarifies specific goals and actions in each business based on its Mid-Long Term Business Strategy. With a view to 2030, it will implement the Mid Term Business Plan toward 2023 with an "aggressive approach" and "challenging" spirit, evolving into a sustainable solutions company. It will also respond to various environmental changes while developing its business portfolio in line with changing social and customer needs to evolve into a "strong" Bridgestone capable of responding to changes.

### Mid Term Business Plan (2021-2023) & Targets toward 2030

	2021	2023	2024–29	2030
<b>Business Portfolio</b>	Core = tire business / Growth = solution business / Start exploratory business		Solutions business gradually becomes "core," exploratory business becomes "growth"	Core = tire and solutions business / Growth = exploratory business / New exploratory business
<b>Promote a circular economy</b> Improve material circularity Maximize resource/tire value		<b>Contribute to a circular economy across the value chain and the product life cycle</b>		Recycled & renewable material ratio 40%
<b>Carbon neutrality</b> Reduction of emissions Contribute to emission reductions		<b>Reduce CO<sub>2</sub> emissions to achieve Milestone 2030</b>		Reduction of CO <sub>2</sub> emissions: -50% Contribute to reducing more than 5x our emissions
<b>Revenue % of solution business</b>	3,010 B JPY 17%	3,300 B JPY level 20% level	Grow while adapting to changes Increase sales in solution	Toward a sustainable solutions company
<b>Adjusted Operating Profit %</b>	260 B JPY 8.6%	450 B JPY level 13% level		
ROIC	6.3%	10% level	Resilient and highly profitable structure	Resilient, highly profitable structure in all businesses
ROE	6.8%	12% level		

### Mid Term Business Plan (2021-2023) progress update – 2021 and 2022 plan

	2021		2022	
Covid-19 Impact	Gradual recovery	Recovery		
Stage	Crisis management	Sustainability at the core	Rebuilding earning power	Strategic growth investment
 Core business	■ Tire business Rebuilding earning power: Business portfolio and manufacturing footprint restructuring, Expense and cost structure reformation Premium business strategy: Flexible agile management, Dan-Totsu product strategy - new premium ENLITEN			Transformed "strong" Bridgestone
 Growth business	■ Solutions business Accelerate global expansion Expansion of tire-centric solutions / retail service / mobility solutions		⟨2023 Target⟩ Tire <b>80%</b>	Solutions <b>20%</b>
 Exploratory business	■ Start in areas where Bridgestone can leverage our core competencies: explore technology and business model Upstream of supply chain – Guayule business/ down stream of supply chain – Recycle business, New challenge of Diversified products business – soft robotics business			
Diversified products business	■ Sharply focus on areas where Bridgestone's core competencies can be leveraged			
Enablers for execution Core Competencies	■ Reinforce foundation for financial strategy: Reinforce management structure and portfolio management ■ B-HRX : Reinforce development of digital talent	■ Bridgestone design "Circle Aesthetics"		

## Toward achieving the Mid Term Business Plan

To achieve the Mid Term Business Plan, the Group is working on it based on three axes: "tackle past negative legacies without delay" in light of 2015–2019 when profits were on a declining trend, "focus on execution and delivering results" responding promptly to changes in the business environment, and "lay the foundation for future growth" with 2030 as its milestone.

Regarding past legacies, the Group is addressing its declining profits and working on rebuilding its earning power. In 2021, from a mid-long term perspective, the Group restructured its manufacturing footprint and the business portfolio in all its business domains, including the tire, diversified products and internal manufacturing businesses. This helps reduce fixed costs and promote other expense and cost structure reforms. In addition, the Group set ROIC as the critical management index, and introduced the process to evaluate earning power by region and business. This enables the Group to strengthen its efforts while thoroughly tracking investments and evaluating returns ([see page 35](#)).

In terms of immediate issues, the Group is focusing on execution and delivering results. In the first half of 2021, amid signs of recovery of demand throughout the world, the Group aggressively executed sales and strengthened price and cost management by quickly responding to changes in the business environment including lower demand for original equipment (OE) tires due to the impact of semiconductor shortages starting in the third quarter; raw material, ocean freight and other cost inflation; and labor shortages in North America. In 2022, the Group will continue to promote supply chain management in response to changes and maximize supply and sales opportunities, pursuing "flexible agile management" with an "aggressive approach" and a "challenging" spirit.

The Group is laying the foundation for its future growth based on the "strong" Bridgestone it has built so far.

In its core business, the Group is expanding ENLITEN, a new premium for the EV era. The Group has strengthened the development of ENLITEN as the innovative tire technology optimized for EVs and promoting passenger car OE fitment starting from Europe. From 2022, the Group is working on building the ENLITEN business

strategy, expanding its value to technology, product and business model. In addition, the Group will continue to conduct strategic investment and study the global manufacturing footprint from a mid-long term perspective. While keeping "local production for local sales" to some extent in Europe and the United States, the Group will build a manufacturing footprint that ensures global optimization ([see pages 40–42](#)).

In the growth business, the Group will continue strategic growth investments in each region for the global expansion of solutions. It will also expand the solutions business, including enhancing mobility solutions, through M&A and by strengthening the retail & service business based in the Group's global retail network ([see pages 43–46](#)).

With regard to the exploratory business, the Group promotes exploring recycle, soft-robotics and guayule businesses. It will also continue technological and business model explorations toward commercialization and support the mobility and the movement of people and objects ([see pages 47–52](#)).

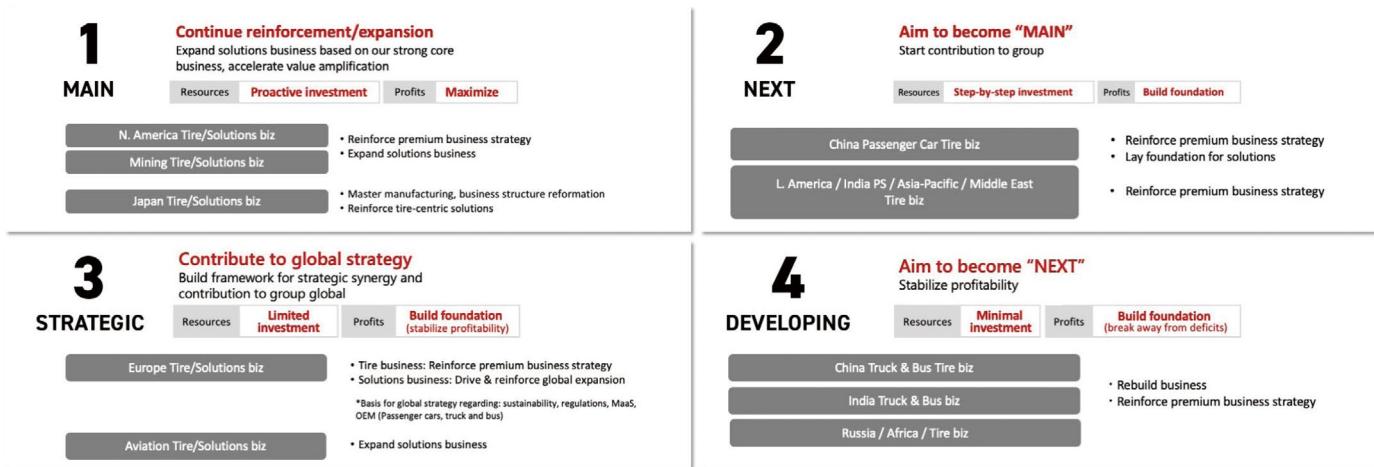
The Group will continue to drive DX as digital is essential for the realization of its Mid Term Business Plan and reinforce the recruitment and development of digital talent. It will accelerate actions to realize DX that connects throughout the entire value chain, global activities and operations, as the evolution of the existing Bridgestone's DX which drives DX in each area such as R&D, manufacturing and solutions with the combination of "real" and "digital" ([see pages 58–62](#)).

In terms of sustainability, which is at the core of the Group's management and business, it is developing initiatives aligned with its "Bridgestone E8 Commitment" as the axis to drive management while earning the trust of future generations. The Group will tie in efforts for achieving carbon neutrality and a circular economy with its business model and aim to realize its unique Sustainability Business Model. To realize carbon neutrality, the Group will continue to strengthen its value chain and global initiatives, including reducing Scope 3<sup>1</sup> emissions, by converting to 100% renewable energy-based electricity at all BSEMIA Europe locations. It is also contributing to a circular economy by developing the recycle business and growing the ENLITEN business strategy ([see pages 53–57](#)).

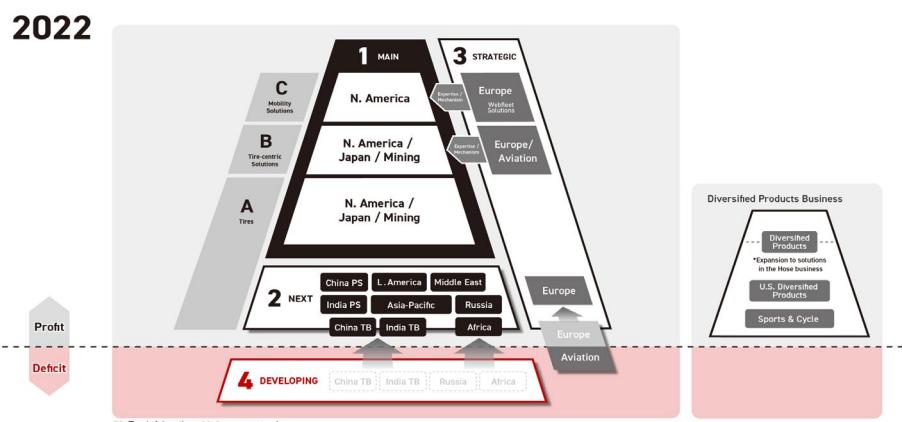
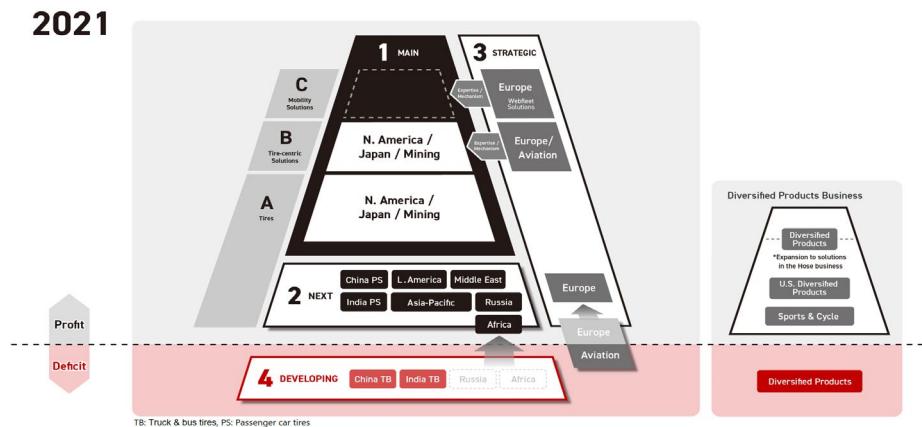
<sup>1</sup> Scope 3 covers CO<sub>2</sub> emissions from raw material procurement, distribution, customers' use, disposal, and recycling lifecycle stages.

## ● Progress of four categories for execution

In implementing its Mid Term Business Plan (2021–2023), the Group defined four categories according to business characteristics and maturity of mobility in each region: "Main," "Next," "Strategic" and "Developing."



In 2021, two businesses stepped up to "Next" with the realization of profitability in the Russia and Africa tire businesses. The remaining deficit business, the truck and bus tire business in China and India, will also be profit-making in 2022. In addition, as the diversified products business became profitable as a result of restructuring of the business portfolio, the Group will achieve profitability in all businesses and continue its transformation to a "strong" Bridgestone ahead of schedule.



## ● Targeting growth with a new business portfolio and management structure

The Group is building a new business portfolio to promote future growth. The tire business continues to be its core business in the future. The solutions business will be categorized into three businesses — tire-centric solutions, retail & service and mobility solutions — in accordance with its business characteristics. This will lead the synergy between the core business and the growth business which amplifies the value in each business.

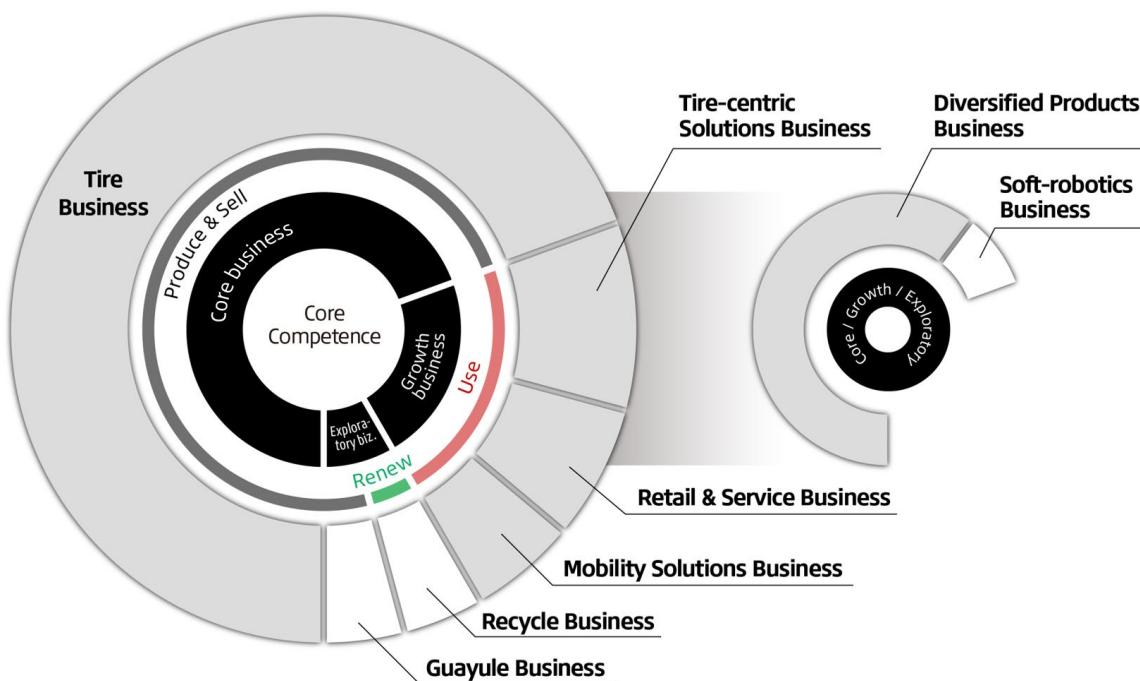
The diversified products business has continued to support the mobility and movement of people and objects and lifestyles of individuals, responding to the needs of each era and society. After executing business and manufacturing footprint restructuring in 2022, the Group will maximize the core competencies of its continued business such as "mastering forming hybrid polymer" technology of

the hydraulic, high performance hose business, and accelerate efforts toward mid-long term growth and the creation of social and customer value.

Adding the diversified products business to four businesses, the Group is moving toward a five businesses portfolio and aiming for the early commercialization of exploratory business.

In line with its new portfolio, the Group will also establish a new management structure. Since 2020, the Group has driven "glocal" management that executes a local strategy suitable for each business/region based on the global strategy, securing group global optimization, and has been able to build a strong management structure over the past two years. To realize a new business portfolio, the Group will build a management structure capable of responding to changes with flexibility and agility by ascertaining the characteristics of each business based on the "glocal" management structure.

## New business portfolio: "Five business" + exploratory business



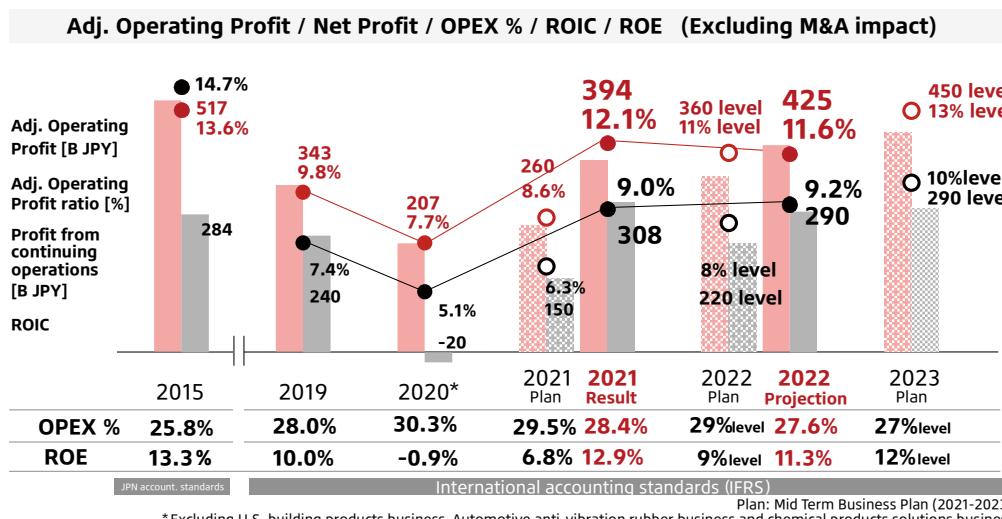
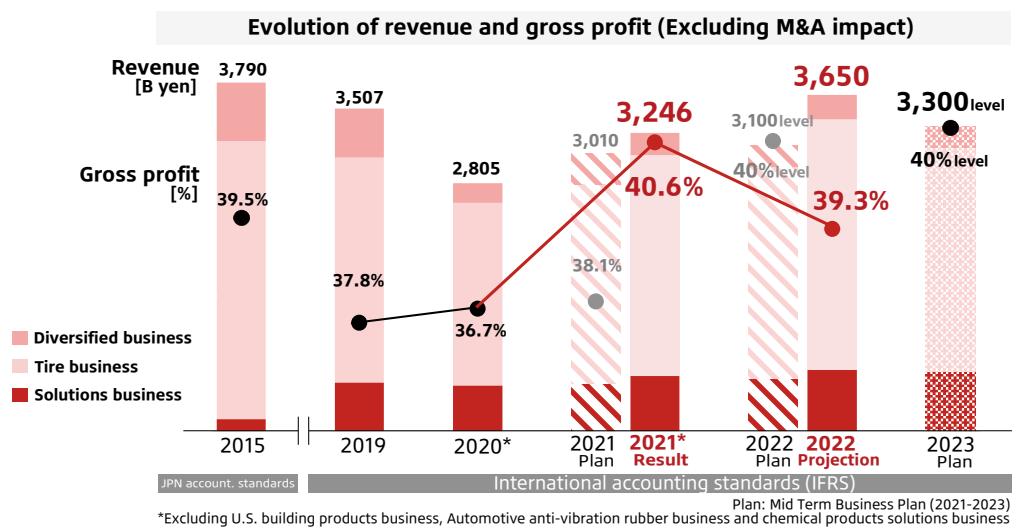
## Rebuilding earning power

### ● Overview of the performance for 2021

As the management indices of its Mid Term Business Plan (2021–2023), the Bridgestone Group aims to achieve revenue level of the 3,300 billion JPY and ROIC as the critical management index of 10% in 2023. To achieve the plan, the Group is rebuilding earning power and investing in strategic growth. Specifically, it is reforming its cost and expense structure, reinforcing its premium business strategy, and expanding its solutions business under the banner of evolution into a "strong" Bridgestone.

In 2021, the Group's revenue reached approximately 3,246 billion JPY with a gross profit margin of 40.6%, achieving the 2022 goal ahead of schedule. On the revenue front, global tire sales increased significantly centered around the premium segment, resulting in

a substantial increase in revenue over the previous year. In 2022, the Group will continue sales with an "aggressive approach," aiming to reach revenue of 3,650 billion JPY. On the profit front, both adjusted operating profit ratio and ROE (return on equity) achieved the 2022 goal ahead of schedule. ROIC, which indicates earning power, was 9.0%, well above the plan for 2021, and is projected to exceed the 2021 level in 2022 as well, thus achieving the goal of rebuilding earning power. The diversified products business returned to a profit in 2021 on the continued business basis, together with the effects of measures to rebuild earning power, such as the decision to transfer the anti-vibration rubber and the chemical products solutions businesses.



## Expense and cost structure reformation

The Bridgestone Group is reforming its expense and cost structure with strict expense management from a ROIC improvement point of view.

The Group is driving further efficiency improvement and optimization for all regions and all business areas through cost improvement in raw materials and logistics, strict selection of investments and thorough

expense management. Over the past two years from 2020 to 2021, the Group reduced fixed costs by 37 billion JPY and variable costs by 9.7 billion JPY and accomplished reduction more than planned.

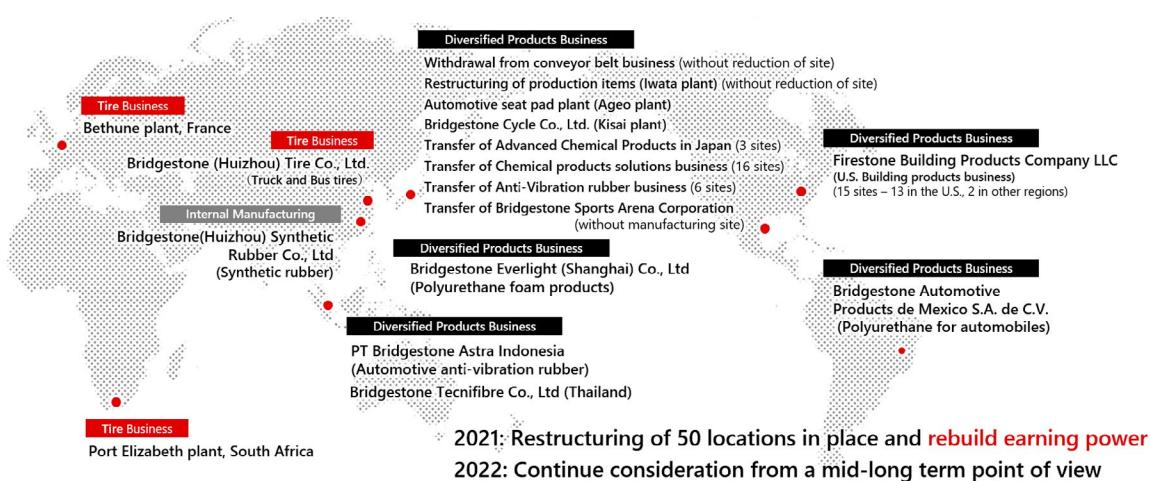
The Group will continue further structure reformation and improvements, as well as reallocation to strategic resources.

[B JPY]	2019	2020	2021
<b>Reduction in 2019~2023 from structure reformation: total -37 B JPY (improvement of 2 B JPY more than planned)</b>			
Fixed Cost			
	Operational productivity improvement	-1.5 B JPY	-1.5 B JPY
	Restructuring of organization & review of wage system	-13 B JPY	-13.7 B JPY
	Reexamination of sales promotion & brand strategy	-8.5 B JPY	-8.5 B JPY
	Restructuring of manufacturing footprint, business portfolio and integration of office facilities, etc.	-12 B JPY	-13 B JPY
		-35 B JPY	<b>-37 B JPY</b>
<b>Reduction in 2019~2023 from structure reformation: total – 9.7 B JPY (improvement of 0.7 B JPY more than planned)</b>			
Variable Cost			
	Consolidate/rationalize warehouse	-4 B JPY	-2.3 B JPY
	Control unit price of logistics	-1 B JPY	-3.1 B JPY
	Cost reduction through procurement system reform	-4 B JPY	-4.3 B JPY
		-9 B JPY	<b>-9.7 B JPY</b>

### ● Manufacturing footprint and business portfolio restructuring

The Group has been examining its approximately 160 manufacturing sites and executing manufacturing footprint and business portfolio restructuring, taking account of the sustainable growth of each business. In

2021, the Group executed restructuring of tire plants/internal manufacturing footprint and the diversified products business and announced restructuring of 50 manufacturing sites. The Group will continue examination from a mid-long term perspective across all its businesses.



## Strategic growth investments

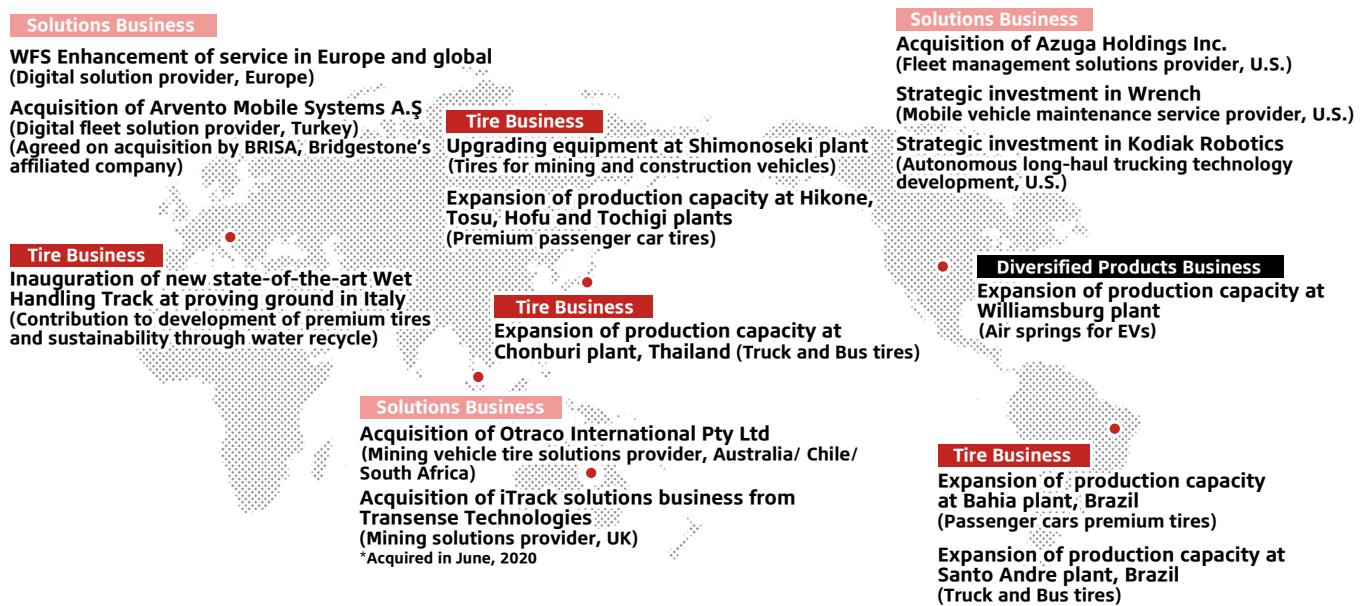
The Group plans to invest 700 billion JPY in strategic resources by 2023 to evolve into a "strong" Bridgestone with an "aggressive approach" and "challenging" spirit. This includes investments of 350 billion JPY each in strategic investments and expenses and in M&A, corporate venture capital (CVC), strategic partnership, and other co-creation activities. It further strengthens its core businesses while balancing strategic growth investments for expansion of growth businesses and in exploratory business, and skillfully scrutinizes and invests in business opportunities.

### ● 2021 results of strategic resource deployment

In 2021, the Group strengthened the premium business strategy in its core business, while executing strategic growth investments to support the expansion of its solutions business. As a result, the Group invested approximately 100 billion JPY for strategic investments and expenses and approximately 50 billion JPY for M&A and strategic partnership.

In the tire business, in addition to investment in production capacity to expand premium products in Asia, Japan and South America, the Group has begun to invest in the expansion of truck and bus tires in South America and Asia. The Group is supporting sales in North America with the supply from South America in the Americas and global sales with the supply from Asia and Japan. It will strive for global optimization while maintaining local production for local sales and build a supply chain that can respond flexibly and agilely to changes in the business environment. In the Group's diversified business in the United States, it is increasing the capacity of a plant that produces air springs for EVs to address the accelerating shift to EVs. In the solutions business, the Group is expanding its business structure through M&A and strategic investments in tire-centric solutions, retail & service and mobility solutions businesses, mainly in Europe and the United States.

