

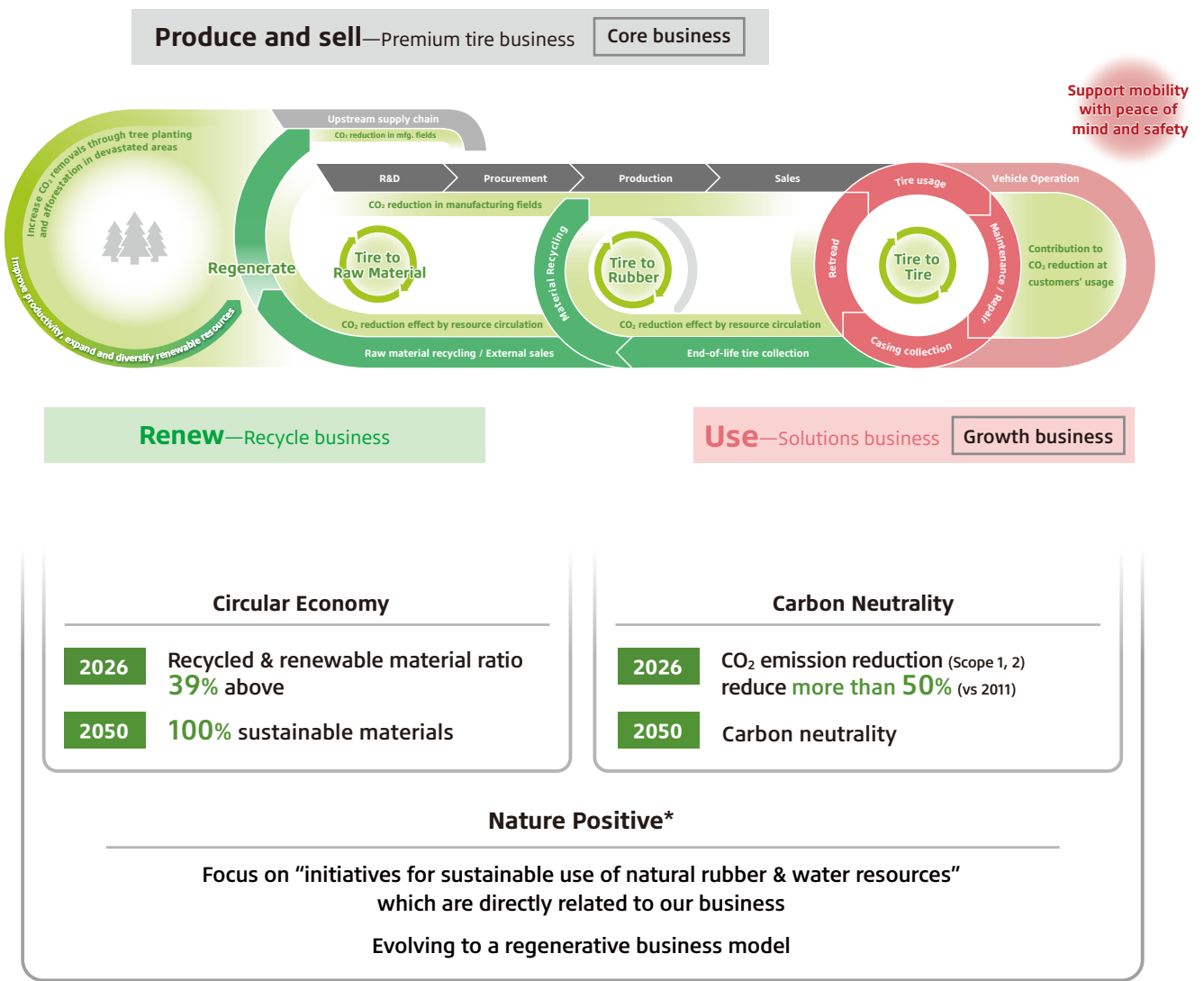
Building a Foundation for Sustainable Value Creation

Building a Foundation for Sustainable Value Creation

Bridgestone is working to establish its unique Sustainability Business Model by incorporating sustainability into the corporate strategy and Mid Term Business Plan. Our Sustainability Business Model links our business with the realization of carbon neutrality and a circular economy across the entire value chain, from “produce and sell” and “use” of products to their “renewal” to raw materials.

