



**Sustainability  
Report  
2018**  
Mexico

**Our Way to Serve**

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# Message from the President and Managing Director



Dear reader,

I am proud to present the *Fourth Sustainability Report 2018* for Bridgestone Latin America North (BS-LAN), an action that demonstrates the company's commitment to transparency and accountability.

In 1930, our founder, Shōjirō Ishibashi, undertook to make Bridgestone a company that can *Serve Society with Superior Quality*. Since then, we have understood that a sustainable company is one that is committed to creating value that is shared with its stakeholders and with society.

BS-LAN is a region consisting of different realities, where each market has its own peculiarities that together account for a vast array of opportunities. In terms of business, Mexico is our largest market, followed by Costa Rica—which covers all of Central America and the Caribbean—, and finally Colombia, which is experiencing strong development along with Ecuador.

2018 posed many challenges. In the economic realm, the change of government in Mexico and NAFTA negotiations were important developments, and we analyzed their potential impacts to our industry.

Socially and environmentally, we have come to face one of history's greatest challenges: climate change, a phenomenon that is seriously affecting people's health and safety and causing loss of biodiversity on the planet. In light of this scenario, it is absolutely necessary that all the world's companies actively engage in reducing greenhouse gas emissions. BS-LAN is actively working toward the global corporate target to reduce CO2 emissions by 50% by 2050.

In response to these challenges, in order to continue on the path of building a sustainable company, Bridgestone has a global commitment to Corporate Social Responsibility, *Our Way to Serve*, which across three Priority Areas (Mobility, People, and the Environment) and through six Management Fundamentals, provides guidance on how to improve our economic, social, and environmental performance, to positively impact our stakeholders.

As for **Mobility**, we have committed to making mobility simpler, safer, more accessible, and more integrated. As such, in 2018 we continued to promote a culture of road safety in this region through our *Think Before You Drive* program, which reached 16,403 people (including motorists, university students, and children). We also continued to develop new technologies such as Run-Flat, a tire that allows drivers to continue driving safely in case of a flat.

Regarding **People**, we seek to contribute to solving health, safety, and education problems in our communities. To this end, we have strengthened our corporate volunteering program, which in 2018 called upon 856 volunteers, providing 3,203 hours of charitable work. In addition to other projects, this year, volunteers worked together with Habitat for Humanity to rebuild the homes of 16 families from Tlaquiltenango, Morelos, one of the areas most affected by the 2017 Mexico earthquake.

Finally, as for the **Environment**, this region works constantly toward achieving a sustainable society. Llantatón is one of our main community programs, and its goal is to promote recycling and reuse of end-of-life tires, thereby eliminating sites for outbreak of infection. 101 tonnes of end-of-life tires were collected in Costa Rica as well as 47 tonnes in Mexico. Waste management has also been a key part of our company's environmental strategy. At our Mexican plants we achieved a beneficial reuse rate of 96% in Cuernavaca and 99% in León, while at the Heredia plant in Costa Rica we achieved a rate of 97%.

One achievement that fills us with pride in our region is the recognition we received for our responsible internal management when we were awarded *Great Place to Work* certification in Mexico, Costa Rica, and Colombia, standing out as an employer that offers a positive organizational culture, respect for diversity, and benefits for its employees.

As the leader of BS-LAN, I am aware that we must act in congruence with the international agenda through local actions that drive harmonious growth and greater opportunity. For this reason, we incorporate the United Nations Sustainable Development Goals (SDGs) as an active part of our management, by defining goals and objectives to create a positive impact, as reflected in this report.

The changing reality we face each day requires that we acknowledge that the results obtained would not have been possible without the commitment, experience, and desire for self-improvement of all the people who are part of BS-LAN today. I would like to thank all our employees, customers, suppliers, and other stakeholders for their trust and for helping to ensure that Bridgestone fulfills its mission to *Serve Society with Superior Quality*.

Alfonso Zendejas  
President and Managing Director  
Bridgestone Latin America North (BS-LAN)





# Bridgestone Corporation



## Corporate Philosophy

Bridgestone's corporate philosophy offers a guide to building better products as well as better communities.

Bridgestone's mission, values, and commitment to sustainability and innovation define who we are, driving us to remain the global leader in tire technology and diversified products.

### Mission

Bridgestone's mission came about as a result of the commitment of its founder, Shojiro Ishibashi, to *Serve Society with Superior Quality*.

Since beginning as a small tire supplier in Japan in 1930, and through the present day as a leading global company, Bridgestone has always worked with the conviction that it can make the world a better place. At a time when others were focused primarily on generating profits, Shojiro Ishibashi believed that a company that contributes to society will always be successful.



Shojiro Ishibashi, Fundador

## The Bridgestone Essence

To achieve its mission, Bridgestone has established a set of shared values called Foundations, which demonstrate our commitment to providing customers with products and services of the best quality while giving back to the communities in which we operate. The Bridgestone Essence is comprised of the philosophy of the company's founder, our corporate culture, and the diversity that the company has achieved.

### The Bridgestone Essence

Mission

Serving Society with Superior Quality

Foundation

Seijitsu-Kyocho  
[Integrity and Teamwork]

Shinshu-Dokuso  
[Creative Pioneering]

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

Jukuryo-Danko  
[Decisive Action after Thorough Planning]



# In Figures

Corporate Office: **Japan**

Regional Headquarters:

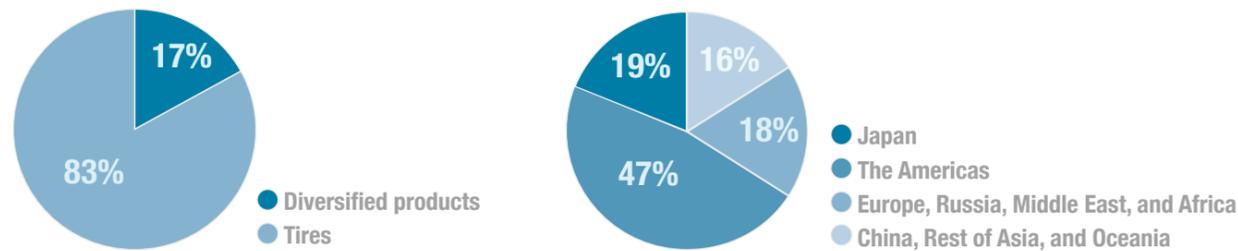
- ▶ The Americas
- ▶ Europe, Middle East, and Africa
- ▶ China, Asia and Oceania



▶ **143,509 employees<sup>(1)</sup>**

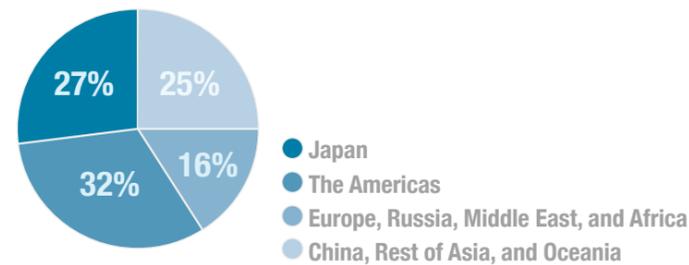
**Sales<sup>(2)</sup>: USD 32.883 billion<sup>(3)</sup>**

Sales by Business Segment and Market<sup>(4)</sup>:



Tire Production<sup>(5)</sup>:

**Total:**  
**1,86 million tonnes**



**Research and Development Investment<sup>(6)</sup>: USD 932.8 million**

For further information on financial results of the Bridgestone's Corporate Headquarters please visit:  
<https://www.bridgestone.com/ir/financialdata/index.html>

(1), (2), (4) and (5) As of December 31, 2018.  
(3) and (6) Based on the rate of ¥111.00 to USD\$1.00, the approximate year-end rate.

# Corporate Governance

The Bridgestone Corporate Group has a global governance structure that allows it to maintain transparency and trust with its stakeholders.

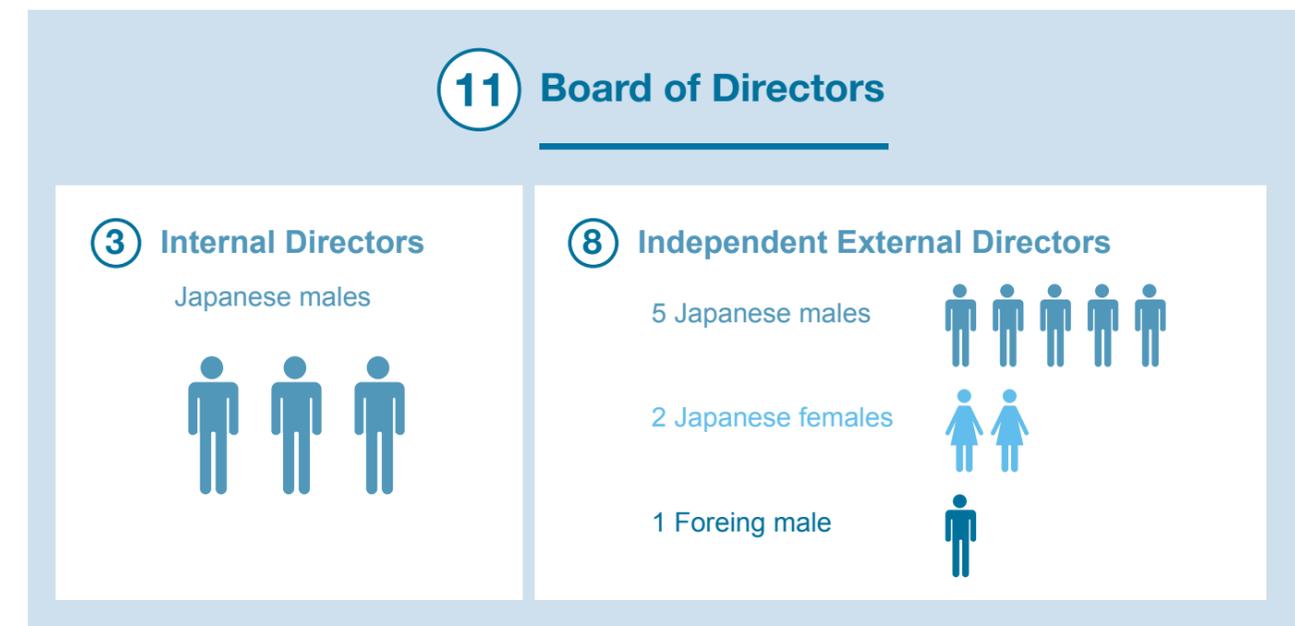
Bridgestone's Board of Directors is the Company's highest governing body. The Board is comprised of eight outside directors and three internal directors.

The CEO, COO, and executive officers report to the Board of Directors and are ultimately responsible for Bridgestone's performance. In order to implement the Board's most important strategic decisions, the Company has established a Global Executive Committee that is comprised of key executives from across the global organization that determines and oversees implementation of these policies and strategies.

# CSR Governance

The CEO is responsible for the Company's Global CSR Commitment, *Our Way to Serve*. An Executive Vice President and Executive Officer of Bridgestone Corporation leads the Company's CSR strategy, engaging Global Executive Committee members, Strategic Business Unit presidents, members of the Global CSR Enhancement Committee, the Global Quality Management Committee, and Bridgestone employees worldwide.

For further information on Bridgestone's corporate governance system, please refer to the:  
<https://www.bridgestone.com/corporate/governance/>



# Global Corporate Social Responsibility (CSR) Commitment

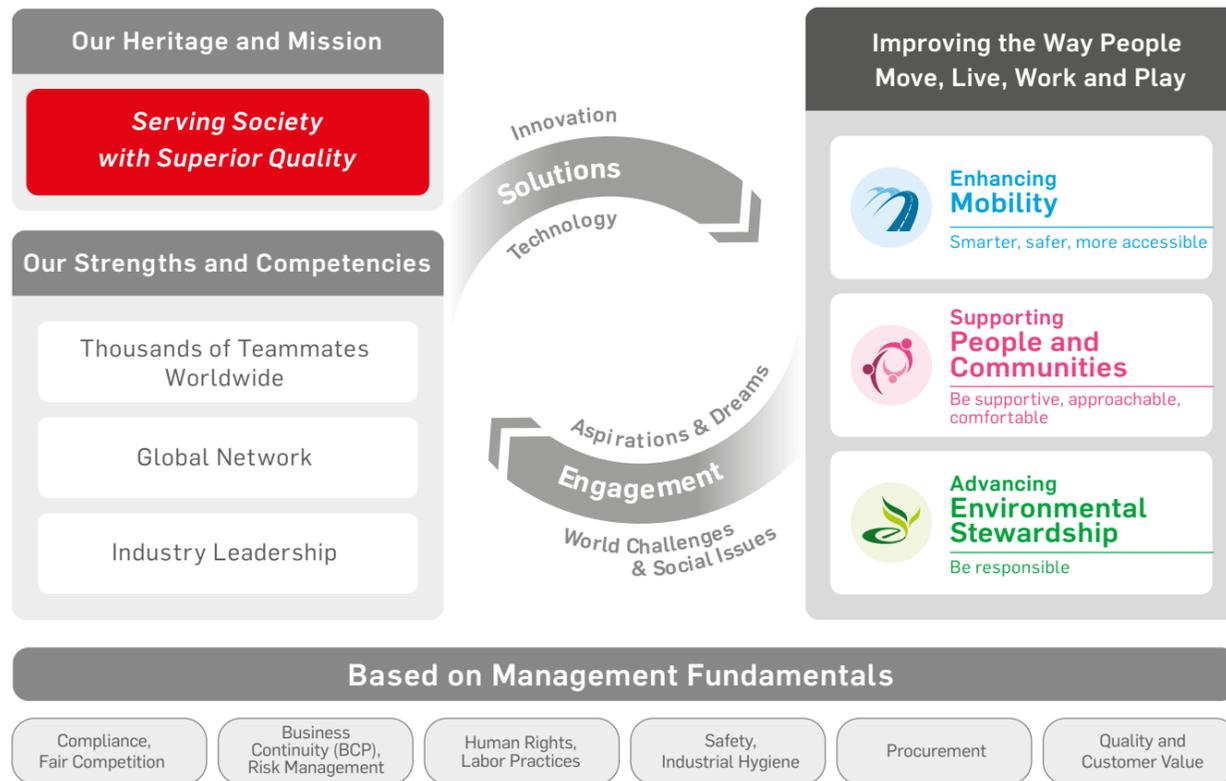
Created in 2017 and launched around the world, *Our Way to Serve*, the Bridgestone's Corporate Social Responsibility (CSR) Commitment, focuses on three Priority Areas—Mobility, People and Environment—that help improve the way people move, live, work and play.