## Strategic growth investments at-a-glance



## ● Approach to strategic resource deployment

Co-creation with partners is indispensable for the realization and expansion of the solutions business and the exploratory business, which aims for commercialization. The Group is accelerating expansion of the growth business and realization of the exploratory business through strategic partnerships with myriad partners, including government and academia, while promoting the global expansion of mobility solutions through M&A and other means. In addition, it is creating contacts with a wider range of partners, including start-ups, and resources for strategic growth investments with an "aggressive approach" and "challenging"

spirit. It plans to deploy strategic resources of approximately 150 billion JPY for M&A and strategic partnership in 2022, considering investment in five priority areas: enhancement of mobility solutions, enhancement of retail & service, tire manufacturing technology, new emerging player in the mobility industry, and sustainability.

In addition, the Group plans investment of 150 billion JPY in strategic investments and expenses in 2022 to support further growth. The Group will continue to grow its businesses and execute strategic growth investments to realize a carbon neutral mobility society.

Strategic investment / Strategic expenses		M&A / CVC / Strategic partnership	
2021 Result	2022 Plan	2021 Result	2022 Plan
Approx.100B JPY	Approx.150B JPY	Approx.50B JPY	Approx.150B JPY
<b>Tire business</b> <ul style="list-style-type: none"> <li>Dan-Totsu product strategy</li> <li>Manufacturing technology</li> <li>Expansion of production capacity of premium product</li> <li>Greening of manufacturing sites</li> </ul>	<b>Mobility solutions business</b> <ul style="list-style-type: none"> <li>Fleet solution</li> <li>Solution network</li> <li>B-innovation (digital product design infrastructure)</li> </ul>	<b>5 priority investment areas</b>	
<b>Tire-centric solutions business</b> <ul style="list-style-type: none"> <li>Retread strategy</li> <li>Tire-related services</li> <li>Subscription</li> </ul>	<b>IT Infrastructure</b> <ul style="list-style-type: none"> <li>Core IT infrastructure systems update</li> <li>Remote work infrastructure reinforcement</li> <li>IT security reinforcement</li> </ul>	<b>Enhancement of mobility solutions</b>	
<b>Retail &amp; service business</b> <ul style="list-style-type: none"> <li>Enhancement of mobile van and retail service</li> </ul>		<b>Enhancement of retail &amp; service</b>	
		<b>Tire manufacturing technology</b>	
		<b>New emerging player in mobility industry</b>	
		<b>Sustainability</b>	

# **Realization of Mid-Long Term Business Strategy with Sustainability at the Core Financial Strategy**

## **Reinforcing foundations for financial strategy**

The Group is reinforcing the foundations for its financial strategy to realize portfolio management. To progress with an “aggressive approach” and a “challenging” spirit, it is essential to build a framework to support strategic decision-making, including financial evaluation and divestments for each business portfolio.

In January 2021, the Group established a Global Controller function to manage individual investment projects on a global basis, thus putting in place a structure to appropriately evaluate the investment returns of each project. In 2021, the Group scrutinized a total of 23 investments totaling approximately 230 billion JPY. In addition, the establishment of the M&A Steering Committee, led by the Global CEO and with senior executives from each business and region as members, has made it possible to discuss and rigorously evaluate deals on a target-by-target basis and make speedy decisions. As for capital investment, a committee led by the Joint Global COO Masahiro Higashi also has been established to strengthen decision-making. For the allocation of strategic resources, thorough evaluations are conducted using ROIC and other methods, and hurdle rates are set that consider the capital costs and risks by business and region. The Group is also strengthening the use of internal carbon pricing and incorporating sustainability factors into investment decisions, such as evaluations that consider CO<sub>2</sub> emission costs and reduction benefits. As a result of appropriate investments and proper scrutiny and evaluation, ROIC for 2021 improved to 9.0% from 5.1% in the previous year.

### **● Driving activities to promote the dissemination of ROIC**

The Group uses ROIC to evaluate progress in rebuilding earning power by portfolio. It also supports strategic decision-making in line with the Mid Term Business Plan (2021–2023) by allocating optimal management resources and ensuring the appropriateness of strategic growth investments, all while considering the cost of capital.

The financial strategy department at the Global Headquarters serves as the secretariat to oversee global activities, while ROIC ambassadors work to promote understanding of ROIC among all employees since it is a critical management index used to evaluate improvement activities in the Mid Term Business Plan (2021–2023). Currently, there are approximately one or two ambassadors assigned to each division in Japan, for a total of approximately 80 ambassadors. In 2021, the first year of efforts to increase awareness and understanding of ROIC, the Group rolled out educational materials and e-learning for ambassadors and employees. The Group has established ROIC trees at the divisional and departmental level to link ROIC to the daily activities of each individual at the workplace. It also promotes efforts to incorporate ROIC into improvement and key performance indicators (KPIs) on the front lines. Going forward, the Group will develop awareness activities that are more closely tailored to each workplace, such as training by job level and sharing of specific examples of improvements according to the nature of work in each function. It will thus promote self-directed improvement activities at each workplace and aim to achieve the 10% ROIC level in 2023 targeted in the Mid Term Business Plan (2021–2023).

### **● Linking credit to sustainability**

The Group promotes ongoing environmental, social and governance (ESG) initiatives through the introduction of sustainable finance, in which interest rate terms fluctuate based on sustainability performance. BSAM was one of the first companies in the U.S. tire manufacturing industry to establish a commitment line through a sustainability linked loan and to utilize a scheme that reflects the Group’s ESG rating in the commitment line fees and borrowing costs. Furthermore, BSEMIA, in cooperation with financial institutions, has introduced a framework to provide financial incentives to suppliers that obtain ratings from [EcoVadis](#), an international sustainability research and rating organization. The initiative was the first in the world of this nature and was awarded the prestigious [Treasury Today's Adam Smith Award](#) for the category Best Supply Chain Finance Solution.

# Message from the Global CFO

**Flexible, agile and resilient management is required to overcome any future unexpected events we may face.**

In February 2021, the Bridgestone Group announced its Mid Term Business Plan for three years from 2021 to 2023. By activating this plan, we are vigorously pushing forward with the company's transformation into a sustainable solutions company with an "aggressive approach" and "challenging" spirit.

In 2021, we focused on rebuilding earning power and execution of our premium business strategy, etc. As a result, we achieved a significant increase in revenue and profit, and net income from continuing operations reversed the first loss in 69 years recorded in 2020 to profit and achieved a record net income for the first time in seven years. We attained a strong start, achieving the 2022 targets of the Mid Term Business Plan (2021–2023) for revenue, adjusted operating profit, adjusted operating profit margin, as well as ROE and ROIC a year ahead of schedule.

Since I assumed the role of Global CFO in September 2021, the role has been strengthened and enhanced to execute the Mid Term Business Plan (2021–2023) more reliably and more speedily in order to sustainably enhance our corporate value. In the process, we have established an extended Global CFO role that consolidates procurement, IT infrastructure, SCM, and business planning, in addition to the finance function. We are also promoting global optimization while strengthening global connectivity across the company.

The environment surrounding our Group's operation is becoming even more challenging with the increase in raw material prices, heightened geopolitical risks and ongoing inflation. In addition to addressing near-term issues, the extended Global CFO role is responsible for optimizing the entire value chain based on our mid-long term vision. With an eye on Bridgestone's transformation to a sustainable solutions company, we are steering efforts to promote the Mid Term Business Plan (2021–2023) and beyond, under the "Bridgestone E8 Commitment," launched in March 2022, as the axis.

We have also begun managing our business with a greater awareness of capital cost and portfolio optimization, with ROIC as the critical management index. ROIC for 2021 improved by 3.9 percentage points from the previous year to 9.0%, thanks to company-

**Masuo Yoshimatsu**

Senior Vice President and Executive Officer  
Global CFO (Global Chief Financial Officer)



wide penetration activities using the ROIC tree and appropriate scrutiny and evaluation of investments. We will continue to invest based on global optimization with our "aggressive approach" toward the execution of the 700 billion JPY strategic resources (from 2021 to 2023) set forth in our Mid Term Business Plan (2021–2023).

Our basic policy regarding capital allocation is to secure the internal reserves necessary "to rebuild earning power in our core business," "for strategic growth investments to expand our solutions business as growth businesses," and "for strategic growth investments into our exploratory business," while maintaining an appropriate financial position and conducting shareholder returns. With respect to shareholder returns, we strive to achieve stable and continuous increase of dividend payment amount by sustainably enhancing our corporate value, through a consolidated payout ratio of 40%. In addition, in February 2022, we decided to acquire Treasury Stock of 100 billion JPY (up to) as an agile capital management for improving our capital efficiency.

In the process of realizing our vision, I believe it is important to accelerate the transformation of our business model and focus on execution and delivering results. It is also necessary to steadily generate synergies through M&A. To this end, we must look ahead from a mid-long term perspective, incorporating not only self-assessments but also objective external evaluations and provide firm direction as a compass for the company's management. Flexible, agile and resilient management is required to overcome any future unexpected events we may face.

I also view non-financial KPIs related to sustainability as important components of corporate value. CO<sub>2</sub> emissions, for example, are an important KPI we consider as we accelerate our approaches toward carbon neutrality. For this reason, we incorporate sustainability factors into our consideration of strategic resource allocations, such as using internal carbon pricing to evaluate CO<sub>2</sub> emission costs and reduction benefits.

As the Global CFO, I will continue to strive for the sustainable improvement of our corporate value through enhanced engagement and information disclosure with investors and other stakeholders.

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core Core Business

The core business (tire business) is the foundation of the Bridgestone Group's entire business strategy. The Group is working on rebuilding earning power through strengthening premium business strategy and reformation of expense and cost structure throughout its "end-to-end" value-chain and driving business quality improvement.

## Strengthening the premium business strategy

- **Flexible and agile management: Response promptly to changes in the business environment**

The Bridgestone Group is implementing flexible and agile management focusing on the supply chain that maximizes supply and sales opportunities globally by responding with flexibility and agility to changes in the business environment and tire demand.

In the first half of 2021, when the global demand was recovering mainly in the United States and Europe, the Group executed sales with an "aggressive approach" to capture the demand recovery and supported global sales with supply from Japan and Asia, while maximizing the local manufacturing capacity and keeping "local production for local sales." From the third quarter, the Group minimized the impact of original equipment tire demand reduction resulting from semiconductor shortages through solid growth of replacement tires sales. Also, responding to the deterioration of the business environment including inflation in raw material, ocean freight and energy and labor shortages in North America, the Group minimized the impact through execution of flexible and agile management such as reinforcement of strategic price management,

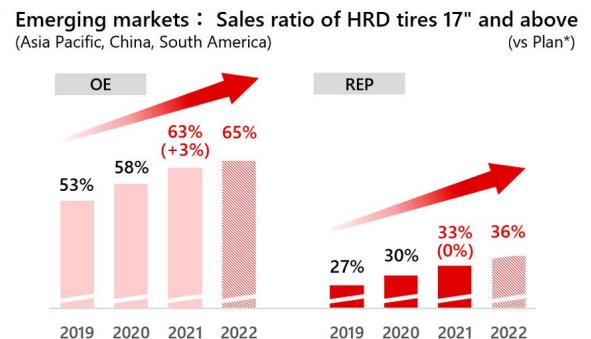
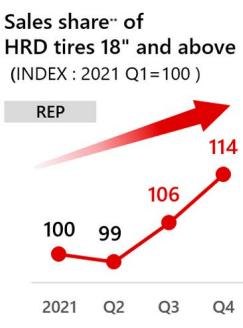
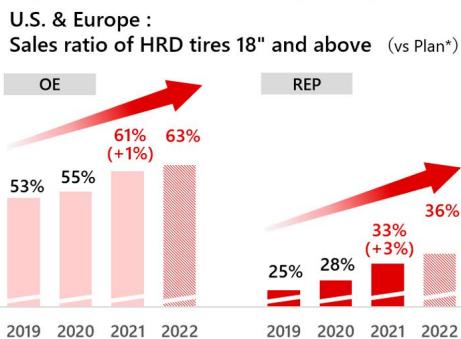
improvement of sales mix and cost improvement by global procurement projects.

In 2022, the Group will continue to execute flexible and agile management and respond promptly to changes in the business environment with an "aggressive approach" and a "challenging" spirit.

- **Expanding sales of passenger car High Rim Diameter (HRD) tires**

For the premium business strategy, the Group is continuously expanding sales of high-value-added products such as passenger car HRD tires. The Group will promote the sales expansion by taking in the recursion demand from original equipment tires (OE) to replacement tires (REP).

The Group is taking initiatives to expand sales in line with mobility maturity and market characteristics of each region. In the United States and Europe where the shift to higher inches is ahead, the Group has enlarged its market share especially in the fourth quarter of 2021, and as a result, HRD tires of 18 inches and above account for more than 60% of original equipment tires and 30% of replacement tires. In emerging markets, the Group is looking ahead to the market shift to HRD tires and will expand sales of 17 inches and above as premium products.



\*Plan: Mid Term Business Plan (2021-2023)

\*\*Sales share: Bridgestone estimation

## New premium products for the EV era: ENLITEN business strategy

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

To respond to this evolution in mobility and the need for sustainability, the Group has strengthened development of ENLITEN as the innovative tire technology optimized to fit EVs and expanded from the fitment on tires for new vehicles in Europe. ENLITEN is a core element of the strategy to strengthen the Group's Dan-Totsu Products. The considerable reduction in tire weight and rolling resistance and longer wear life per raw material help to conserve resources and lower the environmental impact, while also extending an EV's range with tire technology that achieves balance of various performances such as driving performance and durability, which used to be considered a trade-off. By contributing to the widespread adoption of EVs and the improvement of resource productivity, the Group strives to achieve its commitment for "Energy: Committed to the realization of a carbon neutral mobility society"

and "Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations" stated in the "Bridgestone E8 Commitment."

The Group plans to offer approximately 90 ENLITEN-equipped products for passenger car and light truck tires from 2022 to 2030, aiming to achieve 100% fitment of ENLITEN by 2030. The Group will also expand sales of truck and bus tires with ENLITEN in the Japan market and target 70% fitment rate by 2030.

Going forward, the Group will enhance value in its products and business model as the ENLITEN business strategy. The Group will establish new premium strategy in the EV era and create value that can sometimes be contradictory such as balancing customization of tire performance suited to each customer with productivity improvement and cost optimization across the value chain. In order to realize this, the Group will drive innovation in the development and production process in conjunction with commonality and modularity that enables simplification and differentiation and aim reduction of environmental impact while also growing business.

### ■ ENLITEN business strategy - Business growth & sustainability, customization of tire performance & productivity improvement / cost optimization throughout value chain

New premium business strategy for EV era to simultaneously create values that can sometimes be contradictory

**ECOPIA**

Rollout since 2010  
1<sup>st</sup> generation  
Eco-friendly product  
⇒ 80% of all products (End of 2021)

The innovative tire technology optimized to fit EVs, achieving both environmental and driving performances and contributing to expand driving distance of EVs

#### ENLITEN - New premium for EV era-

Linkage with commonality & modularity

- Improve tire performance which is customized based on each user's condition
- Improve productivity and maximize economic value across entire value chain
- Maximize social value & customer value for sustainability



### ■ Expand from passenger car tires to light truck and truck and bus tires / ENLITEN - Evolve into "business" strategy with technology • products • business model

2021

#### Expand from PS OE fitment in Europe

OE fitment on major manufacturers such as Mercedes-Benz, BMW, VW, Nissan, etc.



Co-creation with emerging OE manufacturers based on partnerships with sustainability as its core (Lightyear: Lightyear One, Fisker: Ocean)

2022

#### Co-creation with Mercedes-Benz



VISION EQXX (EV concept car)  
Contribute to realization of driving distance over 1,000 km by the fitment of Turanza Eco with ENLITEN

2030

#### Number of ENLITEN product launches (2022-2030 in total)

- PS: approx. 60 products
- LT: approx. 30 products
- TB: approx. 90 products

#### Fitment of ENLITEN (REP)

- PS & LT: approx. 100%
- TB: over 70%

\* PS: Passenger car tires, LT: Light Truck tires, TB: Truck & Bus tires

\* OE: Tires on new vehicles, REP: Tires for replacement

## ● Supporting the widespread adoption of EVs with ENLITEN

The Group is expanding the use of ENLITEN for tires on new EVs in its Europe focus area. Approximately half of the 10 most popular models of EVs sold in Europe in 2021<sup>1</sup> were fitted with Bridgestone Group tires. The Group's development facilities in Europe are accelerating

innovation and expansion of ENLITEN, with more than 30% of resources devoted to tires for EVs. The Group has set a target for ENLITEN equipment for 10% of the replacement tires on passenger cars in Europe by 2023, rising to 70% by 2024, and to more than 90% by 2030.

### Co-creation with EV manufacturer Fisker

In August 2021, the Bridgestone Group finalized a partnership contract with [Fisker Inc.](#), an emerging American electric vehicle company, to develop and supply tires for the Fisker Ocean, its all-electric SUVs. New Fisker Ocean vehicles will sit on custom-developed Bridgestone POTENZA SPORT tires with ENLITEN technology and be on the market in Europe in 2023. Fisker, which aims to contribute to next-generation mobility by offering the world's most sustainable automobiles, empathized with the Group's initiatives across its value chain to realize the Sustainability Business Framework and this partnership was initiated from the empathy. The development of POTENZA SPORT was streamlined using the Group's unique tire development simulation technology. It is already making a significant contribution in the manufacturing field with technical innovations that reduce CO<sub>2</sub> emissions and improve resource productivity.



<sup>1</sup> VW iD3, VW iD4, Tesla Model 3, Renault ZOE, PEUGEOT E-208, [Mercedes EQB](#), Fiat 500, Nissan LEAF, Mercedes EQC, PEUGEOT E-2008. Calculated by Bridgestone based on sales figures for automobile models from January to July 2021. Underlined models are fitted with Bridgestone tires.

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core Growth Business

## Global expansion of the solutions business

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

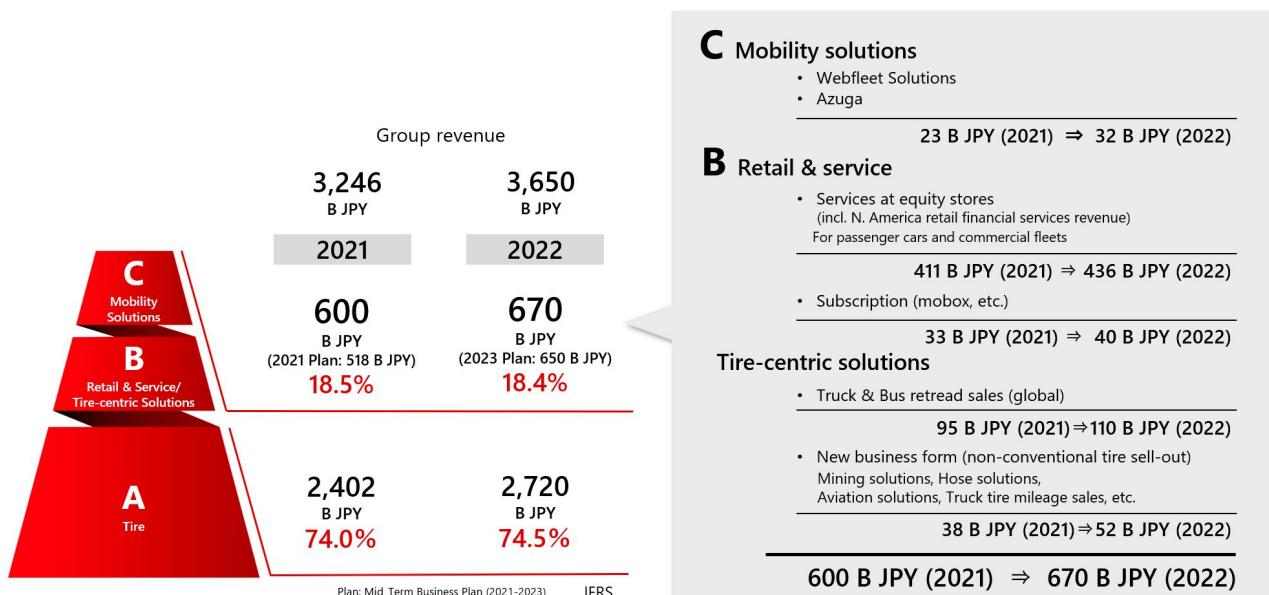
The Group promotes various global initiatives in three businesses: Tire-centric solutions, retail & service, and mobility solutions. By expanding the solutions business, the Group continues to accelerate its growth as a resilient business adaptable to change. In its Mid Term Business Plan (2021–2023), the Group aims to increase solutions business sales from approximately 18% of sales in 2021, to 20% or higher by 2023.

## Expansion progress of major solutions

Bridgestone's major solutions business		Europe	Japan	Americas
Retail & service business 	Subscription (Package with tire + maintenance + service)			
	Mobile van service			
	Retail service (tire centric services + maintenance)			
	Retail financial services			
Tire-centric solutions   	Retread solutions (tire + retread + maintenance)			
	Mining solutions (expand to mines in AUS & Chile with Japan as CoE <sup>12</sup> )	—		—
	Aviation solutions (expand to airlines globally with Japan as CoE)	—		—
Mobility solutions 	Fleet solutions			
	Digital data service			

<sup>1</sup> TPP: TOTAL PACKAGE PLAN, <sup>2</sup> COE: CENTER OF EXCELLENCE, <sup>3</sup> SUP: SINGLE UNIT PRICE / CPL: COST PER LANDING

## Continue expansion of the resilient business model



## ● Expanding solutions combining real x digital

With approximately 18,400 passenger car sites and 6,400 truck and bus sites<sup>1</sup> throughout the world, the Bridgestone Group's Dan-Totsu Solution Network is the foundation of its solutions business. This network is a strong "real" based on the Group's DNA that is being close to on-site and customers and understanding their pain point more than them. Combining the Group's strong "real" with "digital," which includes over 20 years of experience with digital fleet solutions in Europe, the Group is providing multiple solutions, including the management and provision of data related to vehicle operations.

## Tire-centric solutions: Enhancing mining solutions

In tire-centric solutions, the Group will expand retread service for truck and bus and new solutions business (non-conventional tire sell-out), including mining and aviation solutions. The Group aims to support safe and efficient operations of customers and contribute to productivity improvement. Through these activities, the Group is also addressing sustainability issues such as CO<sub>2</sub> reductions and resource productivity improvements. By expanding tire-centric solutions, the Group strives to achieve its commitment for "Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations," "Efficiency: Committed to maximizing productivity through the advancement of mobility" and "Extension: Committed to nonstop mobility and innovation that keeps people and the world moving ahead" stated in the "Bridgestone E8 Commitment."

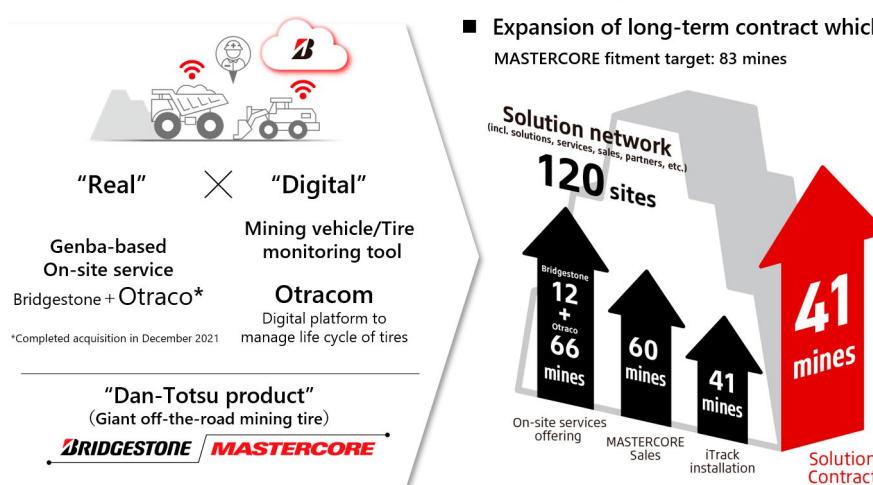
For mining solutions which represent the Group's Dan-Totsu Solution, the Group is promoting the growth of the tire

business centered on "real" such as the giant off-the-road mining tire "Bridgestone MASTERCORE" and also enhancing the mining solutions business combined with advanced "digital" which collects and analyzes the tire/vehicle data in real time.

The Group will leverage synergies from the 2021 acquisition of Otraco, a solutions provider engaged in mining vehicle tire services and management, to expand on-site service networks for mining customers, utilize digital tools for tire-lifecycle management, and manage mining customer tire inventory to optimize operating costs.

Having signed contracts with major mining companies for 41 mines as of February 2022, the Group is providing service that combines tires and solutions. Going forward, it will expand mining solutions and support mining operations.

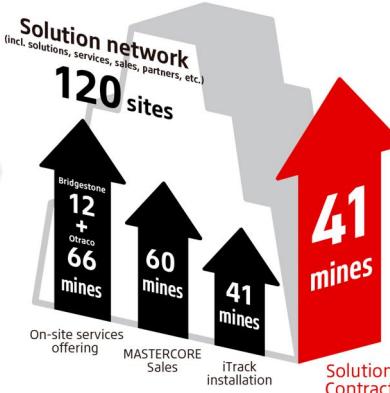
### ■ Further reinforcement of foundation for solutions through strategic growth investment combining "real" x "digital" based on Dan-Totsu product "MasterCore"



### ■ Expansion of long-term contract which includes solutions

\* As of February 2022.

MASTERCORE fitment target: 83 mines



Based on MasterCore, propose and realize solutions which can lead to productivity improvement and cost optimization at customers

- Propose a way to use tires (load/speed/pressure, etc.) customized to the operation of each mining vehicles
- Visualize the current tire inventory in mining company and propose the effective utilization of tires
- Predict the tire demand according to customers' operation plan  
Propose the efficient tire inventory plan and operation

<sup>1</sup> Number of stores (as of end of 2021): Equity stores/franchise/voluntary chains/special contract dealer

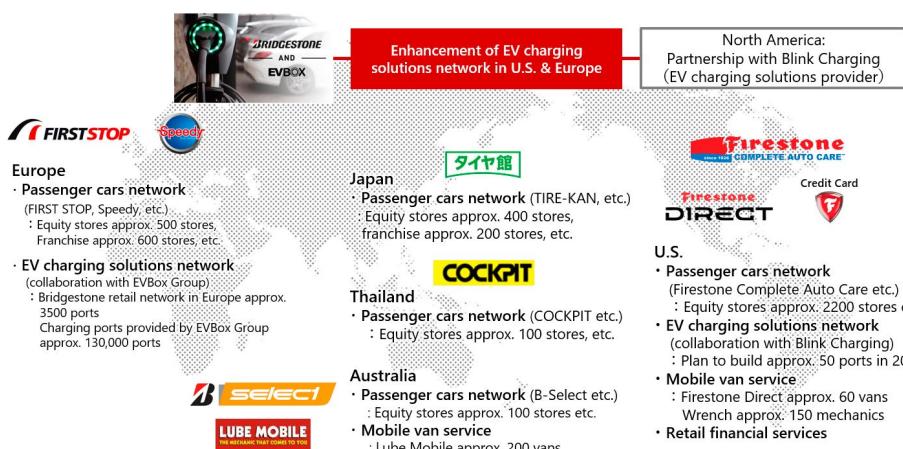
## Retail & service: Reinforcing value proposition during the use of tires

Focusing on improving the user experience (UX), the Group will leverage its Dan-Totsu Solution Network to further expand services customized to each individual customer, including subscription models, mobile van services and an EV charging solutions network. These efforts will be promoted mainly in Europe, the United States, Australia, Japan and Thailand, where the Group has its strong retail networks. Through the efforts during the use of tires, such as contributing to the expansion of EVs, the Group will also focus on "Energy: Committed to the realization of a carbon neutral mobility society," "Efficiency: Committed to maximizing productivity through the advancement of mobility" and "Extension: Committed to nonstop mobility and

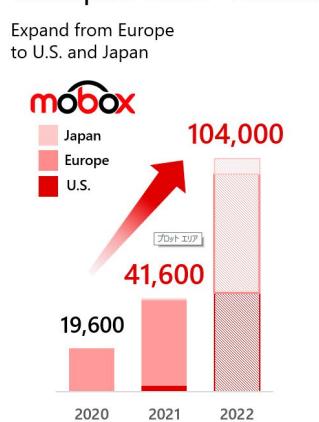
innovation that keeps people and the world moving ahead" as stated in the "Bridgestone E8 Commitment."