In 21MBP, we promoted activities that form the

foundation of our Sustainability Business Model and achieved results that exceeded the goals. In 24MBP, we promote the integration of sustainability into our business scenario, interconnecting our business activities with sustainability initiatives, and building a foundation for sustainable value creation as we move toward a sustainable growth stage.



* It means halting and reversing the loss of biodiversity and natural capital in order to put nature on the path to recovery. The intent behind is to reduce the impact of business activities on biodiversity and natural capital, maintain and restore nature’s bounty, and transform socio-economic activities for sustainable use of natural capital.

Progress and Targets of Initiatives, Sustainable Value Creation Linked to Business Shaping Scenarios

Progress of Initiatives

Bridgestone places sustainability at the core of our management and business, and accelerate transformation with the aim of achieving sustainable growth as a company while contributing to the realization of a sustainable society. We are working to establish a Sustainability Business Model that links our business model with efforts to achieve a circular economy and carbon neutrality across the entire value chain. We aim to create both social value and customer value through our business and achieve a win-win-win relationship among society, our customers, and Bridgestone. We have also promoted initiatives toward nature positivity since 2023 and have been evolving into a more regenerative business model.

Initiatives toward Carbon Neutrality

By 2030, Bridgestone has set clear targets for reducing its total CO₂ emissions (Scopes 1 and 2) by 50% compared with 2011, and to realize carbon neutrality by 2050. In 2023, we achieved a 57% reduction, which exceeds the 2030 target.

Result in 2023

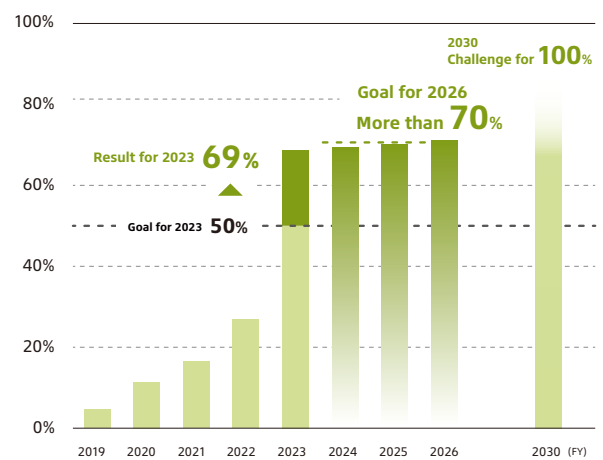


A major contribution to this significant reduction was the increase in the ratio of renewable energy (electricity). In each global region, we are promoting the installation of solar panels and the shift of electricity purchased from outside sources to electricity derived from renewable energy sources. We have achieved a ratio of 69% in renewable energy use, in comparison to the 2023 target of 50%, which was a significant increase from the 26% in the previous year. With a plan to achieve over 70% by 2026, we will work toward the sustainable use of renewable energy.

In order to achieve carbon neutrality by 2050, it is necessary to balance business growth and CO₂ emissions reduction at an even higher level, while taking into

account the increase in CO₂ emissions associated with the expansion of production and sales volume. We will promote stable procurement of renewable energy, improve productivity in conjunction with BCMA, and steadily improve energy intensity. This also will lead to strengthening our earning power.