These commitments are underpinned by six Management Fundamentals that articulate the high expectations the Group has for operating as a responsible business.

## Vision

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

## Our Way to Serve



For further information on Bridgestone's Corporate Social Responsibility Commitment, please refer to the 2018 Bridgestone Sustainability Report:

[https://www.bridgestone.com/responsibilities/library/pdf/Sustainability\\_Report\\_2018\\_E\\_all.pdf](https://www.bridgestone.com/responsibilities/library/pdf/Sustainability_Report_2018_E_all.pdf)





Bridgestone Latin America North (BS-LAN) is a business unit that integrates manufacturing and sales operations of subsidiaries in Mexico, Costa Rica, Central America and the Caribbean, Colombia, and Ecuador, and BS-LAN in turn is a subsidiary of Bridgestone Americas, Inc. (BSAM) and Bridgestone Headquarters in Japan.

BS-LAN manufactures and markets a wide range of tires from the Bridgestone, Firestone, and other associated brands, in order to meet the needs of varied customers: end consumers, manufacturers of original equipment, transportation companies, and agricultural businesses. Likewise, it has operations that focus on retreading tires for buses and trucks.

## In Figures

Corporate Office:

Mexico City, Mexico

Plants:

2 tire production plants

• Cuernavaca, Morelos, Mexico

• Belen, Heredia, Costa Rica

1 tire retreading plant

• León, Guanajuato, Mexico

Production:

► Daily production:  
27,592 tires

10,886  
Costa Rica



16,706  
Mexico

► Annual tire production:  
9,372,281 tires

3,723,095  
Costa Rica

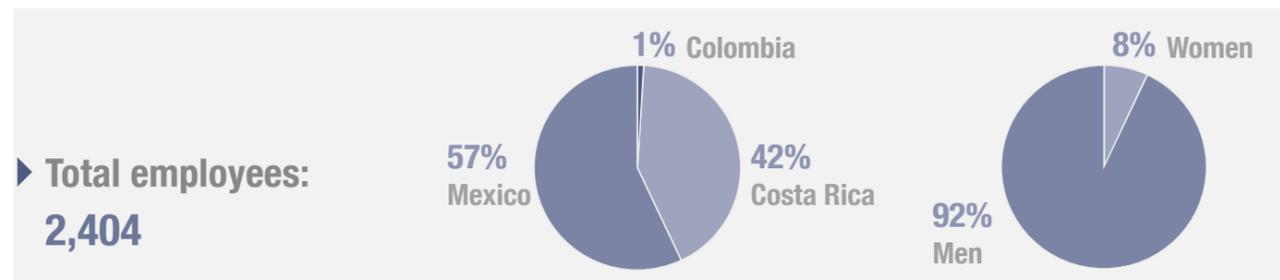


5,649,186  
Mexico

► Tire retreading annual production: 9,358 tonnes

# Bridgestone Latin America North (BS-LAN)





## Bridgestone Latin America North (BS-LAN) Governance

This governing body is comprised of senior officers and managers, who are tasked with ensuring that the organization develops sustainably in a manner consistent with the vision that characterizes Bridgestone Americas and the Bridgestone Corporation.

The directors report directly to Bridgestone Americas and/or to the regional headquarters, applying the same international systems and quality standards in order to standardize and integrate operations and to foster compliance with the applicable regulations in each country.

### Management Committee

|                  |   | Men | Women |  |
|------------------|---|-----|-------|--|
| 59<br>Mexico     | President   | 1   |       |  |
|                  | Directors   | 6   | 2     |  |
|                  | Deputy directors, managers, or area representatives | 44  | 6     |  |
| 4<br>Colombia    | Directors   | 1   |       |  |
|                  | Deputy directors, managers, or area representatives | 3   | 1     |  |
| 31<br>Costa Rica | Directors   | 4   |       |  |
|                  | Deputy directors, managers, or area representatives | 26  | 1     |  |



## Products and Services

In Mexico, Bridgestone develops, manufactures, and sells a wide variety of specialized products for different industries and means of transport through its Bridgestone, Firestone, and other associated brands.

### Tires

Bridgestone Mexico manufactures and markets tires for cars and vans, and sells tires for trucks, buses, construction and mining vehicles, industrial and agricultural machinery, and motorcycles.

### Retreading

Bridgestone Mexico plays a major role in the high-mileage tire retreading industry, offering technology, expertise, and support to the truck and bus market through its Bandag brand. The tire retreading system increases the lifespan of tires, which is why it plays a fundamental role not only managing vehicle fleets but protecting the environment, preventing hundreds of tires from being dumped in rivers or landfill sites.

### Golf Products

Bridgestone Mexico sells a wide range of golf balls, clubs, accessories, and apparel.

# Bridgestone Mexico



# Awards and Certifications



| Awards 2018   | Organization                            |
|---|---|
| Companies with Sustainable Footprint - Bandag Plant, León | Guanajuato State Government             |
| Delivery Award (Excellence Provider)                      | Mazda Motors Vehicles Operations (MMVO) |
| CSR Award - Bridgestone Mexico (12 years)                 | Mexican Center for Philanthropy         |
| CSR Award - Bandag Plant (5 years)                        | Mexican Center for Philanthropy         |
| Family-Responsible Company - Cuernavaca Plant             | Secretariat of Labor and Social Welfare |
| Family-Responsible Company - Headquarters                 | Secretariat of Labor and Social Welfare |
| Master of Quality Buses Award - Mexico                    | Daimler Buses Mexico                    |

| Certifications 2018                      | Organization   |
|--|--|
| Great Place to Work 2017-2018            | Great Place to Work Institute                        |
| IATF 16949 - Cuernavaca Plant            | International Organization for Standardization (ISO) |
| IATF 16949 - Bandag Plant, León          | International Organization for Standardization (ISO) |
| Clean Company 2018 - Bandag Plant, León  | Federal Government's Environmental Protection Agency |
| ISO 14001 2015-2018 - Cuernavaca Plant   | International Organization for Standardization (ISO) |
| ISO 14001 2015-2018 - Bandag Plant, León | International Organization for Standardization (ISO) |
| ISO 9001:2015 - Cuernavaca Plant         | International Organization for Standardization (ISO) |
| ISO 9001:2015 - Bandag Plant, León       | International Organization for Standardization (ISO) |



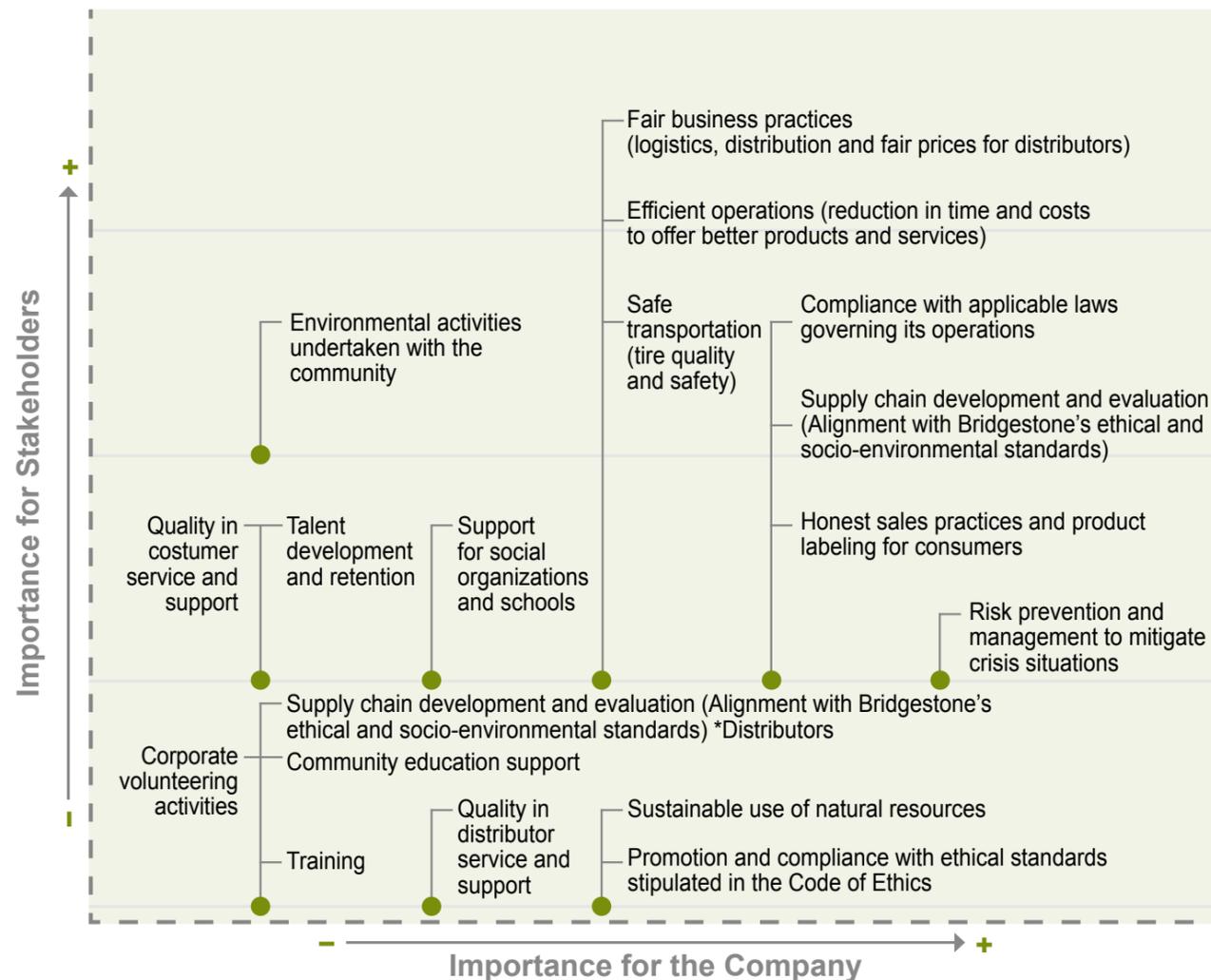
# Material Issues

Bridgestone Mexico conducted a materiality analysis in order to understand its stakeholders' expectations and prioritize them based on their importance and influence.

This analysis shows a series of relevant issues that help the company to make assertive decisions regarding its stakeholders.

Through its three Priority Areas and its six Management Fundamentals, the company works on these material issues, measures its results, and establishes future commitments to minimize potential negative impacts and reinforce the positive ones.

Materiality Matrix



# Contribution to the Sustainable Development Goals (SDGs)

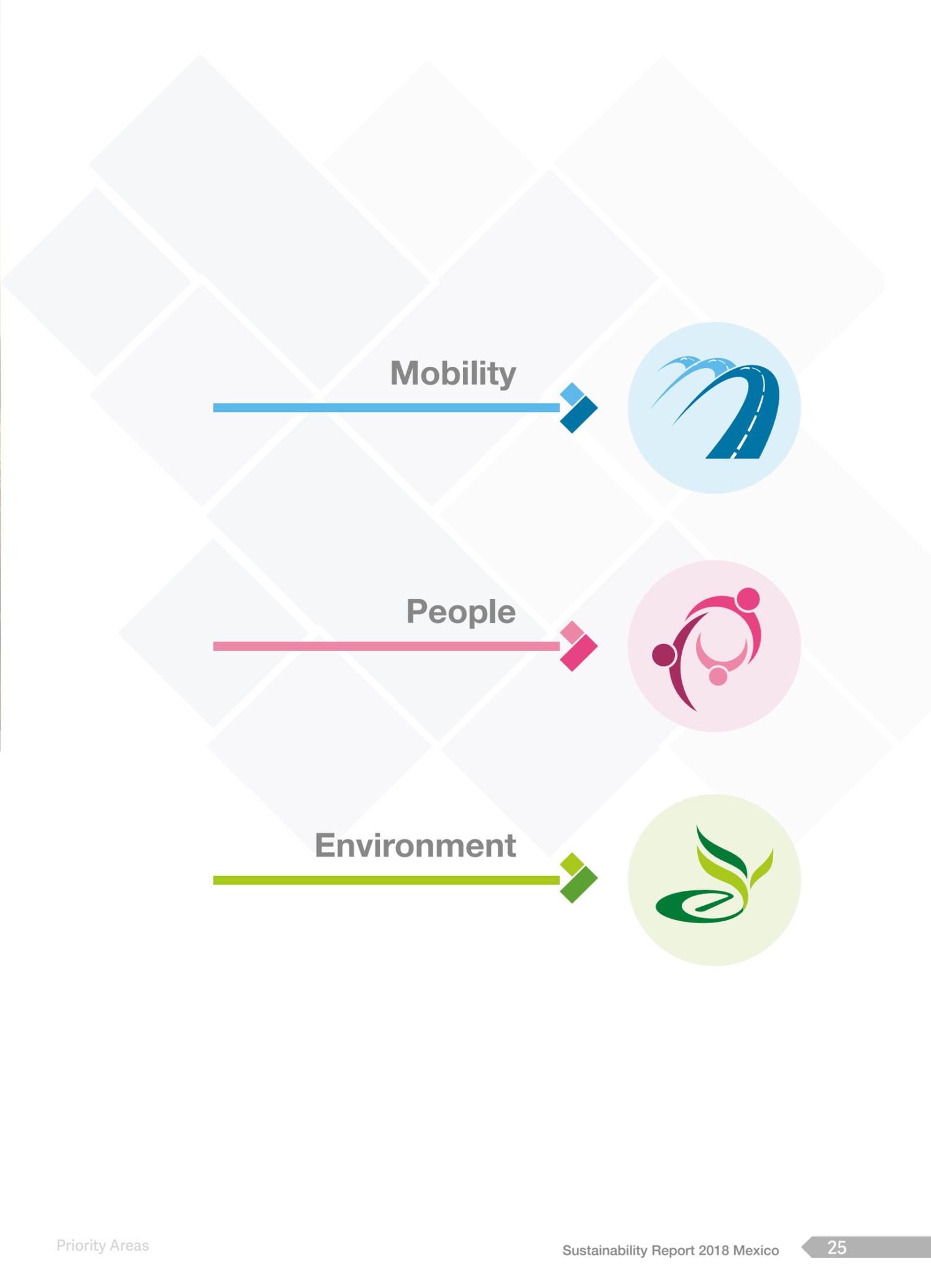
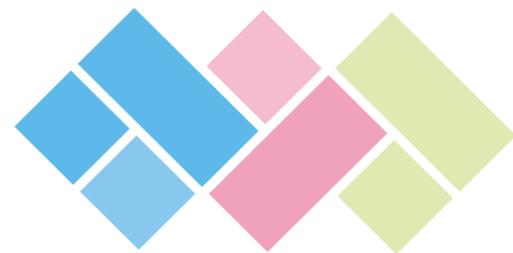
In 2015, all countries comprising the United Nations approved the 2030 Agenda for Sustainable Development, which consists of 17 goals and 169 targets in five areas: people, prosperity, planet, peace, and partnership.