The Group is expanding mobox in Europe, a subscription model that provides tire and vehicle maintenance according to customers' conditions of use, and officially launched the service in Japan in April 2021. The Group is driving the expansion to North America and other regions and, in 2022, will increase the number of subscriptions to approximately 100,000 contracts, 2.5 times higher compared with 2021. The Group is also expanding its customized mobile van service that provides high-quality mobile maintenance services on-site to customers when vehicle breakdowns occur.

### ■ Reinforce retail & service



### ■ Expansion of subscription model



## Enhancing EV charging networks

Having entered into a long-term partnership with EVBox Group, leading providers of charging solutions for EVs, the Group will install approximately 3,500 new charging ports at BSEMIA retail and solution network bases over the next five years and expand EV charging infrastructure. Customers using EVs will have smooth access to these BSEMIA charging ports and more than 130,000 EVBox Group public charging ports via a common dedicated card or mobile app. In the United States, the Group also plans to install approximately 50 charging ports in 2022 by partnering with Blink Charging, an EV charging solutions provider.

With the commencement of these partnerships, EV charging solutions will be added to the Group's retail and solutions networks, enabling it to provide a wider range of service and solutions for EVs.



## **Mobility solutions: Accelerating global expansion through strategic growth investment**

The Group is promoting the global expansion of mobility solutions centered on Webfleet Solutions, Europe's No.1 digital fleet solutions provider, through strategic growth investment. Through the expansion of mobility solutions, the Group will support safe and secure mobility for society and customers as it strives to achieve its commitment for "Efficiency: Committed to maximizing productivity through the advancement of mobility" stated in the "Bridgestone E8 Commitment."

In Europe, the Group integrated Webfleet Solutions, which contributes to the improvement of safety, productivity and economy for drivers and fleets through managing and providing various operations data, and other solutions businesses, establishing Bridgestone Mobility Solutions as an independent legal entity. The Group plans on increasing the number of subscription contracts from approximately 800,000 as of December 31, 2021, to approximately 850,000 in 2022.

The Group is also expanding mobility solutions and service enhancements in regions outside Europe. With the acquisition of U.S. based digital fleet solutions provider Azuga Holdings Inc. in 2021, the Group became connected to 1,000,000 vehicles mainly in the United States and Europe. Additionally, affiliated company Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. in Turkey has agreed to acquire Arvento, a digital fleet solutions provider developing fleet management systems in Turkey, the Middle East and other regions, and the Group is accelerating the expansion of mobility solutions.

Expanding its mobility solutions with the aim of establishing leading positions in each region, the Group will leverage experience and expertise gathered in Europe to establish global synergies for global expansion.

### **Expanding development of mobility solutions in North America**

Founded in 2012, Azuga is a U.S. based digital fleet solutions provider with a state-of-the-art fleet operation management platform incorporating GPS tracking, telematics and driver behavior monitoring. It provides services to more than 6,000 fleets in the United States comprising approximately 200,000 subscribed vehicles.



The Group already provides fleets in North America with industry-leading tire-centric solutions that utilize cutting-edge tire technology and retreads. With the addition of Azuga, the Group will provide a wider range of customers with mobility solutions incorporating digital technologies, supporting safe and efficient customer operations and improved vehicle fuel efficiency. Additionally, the Group will utilize vehicle data obtained from Azuga's operation management platform to create synergies that include advanced tire-centric solutions, Dan-Totsu product development and expansion of the tire sales customer base. These expanded offerings will further create social and customer value including safety, a healthier environment, cost efficiency and productivity.

By also leveraging expertise and knowledge gained from the acquisition of Webfleet Solutions, the Group will begin to scale-up mobility solutions in North America.

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core Exploratory Business

## Toward small-scale commercialization during the next Mid Term Business Plan (2024-2026)

The Bridgestone Group, aiming to be a sustainable solutions company, is adding exploratory businesses to its portfolio. It is exploring technology and business models in new fields where the Group's core competencies can be leveraged to achieve sustainable future growth.

Starting with the recycle business and the soft-robotics business, the Group is now moving forward with the commercialization of three businesses, including the guayule business, which aims to diversify natural rubber supply sources.

### ▪ Recycle business

The Group continues to search for technologies to renew tires into rubber and other raw materials through co-creation with partners globally. In Japan, large-scale demonstration tests will be conducted through 2030 with the

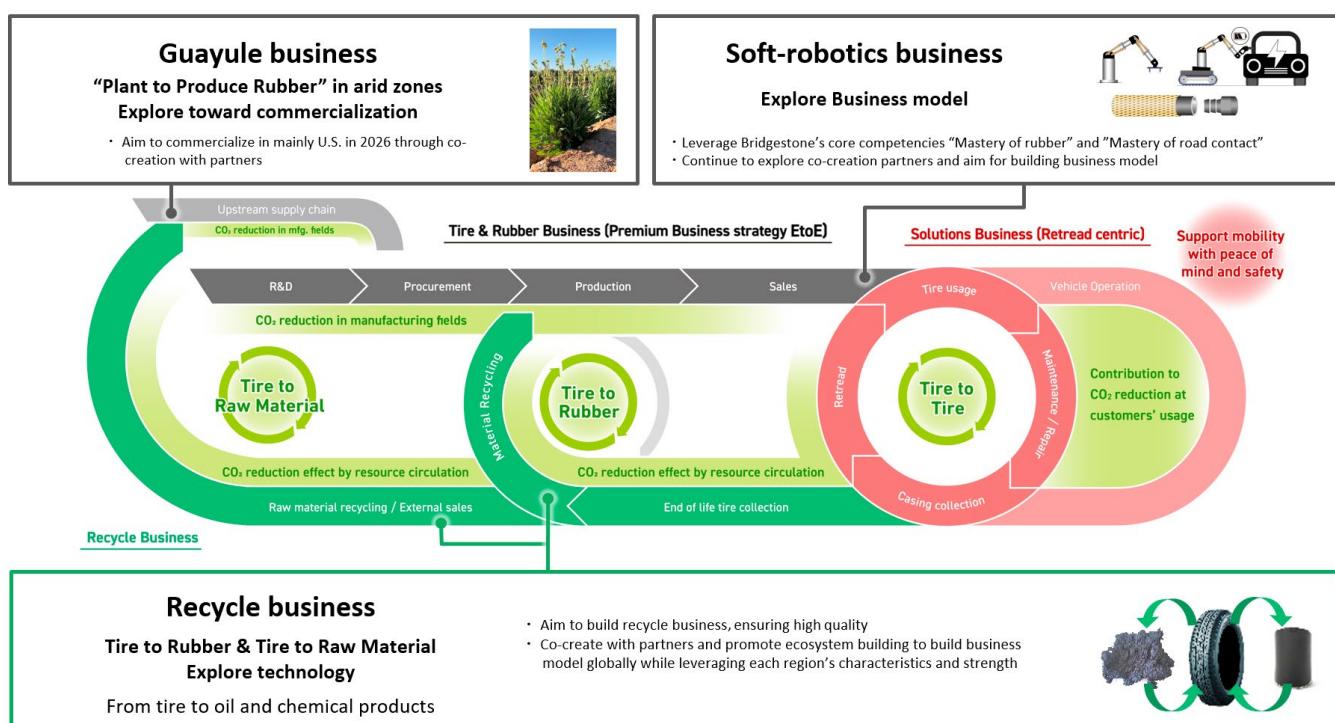
aim of commercializing these technologies as soon as possible ([see pages 48-49](#)).

### ▪ Soft-robotics business

Using the Group's core competencies of "mastery of rubber" and "mastery of road contact," the Group is advancing exploratory business models for small-scale commercialization of soft-robotics ([see page 50](#)).

### ▪ Guayule business

Through co-creation with partners mainly in the United States, the Group aims to commercialize natural rubber derived from guayule, a plant that can be grown in arid regions, by 2026 ([see pages 51-52](#)).



# Realization of Mid-Long Term Business Strategy with Sustainability at the Core

## Exploratory Business: Recycle Business

The Group considers used tires a resource and aims to construct a society where the value of tires is sustainably circulated through tire recycling initiatives. To realize carbon neutrality and a circular economy, the Group continues to promote the initiatives as it strives to achieve its commitment for "Energy: Committed to the realization of a carbon neutral mobility society" and "Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations" stated in the "Bridgestone E8 Commitment."

The shift from a "linear economy," in which natural resources are extracted, made into products and disposed of in large quantities without being reused, to a "circular economy," in which resources are reused and recycled, is an issue faced by society. As resource consumption increases due to societal economic growth, the supply-demand balance of resources is expected to become tighter. The Group recognizes that using resources more wisely and sustainably is an important issue and a business opportunity for the Group.

The Group is working to build an ecosystem with a high degree of recycling and utilizing used tires, which are currently used mainly as fuel, by developing technology to return them to raw

materials. By recycling synthetic rubber, carbon black and other raw materials originally derived from petroleum from used tires, the Group aims to sustainably secure key materials for tires and meet future tire demand, which will increase with the growth in demand for automobiles and transportation, as the shift to decarbonization and petrochemical-free raw materials accelerates.

### ● **EVERTIRE INITIATIVE, toward a future where recycled tires are the standard**

There are many technical issues involved in returning tires to rubber or other raw materials. Innovation, in addition to the Group's tire and rubber business R&D know-how, is very important as it works toward co-creating and advancing the recycle business with partners.

Toward this end, the Group launched the EVERTIRE INITIATIVE, a program to create a future in which tires are recycled to create new tires – not as waste tires or end-of-life tires – but as tires that are returned to rubber and other raw materials and recycled as EVER (always, forever, and everlasting) tires. The Group will continue to expand and accelerate its recycle business with partners under this EVERTIRE INITIATIVE.



From used tires begin unlimited possibilities.

We aspire to take used tires and recycle them to produce new tires, helping to create a world where tires can be recycled time and again.

Today, Bridgestone is co-developing recycling technology to create this new system, the first of its kind, by 2050. This is our promise.

This system will move society toward a sustainable future where recycled tires are the standard.

Together we have the power to bring this future to life.

**BRIDGESTONE**

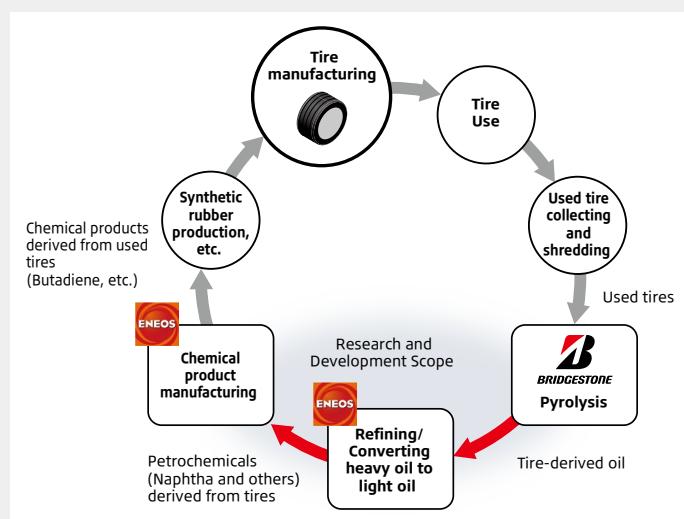
## Developing chemical product manufacturing technologies utilizing used tires

Bridgestone and ENEOS Corporation launched a joint research and development project aimed at the successful development of "chemical recycling technologies that enable precise pyrolysis of used tires<sup>1</sup>." Synthetic rubber is one of the primary materials used when producing tires and, today, is generally produced from petroleum. Used tires are mainly utilized as fuel in Japan, but to reduce CO<sub>2</sub> emissions generated in this method, it becomes increasingly important to circulate tires in a process that emits less CO<sub>2</sub>, rather than burning them.

In this joint project, the companies will engage in demonstration projects that achieve high-yield production of chemical products, such as butadiene, a raw material used in synthetic rubber. The large-scale demonstrations will be advanced toward 2030 with the goal of achieving mass production and swift commercialization.

The companies will maximize the advanced rubber and polymer material design technologies the Bridgestone Group has cultivated through its tire and rubber business with the crude oil refining technologies and basic chemical product manufacturing technologies of ENEOS. Together, Bridgestone and ENEOS, as leaders in the tire and rubber industry and the petroleum and petrochemicals industry respectively, are working to increase resource circulation and reduce CO<sub>2</sub> emissions across the value chains of their industries.

This project is one of two R&D projects which have been adopted by the New Energy and Industrial Technology Development Organization (NEDO) as part of its "Green Innovation Fund<sup>2</sup> / Development of Technology for Producing Raw Materials for Plastics using CO<sub>2</sub> and Other Sources Projects" with a project scale of 24.10 billion JPY and approximately 16.45 billion JPY in funding<sup>3</sup>.



## Partnership with LanzaTech to pursue used tire recycling technologies

With its co-creation partner LanzaTech NZ, Inc., a Carbon Capture and Transformation company, the Bridgestone Group seeks to develop a new business model that will create a post-consumer waste management strategy for used tires, while also driving increased adoption of sustainably sourced chemicals for commercial applications.

Applying LanzaTech's carbon capture and gas fermentation process to used tires yields sustainably produced chemicals such as ethanol that can be converted to materials like PET for packaging, polyester yarn and surfactants used in consumer goods like laundry detergent. In addition, the Group and LanzaTech are jointly exploring proprietary microbe technology to identify more efficient pathways to produce butadiene, a key ingredient in new tire production.

Together with LanzaTech, the Group will lead the way toward tire material circularity and the decarbonization of new tire production and contribute to the realization of a sustainable society.

<sup>1</sup> Chemical recycling entails treating used materials with chemicals to convert them into other chemical substances to be recycled, as opposed to reusing them as is.

<sup>2</sup> The Ministry of Economy, Trade and Industry (METI) of Japan established this program to help achieve the Japanese government's goal of carbon neutrality by 2050. It aims to accelerate structural transformation in the energy and industry sector and innovation through ambitious investment. The fund supports companies and other organizations that address challenges to move from R&D to demonstrations to social implementation of the outcomes within 10 years.

<sup>3</sup> Details of the other program of the two R&D projects are available [online](#).

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core

## Exploratory Business: Soft-robotics Business

### Supporting the lives of individuals through the power of rubber

The soft-robotics business is a new challenge for the diversified products business the Bridgestone Group has built to support safe mobility and movement of people and objects with soft robots that can work with people.

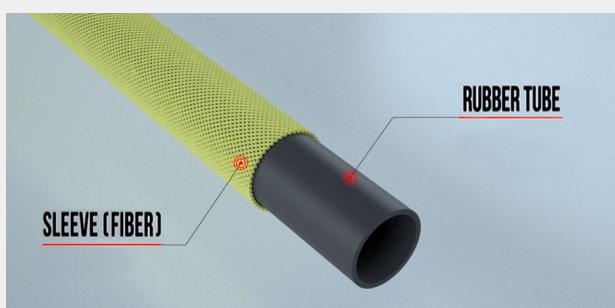
Soft-robotics leverage the Group's core competencies of know-how and technology of "mastery of rubber" and "mastery of road contact." They can address social and customer issues such as labor shortages and work automation against the backdrop of declining birthrates and aging populations, especially in developed countries. They also can support the demand for non-contact interactions due to the COVID-19 pandemic.

Soft-robotics with "just the right" grip support the lives of individuals through the power of rubber, and also live up to the "Bridgestone E8 Commitment" of "Empowerment: Committed to contributing to a society that ensures accessibility and dignity for all."

Project teams are maximizing the features of rubber actuators such as light yet powerful, gentle yet strong and durable, thus exploring its various applications, including soft-robot arms, soft-robot hands and an EV-compatible automatic charging robot. In addition, this business has amplified synergies with existing businesses, allowing the use of existing facilities for manufacturing. It also leverages the know-how of core and growth businesses in its business model, with the aim of early commercialization.

#### Soft-robot hand with "just the right" pinch, grip and wrap

The Group is developing a soft-robot hand utilizing Bridgestone's technology and know-how. This innovation applies a rubber actuator consisting of a rubber tube surrounded by a sleeve of high-strength fiber, leveraging the technology used in tires and hydraulic hoses. By taking advantage of the flexibility, impact resistance, light weight and high output features of rubber actuators, the soft-robot hand can achieve "just the right" pinching, gripping and wrapping of soft to hard objects, large and small, and of various weights. The Group envisions a variety of applications for the robot hand, including picking tasks in the stock areas of the logistics and retail stores. Through co-creation with partners, the Group aims to conduct PoC (proof of concept) by 2023 and commercialize the product during the next Mid Term Business Plan (2024–2026).



# **Realization of Mid-Long Term Business Strategy with Sustainability at the Core**

## **Exploratory Business: Guayule**

### **Planting seeds for the future natural rubber supply**

Natural rubber, extracted from the Para rubber tree, is a key component of all tires. But growing and cultivating rubber presents challenges. Specifically, Para rubber tree supply is geographically concentrated, subject to disease and climate change, and labor intensive to cultivate.

But alternatives are on the horizon. Guayule shows significant promise as a solution to diversify natural rubber supply across different plant species and into various climates. Guayule is an evergreen shrub in the aster family. The highly drought-tolerant plant is native to the Chihuahuan Desert in northern Mexico and the southwest U.S. It accumulates rubber in the bark layer as a stress response to cold, almost identical to natural rubber harvested from Para rubber tree. Importantly, guayule does not compete with food crops and is suitable to mechanization. Planting more guayule could also expand green land that contributes to increased CO<sub>2</sub> absorption.

To put guayule into practical use, the Bridgestone Group has been investing in a research and development effort to focus on guayule since 2012 and has accumulated technologies and

knowledge related to agriculture, processing and use in tires, including the development of tires with 100% of their natural rubber-containing components derived from guayule, and large-scale propagation through open innovation as the Group strives to achieve its commitment for "Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations" stated in the "Bridgestone E8 Commitment." As a new initiative, in Central Arizona, BSAM is expanding the number of local farmers it works with, who are working to convert their farmland to harvest guayule, which has served as an alternative to previously failing crops due to growing water shortages. In 200 acres of new fields guayule will be planted in 2022. This initiative is a direct result of BSAM's agreement with the Environmental Defense Fund, an NGO actively involved in water shortage solutions for the Colorado River which is used for irrigation in this area.

The Group will continue driving with the aim of practical use of guayule by 2026 and its full-scale production and commercialization by 2030.



Guayule farm in Arizona (United States)

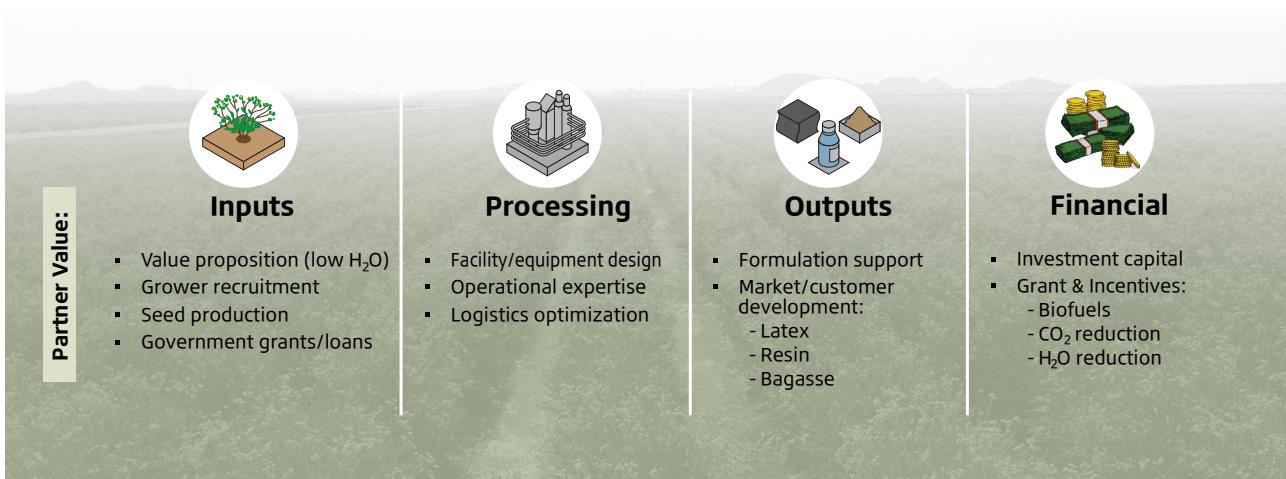
### **R&D activities history**

- 2012: Official launch of R&D activities
- 2013: Establishment of guayule R&D farm in Arizona (U.S.)
- 2014: Establishment of the Biorubber Process Research Center in Arizona (U.S.)
- 2015: Completion of first tires made from guayule-derived natural rubber
- 2015–2018: Efforts toward establishing guayule process technology
- 2018: Selected as recipient of research grant from USDA National Institute for Food and Agriculture
- 2022: Awarded a research grant by the U.S. Department of Energy Joint Genome Institute to advance its optimization of guayule

As a new crop, growing, harvesting and using guayule requires new processes. The Group has already established growing protocols that maximize the amount of rubber produced per acre. The rubber extraction process has been successfully demonstrated and potential end-market uses for the non-rubber co-products are being identified.



In addition to natural, sustainable rubber, guayule processing produces distinct co-products that will provide benefits to other industries. To maximize this opportunity, the Group is building a new partner ecosystem with agriculture, energy, cosmetic and other companies; nonprofit organizations; funders; governments and others to fill knowledge gaps, open markets and reduce risks.



Through open-innovation and co-creation of this exciting biodiversity opportunity, the Group will diversify its natural rubber resources, reduce risks of its natural rubber supply chain and further contribute to the sustainable production of natural rubber.

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core

## Progress toward Realizing the Sustainability Business Framework

### Sustainability Business Framework

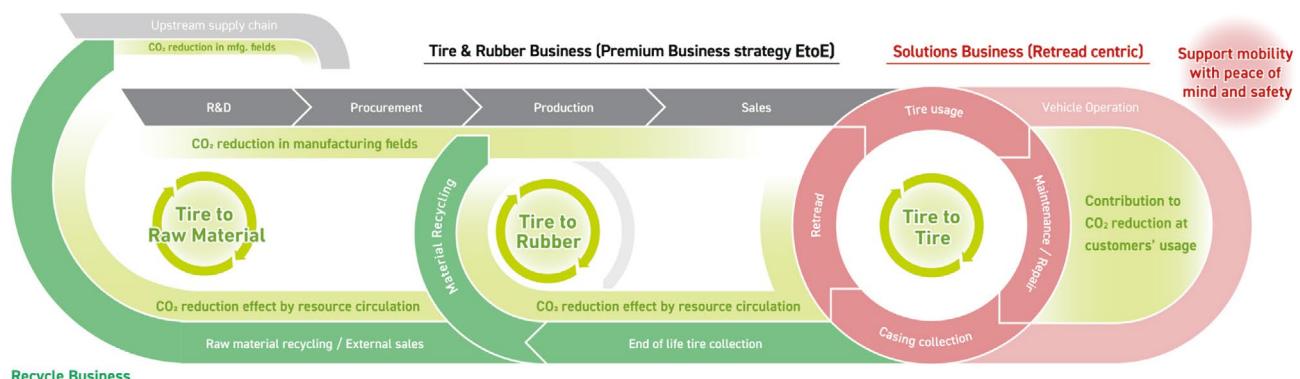
The Bridgestone Group is accelerating efforts toward the realization of a Sustainability Business Framework that links business models with efforts toward carbon neutrality and a circular economy throughout the value chain – across all of “produce and sell,” “use,” and “renew” its Dan-Totsu Products.

The Group has realized tire-to-tire recycling, which is based on retreading, where the tread of the tire is replaced, and the casing is reused. This is contributing to CO<sub>2</sub> emissions reduction and resource circulation. Toward 2030, it will create opportunities in the recirculation of tire-to-rubber and tire-to-raw material through its

recycle business. By contributing to resource circulation and CO<sub>2</sub> reduction throughout its value chain, the Group is committed to the “Bridgestone E8 Commitment” of “Energy: Committed to the realization of a carbon neutral mobility society” and “Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations.”

To realize this unique Sustainability Business Model, the Group is accelerating efforts to achieve carbon neutrality and a circular economy as priorities in the Mid Term Business Plan (2021–2023).