Change in ratio of renewable energy (electricity)



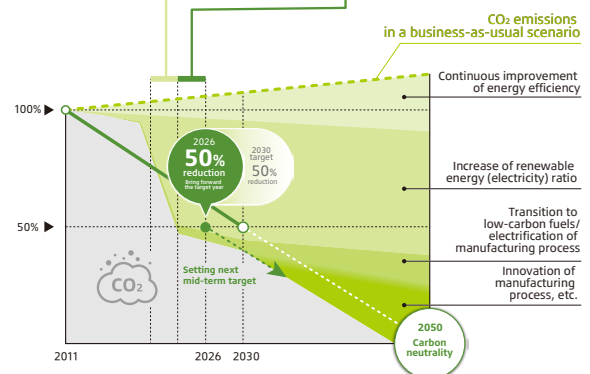
Transition plan for carbon neutrality

Mid Term Business Plan (2021-2023)

- Accelerated the introduction of renewable energy
- Achieved CO₂ emission reduction target level

Mid Term Business Plan (2024-2026)

- Stable procurement of renewable energy
- Technology development & verification towards Scope 1 reduction



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Bridgestone is working to contribute to CO₂ reduction across the entire value chain, from “produce and sell”, “use” to their “renewal” to raw materials. Our goal for 2030 is to contribute to the reduction of CO₂ emissions (base year: 2020) through the entire lifecycle of our products, services, solutions and recycle by at least five times the amount of CO₂ emitted by our own production activities (Scope 1 and 2). In 2023, the amount of reduction contribution increased to 1.9 times the amount of emissions through rolling resistance improvement in premium Dan-Totsu products and proposals for optimal operating routes for mobility solutions such as Webfleet and Azuga. Our 24MBP’s goal is to contribute to reduction of CO₂ emissions by more than three times of our CO₂ emissions by 2026.

We are also working to strengthen supplier engagement to reduce the total amount of Scope 3 emissions. In recognition of this stance, we achieved a place on the “A list” of CDP Climate Change and the Supplier Engagement in 2023.

Initiatives toward Realization of a Circular Economy

In order to realize a circular economy, we are promoting material development such as expanding and diversifying renewable resources using guayule, improving resource productivity by expanding the retread business, and exploring technologies for tire recycling.

We promote the establishment of a circular business model through initiatives across the value chain, from the “produce and sell” and “use” to their “renewal”. In retreading, we plan to increase the TB retread ratio to approximately 50% by 2026, which is linked to the expansion of solutions that allows customers to use tires safer, longer, better, and more efficiently.

Progress Toward the Shift to Sustainable Materials

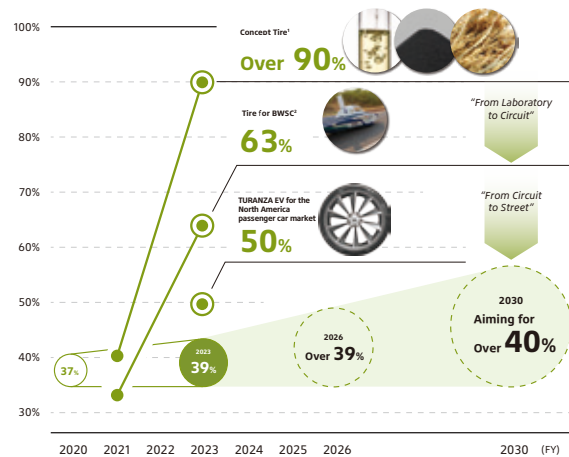
Toward the realization of a circular economy, Bridgestone has set mid to long-term targets to achieve a 40% recycled and renewable material ratio by 2030, and to achieve 100% sustainable material use by 2050.

In 2023, we achieved 39.6% of recycled and renewable material use, exceeding our target of 37%, leading to a reduction of 558,000 tons equivalent of new input raw materials.

Result in 2023

Ratio of materials using recycled and renewable resources **39.6%**

To expand and diversify recycled and renewable materials, we will strengthen our efforts through motorsports, a “mobile laboratory”, such as providing race test tires using guayule as a raw material for the NTT INDYCAR® SERIES in the United States, and we will gradually expand to tires for the markets.



