



Our Way to Serve

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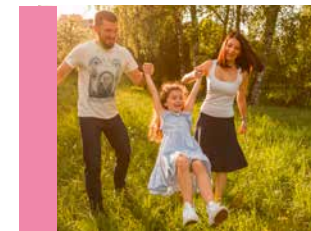


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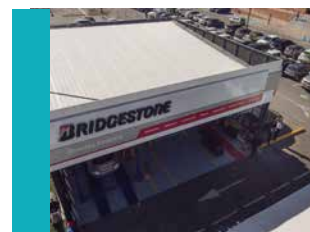
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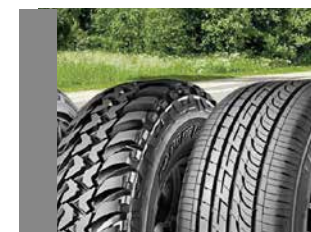


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Letter from the President

Bridgestone is a global company that since its founding has had a clear mission, Serving Society with Superior Quality. The Bridgestone Latin America North region, with less than four years of being constituted, seeks to consolidate itself as a leader in a broad market that, geographically, extends through Mexico, Central America, the Caribbean, Colombia and Ecuador.

The company celebrated several milestones in 2017, including 50 years of operations in Costa Rica with a tire manufacturing facility in Belén, while the Bandag brand celebrated its 60th anniversary with the launch of a new image.

Today, our priority is to keep moving in the strengthening of our processes and sales efficiencies and synergies, while applying our solid corporate culture to standardizing the competitive advantage and knowledge acquired in each of the markets and countries in which we operate.

We have applied different management approaches to our stakeholder relations by market type and segment, in an effort to provide integrated solutions that improve mobility, support people and communities, and promote environmental stewardship through an optimized service cycle that adapts to our consumers' changing needs.

Bridgestone's social responsibility commitment, Our Way to Serve, provides a framework for the way we do business, develop products and interact with communities and customers. This commitment is based on three Priority Areas: Mobility, People and Environment; and in six Management Fundamentals that comprehensively favor the fulfillment of our mission.

At Bridgestone, we innovate in both product development and internal mechanisms to optimize our operation, as we focus on caring for the environment and providing unparalleled customer service experiences. Examples of this are the products developed with differentiating technologies such as the Run-Flat tire and ECOPIA EP422 PLUS that today position us at the forefront of tire manufacturing due to the quality, comfort, safety and environmental care that characterize our products.

We also serve the community that welcomes us in each of the countries where we operate through our volunteer programs. During 2017, we benefited 124,556 people, thanks to initiatives that were



We celebrate the **60th** anniversary of **Bandag** by launching a **brand new image**.

developed with the aim of building a society with greater knowledge of road safety, as well as promoting a more inclusive education and healthier communities.

It is essential in our actions to support development and equity among our employees, as an integral part of our sustainability. According to the 2016 Great Place to Work® study, 91% of our employees in Mexico are proud to work at Bridgestone, while in Costa Rica they placed us in the third position among the best companies to work for, in the category of 100 to 1,000 workers.

We value the trust that each collaborator gives us and we are convinced that training is the best mechanism to guarantee their integral development. Therefore, in 2017 we invested 963,318 USD in regional training with an average of 81 hours of training per employee.

Protecting the environment is part of our Priority Areas; that is why the water consumption in the plants of Cuernavaca, Mexico and Belén, Costa Rica, was reduced by 5.6% and 0.5%, respectively. In addition, we seek to make our operation more efficient, we greatly value resources and operate in harmony with nature. So in 2017, we planted 3,600 trees and collected 198 tonnes of waste tires for their correct disposal.



124,556

people were benefitted in 2017
through our volunteering programs.



In 2017

3,600

trees were planted and 198 tonnes of
waste tires collected for their correct
disposal.

At Bridgestone we anticipate, prevent and mitigate the risks. In 2016, a renovated Corporate Program for Business Continuity and Crisis Management was launched, which was implemented in 2017 after the earthquakes in Mexico and the passage of Nate hurricane in Costa Rica. Both natural disasters were managed under the protocols established to guarantee the protection of people, property and business continuity.