Bridgestone Mexico is committed to the Sustainable Development Goals and has identified its contribution as follows:

| Related SDGs  | Bridgestone Priority Areas and Management Fundamentals   | Examples of Existing Work Contributing to SDGs Targets   |
|---|--|--|
| <b>Mobility</b>   |  |  |
|     | <ul style="list-style-type: none"> <li>Accessible Mobility</li> <li>Smart Mobility</li> <li>Safe Transportation</li> </ul>   | <ul style="list-style-type: none"> <li>Run-Flat Tires (3.6)</li> <li>Think Before You Drive Campaign (3.6)</li> </ul>  |
| <b>People</b>   |  |  |
|      | <ul style="list-style-type: none"> <li>Contributing to a Safer Society</li> <li>Accessible and Inclusive Education</li> <li>Promoting Healthier Communities</li> </ul> | <ul style="list-style-type: none"> <li>Back to School (4.1)</li> <li>Building of Houses with Habitat for Humanity (9.1)</li> <li>Bridgestone Christmas (1.1)</li> </ul>  |
| <b>Environment</b>  |  |  |
|      | <ul style="list-style-type: none"> <li>In Harmony with Nature</li> <li>Value Natural Resources</li> <li>Reducing CO2 Emissions</li> </ul>                              | <ul style="list-style-type: none"> <li>Efficient Use of Water Resources (6.4)</li> <li>Use of a Biomass Boiler (7.2)</li> <li>Correct Disposal of Waste (12.5)</li> <li>Llantatón (12.5)</li> <li>Environmental Certifications (13.2)</li> <li>Reforestation (15.2)</li> </ul> |
| <b>Management Fundamentals</b>  |  |  |
|     | <ul style="list-style-type: none"> <li>Compliance, Fair Competition</li> </ul>   | <ul style="list-style-type: none"> <li>Global Code of Conduct and Ethics Training (16.5)</li> <li>Partnerships (17.17)</li> </ul>  |
|    | <ul style="list-style-type: none"> <li>Business Continuity (BCP), Risk Management</li> </ul>   | <ul style="list-style-type: none"> <li>Crisis Management Program (16.6)</li> </ul>   |
|     | <ul style="list-style-type: none"> <li>Human Rights, Labor Practices</li> </ul>  | <ul style="list-style-type: none"> <li>Diversity Committee (5.1)</li> <li>Training and Talent Development of Employees (8.5)</li> </ul>  |
|     | <ul style="list-style-type: none"> <li>Safety, Industrial Hygiene</li> </ul>   | <ul style="list-style-type: none"> <li>Global Sustainable Procurement Policy (12.2)</li> <li>Safety Mission Statement (8.8)</li> </ul>   |
|    | <ul style="list-style-type: none"> <li>Procurement</li> </ul>  | <ul style="list-style-type: none"> <li>Política Global de Compras Sostenibles (12.2)</li> <li>Supplier Training, Development, and Evaluation (12.2)</li> </ul>   |
|    | <ul style="list-style-type: none"> <li>Quality and Customer Value</li> </ul>   | <ul style="list-style-type: none"> <li>Distributor Evaluation and Development (12.2)</li> </ul>  |



# Priority Areas





Material issues addressed

• Safe Transportation (Tire Quality and Safety)

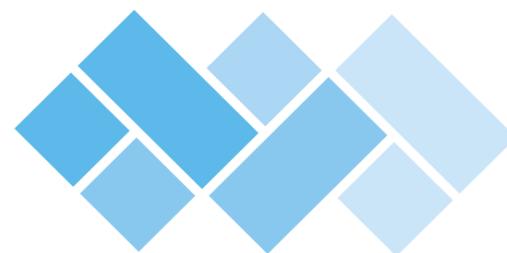
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103-1, 103-2, 103-3



In the fast-changing world of mobility, the Bridgestone Group is pioneering solutions that benefit end-users, customers, and society. High-performance Mobility can improve quality of life in cities with better public transportation, reduced congestion and traffic-related accidents, and increased accessibility.

# Mobility



## Accessible Mobility

Making smooth and seamless mobility available.



## Smart Mobility

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



## Safe Transportation

Utilizing unique technologies to enhance safe mobility.



## Smart Mobility

### Run-Flat Technology

Bridgestone's Run-Flat technology allows travelling up to 80 kilometers per hour (50 miles) to a safety place after a puncture.

A reinforced material inside the walls of the tires allows a flat Bridgestone tire to continue carrying the weight of the vehicle after total loss of pressure.

Once the tire is punctured, the driver will feel no difference when driving, but thanks to the air pressure sensor, the car's computer will notify the driver using an indicator light.



## Safe Transportation

Bridgestone Mexico promotes a culture of road safety in the country. According to figures from the Pan American Health Organization<sup>(7)</sup>, Mexico ranks seventh worldwide regarding injuries and deaths caused by traffic accidents—with an average daily deaths of approximately 55 people due to road collisions.

Through different programs, Bridgestone contributes to raising awareness in society of the importance of road safety.

### Think Before You Drive

Each year, Bridgestone Mexico conducts the Think Before You Drive campaign, which is designed to raise awareness among drivers regarding the most important actions to consider when driving, thereby promoting a culture of safe transport in the country.

There are three modalities of the Think Before You Drive campaign, each based on specific audiences and seasons:

- ▶ **Think Before You Drive for University Students:** Activities simulating vision distortion are carried out to raise awareness among young people about the loss of motor skills and coordination that occurs under the influence of alcohol or drugs. Also, tire pressure and conditions are checked for free.
- ▶ **Think Before You Drive for Kids:** Interactive road safety plays are performed, which are mainly addressed to elementary school children who will one day be drivers.
- ▶ **Think Before You Drive for Vacations:** Tire pressure and conditions are checked for free, handing out informational brochures with road safety tips at gasoline stations during the main vacation periods: Holy Week and summer.

<sup>(7)</sup> [https://www.paho.org/mex/index.php?option=com\\_content&view=article&id=552:mexico-ocupa-septimo-lugar-nivel-mundial-muertes-accidentes-transito-ops&Itemid=0](https://www.paho.org/mex/index.php?option=com_content&view=article&id=552:mexico-ocupa-septimo-lugar-nivel-mundial-muertes-accidentes-transito-ops&Itemid=0)

## Seguro Llegas (Get There Safely)

This is a unique road safety campaign aimed at transport and shipping companies. Its purpose is to provide accident prevention information and recommendations in three key areas:

1. Avoiding driving while tired
2. Promoting proper maintenance of vehicles
3. Encouraging regular review of tire conditions

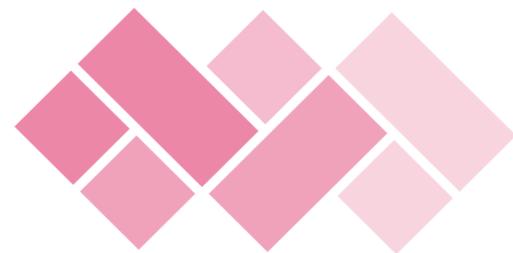
### Road Safety Campaigns

| Think Before You Drive for Vacations                     | Think Before You Drive for Kids            | Think Before You Drive for University Students |
|--|--|--|
| 3 programs conducted at gasoline stations of Mexico City | 7 programs conducted at elementary schools | 6 universities                                 |
| 160 free tire checks                                     | 1,317 children benefited                   | 4,000 student beneficiaries                    |
| 410 informational brochures delivered                    | 20 volunteers                              | <b>Seguro Llegas (Get There Safely)</b>        |
| 1,230 beneficiaries                                      |  | 3 fleets                                       |
|  |  | 35 free truck tire checks                      |





# People



Material issues addressed

- Development of Volunteering Activities.
- Community Education Support.
- Social Organization and School Support.

GRI

103-1,  
103-2,  
103-3



Bridgestone Corporation strives to make a positive impact on the communities where it operates worldwide. The company is delivering on its People commitments by investing in a safer society, supporting accessible and inclusive education, and promoting healthier communities.



## Contributing to a Safer Society

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



## Accessible and Inclusive Education

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



## Promoting Healthier Communities

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



## Contributing to a Safer Society

### Volunteering

One of the ways that Bridgestone Mexico supports communities is through its Corporate Volunteering program, which operates in four modalities:

**Assistance Volunteering:** Directs philanthropic support to communities, generating resources and fundraising.

**Volunteering at Events:** Activities that generate a positive impact through implementation or maintenance of infrastructure and related donations.

**Skill-Based Volunteering:** Encourages the participation of volunteers through transfer of skills and abilities to beneficiaries.

**Entrepreneurial Volunteering:** Promotes leadership and entrepreneurship among employees through execution of the volunteer's own projects with the program's advisory.

- ▶ **320** volunteers
- ▶ **842** volunteer hours
- ▶ **89,663** people benefited



## Reconstruction of Houses

Bridgestone is committed to create safer communities through individual and corporate services, products, and initiatives. Therefore—and considering the aftermath of the September 2017 earthquake in Mexico—the company conducted an analysis and assessment process of the situation in order to determine the best options to help the communities where it operates.

A plan to support victims was implemented in two dimensions:

### ▶ Supporting employees of the Cuernavaca Plant

It was found that homes of 25 employees of the Cuernavaca plant suffered serious damage and/or total loss by the earthquake. The company provided them with economic donations through electronic purses.

Likewise, employees of the headquarters of Mexico City and Bridgestone Costa Rica organized a volunteer fundraising campaign that lasted a month—granting a direct donation to 49 affected colleagues.

### ▶ Partnership with Habitat for Humanity Foundation, Mexico

Bridgestone and Fundación Hábitat para la Humanidad México A.C. developed a partnership project in which—thanks to the donation of \$161,000 USD—16 permanent, safe, and decent houses were rebuilt for families from Tlalquitenango, Morelos, one of the municipalities that were more affected by the earthquake.

Such project was developed in four main phases:

1. **Identification of Beneficiary Families:** Together with the foundation's social workers, **16 families** in vulnerable situations were selected, resulting in at least **56 people directly benefited**. Families with disabled and seniors were prioritized.
2. **Land Preparation and Onset of House Reconstruction:** Habitat and its team of architects started to be in contact with each family to clean the land, organize the partnership work, and start the foundations and layout of the houses pursuant to the specific needs of each family.



3. **Volunteer Days:** As part of the project implementation and with the purpose of generating greater benefits for the affected families, a group of 30 volunteers from Bridgestone Mexico, including employees and family members, contributed to the progress of the work of different houses. Also, they learned some of the basic processes of preparation and construction of housing such as casting, foundations, or pasting bricks/blocks to build walls.
4. **Official Delivery of Houses:** The project was completed in August 2018. 16 families received keys of their houses during an event headed by the President and Managing Director of Bridgestone Latin America North, attended by the beneficiary families, municipal authorities, the media, volunteers, and managers of the company. At the end of the event, both beneficiaries and the executives of the company celebrated the completion of the project.

▶ 30 volunteers

▶ 56 beneficiaries

▶ 232 volunteer hours

▶ 16 houses built





## Accessible and Inclusive Education

Education is one essential to improving quality of life and contributing to the building of a more sustainable society. Inclusive and accessible education is one important way to provide communities with the tools necessary to develop innovative solutions for the world's greatest problems.

### Back-to-School Campaign

To follow up on the house building program in the community of Tlaquiltenango Morelos, Bridgestone Mexico supported the Celerino Manzanares school, located in such community, with donations of school supplies for the start of the school year.

Thanks to the Club de Fútbol América support, a special activity was made to complement the delivery of school supplies with the presence of América's mascot—a very entertaining day for children.

- ▶ Place: **Celerino Manzanares School**
- ▶ **150** elementary school children benefited
- ▶ **150** school supply kits delivered



## Promoting Healthier Communities

Bridgestone Mexico promotes initiatives to contribute to creating healthier and more prosperous communities in low income areas.