1 Tire that has achieved production via the standard tire prototyping process, and that has a level of performance suitable for drive testing
2 Bridgestone World Solar Challenge

Initiatives to Promote Nature Positive World

Becoming Nature positive requires a comprehensive approach and transformation that encompasses not only nature conservation, but also diverse perspectives and issues such as efficient use of resources, sustainable production, and climate change countermeasures. We have incorporated such approach into our Sustainability Business Model and are evolving it into a more circular and regenerative approach. In 24MBP, we focus on activities for the sustainable use of natural rubber and water resources that are directly linked to our business.

With regard to water resources, which are essential for the continuation of our business. To ensure fair and sustainable use of water resources, we have developed and implemented water stewardship plans (WSP) that are tailored to local conditions for each of our production sites located in water stress areas. In 2023, the formulation of WSP was completed at all 17 targeted sites, and as a result of the activities, water withdrawal at the targeted sites decreased by 8.1% from the previous year.

* See [Minimizing footprint](#) on the website for details

Enhancing Initiatives for Sustainable Use of Natural Rubber

Natural rubber, one of the key materials for tires, is produced from Para rubber trees. Para rubber tree production is concentrated in the tropical rainforests of Southeast Asia and is supported by a complex supply chain that includes as many as 6 million smallholder farmers. We believe that building a sustainable supply chain for natural rubber is important from a social and environmental perspective, as well as for the sustainability of our business. We are working with smallholder farmers to improve productivity and achieve zero deforestation. Our goal is to partner with a cumulative total of 12,000 smallholders by 2026, each utilizing technology developed at our own farms and know-how effective in disease control. In addition to our efforts as a company, such as tree planting in devastated lands, we are also strengthening collaboration with GPSNR, a global platform, WWF, a specialized organization, and procurement partners to roll out activities that take into account not only environmental aspects but also social aspects such as human rights. We will continue to take a comprehensive approach to the sustainable use of natural

rubber with our unique approach rooted in Genbutsu-Genba.

* See [Sustainable Procurement](https://www.bridgestone.com/responsibilities/social/procurement/) on the website for details.
<https://www.bridgestone.com/responsibilities/social/procurement/>

Sustainable Value Creation Linked to Business Shaping Scenario

In the 24MBP, we promote the integration of sustainability into the Business Shaping Scenario and build a foundation for sustainable value creation, which also enable us to create new values.

Our efforts toward carbon neutrality, circular economy, and nature positive are linked to value creation in the core, growth, and exploratory businesses in the business shaping scenario. We support sustainable initiatives and strengthening our sustainable structure and foundation by reinforcing business quality through new & true glocal portfolio management.

For example, in our core business of premium tires, we will improve the various performance required of tires. This includes wear resistance, long life, and lower rolling resistance, while also improving resource productivity and

Earned the ISCC PLUS Certification for our own Natural Rubber Farm (Liberia)

Firestone Liberia's natural rubber growing and processing facility is the 16th facility in Bridgestone to receive ISCC PLUS certification*. This is the first natural rubber farm in the world to receive ISCC PLUS certification, and was recognized for its efforts to reduce environmental impact, use resources efficiently, and mitigate climate change. The social aspect of the farm is also recognized for good agricultural practices, such as ensuring adequate working conditions, compliance with local regulations, and promoting effective management practices to promote continued growth and improvement. The farm has been a model case in activities that support local communities, such as supporting the rollout of technology developed on the farm to local smallholder farmers, and providing and supporting medical care and education. The farm has been in operation for more than 90 years and is a valuable asset for Bridgestone's sustainable natural rubber business.



Engaging with local communities as part of the on-site audit

* International Sustainability & Carbon Certification (ISCC): A certification system operated by the ISCC organization for products manufactured using materials derived from biomass and other recyclable materials or derived from recycled materials. Certification is based on assessments against criteria for traceability through the supply chain.

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energy intensity through “ultimate customization” by expanding ENLITEN, our base technology for product design, creating value through BCMA, and shifting to green & smart. In this way, we promote tire manufacturing that improves customer value while reducing business costs and environmental impact, thereby contributing to the achievement of our sustainability targets. In the solutions business, we will increase the ratio of recycled and renewable materials by expanding the TB retread tires business, and also expand our contribution to CO₂ reduction

in Scope 3 through efficient real x digital driving and vehicle operation support.