	Raw material procurement ~ Production	Sales (Products)
Produce & Sell	<ul style="list-style-type: none"> <li>Global Sustainable Procurement Policy</li> <li>Guayule research, efforts for practical use</li> <li>Promote circular design</li> <li>Renewable energy usage</li> </ul> <ul style="list-style-type: none"> <li>Management of water resources</li> <li>Reduction of production loss</li> <li>Promote smart factory</li> </ul>	<ul style="list-style-type: none"> <li>Respond to accelerating EV shift (OE approach)</li> <li>Enhance and expand the use of fuel-efficient tires</li> <li>Expand next-generation eco-friendly products</li> <li>Enhance durable truck &amp; bus and light truck tires that also prevent irregular wear to allow multiple retreading</li> </ul>



	Recycle	Solutions
Renew	<ul style="list-style-type: none"> <li>Turn waste to wealth</li> <li>Explore recycle technology</li> <li>"Tire-to-Rubber" and "Tire-to-Raw-Material" recycling technology that ensures high quality and less energy</li> <li>Explore ecosystems and business models for commercialization</li> </ul>	<ul style="list-style-type: none"> <li>Multiple retreading of durable case tires that also prevent irregular wear</li> <li>Promote premium retread</li> <li>Optimization of customer fleet operations</li> </ul> <ul style="list-style-type: none"> <li>Wear/endurance prediction</li> <li>Repair</li> <li>Subscription</li> </ul>

	2021-2023	~2030	~2050
<b>Carbon neutrality</b>	<ul style="list-style-type: none"> <li>Realize carbon neutrality across the value chain and product lifecycle</li> </ul> <p>Consolidate foundation and clarify roadmap towards carbon neutrality Optimize manufacturing footprint &amp; business portfolio, enhance renewable energy use, explore new energy. Contribute to CO<sub>2</sub> emission reduction and gain competitive advantage through eco-friendly products &amp; solutions business</p>	<p>Reduction of CO<sub>2</sub> emissions: -50%</p> <p>Contribute to reducing more than 5x our emissions</p>	Carbon neutrality
<b>Circular economy</b>	<ul style="list-style-type: none"> <li>Improve material circularity</li> <li>Maximize resource/tire value</li> </ul> <p>Transition to a circular business model Explore and commercialize recycle business Enhance and expand recycled &amp; renewable resources &amp; expand retread business. Maximize value through light weight products, durable, wear-resistant Dan-Totsu Products + Dan-Totsu Solution</p>	<p>Recycled &amp; renewable material ratio: 40%</p>	100% sustainable material

## Contribution to carbon neutrality

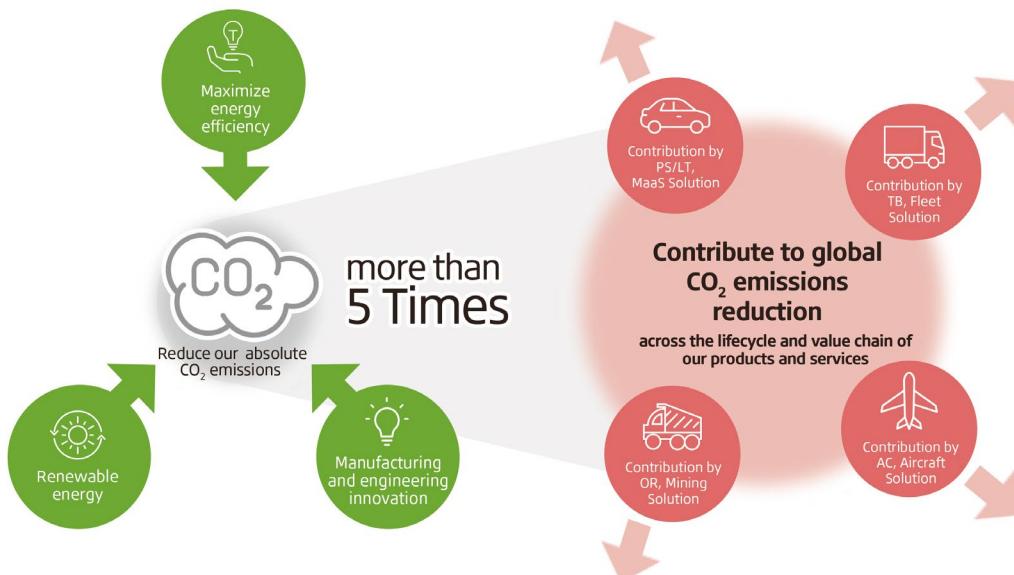
The Bridgestone Group believes the demands of society and customers to reduce CO<sub>2</sub> emissions will continue to increase in the future, given the need to respond to climate change. Toward its goal of carbon neutrality for 2050 and beyond, the Group is working to concurrently enhance its contribution to CO<sub>2</sub> reduction and to minimize CO<sub>2</sub> emissions.

The Group will contribute to CO<sub>2</sub> reduction in the processes of raw-material procurement, distribution, customer use, and reuse and recycling, while providing solutions based on Dan-Totsu Products and Dan-Totsu Service. Together with its customers and partners, the Group will contribute to the reduction of CO<sub>2</sub> emissions in society as a whole and will also differentiate itself and strengthen its competitiveness by helping its customers reduce their CO<sub>2</sub> emissions and become carbon neutral.

### ● Expanding contribution to CO<sub>2</sub> reduction

The Group has set a goal to contribute to global CO<sub>2</sub> emissions reductions across the lifecycle and value chain of its products and services that exceed by five times the CO<sub>2</sub> emissions from its operations by 2030<sup>1</sup>.

Looking at the entire lifecycle of a tire, CO<sub>2</sub> emissions during product use account for the largest proportion, approximately 90% of the total<sup>2</sup>. As a provider of products



<sup>1</sup> Baseline year: 2020

<sup>2</sup> Source: "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver.3.0.1," Japan Automobile Tyre Manufacturers Association, Inc.

<sup>3</sup> Calculated using Bridgestone's proprietary calculation method based on the "Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 3.0.1" (The Japan Automobile Tyre Manufacturers Association, Inc.)

and services that contribute to the reduction of CO<sub>2</sub> emissions from customer use, the Group is developing and expanding fuel-efficient tires equipped with ENLITEN, an innovative tire technology that combines environmental and driving performance, and mobility solutions that provide fleet management services.

In 2021, the Group continued to reduce the tire rolling resistance, and the contribution to CO<sub>2</sub> reduction combined with the activities of the entire value chain is equivalent to approximately 1.6 million tons<sup>3</sup>. This is 0.5 times the amount of CO<sub>2</sub> emissions from its operations. The Group will continue to improve its monitoring of the amount of CO<sub>2</sub> reduction contribution of each SBU and expand its contribution to CO<sub>2</sub> reduction.

Furthermore, with regard to CO<sub>2</sub> reduction throughout the supply chain, the Group's [Global Sustainable Procurement Policy](#) requires environmentally responsible procurement practices, including reductions in energy use and greenhouse gas (GHG) emissions. To ensure the Policy is fully understood, the Group holds annual conferences for suppliers in several regions. At the 2021 conference, the Group asked for suppliers' cooperation in reducing CO<sub>2</sub> emissions, introducing renewable energy, and otherwise becoming carbon neutral.

The Group will continue to accelerate its efforts to contribute to the reduction of CO<sub>2</sub> emissions in society as a whole, together with its customers and business partners.

## ● Minimizing CO<sub>2</sub> emissions

Regarding the reduction of CO<sub>2</sub> emissions, the Group aims to achieve its target of reducing absolute CO<sub>2</sub> emissions (Scope 1 and 2)<sup>1</sup> by 50% by 2030, compared to 2011. The Group has set an interim goal of reducing Scope 1 and 2 emissions by 30% or more by 2023, compared to 2011.

To achieve these aggressive targets, the Group has increased the use of renewable energy sources and, in 2021, switched all electricity purchased to renewable energy sources at all of BSEMIA's Europe locations, four plants in Japan (Hikone, Shimonoseki, Tosu, and Kitakyushu) and two plants in China (Tianjin and Wuxi). The Chonburi plant in Thailand installed 2,160 photovoltaic panels on its roof and started supplying 1 MW of solar power in 2021. Also, a large 9.2 MW solar power system will be in operation at the Burgos plant in Spain in 2022. In addition, the Group is introducing renewable energy at its non-manufacturing sites and has switched all electricity to renewable energy at its research center in Thailand. The Group aims to expand its renewable energy ratio (electricity) to more than 50% by 2023. As a result of these initiatives, the ratio in the Group reached 16.3% in 2021. It also promotes utilization of fuels from renewable sources and in 2021 the Pune plant started to use biomass boiler



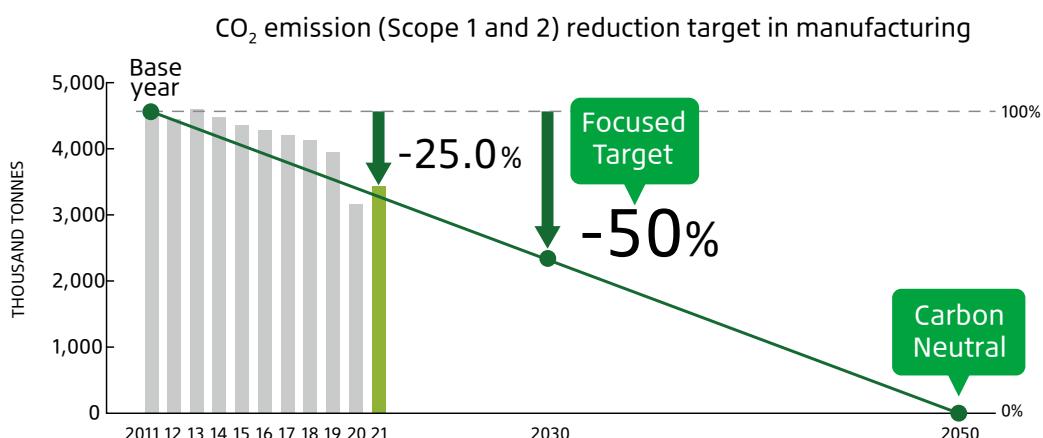
Chonburi plant in Thailand

to cover 100% of the plant's steam demand<sup>2</sup>. The Group will continue to expand the introduction of renewable energy while considering the local characteristics of each SBU.

The Bridgestone Group is also actively engaged in the continuous improvement of energy efficiency at its manufacturing sites and is working to reduce total energy consumption by 0.5% per year for the entire Group. For example, it is introducing high-efficiency equipment, implementing measures to reduce energy loss, and promoting energy conservation through visualization of energy loss. BSEMIA also is focusing on strengthening energy management, acquiring ISO 50001 certification for all its tire plants in Europe.

Furthermore, the Group is strengthening its use of internal carbon pricing and incorporating CO<sub>2</sub> emissions into its investment decision criteria, such as investment in energy-saving equipment, and installation of solar power generation. It will promote activities to educate and disseminate internal carbon pricing to employees and encourage investments toward carbon neutrality.

As a result of these initiatives, Scope 1 and 2 emissions in 2021 were reduced by 25.0% compared to 2011. In 2022, the Group submitted a commitment letter to the SBT (Science Based Targets) Initiative, an organization that certifies GHG emission reduction targets that are scientifically consistent with the targets set forth in the Paris Agreement, and is in the review process to obtain SBT approval. Group-wide activities will be advanced to achieve carbon neutrality by 2050.



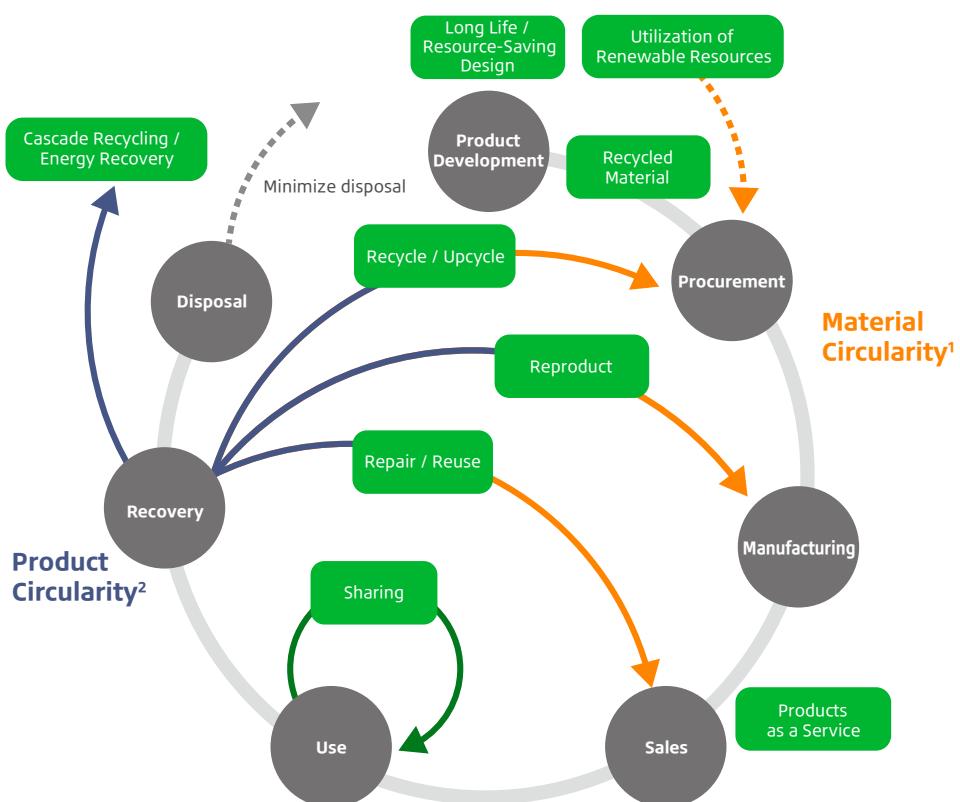
<sup>1</sup> Scope 1 covers all direct CO<sub>2</sub> emissions by a company (from boilers of manufacturing facilities, etc.). Scope 2 covers indirect energy-related CO<sub>2</sub> emissions (from consumption of purchased electricity, etc.). Scope 3 covers CO<sub>2</sub> emissions from raw material procurement, distribution, customers' use, disposal, and recycling lifecycle stages.

<sup>2</sup> Except for maintenance periods

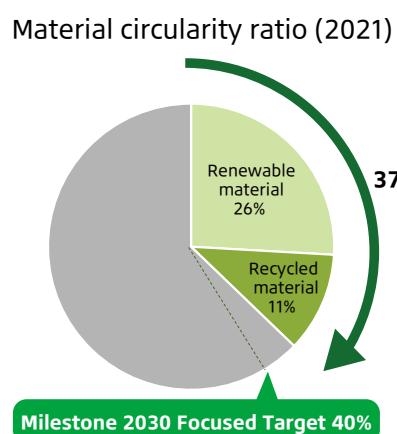
## Contribution to a circular economy

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

### The Bridgestone Group's approach to achieving a circular economy



To promote its contribution to a circular economy, the Group has set a target to increase its ratio of recycled and renewable material<sup>3</sup> to 40% by 2030. It is accelerating various initiatives throughout the entire product lifecycle, such as long-life design, use of renewable resources, retreading, recycling, repairing, sharing, etc. The ratio of recycled and renewable material in 2021 was 37%.



<sup>1</sup> A concept to show circularity of raw materials. The Bridgestone Group uses the ratio of recycled materials and renewable materials to total raw materials as the indicator for material circularity.

<sup>2</sup> A concept to show circularity of used products. The Bridgestone Group uses the ratio of beneficial next use of used tires collected by its shops/stores (based on the number of shops/stores and contracts with processing companies) as the indicator for product circularity.

<sup>3</sup> Within total material weight for tire products including tire casing for retreading

## ● Retreading

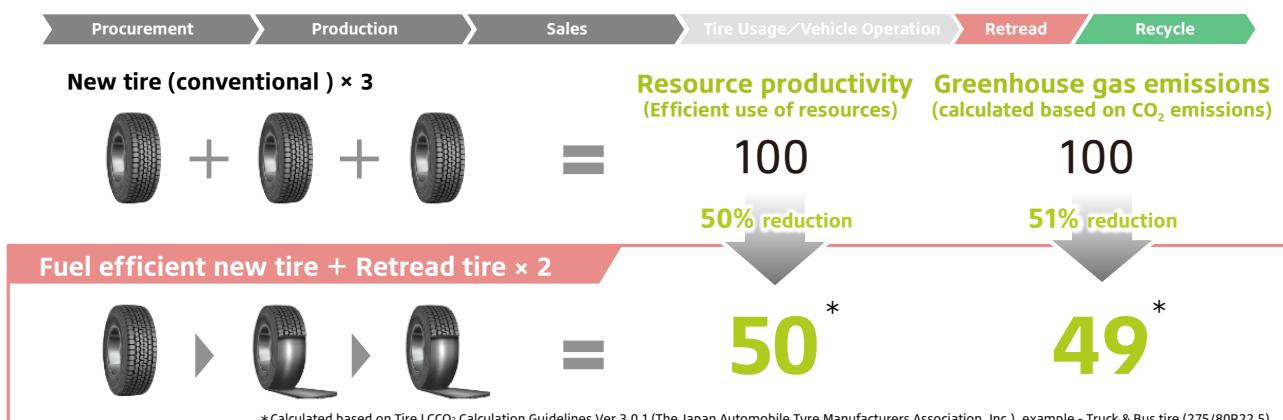
The Bridgestone Group is developing a global retread service in which it collects worn out tires from customers, replaces the worn tread, and delivers tires that are again ready for use. Retreading tires can contribute to improved resource productivity and reduced CO<sub>2</sub> emissions. Based on the premise that Bridgestone retreaded tires are used three times by a customer, versus the use of three new tires, raw materials used and CO<sub>2</sub> emissions generated during the entire life cycle, excluding the use phase, can be reduced by half. By providing solutions that combine multiple retreads based on the Group's unique technology, Dan-Totsu Products, and appropriate maintenance, the Group maximizes the asset value of tires, as well as provides social and customer value of safety, cost efficiency, productivity and environmental sustainability.

## ● Collection and effective use of used tires

To improve product circularity, the Group complies with the laws and regulations of each country and region in effectively utilizing and disposing of used tires collected at dealerships. Of the approximately 3,700 directly managed shops/stores worldwide, 96% excluding some countries and regions have stipulations in their contracts with processing companies regarding effective utilization after collection. The Group is working to create new value through increased tire recycling, including the effective use of collected used tires in its recycle business.

## ● Collaborative effort for a circular economy

The Group has been a member of the [Ellen MacArthur Foundation's Network](#) since 2018. By learning from the Ellen MacArthur Foundation's extensive knowledge and the best practices of other member companies, the Group can incorporate the concept of the circular economy into its business model and aims to create new social and customer value throughout the tire lifecycle, including recycling, and effective use of resources and energy. The Group also uses Circulytics, developed by the Ellen MacArthur Foundation, to measure circular economy performance across its operations and to improve its efforts to achieve a circular economy.



# Realization of Mid-Long Term Business Strategy with Sustainability at the Core Innovation & DX

## Innovation supporting the Mid-Long Term Business Strategy

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

In April 2022, it kicked off full-scale operation of [Bridgestone Innovation Park](#), in Kodaira, Tokyo, as its global innovation hub to create new value with various stakeholders. In its tire business (core business), solutions business (growth business), exploratory business and diversified products business, the Group is promoting co-creation with various internal and external partners across the value chain. The Group will accelerate innovation by utilizing the Bridgestone Innovation Park as a site to promote interaction with empathy among society, partners and customers about the Group's DNA and vision, cultivate the relations through co-ideation and co-R&D, and then realize co-creation of new value.

- **Bridgestone Innovation Park: Global innovation hub earning empathy and promoting co-creation for creating new value through innovation**

In Kodaira, Tokyo, Bridgestone's Tokyo plant was established in 1960 and a technology center was built later in 1962. Bridgestone has supported motorization in Japan with high quality products which were developed by collaboration with the plant and technology center facing one another at the same site. It has also contributed to the development of regional community in Kodaira, and evolved together for more than half a century. As one of the critical strategic growth investments within the Mid Term Business Plan (2021–2023), the Group renovated the technology center as a site to create future value from Kodaira, the birthplace of Bridgestone's technology at the timing to accelerate the transformation toward a sustainable solutions company, together with the "Bridgestone E8 Commitment."

Bridgestone Innovation Park consists of mainly three facilities:



**Bridgestone Innovation Gallery**<sup>1</sup>, a place that serves for interaction with empathy between the company and its customers, stakeholders and society by introducing the Group's history, DNA, business activities and initiatives for the future.

**B-Innovation**<sup>2</sup>, an innovation center that leads from interaction with empathy to co-creation, which will realize:

- 1) Co-ideation with potential partners by seeing the Group's core technologies and products, and exchanging ideas about the concept of technology and business model, etc., with the aim of giving rise to new ideas.
- 2) Co-R&D which gives shape to ideas of technologies and business models by research and development together at the facility combined with digital.
- 3) Co-creation which realizes new value with various partners and B-Innovation will be the site to create new businesses.

**B-Mobility**<sup>2</sup>, a proving ground that can be used to quickly experience and evaluate the prototype mobility technologies and products developed with partners by using real cars.

The Group will promote more agile R&D activities by repeating the process of developing and testing ideas immediately utilizing B-Innovation and B-Mobility, aiming for maximizing innovative value through co-creation with various stakeholders.



Bridgestone Innovation Gallery



Bridgestone Open Innovation Hub in B-Innovation



B-Mobility

### New workstyles to generate innovation

Bridgestone adopts an Activity Based Working (ABW) approach at the Bridgestone Innovation Park that enables each employee to freely design their own personal workstyle no matter when, where, and with whom they choose to work. At the same time, the company is driving the culture transformation to realize both "each employee's growth and happiness"

and "growth of Bridgestone," valuing each employee who takes the initiative in work activities. The Company will be making the most of the Bridgestone Innovation Park that encourages interactions among various technologies, information, and people by transforming workstyles as well as its workplace. That will maximize each employee's performance and promote innovation through co-creation.

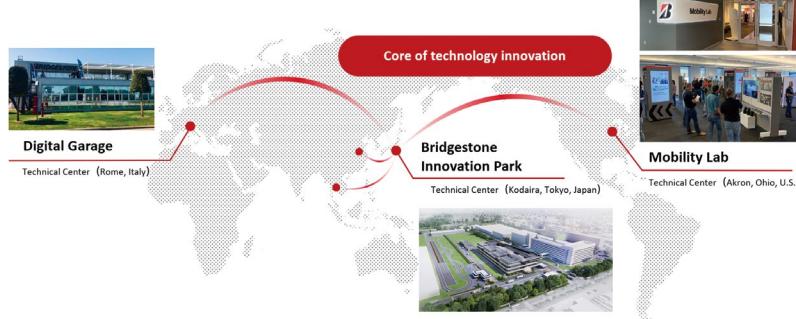
<sup>1</sup> Bridgestone Innovation Gallery was opened in November 2020.

<sup>2</sup> B-Innovation and B-Mobility were opened in April 2022.

## Co-creation with Bridgestone's global innovation sites

The Group is developing innovation sites in each of its global regions. With the Bridgestone Innovation Park in Kodaira, Tokyo, at the core, the Group will

strengthen collaboration with Digital Garage in Rome, Italy and Mobility Lab in Akron, Ohio, United States and accelerate innovation toward co-creation.



## Accelerating innovation through co-creation

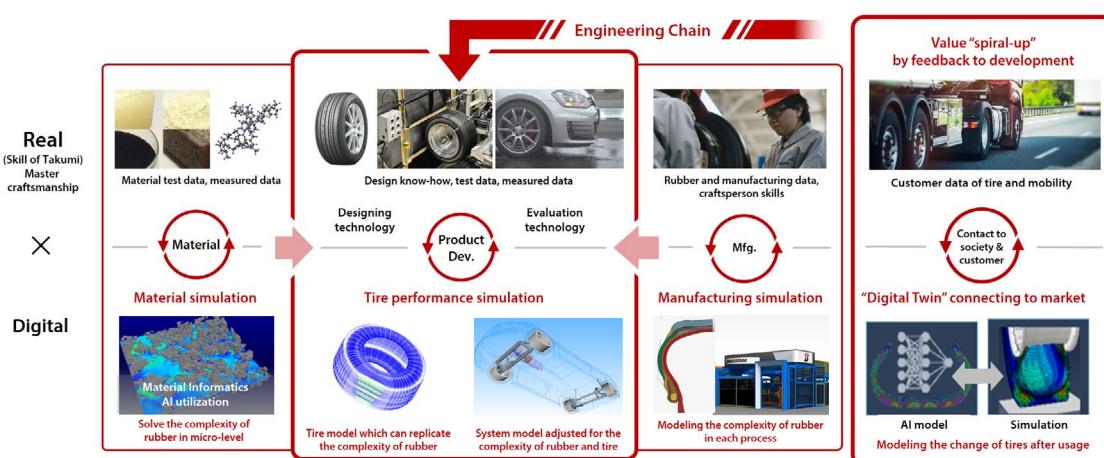
Based on the "Bridgestone E8 Commitment," the Group will accelerate innovation of its technologies, business models and designs through co-creation. The Group thereby will continue to contribute to the realization of a sustainable society, together with employees, society, partners and customers. As an important factor for innovation, the Group will evolve DX by combining the strong "real," its core competencies, such as "mastering rubber" and "mastering road contact" that have been cultivated over the 91-year history since its founding, with "digital" such as simulation technology.

### • Innovation through the combination of strong "real" and "digital"

Rubber, which has the unique property of viscoelasticity, is extremely difficult to develop

and for manufacturing sites to handle. "Mastering rubber" technology "to see, analyze and manage rubber," which is supported by the overwhelming amount of experience and data used to overcome this difficulty, and "mastering road contact," which has been developed through its experience with various environment and conditions of use, have led to the Group's strong "real."

By connecting this strong "real" with "digital" including unique simulation algorithms, the Group will expand and develop Dan-Totsu Products and Dan-Totsu Solution through co-creation across the engineering and value chain, end to end combining its knowledge, know-how and technology.



Create Dan-totsu products, Dan-totsu solutions by connecting across engineering chain & value chain, EtoE

## **Advanced design simulation**

By using advanced design simulations that combine the Group's accumulated high-quality market data and tire databases with structural computer-aided engineering (CAE), it is possible to simulate the deformation and contact behavior of tires not only on snow and wet road surfaces, but also on soil and sand. In addition, by combining this data with other models, it is also possible to perform combined simulations of tires and suspensions, tires and vehicles, etc. The Group's Dan-Totsu tire for mining, Bridgestone MASTERCORE, and innovative tire technology optimized for EVs fitting, ENLITEN, were developed using this strong "real" and advanced-design "digital" simulation.

## **Material and compounding simulation**

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

## **Unique algorithm used for advanced simulations**

By using advanced simulations to analyze customer driving data in real time, the Group can determine an accurate condition on the current state of the tires on the vehicle being driven. This is made possible by the Group's unique algorithm based on its knowledge of the world's roads and its ability to obtain highly accurate data from customers worldwide. The Group will continue further strengthening the development of such algorithms to accelerate the development of Dan-Totsu Solution that provides new social and customer value.

## **Bridgestone's DX**

The Bridgestone Group promotes Bridgestone's DX to continuously support evolving mobility society such as MaaS and CASE, where vehicles become smarter and more connected to information and technology, from the ground up.

The Group's unique DX enables it to operate "with greater data, faster, easier and more accurate." In its 91-year history, it has cultivated its strong "real," including technology of "mastering rubber" and knowledge and Takumi — craftsperson skills — on tires. With the combination of its strong "real" with "digital," which provides digital simulation technology and enhances solutions business such as digital fleet solutions, the Group continues to promote its unique DX to accelerate innovation across entire value chain from material and product development to providing solutions to society and customers.

### **● Enhancing digital talent development**

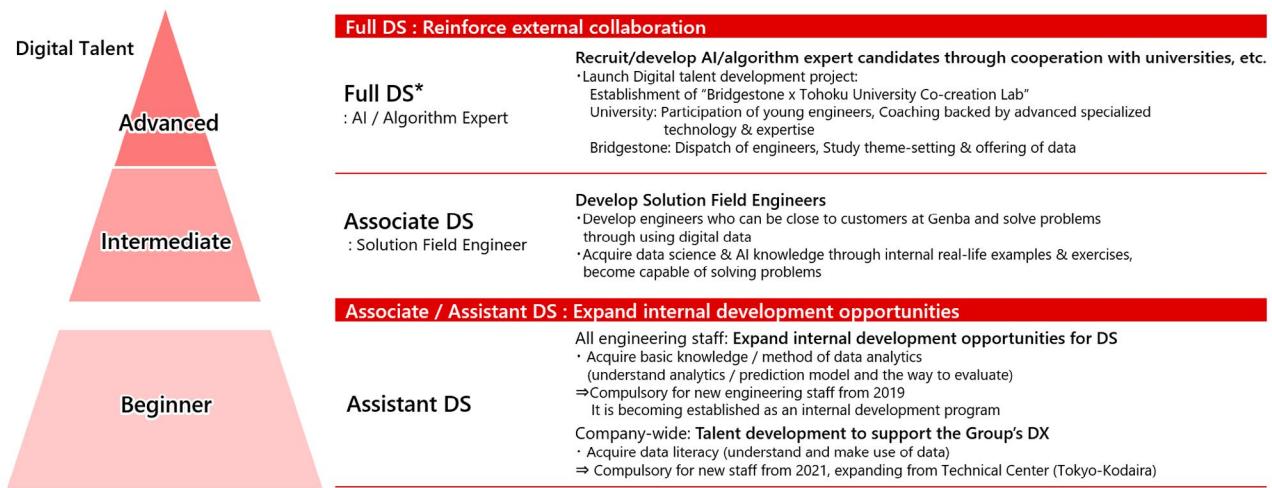
The Group's DX is indispensable for accelerating innovation, creating social and customer value with innovative tires and solutions, and providing ongoing support for an evolving mobility society.