### Bridgestone Christmas

Every year, Bridgestone Mexico organizes a Christmas campaign, bringing happiness to those most in need. In 2018, Bridgestone Mexico employees—through the Save the Children organization—had the opportunity to spend time with 63 children from the Lucecita Human Development Center. The children received food supply kits and presents.

- ▶ **63** children benefited
- ▶ **17** volunteers

### Benefiting Vulnerable Children

Every year, Bandag Mexico makes an annual donation on behalf of Asociación Leonesa de la Familia del Niño A.C., in order to contributing to the 35 children living in this children's home, through nutrition, education, and recreation programs.





# Environment



With the social and environmental impact of climate change, resource depletion, and biodiversity loss becoming more pronounced, Bridgestone Corporation has established a framework to address these challenges and to contribute to ensuring a healthy environment for current and future generations.



## In Harmony with Nature

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



## Value Natural Resources

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



## Reduce CO2 Emissions

To continually reduce emissions of greenhouse gases, including CO2 from our products' complete lifecycle.



## In Harmony with Nature

Bridgestone Mexico seeks to promote a balance between human activities and respect for nature. To this end, it organizes activities to preserve biodiversity while also raising awareness among communities.

### 2018 Llantatón

The purpose of this program is to encourage the recovery and reuse of end-of-life tires, prevent environmental pollution, raise awareness among the population, generate partnerships with authorities to facilitate collection of end-of-life tires, and thereby eliminate sites of infection that cause disease.

The program's phases are:

1. **Implementation**
2. **Collection**
3. **Reuse**
4. **Co-processing (use of waste as an alternative fuel)**

**Environmental Mission Statement**

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

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

Therefore, we are focused on three objectives.

**In harmony with nature**

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

**Value natural resources**

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

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

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

The Bridgestone group's environmental mission covers all aspects of our business.

**TEAMS**

TEAMS: Total Environmental Advanced Management System. TEAMS united the group under a progressive management system to help ensure a healthy environment.

**One Team, One Planet.**

**BRIDGESTONE**



In 2018, Bridgestone Mexico called on the community to participate through its sixth annual Llantatón program.

### Cuernavaca Plant

|   |                               |   |
|---|-------------------------------|---|
| <b>Partners:</b><br>Secretariat of Sustainable Development of the State of Morelos, Ayala City, Huitzilac, and Emiliano Zapata municipalities | <b>47</b><br>tonnes collected | <b>20</b><br>volunteers                   |
|   | <b>140</b><br>volunteer hours | <b>375</b><br>tonnes collected since 2014 |
| <b>Place:</b><br>San Miguel Acapantzingo Park, Cuernavaca   |                               |   |

### Reforestation

Trees are an essential part for the environmental health of communities. Bridgestone Mexico worked on this together with its employees to preserve and improve the natural habitats of the city of León, Guanajuato, as well as green spaces of the Cuernavaca Plant.

### Cuernavaca Plant

|  |                         |                               |                             |
|--|-------------------------|-------------------------------|-----------------------------|
| <b>Site:</b><br>Gardens of the Cuernavaca Plant, Morelos | <b>56</b><br>volunteers | <b>196</b><br>volunteer hours | <b>120</b><br>trees planted |
|--|-------------------------|-------------------------------|-----------------------------|

### Bandag Plant

|   |                         |                               |                            |
|---|-------------------------|-------------------------------|----------------------------|
| <b>Site:</b><br>Metropolitan Park, City of León | <b>38</b><br>volunteers | <b>152</b><br>volunteer hours | <b>35</b><br>trees planted |
|---|-------------------------|-------------------------------|----------------------------|





## Recolectrón

For the first time, Bridgestone Mexico conducted a collection campaign, encouraging the community to bring electrical and electronic waste for a proper disposal.

|   |   |
|---|---|
| <b>Place:</b><br>Sport facilities of the Cuernavaca Plant | <b>1.7</b><br>tonnes of collected waste |
|---|---|

## Environmental Training

For Bridgestone Mexico, it is important to develop a culture of environmental protection among its employees and along the value chain.

| 2018 Environmental Training |   |              |                           |              |
|-----------------------------|---|--------------|---------------------------|--------------|
|                             | Employees   |              | Suppliers and Contractors |              |
|                             | Cuernavaca Plant  | Bandag Plant | Cuernavaca Plant          | Bandag Plant |
| Number of trained people    | <b>281</b>  | <b>43</b>    | <b>2,531</b>              | <b>15</b>    |
| Number of hours of training | <b>234</b>  | <b>129</b>   | <b>1,265.5</b>            | <b>45</b>    |
| Thematic                    | <ul style="list-style-type: none"> <li>• Water Use </li> <li>• Waste </li> <li>• CO2e Emissions </li> </ul> |              |                           |              |

- ▶ The courses taught at the Cuernavaca Plant are: Environmental management - ISO, classification of either hazardous and special handling waste, Globally Harmonized System and identification of chemical substances and emergency response (Emergency Preparedness and Response Plan).
- ▶ The courses taught at the Bandag Plant are: Environmental awareness, efficient waste management, environmental aspects and impacts.



## Value Natural Resources

Aware of the importance of preserving the planet's natural resources, Bridgestone Mexico implements operational efficiencies that allow it to reduce the consumption of valuable resources, thereby decreasing its environmental impact.

## Energy and Fuel Consumption

In 2018, Bridgestone Mexico worked in the implementation of projects aimed at energy efficiency, reduction of volatile compounds, and reduction of use of fossil fuels.

|             | Cuernavaca Plant |             |             | Bandag Plant |            |            |            |
|-------------|------------------|-------------|-------------|--------------|------------|------------|------------|
|             | (MJ)             | 2016        | 2017        | 2018         | 2016       | 2017       | 2018       |
| Electricity |                  | 263,796,678 | 265,005,986 | 278,830,861  | 18,223,895 | 21,356,734 | 22,564,829 |
| Diesel      |                  | 309,113     | 327,085     | 4,159,621    | 18,115     | 16,426     | 50,304     |
| LP Gas      |                  | 11,302,997  | 10,269,476  | 10,443,424   | 530,819    | 613,553    | 791,634    |
| Natural Gas |                  | 302,834,008 | 309,027,008 | 280,791,007  | 9,866,765  | 9,696,252  | 11,040,240 |

\*The 2018 calculation of the calorific value of fuels was conducted, as well as the 2016 and 2017 recalculation, using the following conversion factors, according to the GHG Protocol's guidelines: Electricity 0,0036 GJ/kWh Diesel 5.715 MJ/bl LP Gas 4.24 MJ/bl



- ▶ Likewise, the Cuernavaca Plant used 714,960 MJ of heating and 29,310,336 MJ of cooling.
- ▶ Rise in diesel consumption at the Bandag Plant occurred because, previously, there was an estimated calculation based on the age of the equipment. However, in 2018, both the fire system engine and pump were replaced; now it has an accurate measuring factor.
- ▶ Rise in diesel consumption at the Cuernavaca Plant occurred because, in 2018, fuel oil was changed to diesel in order to maintain the pressure in the two reserve boilers.
- ▶ Rise in LP gas consumption at the Bandag Plant was due to the 28% increase in production against 2017 and to the increase in the forklift fleet used to cover such increase in production.
- ▶ Rise in natural gas consumption at the Bandag Plant was due to the increase in production days, using the boiler approximately 13%, against 2017.
- ▶ Actions to reduce electricity and fuel use at the Bandag Plant include the improvement in the efficiency of the mixing process.

## Water Use

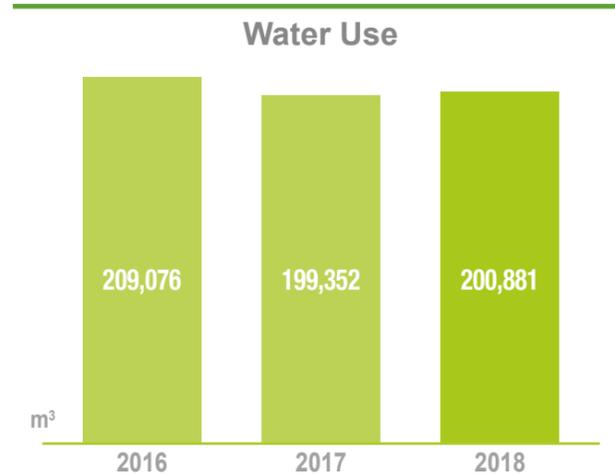
Bridgestone Mexico continues to improve the efficient use of water through optimization of its production processes, as well as implementation of new projects.

Total water used:

**200,881 m<sup>3</sup>**

**32%** of water is treated

**4.7%** of water is wasted



- ▶ The 0.7% rise in water use is due to the increase in plant production. In contrast, a 2% reduction was achieved in water use per tonne of production.



## Treated Water and Water Discharge

|                 | (m <sup>3</sup> ) | 2018             |              |
|-----------------|-------------------|------------------|--------------|
|                 |                   | Cuernavaca Plant | Bandag Plant |
| Water used      |                   | 189,762          | 11,119       |
| Water treated   |                   | 60,762           | 0            |
| Water discharge |                   | 8,877            | 5,273        |

- ▶ Actions to reduce water use at the Bandag Plant include the improvement in the chiller cooling processes.

## Waste

One of the most consolidated practices at Bridgestone Mexico is the recycling of waste generated at its tire manufacturing plant, reaching a rate of 96% in 2018.

▶ **5,042** tonnes of waste generated



▶ **3.5%** less than 2017

▶ **96%** reused, recovered, and for composting

▶ **95%** non-hazardous waste



▶ **5%** hazardous waste



### Waste Disposal

| 2018                        |                  |               |                  |                |
|-----------------------------|------------------|---------------|------------------|----------------|
| (Kg)                        | Hazardous        |               | Non-hazardous    |                |
| Disposal method             | Cuernavaca Plant | Bandag Plant  | Cuernavaca Plant | Bandag Plant   |
| Reuse                       | 36,140           |               | 2,848,759        | 226,322        |
| Recovery (including energy) | 177,670          | 11,427        | 1,540,670        |                |
| Composting                  |                  |               | 24,365           |                |
| Confinement                 | 5,790            |               | 169,348          |                |
| Incineration                |                  | 5             |                  |                |
| Landfill                    |                  |               |                  | 1,609          |
| Others                      |                  | 251           |                  |                |
| <b>Total</b>                | <b>219,600</b>   | <b>11,683</b> | <b>4,583,142</b> | <b>227,931</b> |

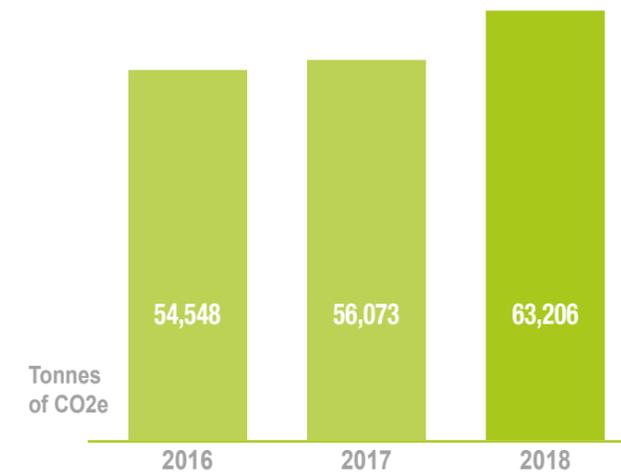
- ▶ All waste generated in the two plants are properly disposed of and handled, pursuant to applicable laws.
- ▶ One of the Cuernavaca Plant's disposal methods is co-processing, which is carried out together with Geocycle, a company that uses waste as energy fuel.



## Reducing CO2 Emissions

Pursuant to the target established by G8 global leaders in 2008, Bridgestone has agreed to accomplish a 50% global reduction in its CO2 emissions by 2050.

### CO2e Emissions



### Emissions of Other GHGs (Greenhouse Gases)

| 2018                             |                  |              |
|----------------------------------|------------------|--------------|
| Tonnes of Gas                    | Cuernavaca Plant | Bandag Plant |
| NOx                              | 164.47           | 0.27         |
| Sox                              | 548.81           | 0.00         |
| Volatile Organic Compounds (VOC) | 153.24           | 32.24        |
| Particulate matter ppm (PM)      | 0.00             | 0.63         |
| <b>Total</b>                     | <b>866.52</b>    | <b>33.14</b> |

- ▶ In 2018, Bridgestone Mexico increased its CO2 emissions by 13% against 2017 due to the rise in annual production.

### Direct and Indirect CO2e Emissions

| Tonnes of CO2e               | 2016             |                | 2017             |                | 2018             |              |
|------------------------------|------------------|----------------|------------------|----------------|------------------|--------------|
|                              | Cuernavaca Plant | Bandag Plant   | Cuernavaca Plant | Bandag Plant   | Cuernavaca Plant | Bandag Plant |
| Direct (Scope 1) Emissions   | 14,548           | 586.5          | 15,321           | 482.7          | 18,661.4         | 551.3        |
| Indirect (Scope 2) Emissions | 37,094.7         | 2,318.5        | 37,264           | 3,005.7        | 40,817.7         | 3,175.7      |
| <b>Total</b>                 | <b>51,642.7</b>  | <b>2,905.0</b> | <b>52,585.0</b>  | <b>3,488.4</b> | <b>59,479.1</b>  | <b>3,727</b> |

- ▶ Annual investment of **\$401,233** MXN in environmental improvements

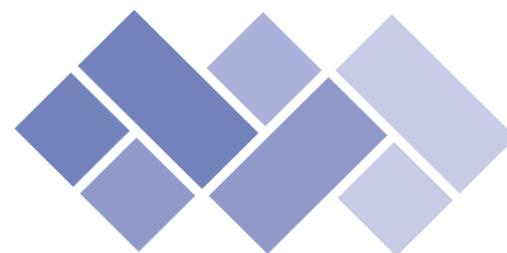


# Management Fundamentals





# Compliance, Fair Competition



Material issues addressed

• Promotion and Compliance with Ethical Standards.  
• Honest Sales Practices and Product Labeling for Consumers.

