



## Sustainable Procurement

Bridgestone is striving to realize a sustainable society and to build foundation of sustainable value creation across the value chain simultaneously. We are focusing on sustainable procurement of natural rubber, in light of its impact on society and business. Natural rubber is a key raw material in tire manufacturing and is an essential renewable resource for producing high-quality tires. Also, it is a renewable resource that provides livelihood opportunities for millions of people around the world. It is said that more than 6 million people are involved in the cultivation of natural rubber. Therefore, efforts toward sustainability of natural rubber are recognized as our crucial management issue for business continuity.

Most natural rubber is cultivated by farmers in Southeast Asia, where rubber trees are planted on small farms and large plantations. Demand for natural rubber has been steadily increasing globally over the years, and we believe that sustainable procurement requires increasing yields and improving the livelihoods of small farmers while protecting forests.

In 2022, Bridgestone formed the Capacity Building Task Force, bringing together relevant functions to strengthen capacity building initiatives for smallholders. Leveraging the techniques and knowledge accumulated from our experience in managing our own natural rubber farms, in 2023, we provided trainings and technical support to smallholders, reaching 5,640 smallholders, and other projects organized in support of increasing production volume as well as income diversification. In order to accelerate the corporate initiatives, we have set the global strategy with a medium-term goal, which is to provide support for 12,000 smallholders aiming to increase yields and the livelihoods of small farmers and protect forests by 2026. The goal is in line with [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#) standards.

Our sustainable procurement initiatives are grounded in our [Global Sustainable Procurement Policy](#) and aligns with our goal of using 100% sustainable materials<sup>1</sup> by 2050 and beyond. We established the goal and KPI of 100% of Tier 1<sup>2</sup> suppliers will have acknowledged the revised Global Sustainable Procurement Policy. (As of March 31, 2024, 87% of Tier 1 tire material suppliers had done so.)

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

Website [Long-term environmental vision \(2050 and beyond\): Towards 100% sustainable materials](https://www.bridgestone.com/responsibilities/environment/resources/)  
<https://www.bridgestone.com/responsibilities/environment/resources/>

2. Suppliers that supply materials directly to Bridgestone

Taking into account the changing business environment, Bridgestone has placed an enhanced focus in procurement activities on the creation of new value, including ESG, in addition to conventional value centered on QCD (Quality, Cost, Delivery). We believe it is important to reinforce dialogue with our suppliers and co-create new value, with the “Bridgestone E8 Commitment” as the axis.

For example, regarding natural rubber, one of the raw materials for which there are high social demands for sustainability, we are working collaboratively with our suppliers to improve traceability and are actively working to solve social issues throughout the supply chain, including smallholder farmers. We will continue to deepen our cooperation with our suppliers to enhance sustainability.



**Masashi Omae**  
 Director  
 Global Procurement Division

## Capacity Building Projects with WWF

In 2024, Bridgestone, in partnership with [WWF Japan](#) and Indonesia, launched a project to provide technical training towards that contributes to improved yields of natural rubber smallholders in Riau and Jambi provinces in Indonesia, with a view toward medium-term cooperation. We plan to conduct a series of technical training sessions in 2024, ranging from land preparation and nursery to natural rubber latex coagulum collection by cup lump. In the first quarter of 2024, experts from our natural rubber farm in Indonesia and Technical Center in headquarters trained 10 smallholders from Kuantan Singingi Rubber Farmers Association (APKARKUSI) in Riau province and five smallholders from Jambi province on tapping techniques, fertilization and pruning, and disease control. With the aim of further expanding the impact of activities, Bridgestone will standardize yield improvement techniques tailored to various farm conditions, train these 15 trainees as instructors, and establish an arrangement to disseminate these techniques to more smallholders. Through these efforts, we will contribute to the sustainability of natural rubber.

Most of our member farmers are conventional and have not had an opportunity to learn the relevant skills to produce natural rubber, including taking care of young rubber trees, tapping, coagulating and collecting cup lumps, and fighting disease.

I really appreciate Bridgestone and WWF for providing the training for the farmers to learn such skills. It gives us understanding in Good Agricultural Practices of natural rubber production.

With regular, continuous and comprehensive follow-up training in efforts to maintain the existence and development of natural rubber, we expect the training will ultimately increase the income and livelihood of rubber farmers as well as sustainable natural rubber production in Kuantan Singingi Regency.



**Syoffinal**  
Advisor of APKARKUSI  
(Kuantan Singingi Rubber  
Farmers Association)



Training scene of tapping techniques and medicine application

## Global Platform for Sustainable Natural Rubber

GPSNR, a multi-stakeholder organization serves as an effective platform for collaboration, sharing resources and knowledge, and uniting Bridgestone's efforts in enhancing sustainability of the natural rubber industry with other tire makers, automakers, smallholders, processors, and producers, civil society.

Bridgestone donated 60,000 USD to GPSNR to support initiatives led by GPSNR for smallholder capacity building to be conducted in 2023. In addition, Bridgestone plays multiple roles in GPSNR including being a founding and

executive committee member, taking part in the Capacity Building and Smallholders Working Group, being actively involved in the discussion around GPSNR's Shared Responsibility Framework, and also GPSNR's Assurance System. Our active contribution will lead to help the industry tackle the vast and complicated issues in ensuring a sustainable natural rubber supply chain.

## Preparation for EUDR Compliance

Bridgestone has set up a global structure in order to respond timely and swiftly to the EU Deforestation Regulation (EUDR) requirements and is also actively engaging with industry networks, such as GPSNR and [European Tyre and Rubber Manufacturers' Association \(ETRMA\)](#), to clarify and compile a common industry view on the content of regulations and support smallholders who support production.

## Enhancing Traceability of Natural Rubber Supply Chain

Our commitment to the continuous improvement of our natural rubber supply chain's traceability is unwavering. Since 2019, we have closely collaborated with suppliers to foster a deep understanding of the significance of supply chain mapping, particularly down to the smallholder level. By 2023, we achieved a significant milestone: 34% of our natural rubber supply chain was traceable to smallholders based on supplier self-declarations. By integrating digital tools, we aim to gain a more comprehensive and accurate understanding of our supply chain.

[Global Platform for Sustainable Natural Rubber \(GPSNR\)](https://sustainablenaturalrubber.org/)  
<https://sustainablenaturalrubber.org/>

[Global Sustainable Procurement Policy](http://www.bridgestone.com/responsibilities/social/procurement/pdf/Policy_English.pdf)  
[www.bridgestone.com/responsibilities/social/procurement/pdf/Policy\\_English.pdf](http://www.bridgestone.com/responsibilities/social/procurement/pdf/Policy_English.pdf)

[WWF Japan](https://www.wwf.or.jp/eng/)  
<https://www.wwf.or.jp/eng/>

[European Tyre and Rubber Manufacturers' Association \(ETRMA\)](https://www.etrma.org/)  
<https://www.etrma.org/>