To this end, the Group is particularly focused on developing high-level digital talents at the intermediate level and above tasked with the expansion of DX and solutions businesses. It is also encouraging talent exchanges with employees of Webfleet Solutions and Azuga, which became members of the Group through M&A. Additionally, the Group reinforces the recruitment and development of digital talent by partnering with external organizations. As one example, the Group has established Bridgestone endowed chairs at universities where students can practice and conduct research with Bridgestone employees.

## Targets and Results

The 2021 acquisition of Azuga resulted in the addition of approximately 300 digital talents to the Group, increasing the number of the Group intermediate level and above digital talents to approximately 1,200 people. The Group plans to continue hiring and

training in 2022, expanding to approximately 1,400 people. Going forward, the Group will continue to accelerate digital talent development as part of its organizational capability enhancements facilitating the realization of Bridgestone's DX and the evolution toward a sustainable solutions company.



\* DS: Data Scientist

## Cooperation with educational institutions: "Bridgestone x Tohoku University Co-creation Lab"

In October 2021, the Group established a base for academic-industrial collaboration with Tohoku University and launched a joint project to develop digital talent supporting the Group's DX. The objective is to develop Artificial Intelligence/Algorithm Experts who create solutions businesses using their expert skills. Efforts also are underway to prepare Solution Field Engineers capable of identifying issues at business sites and linking them to solutions proposals utilizing digital technologies. The Group will also develop digital talent possessing advanced skills through the leadership cultivated in various research and education activities, including advanced data science at Tohoku University, practical unique programs that fully leverage solutions-based learning know-how, and joint research and exchanges with participating laboratories.

# Topic: Bridgestone Design

At Bridgestone, design has played an important role in its original foundation and second foundation, and has also been a driving force behind the Group's activities. Its new corporate identity, the Bridgestone logo, and the B Mark were introduced in 1984. At the time, it was a measure to transform not only visual design, but the entire corporate culture, and served as the cornerstone of its globalization.

The Bridgestone Design in the current third foundation — Bridgestone 3.0 — contributes in the following three areas for the internal and external implementation of the "Bridgestone E8 Commitment," that aims to realize the Group's vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company."

- Design strategy: Planning and execution of design measures that contribute to the enhancement of the Group's global brand value.
- Corporate design: UX (user experience) design development of customer brand experiences that enhance brand value.
- Product design: Development of product design that contributes to the development and innovation of Dan-Totsu Products.

## Pursuing "circle aesthetics"

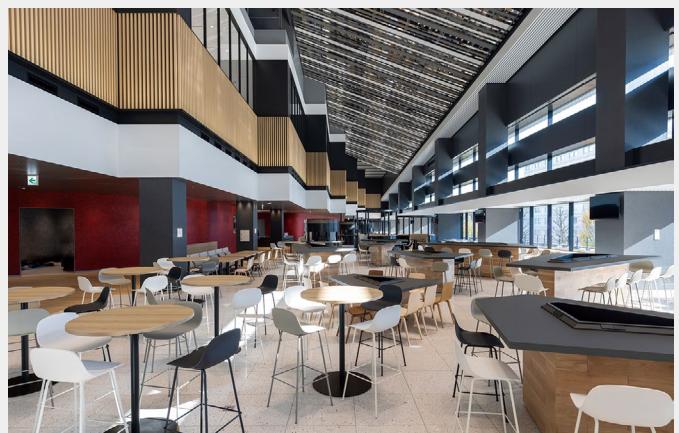
The Bridgestone Group's "circle aesthetics" is a visual series that express its ambitions toward a sustainable future, focusing on the functional beauty of Bridgestone's products, including tires, bicycles and sporting goods, with a particular emphasis on the circle and circulation. The Bridgestone Design started studying brand expressions in 2018 and won many competitions in Japan and overseas for its "circle aesthetics" portrayed in a calendar. Today, as one of Bridgestone's unique brand expressions, it is widely displayed at each business locations and in the Group's publications.



Special Exhibition "circle aesthetics"

## Expanding into spatial design

The Bridgestone Design has also been participating in space design of [Bridgestone Innovation Park](#) in Kodaira, Tokyo to provide a Bridgestone-like customer experience. All aspects of Bridgestone Innovation Park – the facility design, entrance, workspace, signage systems, and various exhibits – contribute to delivering a new Bridgestone brand identity and an engaging Bridgestone-like experience.



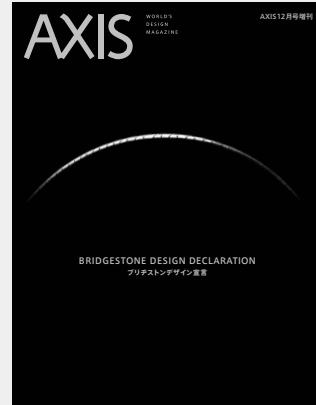
## Development of the corporate font "Bridgestone Type"

Bridgestone Type, the Group's original corporate font, is based on its brand identity of contributing to society's advancement with care, confidence and creativity. It was created by embodying this concept into the function and shape of the font using the Bridgestone Design's original development method.

As fonts are the basis of printed communication, Bridgestone has been researching them since 2014 to ensure its versatility, visibility, and legibility, as well as being Bridgestone-like. The project has attracted attention from the design industry, including the achievement of the Good Design Award in 2021. This report is printed using Bridgestone Type.

## Publication of *AXIS* extra issue "Bridgestone Design Declaration"

An additional issue of Design Magazine *AXIS* was published in December 2021 titled "Bridgestone Design Declaration." This is the first attempt to show how design has helped shape Bridgestone's history, reexamine its identity in common with its product and advertising design, and apply it to future brand expressions. The issue is used to communicate the Group's design initiatives externally and is shared throughout the company.

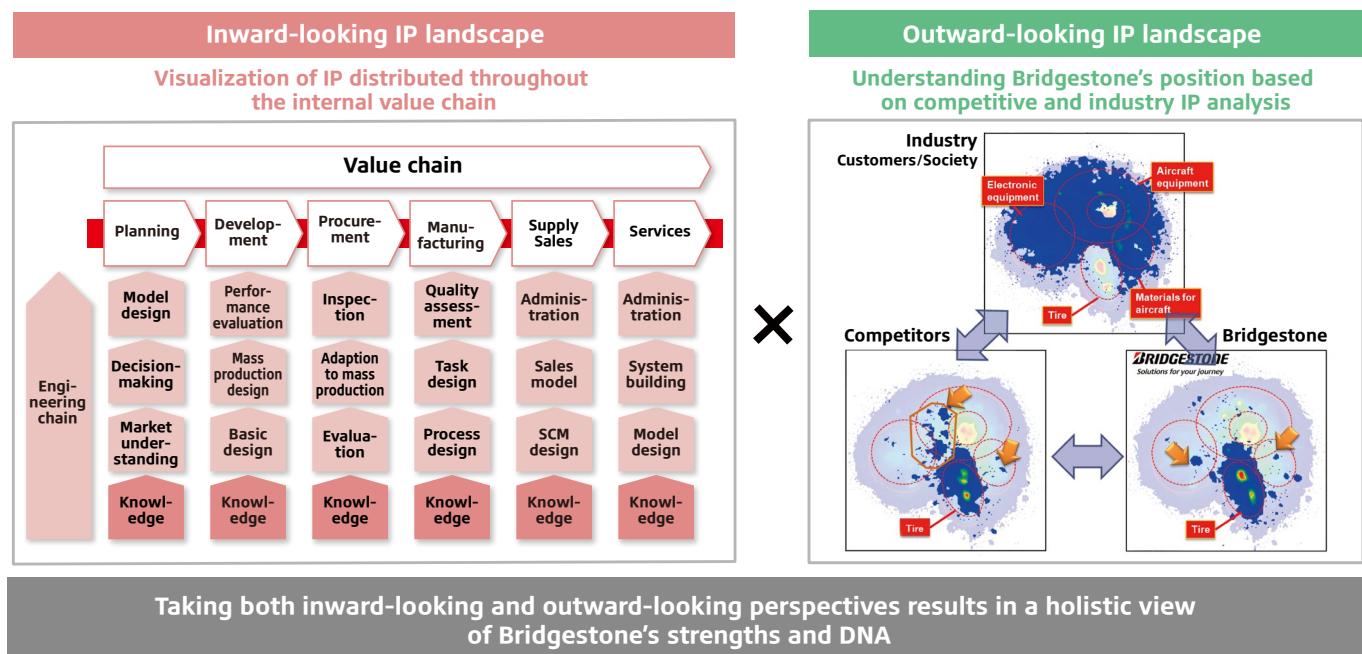


The Bridgestone Design will continue to explore the essence of design to contribute to the Group's business strategy, enhance brand value, further innovation and build trust with various stakeholders toward interaction with empathy.

# Realization of Mid-Long Term Business Strategy with Sustainability at the Core Intellectual Property Strategy

The Bridgestone Group views Intellectual Property (IP) and intangible assets as one of vital management resources that advances its competitiveness, and is working to transform the utilization of IP and intangible assets and risk management. It strategically combines various forms of IP developed through its tire and other manufacturing experiences – including knowledge, know-how and patents – to promote synergies.

Furthermore, as the strategic utilization of IP is becoming a major pillar of business growth, including the building of business models that convert big data into business value, the concept and approach to risks management required for IP are also changing. The Group will contribute to the realization of its vision by promoting both offensive and defensive measures to utilize IP and intangible assets and reform risk management to sustain competitive advantage and respond to risks from an IP perspective in new business opportunities that leverage its strengths such as DX utilization.



## Strengthening the IP investment governance structure

The Bridgestone Group's IP departments routinely analyze and propose solutions to issues faced by the business divisions. To do so, they utilize IP landscapes to strengthen collaboration. This has enhanced a communication platform for discussing IP utilization among the IP departments, business divisions and senior management. The Group is also building a structure that enables

## Visualization to manage and utilize IP landscapes

The Bridgestone Group bases its IP strategy on the visualization and management of IP and intangible assets using IP landscapes. It has accumulated considerable knowledge and expertise that gives it a competitive advantage across its entire value chain, from understanding markets to creating value with a focus on R&D.

The Group is promoting strategic use of IP based on the concept of the Bridgestone IP mix, which combines IP including knowledge, know-how and patents to create business value by looking at its strengths and vulnerabilities from two perspectives: an inward-looking IP landscape to visualize how the Group's IP is distributed throughout the value chain, and an outward-looking IP landscape to grasp its position in relation to competitors and the distribution of IP in the industry.

senior management to effectively supervise IP utilization. The Group is strengthening collaboration throughout the entire process by transforming from a conventional organizational structure arranged according to function (application, research and liaison work) to a business-contributing organizational structure with both IP management and utilization in the solutions business' front lines with each establishing an IP mix.

The Group has development and design bases around the

world. The IP organization assigned to each SBU establishes and operates a globally optimized management system that clarifies the responsibilities of the IP departments regionally and globally. Regular meetings are held among the IP departments of each SBU to exchange information on portfolio development, manage global concerns and leverage IP landscapes. This strengthened governance ensures swift operational execution.

### Verifying return on investment using ROIC

The Bridgestone Group promotes efficient and strategic management of IP investment through a Plan-Do-Check-Act (PDCA) cycle to measure and verify the investment impact of its IP. The ROIC index, a KPI of the Group's management, is a results-driven KPI that calculates the value of IP in each business area, and the number of IP mix formulations and contracts concluded is a factor-oriented KPI. Together, both KPIs measure and verify the business value conversion from IP utilization.

### Expansion of IP and intangible asset initiatives

Based on the visualization of IP using IP landscapes, and analyses of industry and market trends, the Bridgestone Group promotes design of IP mixes that contribute to improved competitiveness that supports future business expansion. In 2021, the Group focused on IP utilization and risk response with particular emphasis on supporting the solutions business, its growth business, and on developing IP strategies in collaboration with R&D and business divisions in more than a dozen themes, including aviation solutions and mining solutions.

As the initiator of the IP Landscape Promotion Council<sup>1</sup>, Bridgestone is making efforts to encourage companies to utilize and promote IP landscapes, which contributes to improving the business competitiveness of Japanese industry. The Company also participates in an activity and a committee<sup>2</sup> led by the Cabinet Office and the Japan Patent Office to promote the nationwide utilization of IP and intangible assets. It also contributes to policies for the utilization of IP and intangible assets in Japanese industry.

Going forward, the Group will accelerate the IP mix in its core business, which is the foundation of its entire business. It will also actively promote DX of its businesses by utilizing artificial intelligence (AI), while continuing to strengthen IP support for the growth business. In the exploratory business, the Group supports the creation of IP by leveraging the IP landscape, starting with the core IP that it already owns. The Group will design and build its global IP mix so that these IP families will generate synergies with its business operation capabilities. The Group will also expand its scope beyond the tire industry to include the entire mobility to enhance sensitivity to IP risks and proactive responses to seize opportunities.

### Case studies: Mining solutions, fleet solutions

The Bridgestone Group's strength lies in the performance and durability of its Dan-Totsu tires, which prevent tire-related operational problems, such as punctures and breakdowns, and supports safe driving of customers in mining and commercial fleet operations. The Group is building an IP mix that achieves competitive advantage by combining various IP, such as Internet of Things (IoT) and digital tools, based on its strong patent network. The Group also leverages its owned IP to further grow its solutions business by offering solutions to an increasingly wide range of customers.

<sup>1</sup> A council with the Japan Patent Office as an observer, with the aim of enhancing the business competitiveness of member companies by promoting IP landscape and increasing corporate value by promoting the creation of new value through the search for knowledge, as well as promoting sustainable social development in Japan and contributing to the public interest at large.

<sup>2</sup> Committee for the Cabinet Office's "Study Group on Effective Disclosure and Governance of IP Investment and Utilization Strategies" and the Japan Patent Office's "Research and Study on IP Utilization Methods that Contribute to Creating Customer Value and Strengthening Competitiveness."

# **Realization of Mid-Long Term Business Strategy with Sustainability at the Core Human Resources Strategy**

## **Human resources strategy**

The Bridgestone Group places great importance on its employees, which are essential for the sustainable growth of its business, and believes the success of its diverse talent will lead to the creation of value as expressed in the "Bridgestone E8 Commitment." The Group maximizes the value of individuals throughout its strategy, while appropriately aligning and linking human resource approaches with its Mid-Long Term Business Strategy.

The Group is confident that transforming each individual employee's mindset and behaviors toward becoming a sustainable solutions company will lead to deeper employee engagement and foster a corporate culture that provides social and customer value in a sustainable manner. Furthermore, the Group has established talent development and human resources programs tailored to the characteristics of each region.

### **Initiatives in Japan**

Bridgestone has branded its human resources transformation as B-HRX and is working to create an environment where the company and employees can take on challenges and grow together. B-HRX focuses on maximizing organizational capabilities and results by developing diverse talent and leveraging individual strengths. It seeks to clarify the functional and organizational capabilities and human resources requirements necessary to achieve its Mid-Long Term Business Strategy, to provide training opportunities and optimally allocate employees.

In line with its business strategy, the Company is developing a system of self-directed career development and personal growth, such as reskilling employees to develop digital capabilities and fostering skills through learning and hands-on experience. In addition, it expanded its next-generation leadership development program, which began in 2020, to the global Group as the Bridgestone Next 100 in 2021. It is promoting the succession program in which each senior management and executive level collaborates from the perspective of strategy and global optimization.

The Company also launched an engagement survey in 2020. It is an evolution from traditional employee surveys to gauge and enhance employee engagement. Each site in Japan is taking the initiative to create a better workplace by analyzing survey results, identifying issues and implementing improvements. Opportunities for dialogue between management and employees are also provided to maintain and create an organizational culture that motivates employees.

In terms of people systems, Bridgestone has developed a flexible and diverse talent management program that combines a job-based program based on the roles and responsibilities required to implement business strategy with a conventional program that aims for medium- to long-term development through diverse experiences. It also has introduced a job-matching program, an open posting program, and other programs to match individuals willing to take on challenges with positions that leverage their expertise and skills. It will continue to support the growth of individuals who are taking the initiative in their career and encourage them to lead full and prosperous lives through self-fulfillment in the company.

### **Initiatives at BSAM**

Talent management and development are critical elements of the human resources strategy at BSAM. By investing in its people, BSAM aims to ensure employees are continually developing their capabilities, progressing towards their career goals, and ultimately choose to stay within the Group over the long-term. Its dedicated talent management and development teams design, build and deliver talent solutions in partnership with business divisions to continuously improve the employee

experience and ensure the right capabilities are available to support the business strategy.

BSAM offers many development opportunities to enhance each employee's career and strengthen its organizational capabilities. In addition to the extensive catalog of training and development programs available to all employees, BSAM also offers a number of accelerated development programs to quickly increase employee skills and

improve organizational capabilities. BSAM also holds an annual Career & Development Week to promote career advancement across its operations and ensure employees know about the opportunities it provides. To enable more employees to participate in this program, an instructor-led, interactive, virtual environment was introduced in 2021, resulting in a 50% year-on-year increase in participants.



BSAM is also committed to ensuring employees have ongoing dialogue with their manager about their performance and development, and receive the support they need to maximize their contributions. To formalize this commitment, a new performance management framework called AMP (Accelerating My Performance) was introduced in 2021. AMP is designed to ensure employees receive the ongoing feedback and support they need to achieve their professional goals. Through AMP, BSAM has created an environment where employees and managers continuously communicate and share feedback to ensure employees are delivering great results and progressing on reaching their career goals. BSAM will continue to improve AMP over the coming years to further enhance the culture of agile, continuous performance and development feedback.

BSAM is also committed to helping employees improve their mental/emotional, physical and economic well-being and offers numerous tools and partnerships. In 2021, BSAM launched an initiative called the Wellbeing Space. This initiative provides employees with an easy and effective way to access resources available when needed by employees to promote a healthy lifestyle and support them through life events.

## **Initiatives at BSEMIA**

BSEMIA has implemented tools including 360° feedback, mentorship programs and targeted training paths with e-learning courses, to support its employees in their development. Additionally, BSEMIA has worked on fostering a culture that emphasizes and stimulates communication by hosting town hall meetings, introducing a recognition system and a goal-setting system, and also conducting monthly pulse surveys. The monthly pulse survey quantitatively measures engagement and self-directed action of employees, and monitors trends over time and at each workplace. One application of the pulse

survey was to develop a systematic action plan focusing on four well-being themes: psychological, social, physical and work environment. Each quarter, BSEMIA selects one theme and provides information and training to help its employees improve their overall well-being.

A structural cultural change management program has been implemented in manufacturing sites over the last year and which has resulted in well-trained and empowered employees, autonomous teams and significantly enhanced operational results.

## **Initiatives at BSCAP**

In 2020, BSCAP implemented the philosophy of Safety First, Show Care and Stay Connected and introduced various activities that prioritize the well-being of employees in all 10 countries where it conducts business. BSCAP also introduced a survey on employee resilience focused on five categories: communication, technology, customers, connections and well-being to assess the organization's ability not only to overcome adversity but to emerge stronger and better prepared to take on new challenges.

Additionally, a cross-country task force was created in 2021 to develop regional guidelines on hybrid work and employee well-being to provide employees with flexibility and to improve work-life balance.

An integral part of BSCAP's talent management process is the annual Career Development & Discussion (CD&D) process, when employees and their managers identify their strengths and development actions and they are

empowered to take ownership of their careers. Launched in 2020, CD&D is being expanded to more employees each year.

In the area of talent development, BSCAP introduced a Training & Development KPI of a minimum of 40 training hours per employee per year in 2021 and 60% of employees achieved the KPI that year. Specifically, BSCAP designed its 40-hour, High-Potential General Management Program in partnership with Asia's top-ranked business school to help

high-potential employees further develop their strategic thinking and decision-making skills. BSCAP's BE INSPIRED campaign is creating a culture of continuous self-learning through more than 200 e-learning courses. In late 2020, it also started the Critical New Skills for the Future initiative – a bottom-up initiative which empowers employees in its group companies to participate in each country's workshop and identify skills that will be required for upskilling or reskilling.

More information on talent development and human resources programs is available [online](#).

## DE&I

Respect for DE&I is a key element of the Bridgestone Group's [Global Human Rights Policy](#) and practiced in various ways across the operation. Equity was added to the 2022 revision of this policy to reinforce and clarify its commitment to providing equitable opportunities, and the Group will

continue to advance initiatives that address potential disparities and other workplace and social issues related to equity.

### Initiatives in Japan

Bridgestone respects differences in cultures and customs and has established a culture that allows all employees to feel safe and included so they can contribute their best. In Japan, Bridgestone recognizes the need to improve female representation in its management structure, and is taking actions to achieve this goal. The Company set a target to increase the ratio of women in all management positions (including those who are seconded to Bridgestone Corporation) from the current 2.6% to 7.5% by 2025. A

mentor system was introduced in 2021 in which leaders work together to support the career development of female manager candidates.

In addition, Bridgestone received the highest rating of Gold for four consecutive years in the PRIDE Index, an indicator of how companies have implemented initiatives to promote LGBTQ+ inclusion in the workplace.

### Initiatives at BSAM

BSAM's DE&I strategy consists of three key areas: workplace, workforce and marketplace. In each area, it aims to provide an inclusive work environment, educate leaders and employees, and create equitable opportunities. To help achieve these goals, in 2021 BSAM conducted unconscious bias training as an introductory learning program related to DE&I for over 3,600 participants. BSAM is also committed to improving transparency by reporting various initiatives and progress through its [DE&I Annual Report](#).



In 2021, BSAM also launched its “Free to Be” movement that helps employees understand the importance of inclusion and bringing one’s whole self to work. It will continue to promote initiatives to increase racial and gender diversity, embed DE&I into the business, and create an even more equitable and inclusive work environment. These priorities will be accomplished with direct employee input, including from its employee resource groups (ERGs):

- BBOLD – African American/Black employees
- BWIN – Women employees
- BNEXT – Millennial employees
- BBRAVO – Veteran employees
- BUNIDOS – Latinx/Hispanic employees
- BPROUD – LGBTQ+

## ■ Initiatives at BSEMIA

BSEMIA believes that a diverse work environment creates a better understanding of its customers, greater employee engagement, decision-making that includes diverse perspectives, and innovative ideas that lead to better outcomes. It is working to create an environment where all employees feel safe and included so they can contribute at their best. A key element of this work is more fully engaging ERGs to involve employees in building an even-more inclusive culture. In 2022, BSEMIA will promote initiatives to respect diversity with a particular focus on three groups: gender, seniority and experience.

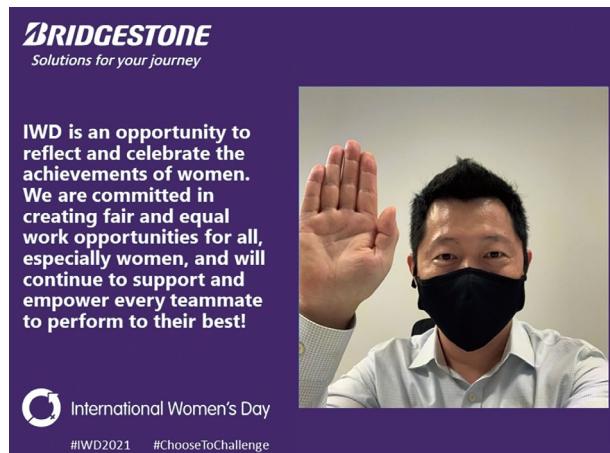
In South Africa, Bridgestone South Africa (Pty) Ltd. (BSAF) achieved Level 1 Broad-Based Black Economic Empowerment (B-BBEE) Contributor status which was the highest rating in the certification. This recognizes BSAF’s efforts to include African people in the workforce, support African businesses and give back to underserved African communities. BSEMIA was also recognized as a Top Employer and Great Place To Work in 2022 in multiple countries.

## ■ Initiatives at BSCAP

BSCAP is undertaking DE&I initiatives based on the philosophy of Right Person in the Right Position with the Right Skills. Its intent is to draw out the ambitions and abilities of individuals to the fullest and identify the most suitable talent for each position.

BSCAP set an aspirational goal to have women in 20% of management roles by the end of 2022. On each International Women’s Day (IWD) since 2019, BSCAP has conducted various awareness and educational campaigns for employees to communicate the value of women in the workplace and society. BSCAP also promotes a gender-equal society by encouraging women to play an active role in all BSCAP companies and encouraging these companies to engage women more fully.

More information on DE&I initiatives is available [online](#).



# Build Trust to Propagate Value Co-creation

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## Build Trust to Propagate Value Co-creation

### Building Trust

The “Bridgestone E8 Commitment,” which the Bridgestone Group has set forth as the axis to drive management while earning the trust of future generations toward the realization of its vision, cannot be accomplished by the Group alone. In an era of co-creation, in which a company collaborates with various partners to create value, it must continue to be a trustworthy company and brand to earn the empathy of many.

The Group has been proactively working to solve issues in local communities by leveraging the strength of its global network, including introducing environmental conservation activities and traffic safety education around the world. Through its commitments of “Ecology: Committed to advancing sustainable tire technologies and solutions that preserve the environment for future generations” and “Empowerment: Committed to contributing to a society that ensures accessibility and

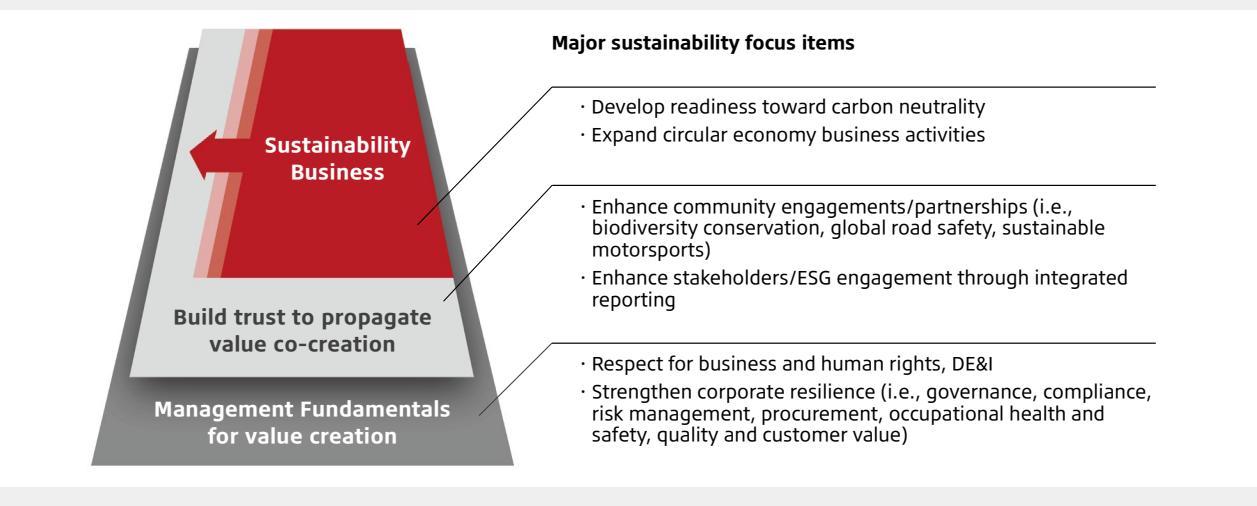
dignity for all,” the Group will continue to aim to be in harmony with nature and communities.

Furthermore, as a tire manufacturer, the Group will continue to be responsible to support the safety and peace of mind of people and mobility, based on its fundamental principle of “tires carry life,” and it is represented by “Ease: Committed to bringing comfort and peace of mind to mobility life.” By engaging in a wide range of global and sustainable motorsport activities – including the Bridgestone World Solar Challenge, one of the world’s leading solar car races – the Group is committed to “Emotion: Committed to inspiring excitement and spreading joy to the world of mobility.” By doing so, the Group will contribute to the development of safe, with peace of mind, and fun car, motorcycle, and motorsport cultures, all the while fostering trust as a preferred partner for society, partners and customers.