• Fair Business Practices.  
• Compliance with Applicable Laws.

GRI

102-16, 103-1, 103-2, 103-3

Ensure excellence through compliance and integrity.

To build trusting relationships with all stakeholders, Bridgestone ensures that ethical decision-making guides responsible business practices across all our operations.

## Code of Conduct

In 2018, the new Global Bridgestone Code of Conduct was launched, based on its mission and its fundamental values.

The Code of Conduct provides a practice guide to managing ethical questions and applies both to employees and to suppliers and contractors. In addition, it establishes ethical guidelines to act with integrity, not only at work, but also in the market and in our communities.

To learn more about the **Bridgestone Code of Conduct** you can review it here: [https://www.bridgestone.com/corporate/library/corporate\\_governance/pdf/Bridgestone\\_global\\_code\\_of\\_conduct.pdf](https://www.bridgestone.com/corporate/library/corporate_governance/pdf/Bridgestone_global_code_of_conduct.pdf)

## Compliance Committee

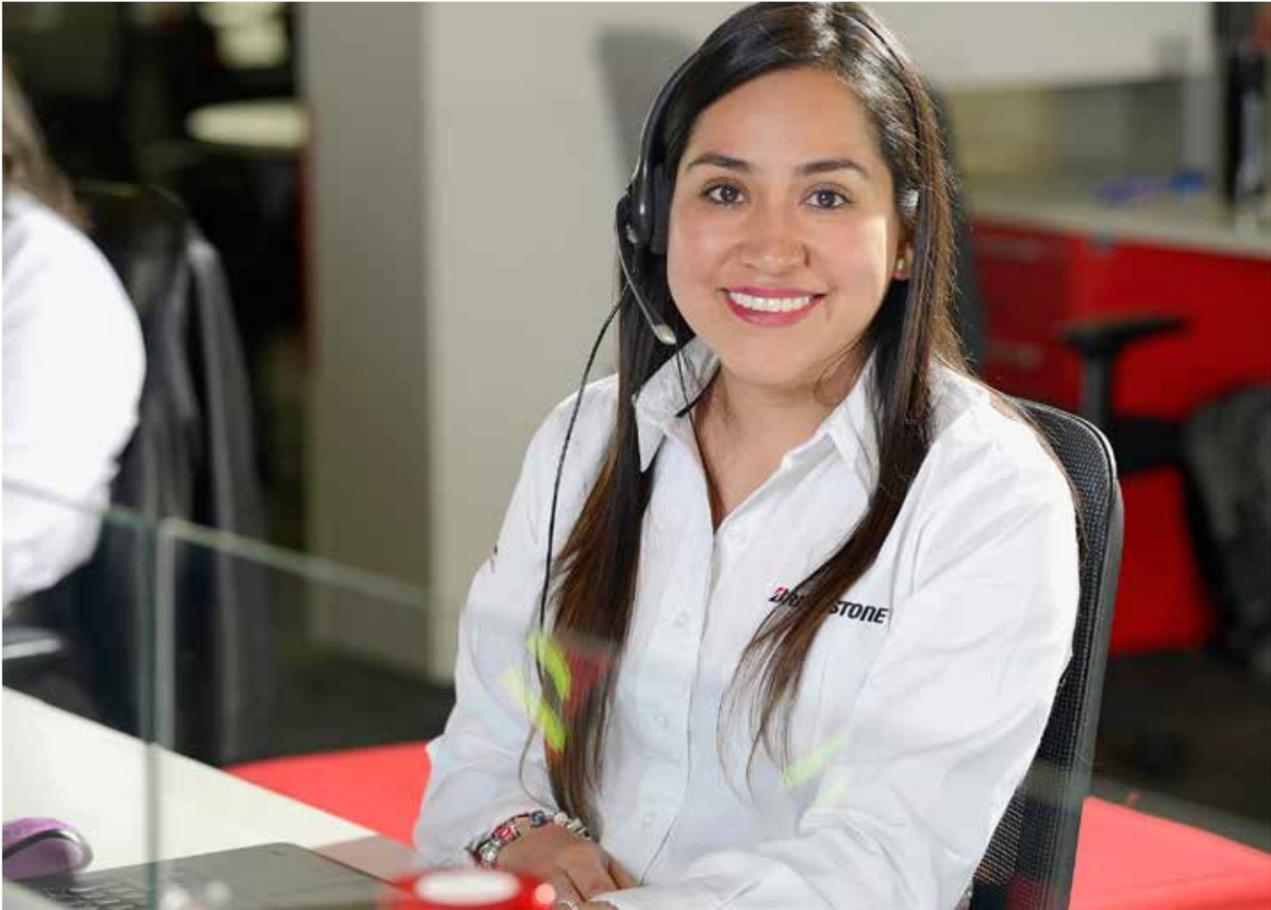
The Compliance Committee is a support, monitoring, and internal reporting entity comprised of five members, one from each of the following areas: Office of the President, Auditing, Legal, Finance, and Human Resources.

Its functions include:

- ▶ Ensuring that people know and uphold the Code of Conduct.
- ▶ Following up on complaints received through BridgeLine, mailboxes, and/or any other channel available to Bridgestone employees.
- ▶ Promoting training on compliance, ethics, conflicts of interest, workplace harassment, etc.

### 2018 Ethics and Compliance Training

| Course                               | Number of Employees Trained |
|--------------------------------------|-----------------------------|
| Ethics and Compliance                | 656                         |
| Appropriate Electronic Communication | 656                         |
| Code of Conduct                      | 1,337                       |



### Ethics and Compliance Week

During the 2018 Ethics Week, various activities and conferences were held to review the concepts from the Bridgestone Code of Conduct, such as integrity at work, integrity in our communities, and training on the new Code of Conduct, allowing the development of a culture of ethics among employees.

### BridgeLine Reporting Channel

Bridgestone has established a set of reporting channels to allow employees and others to confidentially report suspected criminal activity, violations of the Code of Conduct or other company policies, or ethical questions or concerns.

BridgeLine reports can be made through the following ways:

- ▶ Visiting: [www.bridgestoneamericascompliance.com](http://www.bridgestoneamericascompliance.com)
- ▶ Calling the Ethics Line: 800 099 0737
- ▶ **5** cases presented through the reporting channels, which were solved.

### Market Integrity

Bridgestone is a strong market competitor that has stood out by its clean selling practices and its adherence to standards.

The Code of Conduct establishes clear rules to maintain product safety and quality, a free and fair competition, honest sales practices, and to combat bribery and corruption.

### Partnerships

In keeping with the Bridgestone philosophy of being a good corporate citizen, the company works together with industry associations and public and private organizations.

### Sector Associations

- National Chamber of the Rubber Industry (CNIH)
- National Association of Tire Distributors and Retreading Plants of Mexico (ANDELLAC)
- National Chamber of Freight Transport (CANACAR)
- Technical Office of the National Commission for the Prevention of Accidents (CONAPRA)

### Regulatory Compliance

During 2018, Bridgestone Mexico received no fines or penalties for violation of laws or regulations relating to environmental aspects or its performance within society that could be significant in regard to the company's net worth, financial situation, and consolidated results. Likewise, there were no legal suits detected relating to acts of discrimination or violation of human rights, or significant legal complaints with regard to working conditions.





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

Crisis management is a fundamental aspect of business continuity, and for this reason, potential risks are divided into two categories from Bridgestone Japan: business strategy risks and operational risks. For both cases, Bridgestone has prepared a response plan for situations that are critical to operations.

For this reason, the company has created a business continuity and risk management working group, which focuses on the following five initiatives based on the Global Risk Management Policy:

- ▶ Fine tune and standardize the annual risk identification process in all Bridgestone companies
- ▶ Create a global definition and structure for crisis management and business continuity
- ▶ Improve risk management in the emergency action reports
- ▶ Develop a corporate travel risk management program
- ▶ Formalize the process for support between business units in crisis management

## Crisis Committee

Bridgestone Latin America North has a Crisis Committee which establishes a response plan and provides the necessary tools for decision makers, in order to respond in a fast, effective, and structured way.

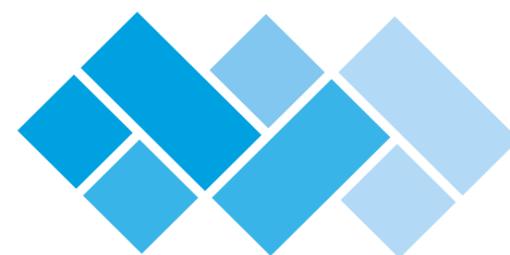
This committee is essential to ensuring business continuity during critical times. Its particular nature lies in the fact that there are matters that must be addressed at the corporate level and others in which the region assumes the authority and responsibility to act and communicate.

## Protection of Personal Information

One important aspect in regard to regulatory compliance for Bridgestone is the protection of the personal information of company employees and candidates for employment. All their information is protected through a Corporate Privacy Notice, establishing the specifications and guidelines to ensure that personal information in the company's possession is handled appropriately.



# Business Continuity (BCP), Risk Management





Material issues addressed

- Talent Development and Retention
- Training

GRI 102-7, 102-8

Bridgestone fosters an inclusive culture to adopt and apply ethical labor practices, build trust with our employees, and respect diversity and fundamental human rights.

The company is committed to promoting fundamental human rights and responsible labor practices, not only because it is the right thing to do, but also because it is essential to improving the satisfaction and pride felt by its employees, which is key to the company's sustainable success.

## Global Human Rights Policy

Bridgestone's Global Human Rights Policy comprises fundamental principles which include:

- ▶ Respect for diversity and inclusion
- ▶ Prohibition of discrimination and harassment
- ▶ Focus on occupational health and safety
- ▶ Commitment to responsible labor practices
- ▶ Protection of freedom of expression and association

## Staff

The Bridgestone Mexico staff is made up of 1,371 employees, of which 8.2% are women and 9.7% are older than 50 years of age.

2018 Workforce by Gender and Age

| Gender       | Age               | Total        |
|--------------|-------------------|--------------|
| Men          | Under 30 years    | 242          |
|              | Between 30 and 50 | 885          |
|              | Over 50           | 131          |
| Women        | Under 30 years    | 27           |
|              | Between 30 and 50 | 84           |
|              | Over 50           | 2            |
| <b>Total</b> |                   | <b>1,371</b> |

**17.3%** annual turnover

**91** new hires

**65%** with a collective bargaining agreement

Rate of absenteeism of **4%** at the Cuernavaca Plant and **1%** at the Bandag Plant.

# Human Rights, Labor Practices



# Respect for Diversity

Bridgestone Mexico offers an environment in which people with different values and personalities can work comfortably and demonstrate their skills. To make this possible, the company:

- ▶ Recognizes and respects the diversity of cultures and customs.
- ▶ Reconciles with people's different points of view to create more value.
- ▶ Establishes a system in which employees can do their work with peace of mind and fully demonstrate their abilities in the different stages of their lives.
- The company has a Non-discrimination Policy and a Compliance Committee that investigates and received any complaint relating to discrimination and sexual harassment.
- In 2018, planning was conducted for a new Diversity Committee, defining the pillars upon which the committee will work in the coming years.
- Compensation policies for promotions and new hires establish that all employees have access to the same salary range according to their role in the organization.
- Life balance activities were carried out through family integration in the Family @Bridgestone program, which includes four areas: Kids, Parents, Wellness, and Diversity.
- All employees have a benefits package that exceeds the legal minimum in terms of health, family, culture, and wellbeing.



# Training

Bridgestone Mexico invests in the professionalization of its human capital implementing training and talent development programs.

| Employees Receiving Training           |             |
|--|-------------|
|  | 2018        |
| Number of individual trainings         | 1,418       |
| Hours of training                      | 44,180      |
| Average hours of training per employee | 32          |
| Investment in training                 | 295,183 USD |

**1,418** individual technical training sessions: safety, quality, productivity, and other topics.

**300** employees in development programs: master's degrees, certifications, coaching, English, and others.



# Talent Development

Bridgestone México maintains a commitment to working with its employees to improve their skills and performance.

All employees have a plan that allows them to clearly understand their career opportunities, as well as the growth and development they can provide to Bridgestone.

There are different programs that contribute to training and development:

| Program                                   | Description   |
|---|---|
| Development of Dan Totsu Executive Skills | In partnership with ADEN International Business School, Bridgestone employees receive training through a comprehensive platform that strengthens and develops their business and leadership skills.<br><b>2nd leadership generation</b>                   |
| Mentoring                                 | Helps to develop the knowledge, networks, and careers of employees through a relationship between experienced mentors and their mentees.<br><b>7 mentees      3 mentors</b>   |
| Inside Track Internal Leadership Program  | The purpose is to standardize the knowledge and competencies of team leaders through an e-learning platform.<br><b>Regional launch of Inside Track</b>  |
| Human Experience                          | Seeks to develop talented successors to assume senior positions in the future.<br><b>70 training profiles</b>   |
| Internship Program                        | Attracts talented young university students who wish to strengthen their academic knowledge and acquire professional experience with an internship, with the possibility of being hired after the end of the internship.<br><b>30 interns      5 hire</b> |

Considering medium- and long-term challenges, the company carries out a performance evaluation with an integrated talent management system, Performance Management Appraisal (PMA).

The four PMA stages are:

1. Defining goals
2. Biannual review
3. Annual review
4. Calibration of results

**100%** of employees received a performance evaluation.

For the **5th** time, Bridgestone Mexico was recognized as a **Great Place to Work** by the **Great Place to Work Institute**, due to its practices in organizational climate, talent attraction, compensation, inclusion, development, and diversity.



Safety always comes first.

At Bridgestone, we make safety a business value. Creating a safe working place for all is everyone's responsibility.

## Health and Safety Commission

The primary objectives of this commission are to provide guidance and instruction on safety, inform employees regarding potential hazards, ensure regulatory compliance in regard to occupational health, and prepare activities that contribute to achieving these goals.