Through these efforts, we aim to link business and sustainability, creating synergistic effects as two wheels, and promote the sustainable value creation, while reinforcing our sustainability in structure and foundation.



Climate and Nature-related Risk Management and Responses to TCFD and TNFD

Bridgestone supports the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we began participating in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum in March 2022. As the world becomes increasingly concerned about climate change and the loss of natural capital, there is a growing movement towards a decarbonized society, as exemplified by the Paris Agreement. Additionally, efforts to achieve a nature-positive world, as outlined in the Kunming-Montreal Global Biodiversity Framework, are gaining momentum. In this context, we are working to comprehensively assess and manage its dependency and impact on the climate and natural capital, as well as the risks and opportunities associated with climate change and the loss of natural capital, reflecting these in business strategy.

Based on our awareness of these risks and opportunities, we will enhance sustainable corporate value and build a

foundation for sustainable value creation by strengthening our efforts toward carbon neutrality, realization of a circular economy, and nature positivity, while linking them to our business.

Status of Compliance with TCFD and TNFD Recommended Disclosures

As a TNFD Early Adopter, Bridgestone began disclosing information in line with TNFD recommendations in October 2023. The following is the status of our response on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) version v1.0. The following information is also included in the 105th Annual Securities Report [Approach and Initiatives on Sustainability].

Governance

Recommended disclosures	Status of Bridgestone's Response	
	TCFD	TNFD
Board of Directors' oversight of dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> The Board of Directors receive and review regular reports on the status of sustainability initiatives, including achieving carbon neutrality, contributing to a circular economy and progress toward being in harmony with nature. 	
Management's role in assessing and managing dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> The Global EXCO, the highest level of corporate management, approves and manages the progress of mid-long term strategies, targets and action plans, including achieving carbon neutrality, contributing to a circular economy and progress toward being in harmony with nature. 	
Human rights policies and engagement activities, and oversight by the Board of Directors and management, with respect to Indigenous peoples, local communities, affected and other stakeholders (TNFD recommended disclosure)	<ul style="list-style-type: none"> The Global Human Rights Policy and the Global Sustainable Procurement Policy articulate Bridgestone's strong commitment to respect and support internationally recognized human rights principles such as the UN Guiding Principles for Business and Human Rights. The Global Sustainable Procurement Policy contains minimum requirements for suppliers to acquire or use land only by legal means in accordance with UN Declaration on the Rights of Indigenous Peoples, and to follow Free, Prior, and Informed Consent (FPIC) principles when acquiring land and assessing any forest development or creating forest management plans. We promote the implementation of these policies within Bridgestone, with suppliers, and across the supply chain. Bridgestone collaborates with the World Wildlife Fund (WWF) to study and develop a due diligence process for ensuring the Company's supply chain is in compliance with the Global Sustainable Procurement Policy. On-site ESG audits are conducted for suppliers, including natural rubber smallholders, using a self-assessment questionnaire developed in conjunction with WWF, and risks are evaluated. This questionnaire includes inquires on the FPIC. Bridgestone establishes a grievance mechanism for the natural rubber supply chain and publicly discloses the standard operating procedure and status of each grievance. We use the grievance mechanism, among others, to monitor any potential/actual issues related to indigenous peoples and local communities' rights in our supply chain. The Global EXCO approves and manages action plans and progress for sustainability, including respect for human rights, which are reviewed by the Board of Directors. 	