### Sustainability Framework

The Group has systematized its approach to sustainability as its Sustainability Framework. Based on this framework, it has clarified the actions it will focus on in the future. Co-creating value with stakeholders is essential in fulfilling the eight values of the “Bridgestone E8 Commitment” while achieving both social and customer value through its Sustainability Business. To build a deeper relationship of trust that propagates value co-creation, the Group is actively engaged in social contribution and other activities with local communities in line with this framework. The Group is also promoting initiatives that form an indispensable foundation for a responsible company. These initiatives go far beyond simply avoiding risk to finding innovative ways to transform risk into growth opportunities to establish Management Fundamentals for value creation.

More information on the Sustainability Framework is available [online](#).



# Build Trust to Propagate Value Co-creation

## Motorsports

### Bridgestone Group involvement in motorsports

The Bridgestone Group views promoting and developing motorsports culture as the point of origin for tire manufacturers. It also views motorsports from a sustainability perspective, and wants to link motorsports to its efforts to address social issues across the value chain, including advancing and refining its own technologies and the supply chain.

To keep providing "Driving Excitement" in 10 years, 20 years, and beyond, the Bridgestone Group strives to achieve its commitment for "Emotion: Committed to inspiring excitement and spreading joy to the world of mobility" stated in the "Bridgestone E8 Commitment" by providing Dan-Totsu Products and engaging in a wide range of global, sustainable motorsport activities based on these two approaches.

#### Initiatives supporting motorsports culture

By supplying tires to, participating in and sponsoring motorsport events, the Group contributes to the development of safe, with peace of mind, and fun car, motorcycle, and motorsport cultures together

with event organizers, vehicle manufacturers and motorsports professionals. It sees motorsports as an opportunity to enhance the value of its products and the technologies underpinning them, as well as to develop the talents of engineers. By advancing and refining these technologies in demanding motorsport environments and through the extreme pursuit of tire performance limits, Bridgestone is able to develop and test technological innovation.

#### Motorsports rooted in sustainability

In recent years, motorsports have gained attention for races and events that are more environmentally conscious with the emergence of electric and hydrogen engine vehicles. The Group is accelerating the creation of sustainable motorsports. For example, it aims to reduce CO<sub>2</sub> emissions throughout the value chain by increasing the use of recycled and renewable materials for racing tires, developing long-distance and lightweight tires, and promoting the recycling of used tires.

#### Powering solar cars and future engineers

Bridgestone has supported the world's foremost solar car race, the [Bridgestone World Solar Challenge](#), as a title sponsor since 2013. Powered only by the energy of the sun to travel more than 3,000 kilometers over five days from Darwin in Northern Australia to Adelaide in South Australia, young engineers from all over the world take on the challenge of designing, building and developing the world's most highly energy-efficient solar cars. Bridgestone provides tires for solar cars to many participating teams, to support the ambitions of aspiring future engineers and help drive the evolution of mobility technologies.

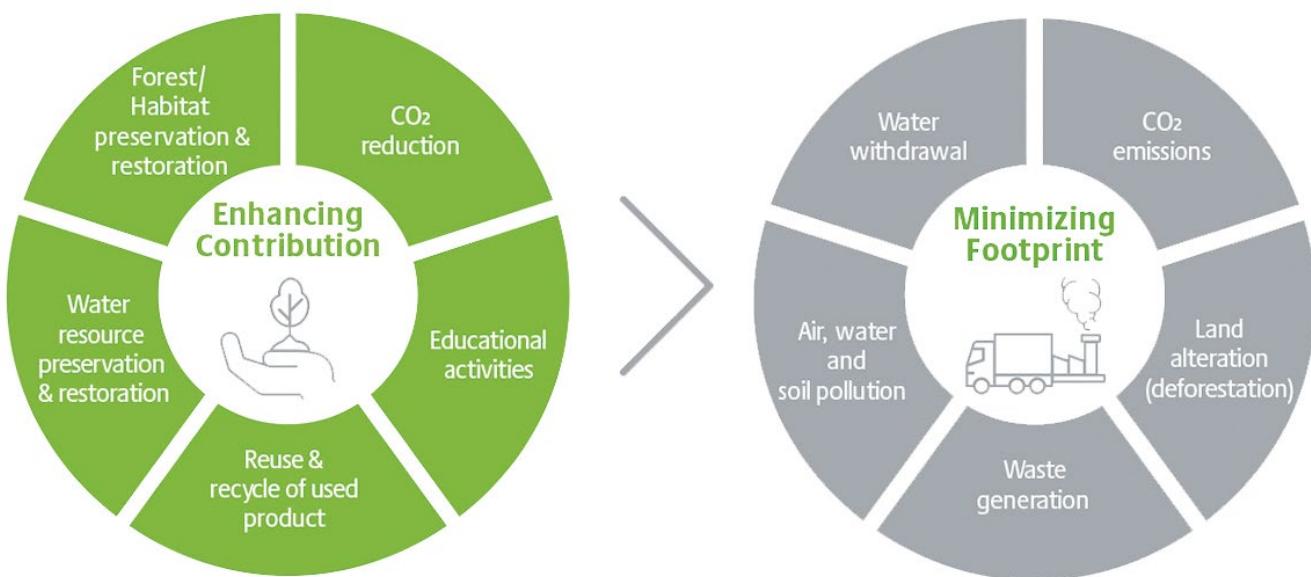


# Build Trust to Propagate Value Co-creation In Harmony with Nature

The Bridgestone Group aims to continue existing in harmony with nature by maximizing its contribution to biodiversity (ecosystems, species and genetic diversity) while minimizing the impact of its business activities on biodiversity.

The Group's activities are based on the long-term goal adopted at the 2010 Tenth meeting of the Conference of the Parties (COP10) to the Convention on Biological Diversity, understanding the relationship between business activities and

biodiversity and to identify priority issues to be addressed. The concept of being in harmony with nature, which is set forth in the Group's long-term environmental vision targeting 2050 and beyond, refers to the mindset of minimizing the impact of business activities on biodiversity while offsetting losses to the ecosystem as a whole by restoring biodiversity and conducting other contributing activities. The Group is promoting initiatives to achieve being in harmony with nature throughout its business activities.



## Example of minimizing footprint: Water withdrawal reduction activities through in-house and regional cooperation

The Bridgestone Group recognizes that water is an essential resource for the continuation of its business, and that it has a responsibility to use water in a sustainable manner. Based on the [Water Stewardship Policy](#) established in 2020 for equitable and sustainable water use, the Group will develop and implement specific water stewardship plans by 2030 according to each local environment, focusing on its manufacturing facilities located in water stress areas<sup>1</sup>. As of June 2022, seven of the 25 sites in scope had completed the development of water stewardship plans.

To highlight a specific achievement, the Buenos Aires plant located in a water stress area in Argentina, reduced water withdrawal per unit of production by 55% in 2021 compared to a 2005 baseline. Furthermore, in 2019, the plant began a partnership with cement manufacturer Loma Negra to reduce overall water withdrawals in the Llavallol suburb of Buenos Aires. Using the reverse osmosis water filtration system within its operation site, BSAR recycles wastewater generated from its operations, and provides Loma Negra with approximately 1,200 m<sup>3</sup> per month of filtered water typically for industrial use in manufacturing cement.

<sup>1</sup> Manufacturing facilities that have water-related risks due to their locations with the risk of deterioration of fresh water resources in terms of quantity and quality.

The Bridgestone Group also harvests and utilizes rainwater at several plants to reduce the impact of water withdrawal. For example, its Bandag Factory

in Bridgestone Australia Ltd. can currently harvest over five million liters of rainwater per year to support local manufacturing processes.

## ■ Example of enhancing contributions: Promoting Biodiversity Program

The social and environmental impacts of climate change, resource scarcity and biodiversity loss have become more pronounced in recent years. In light of this, the Bridgestone Group aims to contribute to solving these social issues through its business activities. The Group is implementing ecosystem conservation and restoration activities at its manufacturing sites around the world to help ensure a healthy environment for current and future generations.

Launched in 2019, "In Harmony with Nature – Promoting Biodiversity Program" annually assesses the level of biodiversity contribution at each site using nine key activity indicators, including the number of environmental education programs offered for children, partnerships with local schools and non-governmental organizations (NGOs), the acreage of off-campus areas managed as natural habitats, and other factors. The Group also highlights each site's efforts by recognition based on the results of these evaluations and promotes

its biodiversity contribution activities by sharing case studies of activities underway worldwide with the entire organization. By contributing to the conservation and restoration of plants, animals and their habitats, and by collaborating with various stakeholders, the Group is committed to preserving the environment for future generations, as stated in the "Ecology" of the "Bridgestone E8 Commitment."

The Group has approximately 160<sup>1</sup> manufacturing sites and R&D facilities and conducts business in more than 150 countries. At its sites around the world, the Group promotes biodiversity conservation activities that are rooted in the local community through dialogue with local residents. By doing so, the Group conveys the importance of biodiversity externally and internally, leading to further contributions. It also shares information on its biodiversity program and other activities with its wide-ranging internal network.

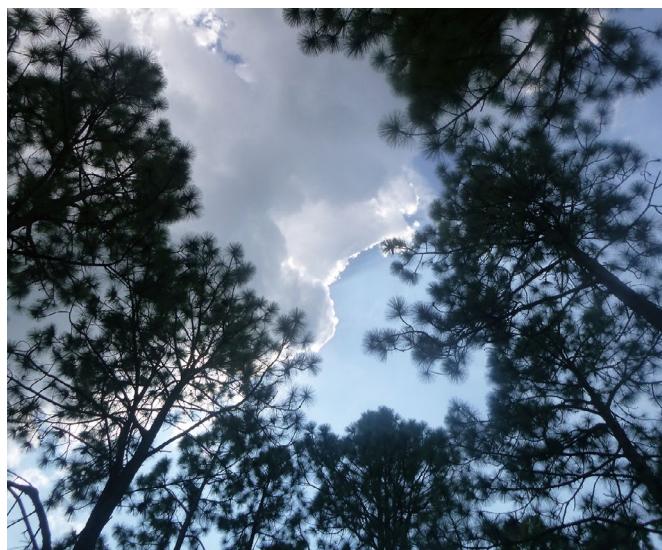


A scene from an ECOPIA's Forest event in Kurume, Fukuoka

<sup>1</sup> As of March 1, 2022.

In 2004, the Group established forest maintenance activity zones and began activities, which are now being carried out at nine of its sites in Japan as the ECOPIA's Forest Projects. In 2021, events were held at the ECOPIA forests in Hikone City, Shiga Prefecture, and Kurume City, Fukuoka Prefecture, in collaboration with local governments, and 78 and 25 people participated respectively. By tree thinning forests, observing plants and animals, and forest cleanups, the events help participants learn about the roles and functions of forests and the importance of biodiversity.

The Aiken plant, a tire manufacturing site in South Carolina, United States, has been collaborating for over 10 years with the University of South Carolina to deliver educational programs on biodiversity



A longleaf pine forest, one of the biodiversity conservation projects of the Aiken plant

conservation to local schools. Plant employees also actively engage in ecosystem restoration activities, including those for longleaf pine trees, a native plant important to a variety of organisms. In 2021, the Group conducted biodiversity education and awareness activities for more than 2,100 local residents.

PT. Bridgestone Sumatra Rubber Estate (BSRE), which operates a rubber plantation in Indonesia, organized a biodiversity conservation event in 2021 to address the threat of landslides caused by heavy rains that could damage the surrounding ecosystem. Approximately 200 people participated in the event, including local students, local government and BSRE employees. A program teaching the importance of biodiversity was also provided to help raise awareness of biodiversity in conjunction with activities such as cycling, tree planting, releasing fish and cleaning up in and around a local river.



More information on ways the Group is working toward being in harmony with nature is available [online](#).

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

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

It does so by working collaboratively with various stakeholders such as partners, customers and employees to develop sustainable community solutions that positively impact a wide variety of cultures facing unique challenges. In addition to these long-term efforts, when urgent support is essential — for example, in times of disaster — the Group also steps up to immediately support its communities.

Supporting communities is part of the Group's Sustainability Framework as it builds trust to propagate value co-creation. With such initiatives, the Group is committed to "Empowerment: Committed to contributing to a society that ensures accessibility and dignity for all" and "Ease: Committed to bringing comfort and peace of mind to mobility life" of the "Bridgestone E8 Commitment." To achieve this aim, the Group focuses its strengths and competencies on building safer, healthier communities and making education more accessible and inclusive for current and future generations.

## **Road safety education**

More than 1.35 million died in traffic-related accidents each year<sup>1</sup>, thus road safety is widely recognized as one of the global common issues. Given its foundation as a tire company, the Bridgestone Group understands that road safety is essential to mobility systems and resilient communities.

Since proper maintenance is important for safer transportation, safety awareness activities such as tire-safety inspections for customers and the

community are conducted as part of the "Ease," where the Group is committed to bringing peace of mind to mobility life. To promote "Empowerment," the Group is educating the next generation on road safety and its importance in improving quality of life in local communities. The Group is also enhancing traffic-safety education for employees to raise safety awareness throughout the value chain, thereby contributing to traffic safety not only through its products and services, but also through its daily work.

## **Initiatives**

Think Before You Drive, a safe-driving awareness program launched by BSAM in 2005, aims to instill in drivers the importance of traffic safety through educational programs and materials. The program conveys the importance of following the basic rules essential for safe driving, such as always wearing a seatbelt and keeping tires aligned and balanced. Employees in Mexico, Costa Rica, Colombia and Ecuador are partnering with universities and government agencies to implement this educational program for students and travelers with the goal of reducing traffic accidents and dangerous driving.

In Poznan, Poland, employee volunteers have been involved in traffic safety education since 2008.

Interactive traffic safety lessons are conducted with the Bridgestone Test Dummy characters. To date, 450 workshops have been delivered to over 33,000 students in more than 500 schools in and around Poznan.



<sup>1</sup> Source: "Global status report on road safety 2018," World Health Organization

In the China, Asia and Pacific region, BSCAP is synergizing regional road safety initiatives as one program to enhance both community and employee engagement. The Group works with various partners and implements road safety programs best suited for the specific needs of each country or region.

Partnered with [Rotary Youth Driver Awareness \(RYDA\)](#), the Group hosted road safety workshops for young drivers in schools in Australia and New Zealand. In 2021, the program provided learning opportunities to more than 41,000 students. It promoted good habits and motivated them to take responsible action as drivers and passengers to stay safe on roads.

In China, the Group is promoting traffic-safety

programs together with [Safe Kids China](#). Employee volunteers who attended training organized by Safe Kids China participated in field observations to collect data on road usage. These observations are used in the traffic-safety education curriculum offered at local schools.

Furthermore, in Phuket, Thailand, the Bridgestone Global Road Safety project was launched to raise children's awareness of traffic safety and safe road behavior. Cooperating with the [Global Road Safety Partnership](#) and local partners, the program included events such as Road Safety Day with interactive games and contests calling for safe road behavior among students. The Group also improved local infrastructure to enhance the safety of school commuting routes.



## ■ Accessible and inclusive education

Believing that education is important for improving people's quality of life and developing their professional skills, the Group supports inclusive and accessible education in the local communities in which it operates. With a particular emphasis on primary

education and technical and vocational training, the Group applies its strengths in tire manufacturing and sales to offer a variety of training programs that foster the next generation of automotive maintenance professionals.

## Initiatives

In Japan, Bridgestone Corporation offers the "Environment Hands-On Learning Program," where students can learn the difficulties and importance of balancing business and the environment through environmental initiatives in production. It also runs the "Global Communication Skill Program," where its employees share their experiences on the difficulties and importance of communication with people from

different backgrounds, cultures and customs. In 2021, the "Environment Hands-On Learning Program" was conducted 12 times and the "Global Communication Skill Program" was held nine times. A total of 1,809 students from elementary and junior high schools all over the nation participated in these events.

BSAM is addressing the nationwide shortage of Automotive Technicians in the United States

by providing training on the next generation of automotive maintenance technology. Working with community partners and educational leaders, BSAM supports Maplewood High School Automotive Training



Center in Nashville, Tennessee, and Bridgestone Academy of Applied Engineering & Technology at East Community Learning Center in Akron, Ohio. Both schools offer a four-year curriculum that includes hands-on learning in facilities that are modeled after Firestone stores and instruction by Group technicians to help students build careers in the auto maintenance industry. In 2021, more than 185 students across BSAM participated in the program. At Maplewood High School, more than 45 graduates have been employed in the automotive industry, and at East Community Learning Center, more than 50% of program participants earn Automotive Service Excellence certifications before graduation.

## Other initiatives

Since its founding in Japan in 1931, the Bridgestone Group has supported activities that improve the lives of individuals and communities. These efforts are known collectively as "AHL," or Active and Healthy Lifestyle. AHL activities help build a symbiotic society in which diverse people recognize and help each other. Such a society encourages all people to be healthy in mind and body, make the most of their individuality, and achieve self-fulfillment. Toward the realization of this symbiotic society, the Group aims to solve social issues faced by the elderly and people with disabilities by co-creating solutions with local communities and various partners.



In 2021, as part of initiatives to realize a symbiotic society through sports, the Group held three Inclusive Sports Days at the Yokohama plant for 93 people with disabilities, the elderly and its employees to enjoy sports together.

BSEMA promoted healthy living among its employees by regularly disseminating information on exercise through the digital platform B-Olympic. Employees jointly engaged in walking, running and cycling, achieving a distance of 1.5 million kilometers in 2021 and donating approximately 145,000 EUR, an amount raised corresponding to the total distance employees travelled, to 15 local cancer charities.

Bridgestone Asia Pacific Pte. Ltd. (BSAP) and Bridgestone Tire Sales Singapore (BSTSG) supported the efforts of Willing Hearts during the COVID-19 pandemic to continue delivering meals to those in need. The companies also provided Willing Hearts with tires for 10 delivery vehicles and conducted awareness activities on safe tire use and traffic safety. In 2021, BSAP and BSTSG employees donated 120 bags of daily necessities and helped provide the meals to the people supported by Willing Hearts.

More information on ways the Group is working toward being in harmony with communities is available [online](#).

# **Management Fundamentals for Value Creation and Corporate Governance**

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# Management Fundamentals for Value Creation

## Safety, Industrial Hygiene

### Mission

#### Safety First, Always

At Bridgestone, we make safety a business value. Creating a safe working place for all is everyone's responsibility. We promote safety activities throughout the value chain.

The Bridgestone Safety Mission Statement applies equally to employees, contractors and visitors. In every Bridgestone Group operation around the world, the Safety Mission Statement is prominently displayed for employees, contractors and visitors to see. Through leadership, training and other educational approaches, the Group strives to continue to ensure all employees embody the Safety Mission Statement.

This mission is particularly important to protect the health and safety of the Group's employees and contractors by applying the higher safety standards, as also expected by customers and stakeholders. These standards must continue to evolve as ergonomic risks increase with aging populations, regulations change, and machinery and equipment ages. The Bridgestone Group is also proactively promoting the high safety culture within the new businesses it develops or acquires.



### I Management system

The Bridgestone Group aims to mitigate and control all work-related risks. To achieve this goal, the Group has established an internal global safety management system in reference to ISO 45001 and national standards/regulations. It also created 29 global standards on occupational health and safety, as well as disaster prevention, and these standards are introduced to all sites across the organization.

Under the oversight of Global EXCO members, including the Global CEO, the Fundamental Area Safety Group within the Global Quality Management Committee (GQMC) manages and responds to global risks, challenges and opportunities of health and safety. Additionally, best practices are exchanged with SBUs and Global Business Support (GBS) through regular safety meetings.

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## Goals and KPIs

To achieve its Safety Mission Statement, the Bridgestone Group annually measures its safety performance and monitors global best practices. The overall goal is to achieve top results in its industry. The Group is monitoring results of the following KPIs and goals for 2023, which were set in 2020-2021:

- Global lost-time injury frequency rate<sup>1</sup> for employees and temporary staff of 2.6.  
(In 2021, this rate was 2.75.)
- Global lost-time injury frequency rate for contractors of 1.7.  
(In 2021, this rate was 0.79.)
- Global serious injury rate<sup>2</sup> for employees and temporary staff of 0.05.  
(In 2021, this rate was 0.08.)
- Global serious injury rate for contractors of 0.15.  
(In 2021, this rate was 0.11.)

In 2021, across the Bridgestone Group, there were 26 serious injuries<sup>2</sup> among employees at its 4,815 production and logistics sites and retail shops. Unfortunately, the Group experienced one employee fatality. The Group fully participated in the investigation with local authorities and continues to work toward achieving perfect safety.

In 2022, the Group also expects to set three additional KPIs for occupational illness frequency rate (OIFR), risk-assessment implementation status, and safety-maturity assessment score.

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

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## Initiatives

To further advance its safety culture, in August 2021, the Bridgestone Group focused on uniform implementation of safety measures for 12 specific machines/equipment. In 2022, it is also defining global common safety requirements of heavy object handling tasks and maintenance tasks.

The Group also started safety maturity assessments in production sites in 2022 and is preparing for

non-production facilities such as retail shops. This information will yield strengths that can be best leveraged globally, and weaknesses that can be addressed to continue to improve safety KPIs.

Finally, the Group established a new Task Force for safety rule compliance and safety education that will determine how to best enhance employee safety awareness, capabilities and engagement.

More information on the Bridgestone Group's safety and industrial hygiene initiatives is available [online](#).

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

<sup>2</sup> Serious injury frequency rate = (number of serious injuries/total working hours) x 1,000,000.

The Bridgestone Group defines serious injuries as amputation (except some first joints of fingers and toes), complete loss of vision, fracture (excluding fingers, toes, foot, hand or infrastructure) or hospitalization of more than one month.

# Management Fundamentals for Value Creation

## Human Rights, Labor Practices

### Mission

#### Advancing 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 human rights.

As part of its dedication to be a true global leader in all that it does, the Bridgestone Group is committed to respecting human rights and advancing responsible labor practices throughout its worldwide operations.

This commitment is the right thing to do and consistent with the Group's vision of providing social and customer value as a sustainable solutions company. It is also fundamental to fulfilling the "Bridgestone E8 Commitment," and to "Empowerment" in particular, by contributing to a society that ensures accessibility and dignity for all. To achieve this aim, the Group commits to work collaboratively with stakeholders, including affected and potentially affected groups, to address and remedy adverse impacts from its operations, products or services.

The Bridgestone Group's [Global Human Rights Policy](#) guides the organization as it strives to uphold human rights principles through interactions with employees, consumers, customers, suppliers, contractors and community members wherever it conducts business. As reflected in its policy, the Group commits to respect and support the UN Guiding Principles for Business and Human Rights (UNGPs) as well as the human rights set out in the International Bill of Human Rights (IBHR) and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. As the Group strives to meet and exceed international standards for business and human rights, its Global CEO approved revisions to the Global Human Rights Policy in May 2022 to clarify and strengthen its commitment to respect internationally recognized human rights principles laid out in the aforementioned international standards.

The screenshot shows the first page of the Global Human Rights Policy. At the top left is the Bridgestone logo. To its right is the title "GLOBAL HUMAN RIGHTS POLICY". Below the title is a section of text explaining the Group's commitment to respecting human rights and advancing responsible labor practices. This is followed by several paragraphs detailing the Group's approach to upholding human rights principles across its operations, including its commitment to the UN Guiding Principles and various international standards. At the bottom of the page is the Bridgestone logo again.

Global Human Rights Policy

This mission is important to the Bridgestone Group as stakeholders and society increasingly hold businesses, and especially large global organizations, accountable for their specific human rights commitments and actions. The Group proactively incorporates human rights initiatives into its business models and across its value chains, priorities, management policies, and business strategies. With these actions, the Bridgestone Group is creating social and customer value and building trust with stakeholders.

## **Management system**

The Bridgestone Group's commitment to respect human rights is upheld and led by the Global Executive Committee (Global EXCO), the highest-level committee overseeing its business strategy and execution, which is chaired by the Global CEO. Under the direction of the Global EXCO, the Global Sustainability Committee (GSC) organizes the holistic Sustainability Framework, and designs and implements sustainability initiatives, including initiatives related to human rights and labor practices. The Joint Global COO Masahiro Higashi, who serves as the chair of the GSC, directs the Group's sustainability strategy, provides regular updates and proposals to the Global EXCO on significant sustainability initiatives.

As a part of the GSC, the Global Human Rights and Labor Practices Working Group (HRLP WG) is responsible for putting the Group's commitment to uphold the above

internationally recognized human rights principles into practice in each SBU and regional office. The HRLP WG is composed of senior Human Resources leaders from each SBU, supported by dedicated human rights functional resources based in the Group's Tokyo headquarters. The HRLP WG plans and manages human rights initiatives, such as the human rights due diligence process, implementing the Global Human Rights Policy, and assessing, preventing, mitigating and reporting human rights risks related to business conduct. The HRLP WG also collaborates with the Sustainable Procurement Working Group and Environment Working Group to holistically address human rights issues across the value chain. The HRLP WG reports on its progress and plans to the GSC at least quarterly to ensure senior management is consistently informed of all significant human rights developments and initiatives.

## **Goals and KPIs**

To achieve its human rights and labor practices mission, the Bridgestone Group has established goals and KPIs, including:

- Conducting human rights risk assessment surveys in 80% of its operational sites by the end of 2022. Based on the outcome of the assessments, the Group will ensure mitigation plans are in place for 100% of any identified risks by 2023.
- Strengthening its human rights due diligence system and processes throughout its operations. The Group anticipates this commitment to be reflected in improvements in evaluations by several external indices.

## **Initiatives**

### **2021 accomplishments**

As the Bridgestone Group strengthens its human rights due diligence system, it identified salient human rights risks across its global operations through two different risk assessments by independent third-party organizations. These assessments incorporated external industry and geographic human-rights risk data, along with evaluations of the Group's management systems, policies and practices to give a holistic picture of key industrial, geographical, and operational risks to which its business should pay particular attention based on the location and nature of operations conducted at its facilities. Based on the outcome of these assessments, the Group prioritized locations and developed data-driven plans for human rights risk assessments in its operational sites, which

will be conducted in 2022.

Details of the two third-party assessments follow:

1. **Identification of human rights risk exposure through a holistic, risk-scoping project with third-party risk analytics provider [Verisk Maplecroft](#)**

A desktop assessment of the human rights risk exposure across a subset of the Group's owned operational sites was conducted by third-party risk analytics provider Verisk Maplecroft. The list of risk indices assessed in the project included: child labor, decent wages, decent working time, discrimination in the workplace, freedom of association and collective bargaining, indigenous

peoples' rights, migrant workers, modern slavery, occupational health and safety, and right to privacy. Additionally, geographic, political, social, industrial and our operational factors were considered in identifying the operational sites that could be exposed to higher human rights risks. This assessment was utilized to prioritize the Group's due diligence activities based on independently validated risk exposure at its locations across the globe.

## **2. Evaluation of its human rights risks and management system through a risk assessment project with third-party Business for Social Responsibility (BSR), a leading global organization on sustainability**

Internal document reviews and interviews with internal stakeholders were conducted by BSR to evaluate the Bridgestone Group's global human rights risk management system. The methodology of this assessment was aligned with the UNGPs and entailed: 1) desktop review of internal documents and external sources to

clarify potential impacts of its operations; human rights context in relevant geographies; relevant industry standards; and key rights-holders and stakeholders, 2) interviews with relevant company staff across functions and systematic review against the list of human rights risks based on the international standards, 3) assessment of severity and likelihood of impacts, and 4) overall assessment of the management system.