### 2018 Safety Committees

| Plant      | Committee                    | No. of Members | Responsibility  |
|------------|------------------------------|----------------|---|
| Cuernavaca | Health and Safety Commission | 32             | Performing visual checks in the plant to prevent accidents due to unsafe conditions and behaviors.        |
|            | Risk Analysis Committee      | 24             | Conducting analyses of the activities carried out on new or modified equipment to reduce potential risks. |
|            | Civil Protection Committee   | 9              | Verifying that conditions required by the Civil Protection Law are met.                                   |
| Bandag     | Health and Safety Commission | 6              | Identifying and preventing health and safety risks for plant employees.                                   |

▶ The Safety Training Center (CES, in Spanish) at the Cuernavaca Plant includes a system designed using the 70-20-10 method (70% of learning comes from experience, 20% from environmental feedback, and 10% from formal training), where each employee is trained on the main hazards and risks at the plant.

▶ 775 employees from the plant trained at the CES, 90% from the workforce.

▶ Preventive safety campaigns:

- Care in Your Hands
- Tear Down the Risks
- Safe Distance with Industrial Vehicles—3 meters
- What to Do in Case of Earthquake Emergencies
- Careful!—Your Family is Waiting for You
- Safety Starts with Your Senses

### Safety Mission Statement

## Safety First, Always

At Bridgestone, we make safety a business value. Creating a safe working place for all is everyone's responsibility.



We aim with pride to achieve perfect safety.

"Safety First, Always" includes the prevention of all work-related incidents including disasters, industrial hygiene and traffic accidents.



# Safety, Industrial Hygiene



- The implementation of and investment in new technologies and equipment reducing or eliminating risk activities were strengthened, such as: capacitive buttons, safety PLCs, scanners, safety curtains, extended safety cables, interlocks on doors and guards

| Workplace Accidents              |                  |       |              |      |
|----------------------------------|------------------|-------|--------------|------|
|                                  | Cuernavaca Plant |       | Bandag Plant |      |
|                                  | 2017             | 2018  | 2017         | 2018 |
| Number of accidents reported     | 20               | 20    | 3            | 3    |
| Rate of days lost from accidents | 27.5%            | 80.5% | 187.1%       | 48%  |

## Training and Awareness

Bridgestone Mexico has implemented a training and awareness program so that employees may learn the protocols and how to act in the event of an eventuality.

**64** employees trained in first aid

**300** suppliers and contractors trained on safety and hygiene topics



## Drills

| Cuernavaca Plant |                  | Bandag Plant |                  |
|------------------|------------------|--------------|------------------|
| Subject          | Number of drills | Subject      | Number of drills |
| Rescue           | 36               | Emergencies  | 1                |
| Fire             | 14               | Firefighters | 1                |
| Evacuation       | 6                | Mills        | 4                |
| Spills           | 1                | Hot mix      | 1                |

## Occupational Health

In 2018, Bridgestone Mexico conducted various initiatives to promote healthy habits and sport:

**The Health Fair 2018** in the headquarters and the two plants featuring talks and actions to prevent and improve employees' health and quality of life

**230** employees and **65** family members at the Cuernavaca Health Fair

**Family-Responsible Company Certificate** at the Cuernavaca Plant

**Hearing Conservation Program:** monitoring 10% of occupationally exposed personnel at the Cuernavaca Plant

**Medical practice and nutritionist service** available to all employees





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

## Global Sustainable Procurement Policy

In 2018, the Bridgestone Global Sustainable Procurement Policy was launched in 2018, reflecting the company's commitment to creating a prosperous and sustainable supply chain.

This policy establishes the expectation that business partners and key suppliers operate with respect for human rights, environmental standards, and product quality, while including additional requirements for the conservation and rights of the earth, traceability of point of origin, and resilience.

This new policy is consistent with Bridgestone's global target to use 100% sustainable materials in its products by 2050.

## Supplier Training, Development, and Evaluation

Bridgestone México conducts an evaluation of its suppliers' understanding and implementation of the principles of sustainability in order to align them and build a fair and transparent business relationship.

Using forms and an established internal procedure, each person responsible for the service or product to be acquired must evaluate the supplier with the support of the purchasing area. Once the evaluation is completed, a meeting is held to report the outcome and clarify any questions.

Suppliers have a 30-day period to send a corrective action plan to Bridgestone for any nonconformities identified, which will be verified subsequently in an audit conducted by the company.

## Supply Chain

Bridgestone Mexico's supply chain is comprised of two large groups of suppliers:

1. **Suppliers of raw materials:** natural rubber, synthetic rubber, carbon black, sulfur, pigments, steel, ropes, etc.
2. **Suppliers of products or services for business management, maintenance, and general purchasing:** repairs, molds, machinery, etc.

**3,530** suppliers in 2018

**97%** from Mexico

Domestic suppliers represented **27%** of purchasing expenditure

**2,531** suppliers and contractors trained on environmental topics

**1,265.5** hours of environmental training

**95** contractors trained to obtain recertification as an OAS (Authorized Economic Operator) Development of a new domestic supplier of natural rubber—Progomex—who managed to adapt its processes to the company's requirements and standards; therefore, today Bridgestone does not have to import natural rubber

**3** suppliers awarded recognition as a 2018 Supplier of Excellence: Suministros Ferreteros de Morelos, Risoul y Cía., and H.G. Trading Corp

# Procurement





## Creating customer value and trust.

To create a global framework in collaboration with all related Bridgestone Group entities and stakeholders to proactively identify, prioritize, and address customer quality issues in keeping with the intentions of our founder to *Serve Society with Superior Quality*.

597 points of sale

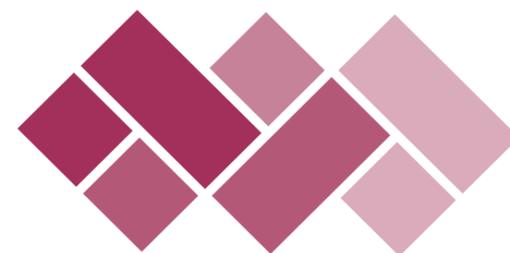
20 new stores were opened in 2018

## New Products

To stay a step ahead in the development of high quality products, in 2018, Bridgestone Mexico launched the following new products:

| Model             | Description  |
|-------------------|--|
| DESTINATION A/T 2 | Off-road product with design and technology aimed at maintaining good performance in severe road conditions.   |
| DURAVIS R660      | Intended for light transport vehicles, vans, and delivery vehicles; its design helps to decrease irregular wear and cuts along the sides. Excellent performance with a gentle and silent driving experience. |
| DUELER H/T 685    | The design of this light transport tire provides greater traction, grip, and control while driving on dry or wet roads.  |
| ALL SEASON        | Passenger tire and SUV designed to offer traction with grip in both wet or dry conditions—solid performance at all times.  |

# Quality and Customer Value



## Continual Improvement

Bridgestone Mexico implements continual improvement programs that seek to make production plant processes more efficient:

- ▶ The Bandag Plant in León developed a new line fully devoted to the manufacture of the “cushion,” a product that connects the belt with the retreaded tire casing. Previously, this product was imported directly from the US; however, due to its high quality standards, this plant has positioned itself as the main supplier of such product for the entire Bandag network in Mexico, Central America, and Colombia.
- ▶ The Cuernavaca Plant incorporated a new high-durability lubrication technology for the tire manufacturing process. This incorporation helped to reduce workplace accidents and non-operational times.

### Quality Mission Statement

#### Creating Customer Value & Trust

Dan-Totsu is achieved through Innovation and Kaizen



Leadership empowers employee ownership, drives innovation and supports TQM

# Quality and Customer Service

Thanks to its innovation and the commitment of its employees, Bridgestone Mexico achieves excellence and quality in its manufacturing, its value chain, and in all products and services delivered to customers.

## Customer Service Channels

| Customer Type | Service Channel  |
|---------------|--|
| Manufacturers | Periodic meetings<br>Email   |
| Distributors  | Sales consultants<br>Instructor<br>Trader<br>Sales hub<br>Business advisor |
| End Consumers | Website<br>Service centers<br>Social networks                              |

The Call Center received **112** calls in 2018, **94.5%** of which were answered

Average delivery time: **6** days

Average customer service time: **5** minutes

**96%** of cases solved immediately

# Training and Development of Distributors

In 2018, the Bridgestone University application was launched, offering a fun, interactive, and easy way for Service Center staff to receive regular training at any time of day through a mobile device. Bridgestone University allows the company to offer training on a large scale, using a mobile gaming technology platform.



## 2018 Courses for Distributors

| Course Name               | Description  | Number of Participants | Percentage of Total Distributors |
|---------------------------|--|------------------------|----------------------------------|
| Leaving an Impression     | Identifies the key points that customers want to be addressed at each point of sale to create a positive purchase experience.  | 358                    | 54%                              |
| Consumer Products Clinic  | Tools that allow the distributor to sell a product based on its benefits and compare it to the competition.  | 358                    | 54%                              |
| JR Adjusters              | Trains personnel from the distributor network at specific sites in the country on product adjustment, in order to promptly and professionally diagnose and address end user complaints.                    | 550                    | 84%                              |
| MR Adjusters              | Trains personnel from the distributor network at the Bridgestone plant on adjustment of products from the Consumer Division and on the handling of the different things to address in a product complaint. | 480                    | 73%                              |
| Fleet Technician Training | Trains fleet technical staff for support and specialized advisory to end users of truck and retreaded tires.   | 480                    | 73%                              |

- 2,315 logins to the Bridgestone University app by 427 Bridgestone Latin America North users, with an average total time of 62 hours.
- At the 2018 ANDELLAC Expo & Congress XLV, the new coaching program for tire family-business management ("Family Business Growth: 'Creating Value Together' Program") was launched.
- Bridgestone developed the Dual ID initiative, a new model for identifying points of sale, with the purpose of taking account of the current characteristics and evolution of the market, as well as meeting the needs of customers.
- The Bridgestone Evolution project was developed. The purpose of this project is guaranteeing an excellent end-user service based on a loyalty and incentive plan specifically designed for point-of-sale staff.
- Two Firestone Clinics were held on maintenance and new products, as well as 4 trainings at Firestone University on sales and new technologies.

## Evaluation of Distributors

Today, there are national evaluation programs for our distributors, both on car & SUV and truck & retreading segments:

- ▶ Car & SUV – 5-Tire Program – It is conducted on a biannual basis in order to ensure that each point of sale (POS) identified with our brands meet the physical, visual, and operating standards set by Bridgestone.
- ▶ Truck & Retreading – Sophistication – It is conducted on a biannual basis in order to encouraging our distributors to deliver to our final customer our Comprehensive Solution: New Tire + Services + Retreading.
- ▶ Also, the "Trader" acts as a figure within the Trade Marketing area who provides—together with the sales consultant—service to the distributor regarding topics of development of points of sale, training, promotions, etc. They are also responsible for monitoring point-of-sale development.



The Bridgestone Mexico 2018 Sustainability Report provides information on the activities and results of Bridgestone de México S.A. de C.V. in economic, social, and environmental areas during the period from January 1 to December 31, 2018.

## Scope

The report only covers operations of Bridgestone de México S.A. de C.V., including its corporate headquarters in Mexico City and its two plants in Cuernavaca, Morelos and León, Guanajuato, and it is independent from other subsidiaries and entities within the Bridgestone Corporate Group.

This report has been prepared in accordance with the Comprehensive option of the GRI Standards, and complies with the Content and Quality Principles:

| Content Principles     | Quality Principles |
|------------------------|--------------------|
| Stakeholder Engagement | Accuracy           |
| Sustainability Context | Balance            |
| Materiality            | Clarity            |
| Completeness           | Comparability      |
|                        | Reliability        |
|                        | Timeliness         |

The Corporate Communication and Social Responsibility Area was responsible for gathering the information, with the collaboration of the different local operating areas.

To request any additional details on the information from this Sustainability Report, contact the Bridgestone Latin America North (BS-LAN) Department of Corporate Communication and Social Responsibility via email: [BS\\_LAN\\_Prensa@la-bridgestone.com](mailto:BS_LAN_Prensa@la-bridgestone.com)

This report has been verified by an independent third party, Firma Social, S.C. (AuditaRSE), which conducted a review of the contents to ensure that the report contains accurate information that is consistent with GRI Standards.

## About this Report



# Stakeholders

Bridgestone wishes to maintain close relations with its stakeholders, establishing channels for dialogue and communication to understand the stakeholders' expectations and consider their priorities when making company decisions.