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Strategy

Recommended disclosures	Status of Bridgestone's Response	
	TCFD	TNFD
<p>Dependencies, impacts, risks and opportunities over the short-, medium-, and long-term</p>	<p>Bridgestone comprehensively assesses and manages its dependency and impact on the climate and natural capital, as well as the risks and opportunities associated with climate change and the loss of natural capital. Dependencies, impacts, risks and opportunities have been identified as follows.</p> <p>Dependencies on climate and natural capital (Note)</p> <ul style="list-style-type: none"> • Dependency on nature's provision of water and biomass in the raw material procurement stage as well as climate and healthy soil maintenance and regulating services provided by ecosystems. • Dependency on nature's provision of water in the tire production stage. <p>Impacts on climate and natural capital (Note)</p> <ul style="list-style-type: none"> • Impact of land use in the raw material procurement stage. • Impact of water resource usage and waste generation in the tire production stage. • Impact of greenhouse gas emissions, water resource usage, emissions to air, water and soil and waste generation throughout the value chain. <p>Physical risks and opportunities related to climate change and loss of natural capital</p> <ul style="list-style-type: none"> • Risks of stronger typhoons and increased frequency of flooding and drought, which pose the risk of interrupting business activities. • Risks related to the procurement of raw materials as a result of changing rainfall patterns leading to poor harvesting of natural rubber. • Risk of lower demand for winter tires due to reduced snowfalls. • Opportunities to commercialize natural rubber derived from guayule, which grows in arid regions. Risks due to poor harvesting of natural rubber derived from Para rubber trees, which are found predominantly in tropical regions. <p>Risks and opportunities related to the transition to a decarbonized society and a society in harmony with nature</p> <ul style="list-style-type: none"> • Risk of adverse effects on operating results and financial position, such as limitations on business activities and increased costs, if R&D expenses required to meet the rapidly changing needs of society and customers do not produce sufficient results when systems and regulations to combat climate change and loss of natural capital are introduced (for example, carbon taxes, CO₂ emission reduction obligations and emissions trading systems, and systems and regulations related to low-fuel consumption performance of tires, recycling used tires, water withdrawal and sustainable natural rubber, etc.). • Opportunities associated with changes in competitive factors due to changes in mobility needs (for example, increased demand for tires for electric vehicles, increased demand for tires and solutions that help customers reduce CO₂ emissions). • Opportunities to commercialize the recycling business resulting from increased regulation around the recycling of used tires. <p>(Note) This refers to the main areas of dependency and impact throughout the value chain of the tire business that were evaluated as either "very high" or "high" in importance by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and industrial groups using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).</p>	
<p>Impact on business model, value chain, strategy, and financial planning</p>	<p>• Bridgestone assesses risks and opportunities based on multiple climate- and nature-related scenarios. It has already begun to address those important risks and opportunities identified and will continue to do so on a regular basis.</p>	
<p>Resilience of the organization's strategy, taking into consideration different scenarios</p>	<p>• Bridgestone assesses risks and opportunities based on multiple climate- and nature-related scenarios. It has already begun to address those important risks and opportunities identified and will continue to do so on a regular basis.</p>	
<p>Locations applicable to direct operations, upstream and downstream</p> <ul style="list-style-type: none"> • Locations with high integrity ecosystems and/or areas of decline in integrity • Areas where biodiversity is of high importance • Water stress areas • Areas where the organization is likely to have significant potential dependencies and/or impacts <p>(TNFD recommended disclosure)</p>	<ul style="list-style-type: none"> • Expand CO₂ absorption and fixation through afforestation of degraded land 	<ul style="list-style-type: none"> • Bridgestone regularly evaluates production sites located in water stress areas with a risk of declining water resources in terms of quantity and quality. As of the end of 2023, seven sites in India, Indonesia, China and other countries were located in river basins assessed as having "extremely high water risk." A water stewardship plan has been formulated and is being implemented at all these sites based on the water situation is each location.