Based on the outcome of these two human rights risk assessments, the Group has identified its salient human rights risks: working hours, non-discrimination and equal opportunity, workplace harassment, forced labor, child labor, and occupational health and safety. These are the human rights domains that the Group believes, based on a combination of geographical, regulatory, industrial and operational factors, have the highest priority across its operations and will be the primary focus in its human rights due diligence process for its own operational sites.

## **2022 Plan**

In 2022, the Bridgestone Group is significantly accelerating its human rights due diligence activities. In cooperation with BSR, the Group will conduct human rights assessments to assess its facilities and to improve overall assessment process and methodology. This work will begin with three in-depth assessments in representative sites across our geographic footprint to identify any actual and potential risks that exist, examine the current risk-management system, and clarify gaps between the current management system and international standards laid out in the UNGPs.

The first in-depth assessment was conducted in March 2022 in the Group's diversified products



plant in Saitama, Japan. The assessment, which did not identify any human rights violations, provided in-depth information about the efficacy of Bridgestone's human rights management system and generated ideas for further refinement of its due diligence process. Additional in-depth human rights assessments, incorporating the knowledge gained from the assessment in Saitama, will be conducted at the Group's tire plant in Indore, India, and its natural rubber plant in Harbel, Liberia.

During the detailed assessments mentioned above, the Bridgestone Group will also test and validate assessment methodologies that can be broadly utilized across its operations. These evaluation methods will be utilized to more broadly assess human rights risks across the Group's global operational sites, with a target for 80% of its operations to complete the survey in 2022. Based on the findings from these assessments, the Group will develop mitigation plans for identified risks as well as improvement measures for its risk management process.

More information on the Bridgestone Group's human rights and labor practices is available [online](#).

# Management Fundamentals for Value Creation

## Compliance, Fair Competition

### Mission

#### Ensure excellence through compliance and integrity.

We build trust with all stakeholders by ensuring that ethical decision-making guides responsible business practices across our operations.

The Bridgestone Group's commitment to ethics, compliance and integrity helps it continuously achieve its Mission of "Serving Society with Superior Quality" and supports its goal of building a best-in-class ethics and compliance program. As stated in the Group's [Code of Conduct](#), its commitment to integrity requires each employee "to hold ourselves and our coworkers to the highest standards in the day-to-day efforts to secure Bridgestone's global success... We must act with integrity in all aspects of Bridgestone's business."

This mission is important as anti-bribery and antitrust activities come under increasing scrutiny, along with other matters such as sexual harassment and data privacy, addressed in the Group's Code of Conduct and [Global Anti-Bribery Policy](#).

In working toward becoming a sustainable solutions company, the policies and other global and regional ethics and compliance programs the Group develops must continue to adapt and evolve to the changing environment and regulatory landscapes.

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### Management system

The Bridgestone Group's global ethics and compliance program consists of a blend of global and regionally based initiatives. It aims to balance global consistency with the flexibility needed to effectively address regional and even local risks that can vary significantly due to a wide range of operations and the variety of geographic, legal and regulatory environments in which the Group operates. Whether at the local, regional or global level, initiatives are guided by the Group's core values and principles and united under a common framework.

The success of any best-in-class ethics and compliance program, including the Bridgestone Group's program, depends on the ongoing and proactive engagement of leaders, managers and supervisors throughout

the organization to help build and sustain a culture of compliance. Board oversight, supervision and engagement have been hallmarks of the Group's ethics and compliance program for many years. The Group also regularly engages executive leaders, managers and supervisors to help ensure that ethics and compliance are at the center of all strategic plans and decisions. Additionally, the Bridgestone Group's Chief Compliance Officer periodically reports the progress of initiatives to the Board of Directors' Compliance Committee, and each region has a Regional Ethics and Compliance Advisory Panel, consisting of senior leaders from different parts of the business, to help advise on the direction of the ethics and compliance program and ensure its effectiveness.

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### Goals and KPIs

To achieve its compliance and fair competition mission, the Bridgestone Group established a number of goals, including:

- Enhancing the antitrust compliance program in each region and making sure it is aligned with global initiatives.
- Engaging employees on ethics and compliance.
- Introducing a compliance management data gathering and collaboration solution.

## **Initiatives**

Following the introduction of the Bridgestone Group's Global Anti-Bribery Policy in 2020, the Group introduced an e-learning course in 2021 to help ensure that employees understand and comply with the policy. It also further engaged leaders in each region in embedding the policy in their operations. Similar work is now underway on an e-learning refresher course for the Code of Conduct that was introduced in 2018.

Going forward, the Bridgestone Group will continue to rely on its compliance management third-party screening tool (and related procedures) to identify bribery and trade compliance risks presented by third parties with which the Group works. It will also continue developing the antitrust compliance program in each region and intends to update the Code of Conduct in 2022.

## **Reporting concerns**

The ethics and compliance program provides multiple channels for employees and others to report allegations of misconduct or wrongdoing, including through the [BridgeLine](#). The BridgeLine is a web-based reporting system and phone hotline operated by third-party specialists that allow employees and others to confidentially and anonymously report

suspected violations of the Code of Conduct or other ethical concerns and questions. Each report is thoroughly investigated, and information is regularly provided to the Board of Directors of Bridgestone Corporation and each of its significant subsidiaries around the world.

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

## **Our Approach to Tax**

The taxes the Bridgestone Group pays are an important part of its broader economic and social impact and play a key role in the development of the communities in which it operates. The Group regards taxes as a cornerstone of its commitment to grow in a sustainable, socially responsible way.

The Group introduced a Global Tax Policy to employees responsible for corporate taxes with the intent to improve its penetration throughout the organization so that an appropriate global tax governance can be introduced to the Group based on the Policy. The Group is evolving its global tax governance structure and continuing to enhance its risk management system to align with society's expectations of responsible companies.

# **Management Fundamentals for Value Creation**

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

### **Mission**

#### **Prevent and mitigate operational risks**

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

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

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

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

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### **Management system**

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

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

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### **Goals and KPIs**

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

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

## **Initiatives**

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

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

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

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

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

The Bridgestone Group supports the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and its recommendations, recognizes climate-related risks and opportunities identified in accordance with the TCFD framework, and is working to reflect and disclose such information in its business strategies. The Group formulated long term environmental vision and mid-term targets toward achieving carbon neutrality and contributing to the realization of a circular economy in light of climate-related risks and opportunities. The Group is working to reduce the risks of transition to a decarbonized society by reducing CO<sub>2</sub> emissions throughout its value chain, while at the same time reducing physical risks through adaptive measures such as diversifying natural rubber supply sources through initiatives to commercialize guayule.

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

## Status of adoption of TCFD recommended disclosures

Recommended disclosures		Risks and opportunities identified by the Bridgestone Group/Status of the Group's response
<b>Governance</b>	Board of Directors' oversight of risks and opportunities	<ul style="list-style-type: none"> <li>The Board of Directors receives and reviews regular reports on the status of sustainability initiatives, including achieving carbon neutrality and contributing to a circular economy.</li> </ul>
	Management's role in assessing and managing risks and opportunities	<ul style="list-style-type: none"> <li>The Global Executive Committee (Global EXCO), the highest level of corporate management, approves and manages the progress of mid-long term strategies, targets and action plans, including achieving carbon neutrality and contributing to a circular economy.</li> </ul>
<b>Strategy</b>	Risks and opportunities over the short-, medium-, and long-term	<p><b>Physical risks and opportunities related to climate change</b></p> <ul style="list-style-type: none"> <li>Risks of stronger typhoons and increased frequency of flooding and drought, which pose the risk of interrupting business activities.</li> <li>Risks related to the procurement of raw materials as a result of changing rainfall patterns leading to poor harvesting of natural rubber.</li> <li>Risk of lower demand for winter tires due to reduced snowfalls.</li> <li>Opportunities to commercialize natural rubber derived from guayule, which grows in arid regions. Risks due to poor harvesting of natural rubber derived from Para rubber trees, which are found predominantly in tropical regions.</li> </ul> <p><b>Risks and opportunities of transition to a decarbonized society</b></p> <ul style="list-style-type: none"> <li>Risk of adverse effects on operating results and financial position, such as limitations on business activities and increased costs, if R&amp;D expenses required to meet the rapidly changing needs of society and customers do not produce sufficient results when systems and regulations to combat climate change are introduced (for example, carbon taxes, CO<sub>2</sub> emission reduction obligations and emissions trading systems, systems and regulations related to low-fuel consumption performance of tires, systems and regulations related to recycling used tires, etc.).</li> <li>Opportunities associated with changes in competitive factors due to changes in mobility needs (for example, increased demand for tires for EVs, increased demand for tires and solutions that help customers reduce CO<sub>2</sub> emissions).</li> <li>Opportunities to commercialize the recycling business resulting from increased regulation around the recycling of used tires.</li> </ul>
	Impact on businesses, strategy, and financial planning	
	Resilience of the organization's strategy taking into consideration different climate-related scenarios	<ul style="list-style-type: none"> <li>The Group is assessing risks and opportunities based on multiple climate-related scenarios. It has already begun to address the important risks and opportunities identified and will continue to do so on a regular basis.</li> </ul>
<b>Risk Management</b>	Risk identification and assessment process	
	Risk management process	
	Integration into the organization's overall risk management	<ul style="list-style-type: none"> <li>The Group strives to comprehensively and appropriately address risks across the operation, including climate-related risks, while considering the business scale, characteristics of business, and region of each Group company. The Group is currently assessing ways to improve its management of business strategy risks directly related to the execution of the Mid-Long Term Business Strategy by setting up a dedicated annual risk management process under the direct leadership of the Global EXCO, while operational risks related to day-to-day operations are overseen by the Chief Risk Officer (CRO), who is responsible for overall risk management and formulating risk response plans.</li> <li>Identifying potential risks faced by each region and the Group as a whole on an annual basis; clarifying ownership for those risks not only for the Group as a whole, but also for each business, SBU and division; and implementing risk management in an autonomous and continuous manner.</li> </ul>
<b>Metrics and Targets</b>	Metrics used to assess risks and opportunities	<ul style="list-style-type: none"> <li>Establishing targets and regularly monitoring CO<sub>2</sub> emissions (CO<sub>2</sub> emissions reduction in Scope 1 and 2, and the reduction contribution of CO<sub>2</sub> emissions throughout the lifecycle and value chain of the Bridgestone Group's products and services) as one of the metrics for assessing and managing climate-related risks and opportunities.</li> <li>Including climate-related risks and opportunities in investment decisions and reinforcing them, such as CO<sub>2</sub> emission costs and reduction benefits from internal carbon pricing.</li> </ul>
	Greenhouse gas (GHG) emissions	
	Targets and performance against targets used to manage climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Setting long term environmental vision (2050 and beyond) and mid-term target (2030) to achieve carbon neutrality and contribute to a circular economy; evaluating and disclosing performance every year.</li> </ul>

Details on the status of response are available online: [TCFD Index / Annual Securities Report "2. Business risks - \(4\) Risks related to climate change"](#)

# Management Fundamentals for Value Creation

## Procurement

### Mission

#### Create value to society through sustainable procurement practices

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

1. Transparency
2. Compliance
3. Quality, cost, delivery (QCD) and innovation
4. Sustainable procurement practices

The Bridgestone Group's sustainable procurement initiatives create long-term environmental, social and economic benefits for stakeholders across its supply chain. This work is grounded in its [Global Sustainable Procurement Policy](#) and aligns with the Bridgestone Group's goal of using 100% sustainable materials<sup>1</sup> by 2050 and beyond. The policy helps identify and evaluate qualified suppliers, promote best practices

and serve as a communication and improvement tool for the industry.

The Group's sustainable procurement mission is important as customers and consumers are ever more interested in the natural rubber supply chain, including human rights and environmental practices, of the rubber the Bridgestone Group sources.

### Management system

Composed of cross-functional members including senior management procurement/sustainability leaders from around the world, the Sustainable Procurement Working Group formulates and deploys the Bridgestone Group's Global Sustainable

Procurement Policy and related plans. It also confirms the progress of global initiatives and activities that are then reported to the Global Sustainable Committee (GSC) and Global EXCO.

### Goals and KPIs

To achieve its sustainable procurement mission, the Bridgestone Group established a number of goals and KPIs, including:

- 100% of Tier 1<sup>2</sup> suppliers will have acknowledged the revised Global Sustainable Procurement Policy by the end of 2022.  
(As of March 31, 2022, 67% of Tier 1 tire material suppliers had done so.)
- 95% or more of its spend basis for the Group's Tier 1 tire material suppliers will have completed an [EcoVadis](#) enhanced ESG risk assessment by the end of 2023.  
(As of March 31, 2022, 95% had done so.)
- 100% of natural rubber Tier 1 suppliers will have completed an EcoVadis enhanced ESG risk assessment by the end of 2022.  
(As of the end of 2021, 94% had done so.)
- 30% of the Group's natural rubber supply chain will be traceable to the smallholder level by the end of 2022.  
(At the end of 2021, 25% was traceable to this level, although this percentage fluctuates seasonally.)

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

<sup>2</sup> Suppliers that supply materials directly to the Bridgestone Group.

- Conducting onsite ESG audits of 21 natural rubber processing facilities and four natural rubber plantations by the end of 2022.
- Establishing the Group's [grievance mechanism](#) for natural rubber supply chain in the first quarter of 2022. The Group will solve social and environmental issues in cooperation with the direct suppliers and a third-party adviser, and will disclose the status of each grievance quarterly.

## Initiatives

In 2021, the Bridgestone Group revised its Global Sustainable Procurement Policy to respond to stakeholders' expectations of contributing toward a carbon-neutral state by 2050 and beyond in light of the Policy Framework of the [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#). This revision mirrors the Group's December 2020 update to its long-term environmental target of achieving a carbon-neutral state by 2050 and beyond, along with its target of reducing total CO<sub>2</sub> emissions by 50%<sup>1</sup> by 2030. The revised policy also includes new requirements for the enhancement of environmentally responsible procurement and respect for human rights. Conflict minerals (see the following page) were also addressed in the revised policy.

Additionally, in February 2022, the Bridgestone Group launched a grievance mechanism for the natural rubber supply chain in partnership with a third party [Earthworm Foundation](#). The Group's grievance mechanism supports the intake of grievances related to social and environmental issues brought by stakeholders against its natural rubber supply chain and aids solving the issues in cooperation with the direct suppliers and Earthworm Foundation in accordance with its Global Sustainable Procurement Policy. As necessary, the Group will coordinate with the grievance mechanism of the GPSNR.

As a leading company in the tire and rubber industry, the Group is focused on continually meeting the increasing sustainability requirements for natural rubber, while also addressing the environmental and social risks arising from this expansion. Therefore, the Group has started to enhance its ESG due diligence for natural rubber supply chain, which has the highest

demand for ESG risk management by external stakeholders. In order to identify and assess ESG risks on its natural rubber supply chain, the Group has utilized [Verisk Maplecroft](#) and EcoVadis. In addition, the Group has prioritized targeted suppliers based on the result of Verisk Maplecroft and EcoVadis scores and conducted on-site ESG audits of those suppliers using a self-assessment questionnaire developed in collaboration with the [WWF Japan](#). If a risk is identified by the audits, the Group will continuously support and develop a plan to prevent/mitigate the risk together with suppliers in order to reduce risks throughout its natural rubber supply chain.



The Bridgestone Group is also accountable for improving the traceability and transparency of the complicated and complex natural rubber supply chain consisting of many complicated layers of raw material dealers, processing plants, rubber product manufacturers and smallholder farmers. To this end, it is working to introduce a new digitized tool in Liberia. In addition, for the Asian region such as Indonesia or Thailand, the Group is developing an online traceability system that collects sourcing information, and is promoting the expansion of ensuring transparency centered on a relatively short supply chain. It also hosts annual supplier conferences to continually convey the importance of sustainability and share best practices.

<sup>1</sup> Baseline year: 2011

## A message from

**Bastien Sachet**  
CEO, Earthworm Foundation



Launching its grievance mechanism in February 2022, Bridgestone has taken a strong step forward for more transparency within its natural rubber supply chain.

A grievance mechanism is a key tool to support companies with the implementation of a responsible sourcing strategy. This tool allows companies to firstly identify and then take appropriate actions to improve environmental and social concerns within their value chain. Moreover, a grievance mechanism goes beyond mitigation; it facilitates the prevention of future grievances through learning from past experiences and creating more collaboration with local stakeholders.

While promoting transparency, Bridgestone builds the foundation to drive positive change within the natural rubber supply chain for all stakeholders including farmers, workers, and local communities, and to reduce deforestation rates. Strong engagement with Bridgestone's direct suppliers will be key for the successful implementation of the grievance mechanism. As such, expected next steps will include socializing this tool with key supply chain partners and ensuring its adaptation for all key sourcing regions where Bridgestone operates directly.

## Tracing conflict minerals

The Bridgestone Group's Sustainable Procurement Policy covers all materials, including conflict minerals (tin, tungsten, tantalum and gold) and cobalt extracted in conflict areas such as the Democratic Republic of the Congo (DRC) and adjoining countries. The Group conducts risk assessments across its supply chain using the reporting templates compiled by the [Responsible Minerals Initiative \(RMI\)](#) alliance consisting of over 400 global corporations and organizations. Bridgestone Group suppliers whose

products potentially contain conflict minerals are required to complete and submit the reporting templates annually.

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

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

# Management Fundamentals for Value Creation

## Quality and Customer Value

### Mission

#### Creating customer value and trust

We are leveraging on a global framework in collaboration with all related Bridgestone entities and stakeholders to proactively identify, prioritize and address customer quality issues in keeping with the intention of our founder to the Group's Mission of "Serving Society with Superior Quality."

Quality is essential to achieve a sustainable society and provide people worldwide with safe and comfortable living through attractive, high-quality products, services and solutions and embodies the "Bridgestone E8 Commitment." The Bridgestone Group established the Quality Mission Statement to engage every employee in contributing to building these high-quality products, services and solutions that exceed customers' expectations through innovation and Kaizen (continuous improvement).

The Quality Mission Statement enables the future direction of the Bridgestone Group and its leadership, based on the spirit of founder Shojiro Ishibashi, by advancing the Group's proud heritage of quality and commitment to continuous improvement. Through employee engagement with continuous improvement and innovation, the Bridgestone Group strives to apply the principles of excellence to achieve superior quality across all businesses globally and throughout the value chain.

The Bridgestone Group puts the safety of its customers and employees first and we endeavor to deliver products, services and solutions with perfect quality.



### Management system

The Bridgestone Group has a Global Chief Quality Officer (Global CQO) and CQOs in all SBUs. Together, they are responsible for product, service and solution quality in their markets. The CQOs guide and support the organization by promoting quality innovation and continuous improvement activities that produce safe, high-performing products that deliver customer value and trust.

In 2017, the Bridgestone Group established the Global Quality Management Committee (GQMC) to strengthen

global governance around the deployment of its quality mission and initiatives in each SBU. The GQMC works as an effective committee to set the global quality strategy, identify global quality challenges and defines solutions leveraging global expertise and resources. In addition, the Bridgestone Group has established an auditing framework to continuously assess the effectiveness of systems and processes to deliver the highest quality products, services and solutions to its customers.

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## **Goals and KPIs**

To achieve its quality and customer value mission, the Bridgestone Group established goals, including:

- Monitoring quality-related items of environmental, social and governance (ESG) evaluations using the industry average as a benchmark and increasing transparency by enhancing information disclosure.

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## **Initiatives**

To achieve the above goal, the Group is promoting the dissemination of the Quality Mission Statement to all employees globally and in each region. The Group is working on a quality assurance system to produce high-quality products that are friendly to the global environment and have little waste in the production process of each business site.

The Group is leveraging its Solution Business Management Guideline developed in 2020 and supporting its journey to become a sustainable solutions company by promoting Bridgestone Tires and Diversified Products as a Solution (Bridgestone T&DPaaS). The guidelines are helping establish strong quality management systems in each SBU as the Bridgestone Group aims to continuously enhance the value it delivers to customers and society in alignment with its strategy.

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## **Bridgestone's DNA, TQM activity**

The Bridgestone Group's long-standing TQM (Total Quality Management) activities have been incorporated into its culture and growth for over 50 years. Employees from all over the world, who have passed rigorous regional qualifiers, have gathered at a global TQM conference for sharing best practices every year since 2010.

In 2021, under the COVID-19 pandemic, the global TQM conference was held with interactive video communication to highlight improvement projects filmed at each site beforehand and distributed to all employees. Sixteen projects from qualifying entries from around the world were shared as model cases.

More information on the Bridgestone Group's commitment to quality and customer value is available [online](#).

# Corporate Governance

## Basic approach

In 2020, Bridgestone Corporation, under the Mission of "Serving Society with Superior Quality," defined its vision of "Toward 2050, Bridgestone continues to provide social value and customer value as a sustainable solutions company." As part of its efforts in working towards the achievement of this vision, the Company has been managing its business in accordance with its Mid-Long Term Business Strategy. The Company is continuing to improve its corporate governance to strengthen internal controls and evolve as a sustainable solutions company.

Bridgestone has been using the Corporate Governance Code as a tool for evaluating its governance policies and systems and has implemented all the general principles, principles and supplementary principles set forth in the Code. The Governance Committee, an advisory committee to the Board of Directors, deliberates and reports on the content of the Corporate Governance Code in reports (Japanese and English versions) and decisions made by the Board of Directors are disclosed on the [corporate website](#).

## Transformation of corporate governance

Bridgestone has made continuous efforts to strengthen its corporate governance structure, including the introduction of Independent Directors in 2010, the establishment of advisory committees to the board between 2013 and 2014, and the adoption of the "Company with Nominating Committee, etc." model in 2016. As part of this ongoing process, the Articles of Incorporation were amended in 2021 to

abolish the full-time position of Chairman and to select a Chairperson of the Board of Directors from among the Independent Directors at a meeting of the Board of Directors to enhance execution and supervisory functions. Please see below for an overview of transformation of Bridgestone's corporate governance to date.

## Milestones in ongoing governance transformation

Ongoing enhancement of governance performance

Year	Oversight	Management and operational execution
2022		Formulate "Bridgestone E8 Commitment" Introduce 2 Joint Global COOs system in Bridgestone Corp.
2021	Abolish the full-time position of "Chairperson" Nominate Board Chair from among independent directors	Commence Mid Term Business Plan Redefine CEO and COO roles as "Global CEO" & "Global COO" respectively
2020	Separate roles of CEO and Chairman of the Board	Commence Mid-Long Term Business Strategy
2018	Restructuring of the Board' s authority (Authority delegation to executive management)	Establish "Global Sustainable Procurement Policy," "Global Human Rights Policy" and "Code of Conduct" Integrate Olympic and Paralympic related business with sports and cycle businesses
2017		Formulate "Our Way to Serve" Global CSR Commitment Refine Mid-term Management Plan formulating process
2016	Adopt new corporate structure: "Company with Nominating Committee, etc."	Establish Global Mining & Agricultural Solution Company Formulate "Quality Mission Statement"
2014	Establish Compliance Committee	Restructure SBUs: BSCAP China + Asia Pacific BSEMIA Europe + ME, Africa, Turkey, & Russia+ India (2020-)
2013	Establish 3 discretionary board advisory committees (Governance, Nomination & Compensation)	Global EXCO
2012		Refine "Safety Mission Statement" Introduce CEO, COO system in Bridgestone Corp.
2011		Refine "Environmental Mission Statement"
2010	Introduce independent members of the Board of Directors	Refine "The Bridgestone Essence"
2006		Introduce CEO, COO system in Bridgestone Americas. Introduce Executive Committees Establish Strategic Business Unit (SBU) organization structure (Followed by a progressive, continuous review of the operational structure)

## Corporate governance system

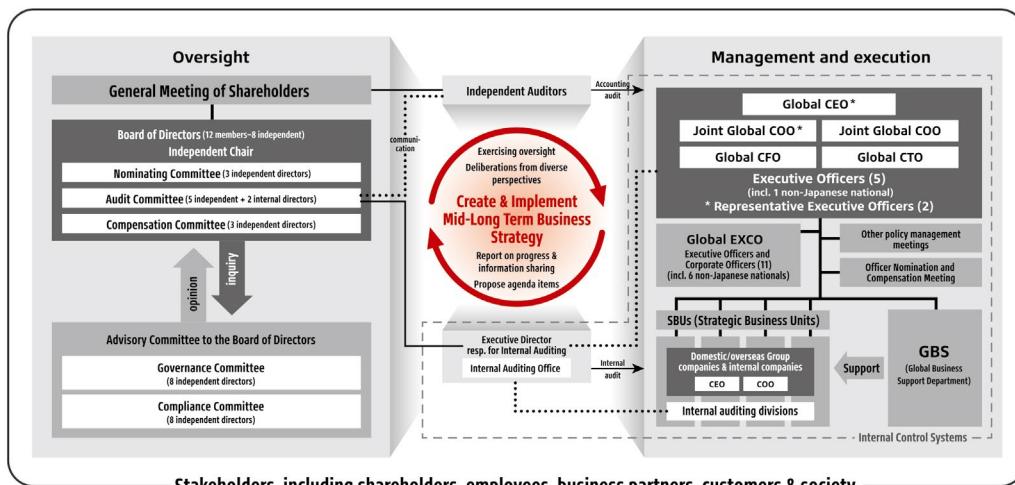
In March 2016, Bridgestone transitioned to the "Company with Nominating Committee, etc." model of corporate governance. The Board of Directors consists of 12 directors, including eight Independent Directors. Appropriate and proactive work is also conducted by the Nominating Committee, Audit Committee and Compensation Committee. The Board of Directors oversees the performance of the Company's executive officers and directors. Furthermore, to strengthen corporate governance transparency, the Governance Committee and Compliance Committee have been established as advisory bodies to the Board of Directors.

The Board of Directors, including these statutory committees (Nominating Committee, Audit Committee, and Compensation Committee) and advisory committees (Governance Committee and Compliance Committee), supervises operating divisions via regular progress reports and information sharing to create a corporate governance system that aims to realize the Mid-Long Term Business Strategy. The Board of Directors and the Audit Committee are comprised of a majority of Independent Directors and the Nominating Committee, Compensation Committee and advisory committees are composed entirely of Independent Directors.

The five executive officers including two representative executive officers, make decisions on the execution of operations delegated by the Board of Directors and assume responsibility for the execution of those decisions, as the Global CEO, two Joint Global COOs, the Global CFO and the Global CTO. In addition, these divisions have adopted a system in which members are collectively responsible for management. These executive officers, as well as persons responsible for major business entities, comprise the Global Executive Committee (Global EXCO). This committee aims to strengthen the checks and balances of the Group by debating and discussing management issues including management strategy and sustainability from a global perspective, which improves transparent decision-making. In addition, each operating division maintains a system for reporting to the appropriate representative officers regarding the execution of duties. This information is also regularly reported to the Board of Directors in a timely manner in order to aid in their deliberations. Collectively, these actions ensure that the Group maintains an effective supervisory function.

Please see below for the Company's corporate governance structure put in place to realize its Mid-Long Term Business Strategy.

## Corporate governance structure



Joint Global COO: Responsible for global operations in two areas: Japan & Asia, Americas & Europe.  
Global CTO: Global Chief Technology Officer  
\*As of May 2022.