## Stakeholder Dialogue Mechanisms

Continuos 

| Stakeholder  | Description   | Communication Channels   | Frequency of contact   |
|--|---|--|--|
| <br><b>Employees</b>                        | These are all Bridgestone staff members, whose rights are respected while promoting the development of their skills and abilities. The company respects diversity and encourages communication between employees and managers.  | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Activities</li> <li>• Internal communications</li> </ul>  | <ul style="list-style-type: none"> <li>• Training</li> <li>• Courses and assessments</li> <li>• Audits</li> </ul>                                   |
| <br><b>Suppliers</b>                        | These vendors supply the necessary raw material for the company's daily production and operational activities. Bridgestone conducts fair and impartial transactions with them and promotes their sustainability policies.   | <ul style="list-style-type: none"> <li>• Supplier meetings and assessments</li> <li>• Training</li> </ul>  | <ul style="list-style-type: none"> <li>• Email</li> <li>• Telephone</li> </ul>    |
| <br><b>Associations and Institutions</b>    | These groups represent the interests of the sector to which Bridgestone belongs. They can be of a social or economic nature.  | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Email</li> </ul>  | <ul style="list-style-type: none"> <li>• Plant tours to learn about the company's quality systems, among others</li> </ul>                          |
| <br><b>OEMs</b><br>(Original equipment)   | Automotive assembly plants, dealers, and end users represent these. Bridgestone strives to ensure that it is Serving with Superior Quality by offering attractive products and services that respond to their needs, along with information to help them make better decisions. | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Audits</li> <li>• R&amp;D</li> </ul>  | <ul style="list-style-type: none"> <li>• Email</li> <li>• Direct communications</li> </ul>    |
| <br><b>Clients</b>                        |   | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Training</li> </ul>   | <ul style="list-style-type: none"> <li>• Encounters</li> <li>• Direct and permanent communications with the sales and marketing teams</li> </ul>  |
| <br><b>Business Partners</b><br>(Dealers) |   | <ul style="list-style-type: none"> <li>• Website</li> <li>• Toll-free Customer Service Center phone number: 01 800 713746</li> </ul>                                   | <ul style="list-style-type: none"> <li>• Market Research</li> <li>• Social Media</li> <li>• Email</li> </ul>                                      |
| <br><b>End Consumer</b>                   | It refers to the people to whom the company's operations generate an impact or benefit. Bridgestone works to contribute to the development of the community, preserve natural resources and carry out activities for the benefit of social causes.                              | <ul style="list-style-type: none"> <li>• Communication campaigns for employees and the community</li> <li>• Direct communications with social organizations</li> </ul> | <ul style="list-style-type: none"> <li>• Campaigns on social networks</li> <li>• Website</li> <li>• Sponsorships</li> </ul>                       |
| <br><b>Community</b>                      |   | These national and international external organizations and government bodies regulate and audit industry processes and operations.                                    | <ul style="list-style-type: none"> <li>• Meetings and participation in sector associations and initiatives</li> <li>• Email</li> </ul>   |
| <br><b>Authorities</b>                    | It refers to the media for dissemination and creation of informative content, private or public, which have a direct impact on Bridgestone and its environment.   |  | <ul style="list-style-type: none"> <li>• Email</li> <li>• Events</li> </ul>  |
| <br><b>Media</b>                          |   |  |  |

# Materiality Analysis

In 2017, Bridgestone Latin America North (BSLAN) conducted a materiality analysis, which remains current, with the following objectives:

- ▶ Identify the perceptions of stakeholders regarding the company's performance regarding sustainability, consistent with *Our Way to Serve* (according to the three Priority Areas and six Management Fundamentals).
- ▶ Prioritize the expectations and/or needs of stakeholders through an indirect dialogue (survey), in order to establish the topics covered in this Sustainability Report.

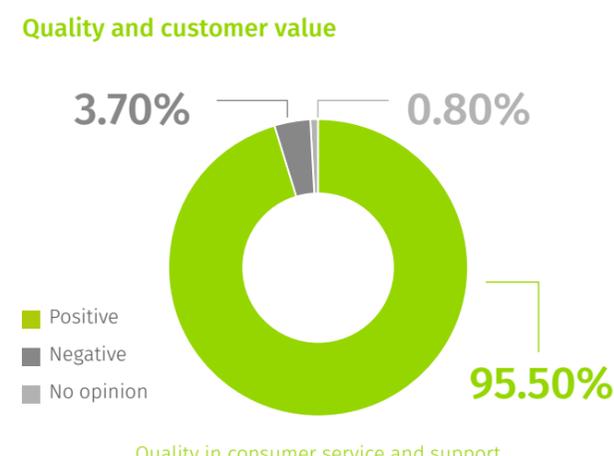
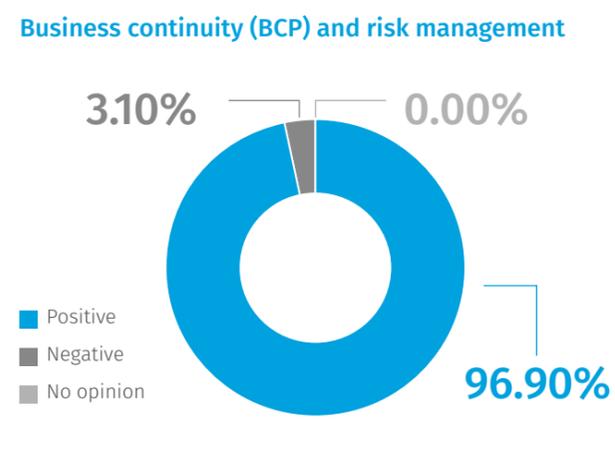
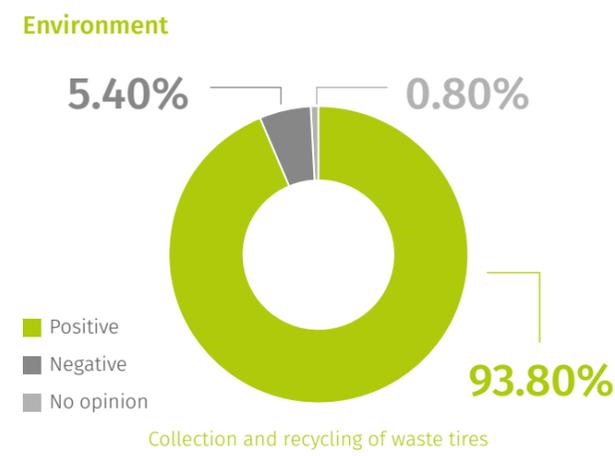
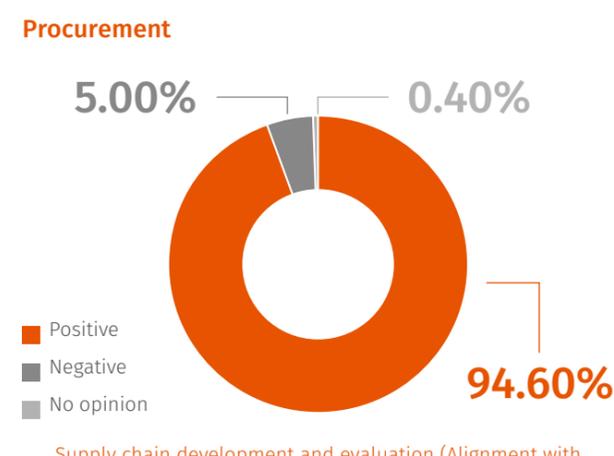
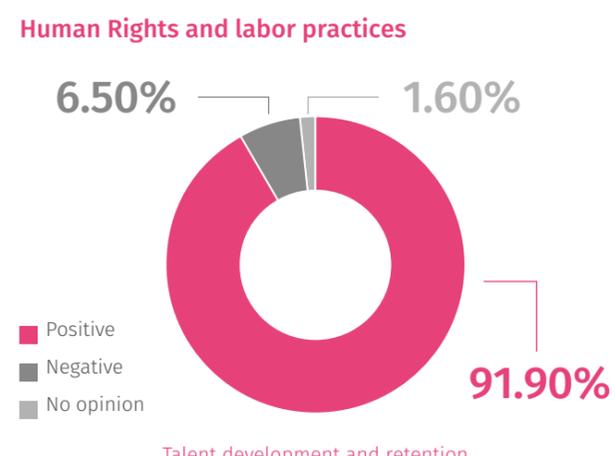
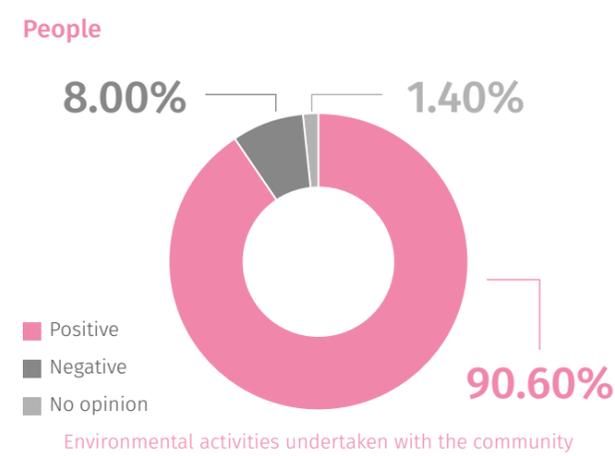
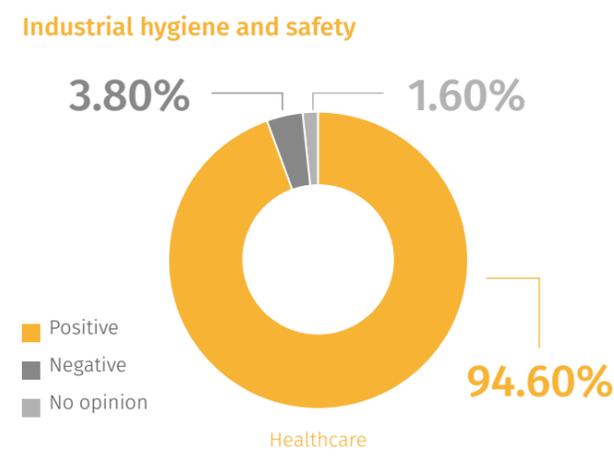
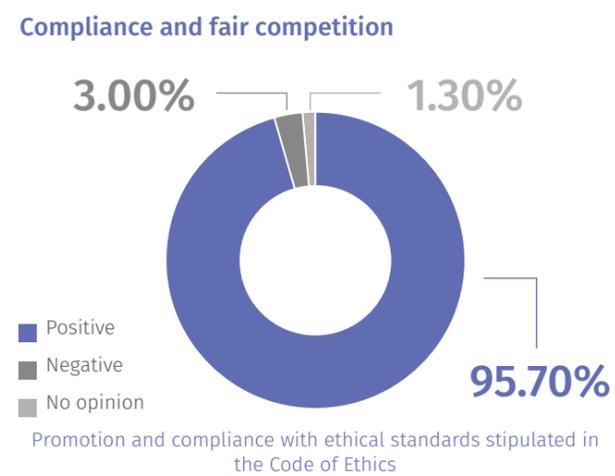
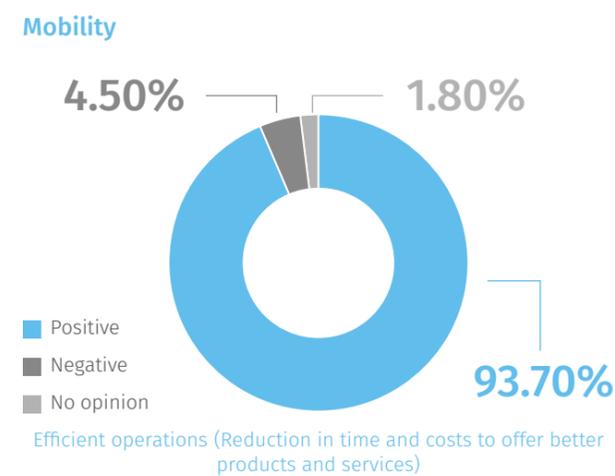
The materiality analysis was carried out in adherence to the GRI Guidelines and Standard G:35 of the Institute of Technical Standards of Costa Rica (INTECO). The materiality analysis focused initially on approaching internal and external stakeholders, so as to acknowledge their expectations and perceptions regarding sustainability at Bridgestone. In so doing, important topics were identified for the continued development of the company's regional sustainability plan, seeking to align priority points of the plan with the interests of the stakeholders and the company's business objectives.

Stakeholders were consulted regarding the company's performance and key reporting topics for each Priority Area and Management Fundamentals, concluding that in Costa Rica, there is a positive perception of the company's sustainability, in excess of 96% on average.

## Mexico

As for the material issues to be reported—in addition to consider the stakeholders' priorities (results of the survey)—the issues determined internally were taken into account due to the importance given by each department for the management of the organization, the impact that such issues have on the main CSR subjects according to ISO 26000, and the importance that reflected this topic in the media (news monitoring) in 2017. Also, a sustainability best practices benchmark analysis was conducted on Bridgestone competitors in Mexico.

## Main Results of the Materiality Analysis



# GRI Content Index “in accordance” with GRI Standards: Comprehensive Option

| GRI Standard                      | Disclosures   | Page/Direct Answer   | Omissions |
|-----------------------------------|---|--|-----------|
| <b>GRI 101: Foundation 2016</b>   |   |  |           |
| <b>General Disclosures</b>        |   |  |           |
| GRI 102: General Disclosures 2016 | 102-1 Name of the organization                                      | Scope p.71   |           |
|                                   | 102-2 Activities, brands, products, and services                    | Products and Services p.19   |           |
|                                   | 102-3 Location of headquarters                                      | Back cover p.85  |           |
|                                   | 102-4 Location of operations  | Bridgestone Corporation in Figures p.10  |           |
|                                   | 102-5 Ownership and legal form                                      | Scope p.71   |           |
|                                   | 102-6 Markets served  | Products and Services p.19<br>Bridgestone Corporation in Figures p.10  |           |
|                                   | 102-7 Scale of the organization                                     | Bridgestone Corporation in Figures p.15<br>Staff p.57  |           |
|                                   | 102-8 Information on employees and other workers                    | Staff p.57   |           |
|                                   | 102-9 Supply chain  | Supply Chain p.65  |           |
|                                   | 102-10 Significant changes to the organization and its supply chain | Scope p.71   |           |
|                                   | 102-11 Precautionary Principle or approach                          | Business Continuity (BCP), Risk Management p.55  |           |
|                                   | 102-12 External initiatives   | Awards and Certifications p.20<br>Contribution to the SDGs p.23  |           |
|                                   | 102-13 Membership of associations                                   | Partnerships p.53  |           |
|                                   | 102-14 Statement from senior decision-maker                         | Message from the President and Managing Director p.5   |           |
|                                   | 102-15 Key impacts, risks, and opportunities                        | Message from the President and Managing Director p.5   |           |
|                                   | 102-16 Values, principles, standards, and norms of behavior         | Corporate Philosophy p.9<br>Code of Conduct p.51   |           |
|                                   | 102-17 Mechanisms for advice and concerns about ethics              | BridgeLine Reporting Channel p.52  |           |
|                                   | 102-18 Governance structure   | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-19 Delegating authority   | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |

| GRI Standard                      | Disclosures  | Page/Direct Answer   | Omissions |
|-----------------------------------|--|--|-----------|
| GRI 102: General Disclosures 2016 | 102-20 Executive-level responsibility for economic, environmental, and social topics | CSR Governance p. 11   |           |
|                                   | 102-21 Consulting stakeholders on economic, environmental, and social topics         | Materiality Analysis p.74  |           |
|                                   | 102-22 Composition of the highest governance body and its committees                 | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-23 Chair of the highest governance body  | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-24 Nominating and selecting the highest governance body                          | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-25 Conflicts of interest   | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-26 Role of highest governance body in setting purpose, values, and strategy      | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-27 Collective knowledge of highest governance body                               | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-28 Evaluating the highest governance body’s performance                          | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-29 Identifying and managing economic, environmental, and social impacts          | CSR Governance p.11  |           |
|                                   | 102-30 Effectiveness of risk management processes                                    | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|                                   | 102-31 Review of economic, environmental, and social topics                          | CSR Governance p. 11   |           |
|                                   | 102-32 Highest governance body’s role in sustainability reporting                    | CSR Governance p.11<br>Scope p.71  |           |
|                                   | 102-33 Communicating critical concerns   | CSR Governance p. 11   |           |
|                                   | 102-34 Nature and total number of critical concerns                                  | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |

| GRI Standard                            | Disclosures   | Page/Direct Answer   | Omissions |
|---|---|--|-----------|
| GRI 102:<br>General<br>Disclosures 2016 | 102-35 Remuneration policies                                      | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|   | 102-36 Process for determining remuneration                       | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|   | 102-37 Stakeholders' involvement in remuneration                  | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|   | 102-38 Annual total compensation ratio                            | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|   | 102-39 Percentage increase in annual total compensation ratio     | Corporate Governance p.11<br><a href="https://www.bridgestone.com/corporate/locations/index.html">https://www.bridgestone.com/corporate/locations/index.html</a> |           |
|   | 102-40 List of stakeholder groups                                 | Stakeholders p.72  |           |
|   | 102-41 Collective bargaining agreements                           | N/A  |           |
|   | 102-42 Identifying and selecting stakeholders                     | Stakeholders p.72  |           |
|   | 102-43 Approach to stakeholder engagement                         | Stakeholders p.72  |           |
|   | 102-44 Key topics and concerns raised                             | Materiality Analysis p.74  |           |
|   | 102-45 Entities included in the consolidated financial statements | Scope p.71   |           |
|   | 102-46 Defining report content and topic Boundaries               | Materiality Analysis p.74  |           |
|   | 102-47 List of material topics                                    | Materiality Analysis p.74  |           |
|   | 102-48 Restatements of information                                | Scope p.71   |           |
|   | 102-49 Changes in reporting                                       | Scope p.71   |           |
|   | 102-50 Reporting period   | Scope p.71   |           |
|   | 102-51 Date of most recent report                                 | Scope p.71   |           |
|   | 102-52 Reporting cycle  | Scope p.71   |           |
|   | 102-53 Contact point for questions regarding the report           | Scope p.71   |           |
|   | 102-54 Claims of reporting in accordance with the GRI Standards   | Scope p.71   |           |
| 102-55 GRI content index                | GRI Content Index p.76  |  |           |
| 102-56 External assurance               | Independent Assurance Report p.82                                 |  |           |

| GRI Standard                            | Disclosures   | Page/Direct Answer   | Omissions |
|---|---|--|-----------|
| <b>Material Topics</b>                  |   |  |           |
| <b>Economic</b>                         |   |  |           |
| <b>Unfair Competition</b>               |   |  |           |
| GRI 103:<br>Management<br>Approach 2016 | 103-1 Explanation of the material topic and its Boundary                              | Compliance, Fair Competition p.51  |           |
|   | 103-2 The management approach and its components                                      | Compliance, Fair Competition p.51  |           |
|   | 103-3 Evaluation of the management approach   | Compliance, Fair Competition p.51  |           |
| GRI 206: Unfair Competition 2016        | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No cases of this type occurred   |           |
| <b>Environmental</b>                    |   |  |           |
| <b>Energy</b>                           |   |  |           |
| GRI 103:<br>Management<br>Approach 2016 | 103-1 Explanation of the material topic and its Boundary                              | Value Natural Resources p.43   |           |
|   | 103-2 The management approach and its components                                      | Value Natural Resources p.43   |           |
|   | 103-3 Evaluation of the management approach   | Value Natural Resources p.43   |           |
| GRI 302: Energy<br>2016                 | 302-1 Energy consumption within the organization                                      | Energy and Fuel Consumption p.43   |           |
|   | 302-2 Energy consumption outside of the organization                                  | Energy and Fuel Consumption p.43   |           |
|   | 302-3 Energy intensity  | Energy and Fuel Consumption p.43   |           |
|   | 302-4 Reduction of energy consumption   | Energy and Fuel Consumption p.43   |           |
|   | 302-5 Reductions in energy requirements of products and services                      | Energy and Fuel Consumption p.43   |           |
| <b>Water</b>                            |   |  |           |
| GRI 103:<br>Management<br>Approach 2016 | 103-1 Explanation of the material topic and its Boundary                              | Value Natural Resources p.43   |           |
|   | 103-2 The management approach and its components                                      | Value Natural Resources p.43   |           |
|   | 103-3 Evaluation of the management approach   | Value Natural Resources p.43   |           |
| GRI 303: Water<br>2016                  | 303-1 Water withdrawal by source  | All water used in Bridgestone Mexico is underground and obtained through wells |           |
|   | 303-2 Water sources significantly affected by withdrawal of water                     | No water sources of this type have been affected                               |           |
|   | 303-3 Water recycled and reused   | Treated Water and Water Discharge p.45   |           |

| GRI Standard                         | Disclosures  | Page/Direct Answer  | Omissions |
|--------------------------------------|--|---|-----------|
| <b>Effluents and Waste</b>           |  |   |           |
| GRI 103: Management Approach 2016    | 103-1 Explanation of the material topic and its Boundary                                       | Waste p.45  |           |
|                                      | 103-2 The management approach and its components   | Waste p.45  |           |
|                                      | 103-3 Evaluation of the management approach  | Waste p.45  |           |
| GRI 306: Effluents and Waste 2016    | 306-1 Water discharge by quality and destination   | Bridgestone Mexico only discharges 4.7% of the water used |           |
|                                      | 306-2 Waste by type and disposal method  | Waste Disposal p.46                                       |           |
|                                      | 306-3 Significant spills   | No cases of this type occurred                            |           |
|                                      | 306-4 Transport of hazardous waste   | No hazardous waste is transported                         |           |
|                                      | 306-5 Water bodies affected by water discharges and/or runoff                                  | No cases of this type occurred                            |           |
| <b>Social</b>                        |  |   |           |
| <b>Training and Education</b>        |  |   |           |
| GRI 103: Management Approach 2016    | 103-1 Explanation of the material topic and its Boundary                                       | Training p.58   |           |
|                                      | 103-2 The management approach and its components   | Training p.58   |           |
|                                      | 103-3 Evaluation of the management approach  | Training p.58   |           |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee  | Employees Receiving Training p.58                         |           |
|                                      | 404-2 Programs for upgrading employee skills and transition assistance programs                | Talent Development p.59                                   |           |
|                                      | 404-3 Percentage of employees receiving regular performance and career development reviews     | Talent Development p.59                                   |           |
| <b>Local Communities</b>             |  |   |           |
| GRI 103: Management Approach 2016    | 103-1 Explanation of the material topic and its Boundary                                       | People p.31   |           |
|                                      | 103-2 The management approach and its components   | People p.31   |           |
|                                      | 103-3 Evaluation of the management approach  | People p.31   |           |
| GRI 413: Local Communities 2016      | 413-1 Operations with local community engagement, impact assessments, and development programs | Volunteering p.32   |           |
|                                      | 413-2 Operations with significant actual and potential negative impacts on local communities   | No cases of this type occurred                            |           |

| GRI Standard                             | Disclosures   | Page/Direct Answer   | Omissions |
|--|---|--|-----------|
| <b>Supplier Social Assessment</b>        |   |  |           |
| GRI 103: Management Approach 2016        | 103-1 Explanation of the material topic and its Boundary  | Procurement p.65   |           |
|  | 103-2 The management approach and its components  | Procurement p.65   |           |
|  | 103-3 Evaluation of the management approach   | Procurement p.65   |           |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria  | Supplier Training, Development, and Evaluation p.65            |           |
|  | 414-2 Negative social impacts in the supply chain and actions taken                                 | No cases of this type occurred                                 |           |
| <b>Customer Health and Safety</b>        |   |  |           |
| GRI 103: Management Approach 2016        | 103-1 Explanation of the material topic and its Boundary  | Mobility p.27  |           |
|  | 103-2 The management approach and its components  | Mobility p.27  |           |
|  | 103-3 Evaluation of the management approach   | Mobility p.27  |           |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories                 | Think Before You Drive p.28<br>Quality and Customer Value p.67 |           |
|  | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | No cases of this type occurred                                 |           |
| <b>Socioeconomic Compliance</b>          |   |  |           |
| GRI 103: Management Approach 2016        | 103-1 Explanation of the material topic and its Boundary  | Compliance, Fair Competition p.51                              |           |
|  | 103-2 The management approach and its components  | Compliance, Fair Competition p.51                              |           |
|  | 103-3 Evaluation of the management approach   | Compliance, Fair Competition p.51                              |           |
| GRI 419: Socioeconomic Compliance 2016   | 419-1 Non-compliance with laws and regulations in the social and economic area                      | Regulatory Compliance p.53                                     |           |

# Independent Assurance Report



## Independent Verification Letter

### Bridgestone de México, S.A. de C.V. 's Stakeholders and Report readers

Firma Social, S.C. (AuditaRSE), by request of Bridgestone de México, S.A. de C.V., has made an external review of their Sustainability Report 2018.

### Scope

The scope of verification was conducted by reviewing the content and the implement of the performance indicators presented in this report, where the opinions contained in the verified document and its development are the responsibility of Bridgestone de México, S.A. de C.V.

Our work consisted on issuing an independent and responsible opinion about the reliability of the submitted information using the suitable and appropriate evidence.

### Verification Methodology

Our review took as a basis the ISAE 3000 standards, Accountability AA1000 and the methodology of the Global Reporting Initiative for the realization of sustainability reports. Considering the level of exhaustive application for GRI Standards as well as the inclusion of the 17 UN Sustainable Development Goals.

The verification was made at the headquarters of Bridgestone Latin America North located in Juan Vázquez de Mella No. 481 floor 4, Col. Los Morales Polanco, Delegación Miguel Hidalgo, C.P. 11510 Ciudad de México, the following activities were carried out:

- Physical inspection: Through on-site observation and reviews of the described aspects in the report.
- Testimonial tests: Carried out through interviews with staff company to know the management and depth of sustainability work programs.
- Documentaries: By examining samples of the data and information contained in the report throughout:
  - Verify the existence of external or internal evidences to support the information submitted.
  - Review of systems, proceedings and procedures for gathering and submitting information and data reporting.
  - Validation of the consistency of information submitted regarding to the previous report and the monitoring of relevant programs and indicators.

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Col. Juárez, C.P. 06600, México, D.F.



Within the review process, the GRI Standards determined in the Materiality Study and others applicable to the content of the report were considered, as well as the attachment to the 17 UN Sustainable Development Goals.

The GRI Standards validated as complies are detailed below:

|        |        |        |        |        |        |       |       |       |       |
|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|
| 102-1  | 102-11 | 102-21 | 102-31 | 102-42 | 102-52 | 203-2 | 302-4 | 306-1 | 412-2 |
| 102-2  | 102-12 | 102-22 | 102-32 | 102-43 | 102-53 | 204-1 | 302-5 | 306-2 | 413-1 |
| 102-3  | 102-13 | 102-23 | 102-33 | 102-44 | 102-54 | 205-1 | 303-1 | 307-1 | 414-1 |
| 102-4  | 102-14 | 102-24 | 102-34 | 102-45 | 102-55 | 205-2 | 303-3 | 308-1 | 416-1 |
| 102-5  | 102-15 | 102-25 | 102-35 | 102-46 | 102-56 | 205-3 | 305-1 | 401-1 | 419-1 |
| 102-6  | 102-16 | 102-26 | 102-36 | 102-47 | 103-1  | 301-2 | 305-2 | 403-1 |       |
| 102-7  | 102-17 | 102-27 | 102-37 | 102-48 | 103-2  | 301-3 | 305-3 | 403-2 |       |
| 102-8  | 102-18 | 102-28 | 102-38 | 102-49 | 103-3  | 302-1 | 305-4 | 404-1 |       |
| 102-9  | 102-19 | 102-29 | 102-39 | 102-50 | 201-1  | 302-2 | 305-5 | 404-2 |       |
| 102-10 | 102-20 | 102-30 | 102-40 | 102-51 | 203-1  | 302-3 | 305-7 | 404-3 |       |

### Conclusions

Derivative from the verification work we made to this report, we could appreciate the importance given to the development, implementation and monitoring of various programs and activities that fully respond to the Bridgestone Corporate Philosophy in matters of social responsibility and which in turn contribute to meet the requirements of its various stakeholders.

By not having any evidence that make us notice any differences or contradictions of the previous information, we deem that **Bridgestone de México, S.A. de C.V.'s, Sustainability Report 2018** contains reliable data that represent reasonable results for the reporting period in accordance with the Exhaustive Application Level referred to the Global Reporting Initiative Standards, as well as the attachment to the 17 UN Sustainable Development Goals.

Mexico City, August 20<sup>th</sup>, 2019



C.P. Guillermo Suárez Soriano  
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