Management of Risks and Opportunities

Recommended disclosures	Status of Bridgestone's Response	
	TCFD	TNFD
Process for identifying, assessing, and prioritizing dependencies, impacts, risks and opportunities in direct operations and upstream and downstream value chain	<ul style="list-style-type: none"> Bridgestone strives to comprehensively and appropriately identify and address risks and opportunities across its operation while considering the business scale and characteristics of each Group company. We identify risks and opportunities associated with climate and natural capital by considering dependency and impact throughout the value chain based on evaluations from ENCORE by UNEP-WCMC and others and the Business & Biodiversity Interrelationship Map[®] released by Japan Business Initiative for Biodiversity (JBIB). 	
Management process	<ul style="list-style-type: none"> We are currently assessing ways to improve its management of business strategy risks and opportunities directly related to the execution of the Mid-Long Term Business Strategy by setting up a dedicated annual risk management process under the direct leadership of the Global EXCO, while operational risks related to day-to-day operations are overseen by the Chief Risk Officer (CRO), who is responsible for overall risk management and formulating risk response plans. 	
Integration into and informing the organization's overall risk management	<ul style="list-style-type: none"> Identifying potential risks faced by each region and Bridgestone as a whole on an annual basis; clarifying ownership for those risks not only for us as a whole, but also for each business, SBU and division; and implementing risk management in an autonomous and continuous manner. 	

Metrics and Targets

Recommended disclosures	Status of Bridgestone's Response																		
	TCFD	TNFD																	
Metrics used in the assessment and management of risks and opportunities	<ul style="list-style-type: none"> Bridgestone sets water withdrawal in water stress areas, environmental footprint (amount of hazardous/non-hazardous waste and landfill, VOC emissions, SO_x/NO_x emissions), and size of habitat management area as metrics in the assessment and management of nature-related risks, opportunities and impacts and regularly monitors status. 																		
Metrics used in the assessment and management of dependencies and impacts	<ul style="list-style-type: none"> Establishing targets and regularly monitoring CO₂ emissions (CO₂ emissions reduction in Scopes 1, 2, and 3, and the reduction contribution of CO₂ emissions throughout the lifecycle and value chain of our products and services) as one of the metrics for assessing and managing climate-related risks and opportunities. We evaluate the cost of CO₂ emissions (US\$100/tCO₂) and the effect of reductions based on internal carbon pricing in order to assess the risks and opportunities associated with an investment. 																		
Targets and performance in metrics used in the management of dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> Setting long term environmental vision (2050 and beyond) and mid-term target (2030) to achieve carbon neutrality, contribute to a circular economy and achieve being in harmony with nature; evaluating and disclosing performance every year. Setting targets toward 2030 to reduce our absolute CO₂ emissions (Scope 1 and 2) by 50% compared with 2011 levels, contribute to global CO₂ emissions reductions across the lifecycles and value chain (Scope 3) of our products and services exceeding five times our operation's CO₂ emissions (Scope 1 and 2) compared with 2020 levels, increase ratio of recycled and renewable material to 40%, and promote water stewardship plans to reduce water risks at production bases in water-stressed areas. The main results for targets toward 2030 are as follows. <table border="1"> <thead> <tr> <th colspan="2">Priority items to be addressed</th> <th>Metrics</th> <th>2022 results</th> <th>2023 results</th> <th>2030 targets</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Establishment and evolution of the Sustainability Business Model</td> <td>Develop readiness toward carbon neutrality</td> <td>Reduce absolute CO₂ emissions (Scopes 1 and 2) compared with 2011 levels</td> <td>31%</td> <td>57%</td> <td>50%</td> </tr> <tr> <td>Expand circular economy business activities</td> <td>Ratio of recycled and renewable materials¹</td> <td>38.4%</td> <td>39.6%</td> <td>40%</td> </tr> </tbody> </table>		Priority items to be addressed		Metrics	2022 results	2023 results	2030 targets	Establishment and evolution of the Sustainability Business Model	Develop readiness toward carbon neutrality	Reduce absolute CO ₂ emissions (Scopes 1 and 2) compared with 2011 levels	31%	57%	50%	Expand circular economy business activities	Ratio of recycled and renewable materials ¹	38.4%	39.6%	40%
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		<p>1. Within total material weight for tire products including tire casing for retreading</p>																	