## Approach to the composition of the Board of Directors and the roles particularly expected of directors

The Nominating Committee, in selecting candidates for nomination to the board, seeks to maintain diversity and, at the same time, overall balance in board composition with respect to knowledge, experience and skills. Committee members consider business experience and expertise in a wide range of disciplines and fields for Independent Director candidates. Additionally, it is the policy of the Company that the board should

be of sufficient size to enable adequate discussion and deliberation. To ensure the objectivity of external directors, the Company has established its own Independence Standard. Based on the above approach, the Company's Board of Directors has an overall balanced composition with the necessary perspectives to oversee the successful execution of the Mid-Long Term Business Strategy to enhance corporate value.

**Board portfolio skill matrix** (names shown in original Japanese language order)

Name	Executive Officers/ Non-executive Directors/ Outside and Independent Directors	Tenure as Director (Years)	Audit Committee	Nominating Committee	Compensation Committee	Sustainability	Capital, Personnel and Organizational Strategy	Global Experience	Technologies and Innovation	Finance and Accounting	Management Experience at Other Companies	Legal Affairs and Risk Management
Shuichi ISHIBASHI	Representative Executive Officer	2				○	○	○				
Masahiro HIGASHI	Representative Executive Officer	1				○	○	○				
Hideo HARA	Internal / Non-executive	2	○			○		○	○			
Tsuyoshi YOSHIMI	Internal / Non-executive	3	○				○			○		
Yuri OKINA	Outside / Independent	8	○		○	○	○			○		
Seiichi SASA	Outside / Independent	6		○		○				○		
Yojiro SHIBA	Outside / Independent	4		○			○		○	○		
Yoko SUZUKI	Outside / Independent	4		○		○	○				○	
Scott Trevor DAVIS	Outside / Independent	11	○		○	○	○	○		○		
Keikou TERUI	Outside / Independent	6		○		○				○		
Kenichi MASUDA	Outside / Independent	6	○		○		○		○	○		
Kenzo YAMAMOTO	Outside / Independent	6		○					○			○

\*Tenure as of March 23, 2022. \*Outside and Independent Directors are listed in order of the Japanese syllabary.

\*Circles indicate the top three priorities in the expected areas of contribution as a director.

## Evaluating the effectiveness of the Board of Directors

Bridgestone has continuously improved its governance structure, as described in the Transformation of Corporate Governance section above. Building upon these enhancements, the scope of the evaluation of Board effectiveness has been taken to include not only the Board of Directors but also the statutory and advisory committees. Evaluation of the entire scope of board functions (the Board of Directors, statutory committees, and advisory committees) includes the review of all board deliberations and their outcomes and self-evaluations of all directors. The results are discussed by the Governance Committee, which

consists of all eight Independent Directors, and are reported to the Board of Directors. Based on the effectiveness evaluation, the Board of Directors, the statutory committees and the advisory committees identify issues to be addressed, and this process of evaluation, issue identification and implementation is carried out in a one-year cycle, leading to continuous improvement of corporate governance. Please refer to [the 2022 Report on the Corporate Governance Code, Supplementary Principle 4.11.3](#) for the results of the effectiveness evaluation in fiscal 2021.

## Compensation system for executive officers

Compensation for each position and individual director and executive officer is determined by the Compensation Committee, which is composed solely of Independent Directors. In its deliberations the committee considers changes in the business environment, the opinions of shareholders and investors, along with information from third-party human resources and compensation consultants with extensive global experience and knowledge.

The compensation system was revised in 2022, after a series of discussions and deliberations focused on the basic concept and ideal form of compensation

and incentives to achieve management strategies. As a result, the mid-long term incentive portion of variable compensation which previously considered only numerical targets such as consolidated ROIC and ROE, was modified to include an incentive based upon achievements in sustainability and long-term transformation strategies comprising 50% of the mid-long term incentive.

For details on the compensation system, please refer to ["\(4\) Remuneration for Members of the Board and Executive Officers"](#) in the [Annual Securities Report \(103rd Fiscal Period\)](#).

# Board of Directors and Executive Officers

As of May 2022

## Board of Directors



**Shuichi ISHIBASHI**

Member of the Board  
Global CEO and  
Representative Executive Officer



**Masahiro HIGASHI**

Member of the Board  
Joint Global COO and  
Representative Executive Officer



**Scott Trevor DAVIS**

Member of the Board<sup>1</sup>  
Chairperson of the Board of Directors  
Member of the Nominating Committee  
Member of the Compensation Committee  
Chairperson of the Governance Committee



**Yuri OKINA**

Member of the Board<sup>1</sup>  
Chairperson of the Compensation Committee  
Member of the Nominating Committee



**Kenichi MASUDA**

Member of the Board<sup>1</sup>  
Chairperson of the Nominating Committee  
Member of the Compensation Committee  
Chairperson of the Compliance Committee



**Kenzo YAMAMOTO**

Member of the Board<sup>1</sup>  
Chairperson of the Audit Committee



**Keikou TERUI**

Member of the Board<sup>1</sup>  
Member of the Audit Committee



**Seiichi SASA**

Member of the Board<sup>1</sup>  
Member of the Audit Committee



**Yojiro SHIBA**

Member of the Board<sup>1</sup>  
Member of the Audit Committee



**Yoko SUZUKI**

Member of the Board<sup>1</sup>  
Member of the Audit Committee



**Hideo HARA**

Member of the Board  
Member of the Audit Committee



**Tsuyoshi YOSHIMI**

Member of the Board  
Member of the Audit Committee

## Executive officers

<b>Shuichi ISHIBASHI</b>	Global CEO and Representative Executive Officer	
<b>Masahiro HIGASHI</b>	Representative Executive Officer Joint Global COO (In charge of Global OR/AC Business, Japan Business and BSCAP)	Chair of Global Sustainability Committee Concurrently responsible for BSJP Tire Solutions Business and BSJP Tire Business CEO and COO Chairman and Representative Board Member of Bridgestone Tire Solution Japan Co., Ltd.
<b>Paolo FERRARI</b>	Executive Officer Joint Global COO (BSAM, BSEMIA)	Global CSO (Global Chief Business Solutions Officer) BSAM Member of the Board, CEO and President
<b>Masuo YOSHIMATSU</b>	Senior Vice President and Executive Officer	Global CFO (Global Chief Financial Officer)
<b>Masato BANNO</b>	Senior Vice President and Executive Officer	Global CTO (Global Chief Technology Officer) Responsible for Technology, Quality Management

<sup>1</sup> Independent Director

# Stakeholder Engagement

The Bridgestone Group prioritizes engagement with stakeholders as it strives to understand their perspectives and to share its point-of-view. Learnings from stakeholders help inform the Group's business activities as it continues to sustainably grow its business.

Stakeholder Group	The Bridgestone Group Responsibilities	Communication Channels
<b>Customers</b>	<ul style="list-style-type: none"> <li>▪ Developing appealing products/services</li> <li>▪ Providing timely response and support</li> <li>▪ Providing appropriate information</li> <li>▪ Effectively managing customer information</li> </ul>	<ul style="list-style-type: none"> <li>▪ Responses to Customer Communication Center inquiries</li> <li>▪ Analysis, database compilation and internal utilization of customer input</li> <li>▪ Bridgestone Innovation Gallery dedicated to Bridgestone history and innovation initiatives</li> <li>▪ Websites and social media</li> <li>▪ Daily sales and service activities (retail stores, dealer channels, online commerce)</li> <li>▪ Customer satisfaction survey</li> <li>▪ Auto shows and exhibitions</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>▪ Providing appropriate and timely information</li> <li>▪ Maximizing corporate value</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual Shareholders' Meeting</li> <li>▪ Corporate Governance Code Report</li> <li>▪ Corporate Governance Report</li> <li>▪ Financial results review meetings</li> <li>▪ Mid Term Business Plan (2021–2023) and progress updates</li> <li>▪ Investor relations website</li> <li>▪ Reports based on International Integrated Reporting Framework</li> <li>▪ Individual meetings with investors, and ESG dialogue with investors</li> <li>▪ Communications at sustainability-related events</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>▪ Ensuring fair and impartial transactions</li> <li>▪ Communicating Sustainable Procurement Policy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Daily procurement activities</li> <li>▪ Procurement policy explanatory forums/Sustainability seminars</li> <li>▪ Global Sustainable Procurement Policy rollout</li> <li>▪ Discussions with management</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>▪ Respecting human rights</li> <li>▪ Promoting diversity and inclusion, including diverse working styles</li> <li>▪ Developing and utilizing human resources</li> <li>▪ Promoting occupational health and safety, and health and productivity management</li> <li>▪ Facilitating mutual understanding between management and labor</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bridgestone Code of Conduct, Global Human Rights Policy and Global Anti-Bribery Policy</li> <li>▪ Employee engagement survey</li> <li>▪ Personnel evaluation systems and career development consultation</li> <li>▪ Talent matching system (open-posting system and job-matching system)</li> <li>▪ Participation in The Valuable 500, promote appointment and recruitment of female managers</li> <li>▪ Meetings between labor and management</li> <li>▪ In-house newsletters and intranet</li> <li>▪ Town hall meetings</li> <li>▪ Bridgestone Group Awards and other reward systems</li> <li>▪ Internal events related to the Olympic and Paralympic Games</li> </ul>
<b>Local Communities, NGOs</b>	<ul style="list-style-type: none"> <li>▪ Contributing to local communities</li> <li>▪ Preserving local environments</li> <li>▪ Supporting activities in locations with the Bridgestone Group operating sites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Donations and social contributions</li> <li>▪ Facility tours</li> <li>▪ Environmental and safety educational activities</li> <li>▪ Sponsorship and aid for local events</li> <li>▪ Disaster relief support</li> <li>▪ Dialogue and collaborations with NGOs</li> </ul>
<b>Government Agencies, Industry Organizations and Educational Institutions</b>	<ul style="list-style-type: none"> <li>▪ Contributing to the development of a safe and reliable mobile society</li> <li>▪ Supporting educational activities</li> <li>▪ Participating in industry economic impact studies and supply chain assessments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Trade association memberships, committees and conferences</li> <li>▪ Dialogue and collaborations with economic and industry organizations</li> <li>▪ Engagement with government officials</li> <li>▪ Participation in global initiatives on sustainability and environment such as <a href="#">the Tire Industry Project operated under the World Business Council for Sustainable Development</a>, <a href="#">the Global Platform for Sustainable Natural Rubber</a>, <a href="#">Ellen MacArthur Foundation</a> and <a href="#">Business for Nature</a></li> <li>▪ Interaction and exchanges of opinion with municipal government agencies</li> <li>▪ Communication, coordination, and support of industry-government-academia partnerships</li> </ul>

## Bridgestone Group Awards

The Bridgestone Group Awards represent the highest level of recognition within the organization. All Group entities and employees are eligible for the awards. The global management team reviews projects which have committed to realize the Group's vision and Mid-Long Term Business Strategy, and select the most outstanding global initiatives among them to honor their achievements and efforts. Sharing the outstanding initiatives through the Bridgestone Group Awards not only cultivates employee pride, but also plays an important role in raising awareness and fostering a sense of unity among all employees. In this way, the Bridgestone Group Awards amplifies

the expansion of each employee's various initiatives to realize eight Bridgestone-like values stated in the "Bridgestone E8 Commitment," which will expand sustainably like a ripple effect.

The Bridgestone Group Awards 2021 were comprised of four categories: Solutions for Sustainability Business, Value Creation for Society, Value Creation for Customers and Management Fundamentals. Seven projects were presented, including the Honor Award (Special Award).

More information on the awards is available [online](#).

## External evaluation in the sustainability field

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

- Dow Jones Sustainability Asia Pacific Index: Selected as a component of the Dow Jones Sustainability Asia Pacific Index for the 12th consecutive year.
- FTSE4Good Index Series: Selected as a constituent stock of the FTSE4Good Index Series for the fourth consecutive year.
- CDP: Selected for the "Water Security A-List" for its outstanding efforts in response to tackling water security by proactively self-reporting environmental information. Received highest rating in Supplier Engagement Rating and named to the prominent Supplier Engagement Leader for the fifth time for the third consecutive year.
  - CDP Climate Change: A-
  - CDP Water Security: A
  - CDP Supplier Engagement: A





	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 <sup>2</sup>	Unit
	3,790.2	3,337.0	3,643.4	3,650.1	3,507.2	2,994.5	3,246.1	billion JPY
	517.2	449.5	419.0	402.7	343.1	222.9	394.3	billion JPY
	13.6	13.5	11.5	11.0	9.8	7.4	12.1	%
	284.2	265.5	288.2	291.6	240.1	-23.3	394.0	billion JPY
	7.5	8.0	7.9	8.0	6.8	-0.8	12.1	%

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 <sup>5</sup>	Unit
	1,187.8	1,080.6	1,147.8	1,170.5	918.1	762.6	873.0	billion JPY
	197.4	150.6	160.2	153.5	108.8	64.6	117.0	billion JPY
	16.6	13.9	14.0	13.1	11.9	8.5	13.4	%
	1,941.6	1,645.3	1,776.5	1,758.2	1,661.7	1,407.9	1,454.6	billion JPY
	222.5	203.1	187.5	177.8	184.3	139.9	190.6	billion JPY
	11.5	12.3	10.6	10.1	11.1	9.9	13.1	%
	421.7	477.1	559.8	596.1	640.1	564.3	693.9	billion JPY
	21.4	27.7	13.6	11.0	15.0	-17.6	42.1	billion JPY
	5.1	5.8	2.4	1.9	2.3	-3.1	6.1	%
	838.0	621.7	648.8	633.8	462.8	394.6	386.9	billion JPY
	68.2	62.5	62.9	56.7	36.2	24.6	42.0	billion JPY
	8.1	10.1	9.7	9.0	7.8	6.2	10.9	%

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 <sup>5</sup>	Unit
	3,795.8	3,716.0	3,959.0	3,840.2	4,277.0	4,189.3	4,574.9	billion JPY
	2,282.0	2,345.8	2,402.7	2,436.1	2,402.5	2,195.3	2,675.4	billion JPY
	58.2	61.5	59.2	61.9	54.9	51.3	57.5	%
	-	-	-	-	7.4	5.5	9.0	%
	13.3	11.8	12.5	12.4	10.0	-1.0	12.9	%

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Unit
	553.9	444.5	418.1	360.9	505.0	526.9	281.5	billion JPY
	-233.3	-178.2	-200.7	-243.0	-261.9	-155.4	131.7	billion JPY
	320.5	266.2	217.3	117.8	243.2	371.6	413.2	billion JPY

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 <sup>1</sup>	Unit
	253.5	194.1	234.8	268.4	328.2	271.9	262.0	billion JPY
	202.3	188.0	200.3	200.4	269.7	267.5	245.9	billion JPY
	5.3	5.6	5.5	5.5	7.7	8.9	7.6	%
	94.9	95.4	99.7	103.5	106.2	95.2	95.5	billion JPY
	2.5	2.9	2.7	2.8	3.0	3.2	2.9	%

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Unit
	130	140	150	160	160	110	170	JPY

## Non-financial Data

All of the Bridgestone Group's environmental data and a portion of its social data in FY2021 are verified by LRQA Limited (LRQA), a third-party institution, to ensure the accuracy and transparency of this information. See the Bridgestone Group's ESG Data online for complete information including GRI-listed items for each data.

**LEGEND** FY2021 data items in **bold** are those for which assurance is provided by LRQA.

FY2021 data items in *italic* are those reviewed through the verification processes by LRQA.

Environment-related Data <sup>1</sup>	FY2017	FY2018	FY2019	FY2020	FY2021	Unit
<b>Materials</b>						
<b>Amount of raw materials used</b>	5,047	5,233	5,051	4,150	4,611	thousand tonnes
<b>Resource productivity<sup>2</sup></b>	723 (6.40)	698 (6.29)	698 (6.37)	722 (6.98)	704 (6.12)	JPY thousand/tonnes (USD thousand/tonnes)
<b>Ratio of recycled and renewable material<sup>3</sup></b>	—	—	—	37	37	%
<b>(Ratio of renewable material)<sup>3</sup></b>	—	—	—	26	26	%
<b>(Ratio of recycled material)<sup>3</sup></b>	—	—	—	11	11	%
<b>Energy</b>						
<b>Total energy consumption<sup>4</sup></b>	45,838	46,014	45,002	38,311	42,726	thousand GJ
<b>Energy consumption (fuel)<sup>5</sup></b>	26,932	26,881	26,192	22,032	24,668	thousand GJ
<b>Energy consumption (purchased electricity)</b>	4,802	4,929	4,852	4,192	4,654	thousand MWh
<b>Energy consumption (purchased steam)</b>	1,630	1,429	1,382	1,191	1,248	thousand GJ
<i>Energy consumption per unit of sales</i>	1,258 (1,422)	1,261 (1,412)	1,276 (1,398)	1,279 (1,324)	1,316 (1,514)	GJ/JPY 100 million (GJ/USD million)
<b>Renewable energy ratio (electricity)<sup>6</sup></b>	—	4.3	4.7	11.1	16.3	%
<b>Total energy consumption (renewable)</b>	—	885	953	1,767	2,847	thousand GJ
<b>Total energy consumption (non-renewable)</b>	—	45,130	44,049	36,545	39,879	thousand GJ
<b>Water and Effluents</b>						
<b>Total water withdrawal<sup>7</sup></b>	68,685	71,303	68,303	63,744	66,744	thousand m <sup>3</sup>
<b>Water withdrawal (surface water)</b>	3,258	2,926	3,131	2,856	2,729	
<b>Water withdrawal (groundwater)</b>	10,192	10,312	9,708	8,480	9,086	
<b>Water withdrawal (water supply, industrial water)</b>	18,810	18,384	17,619	16,137	17,249	
<b>Water withdrawal (seawater)</b>	36,426	39,681	37,844	36,271	37,678	
<b>Total water withdrawal by manufacturing facilities in water stress areas<sup>8</sup></b>	3,450	3,495	3,208	2,873	2,981	

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

<sup>2</sup> Sales per raw material used.

<sup>3</sup> Within total material weight for tire products including tire casing for retreading.

<sup>4</sup> Calculated by “fuel consumption + purchased electricity + purchased steam + solar power generation, etc. - electricity sold”.

<sup>5</sup> Includes fuels used for in-house power generation.

<sup>6</sup> Calculated by “(purchased electricity from renewable sources + self-generated renewable electricity)/(purchased electricity + self-generated renewable electricity - electricity sold)”.

<sup>7</sup> Water withdrawal does not include the recycled water from a third party and rainwater.

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

Environment-related Data <sup>1</sup>	FY2017	FY2018	FY2019	FY2020	FY2021	Unit
<b>Emissions</b>						
<b>Greenhouse gas emissions (CO<sub>2</sub> Scope 1)</b>	1,871	1,868	1,807	1,504	1,722	thousand t-CO <sub>2</sub>
<b>Greenhouse gas emissions (CO<sub>2</sub> Scope 2, market-based)</b>	2,327	2,263	2,139	1,659	1,664	thousand t-CO <sub>2</sub>
<b>Greenhouse gas emissions (CO<sub>2</sub>, Scope 1 + Scope 2, market-based)</b>	4,197	4,131	3,946	3,162	3,387	thousand t-CO <sub>2</sub>
<b>Greenhouse gas emissions (Scope 3)<sup>9</sup></b>	120,410	125,110	110,378	100,097	113,421	thousand t-CO <sub>2</sub>
<b>NOx emissions<sup>10</sup></b>	2,055	2,041	1,969	1,629	1,839	tonnes
<b>SOx emissions<sup>10</sup></b>	1,141	937	850	603	588	tonnes
<b>Waste</b>						
<b>Volume of waste generated<sup>11</sup></b>	303	352	359	289	293	thousand tonnes
<b>Volume of recycled waste</b>	274	311	308	259	277	thousand tonnes
<b>Recycling waste rate</b>	90	88	86	90	95	%
<b>Volume of waste to landfill</b>	30	41	52	30	16	thousand tonnes
<b>Volume of regulated hazardous waste generated<sup>12</sup></b>	—	20	21	19	20	thousand tonnes
<b>Environmental Management</b>						
<b>Sites with ISO 14001 certification<sup>13</sup></b>	98.7	98.7	98.1	98.0	99.3	%

<sup>9</sup> Category 8, 13 and 15 are excluded from the 15 categories in Scope 3 of the GHG protocol. Due to a partial change in the calculation method, the figures have been updated from those disclosed in the past.

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

<sup>11</sup> Total volume of waste including non-hazardous waste and regulated hazardous waste.

<sup>12</sup> Calculated based on the laws of each country.

<sup>13</sup> Within 139 sites that are targeted for ISO 14001 certification (As of December 31, 2021).

Social-related Data		FY2017	FY2018	FY2019	FY2020	FY2021	Unit
Number of Employees <sup>1</sup>	Total	142,669	143,509	143,589	138,036	135,636	persons
	Japan	28,375	28,793	29,544	29,701	29,223	
	Americas	59,750	58,998	57,054	53,204	52,460	
	Europe, Russia, Middle East, India and Africa	17,510	17,637	18,501	21,935	21,298	
	China, Asia Pacific	37,034	38,081	38,490	33,196	32,655	

<sup>1</sup> Data as of December 31 for each year referenced.

Social-related Data	Region/SBU	Total	Top mgmt. positions <sup>2</sup>				Total mgmt. positions	Other staff and positions	Unit
				Mgmt. positions <sup>3</sup>	Junior mgmt. positions <sup>4</sup>	Total mgmt. positions			
<b>Female Ratio<sup>1</sup></b>	Japan SBU	10.6	1.0	2.4	3.5	2.9	12.2		% %
	Bridgestone Corporation	8.8	0.0	2.4	2.4	2.4	9.8		
	Americas SBU	12.1	26.9	23.4	9.2	13.2	12.0		
	Europe, Russia, Middle East, India and Africa SBU	11.8	19.1	18.8	20.4	20.0	11.0		
	China, Asia Pacific SBU	9.4	11.9	17.0	23.7	22.5	8.5		

<sup>1</sup> Data as of December 31, 2021 from 125,479 employers and employees (92.3% of total workforce). The Bridgestone Group's female ratio is verified by LRQA Limited, a third-party institution, to ensure the accuracy and transparency of this information.

<sup>2</sup> Management positions with a reporting line no more than two levels below the CEO in each company.

<sup>3</sup> All managerial position excluding "Top management positions" and "Junior management positions."

<sup>4</sup> First-line managers, junior managers and the lowest level of management within a company's management hierarchy.

Social- and Governance-related Data		FY2017	FY2018	FY2019	FY2020	FY2021	Unit
Global Executive Committee Members	Total	16	9	14	11	11	persons
	Number of foreign members	8	5	7	6	6	persons
	Percentage of foreign members	50.0	55.6	50.0	54.5	54.5	%
Executive Officers, Vice Presidents and Senior Officers <sup>1</sup>	Total	52	52	60	51	16	persons
	Number of foreign members	12	10	11	9	5	persons
	Percentage of foreign members	23.1	19.2	18.3	17.6	31.3	%
Product Safety	Sites with ISO 9001 certification <sup>2</sup>	99.0	99.3	99.4	100.0	99.2	%
Occupational Safety	Lost-time injury frequency rate of employees and temporary staff	—	—	2.86 <sup>3</sup>	2.57	2.75	—
	Lost-time injury frequency rate of contractors	—	—	1.86 <sup>3,4</sup>	2.31	0.79	
	Serious injury rate of employees and temporary staff	—	—	0.09	0.04	0.08	
	Serious injury rate of contractors	—	—	0.29 <sup>4</sup>	0.19	0.11	
	Occupational illness frequency rate of employees and temporary staff	—	—	—	0.50 <sup>5</sup>	1.32	

Data as of December 31 for each year referenced.

<sup>1</sup> Including officers of Bridgestone subsidiaries.

<sup>2</sup> Bridgestone requires all manufacturing locations in which it has 50% or more share ratio to achieve ISO 9001 certification.

<sup>3</sup> Updated due to revise the scope of data

<sup>4</sup> The data is for six months from July to December 2019.

<sup>5</sup> The data is for six months from July to December 2020.

# Corporate and Investor Information

## ■ Corporate Name

Bridgestone Corporation

## ■ Established

1931

## ■ Head Office

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

## ■ Paid-in Capital

126,354 million JPY (As of December 31, 2021)

## ■ Number of Employees

135,636 (Consolidated, as of December 31, 2021)

## ■ Technical Center

Japan: Tokyo and Yokohama  
United States: Akron, Ohio  
Italy: Rome  
China: Wuxi  
Thailand: Pathum Thani

## ■ Credit Ratings

(As of December 31, 2021)

Rating Agency Name	Long-term Rating
Moody's Japan K.K. (Moody's)	A2
Standard & Poor's (S&P)	A
Rating and Investment Information, Inc. (R&I)	AA
Japan Credit Rating Agency, Ltd. (JCR)	AA+

## ■ Number of Shares Authorized

1,450,000,000 (As of December 31, 2021)

## ■ Number of Shares Issued

713,698,221 (As of December 31, 2021)

## ■ Minimum Trading Units

100 shares

## ■ Transfer Agent

Sumitomo Mitsui Trust Bank, Limited  
4-1, Marunouchi 1-chome, Chiyoda-ku,  
Tokyo 100-8233, Japan

## ■ Independent Auditors

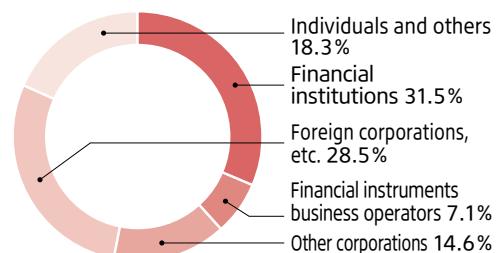
Deloitte Touche Tohmatsu LLC

## ■ Stock Exchange Listings

Tokyo, Fukuoka

## ■ Shareholder Composition

(As of December 31, 2021)



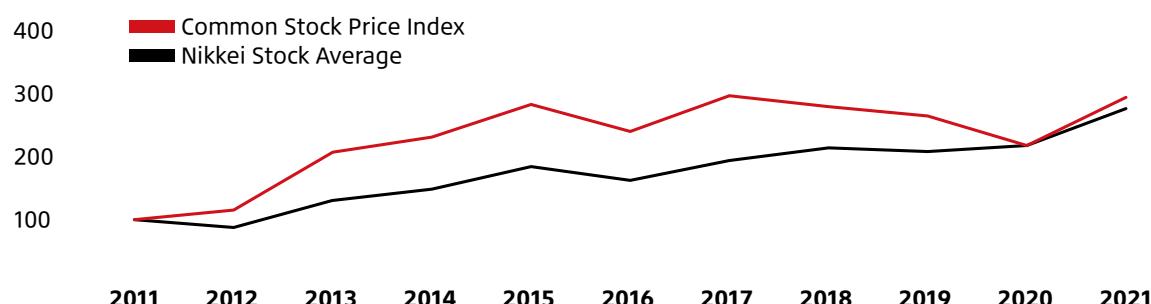
## ■ Common Stock Price Range

(Tokyo Stock Exchange)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Unit
High	2,002	2,245	4,025	4,459	5,182	4,463	5,605	5,515	4,734	4,082	5,467	JPY
Low	1,506	1,602	2,248	3,328	3,754	3,089	3,973	3,906	3,888	2,862	3,307	

## ■ Common Stock Price Index<sup>1</sup>

(Relative to Nikkei Stock Average)



<sup>1</sup> Relative value is based on 100 as of January 4, 2011.



## Bridgestone 3.0 Journey

2022 Integrated Report

### **Bridgestone Corporation**

[https://www.bridgestone.com/contact/form\\_rd\\_04.html](https://www.bridgestone.com/contact/form_rd_04.html)  
Global CEO Office  
IR Department  
Corporate Sustainability Division  
1-1, Kyobashi 3-chome, Chuo-ku, Tokyo 104-8340, Japan

**[www.bridgestone.com](http://www.bridgestone.com)**