There are challenges in alignment with the sustainable development of each country, which the new governments of Mexico, Colombia and the Central American countries must work on. At Bridgestone, we will continue to act as a responsible corporate citizen to contribute to the development of our markets, through active participation in associations in our sector.

Every year, this report supports our commitment to build a more inclusive, sustainable and resilient society, in absolute congruence with the Sustainable Development Goals of the United Nations.

I invite you to learn more about Bridgestone's sustainable performance and principles, as well as our contributions to enhancing Mobility, People and Environment.

Alfonso Zendejas

President

Bridgestone Latin America North, BS-LAN





Bridgestone is a Japanese company dedicated to the production and marketing of tires, committed to **Serving Society with Superior Quality**, through its operations, corporate activities, internal policies and attention to stakeholders. These aspects are aligned with The Bridgestone Essence, the philosophy stipulated at the corporate level.

Corporate Profile

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]



Seijitsu-Kyocho

Adhere ourselves to the good faith principles regarding work performance, the way we treat others and how we commit with society.

Shinshu-Dokuso

It refers to building the future, daring ourselves proactively to identify and develop innovations that will benefit society and respond to our client's needs from his or her perspective.

Genbutsu-Genba

Take the time necessary to verify personally in-terrain and use our empirical observations to make decisions.

Jukuryo-Danko

Research of all options and possibilities, paying special attention how to execute decided actions.

Main products and services

Tires	The company offers a wide range of tires for automobiles, trucks, buses, aircraft, construction and mining vehicles, motorcycles, etcetera.
Diversified products	Chemical and Industrial products: Acoustic and anti-vibration insulation materials, polyurethane foam products, electro-materials, industrial rubber products, construction materials, belts, hoses and others.
	Diversified products: A business under the umbrella of Bridgestone Americas Inc. that supplies commercial roofing materials and other products.
	Sporting Goods: Golf balls, golf clubs, golf apparel, tennis goods and other products.
	Bicycles: Bicycles and articles for bicycles.
	Others: Financing services and other products.
Business solutions	Bridgestone leverages the potential for more inclusive elements in the company's portfolio, and it works on new solutions, combining maintenance services, IT/ sensor technology, tires and diversified products, to meet the needs of its customers.

Bridgestone in Global Figures

Capital:
JPY **¥ 126.3** billion.

Sales:
JPY **¥ 3,643** billion.



Locations:

1 corporate office in Japan and **regional headquarters in:**

- America
- Europe, Middle East, Russia, and Africa
- China, Asia, and Pacific

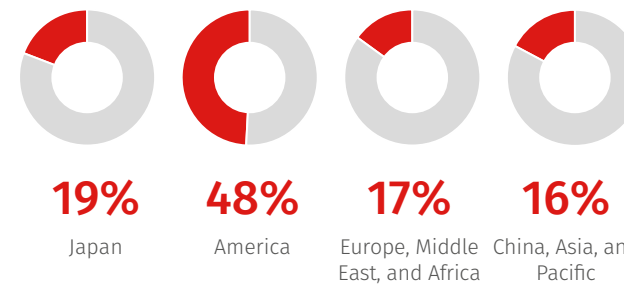


Employees:

- Direct: **142,669**
- Indirect: **13,706**

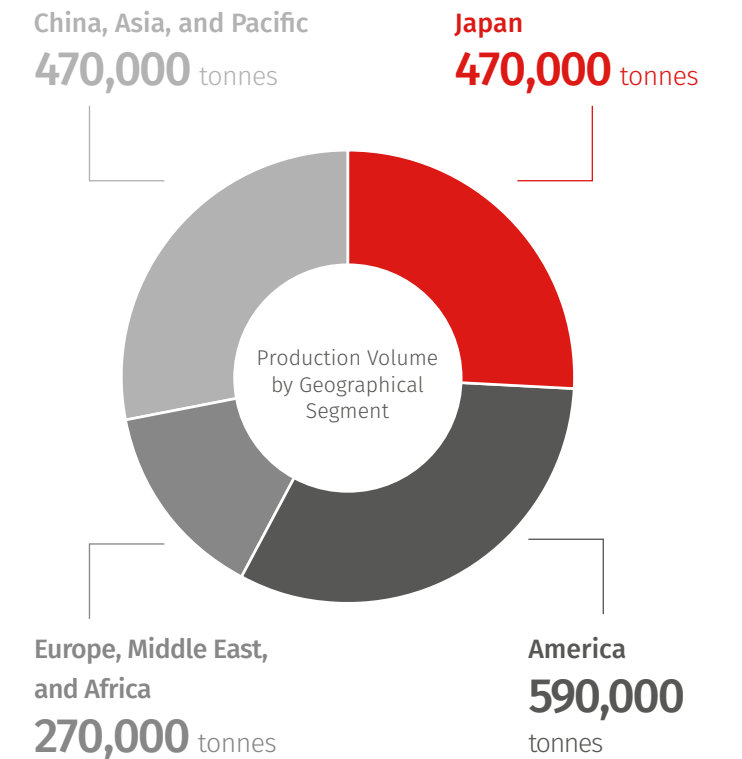
Sales by business segment and market:

- **17%** diversified products.
- **83%** tires.



Tire production (tonnes):

1.8 million



Regional figures for Bridgestone Latin America North, (BS-LAN)



Corporate Offices
Mexico City, Mexico



Plants
2 tire manufacturing facilities

- Cuernavaca, Morelos, Mexico.
- Belen, Heredia, Costa Rica.

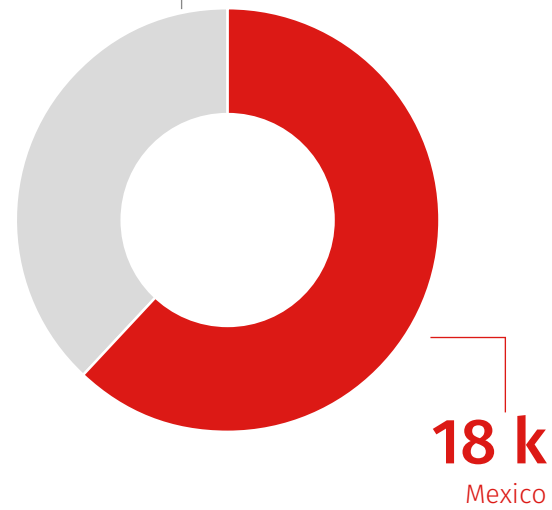
1 tire-retread manufacturing facility

- Leon, Guanajuato, Mexico.



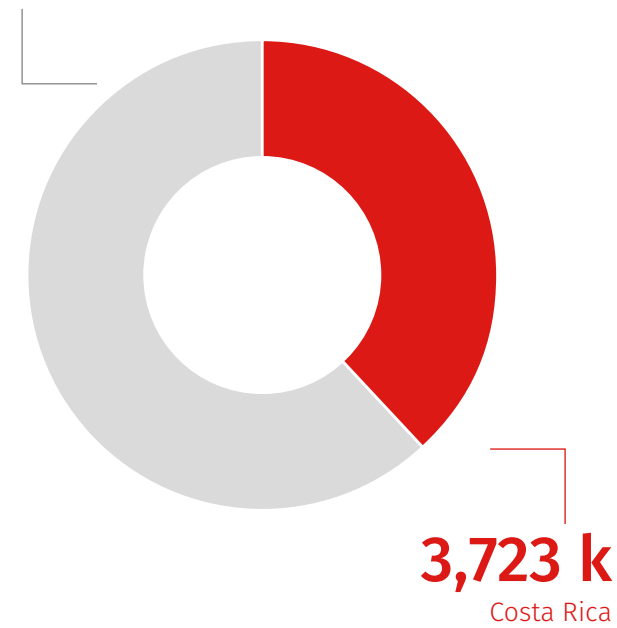
Daily Production
29 k tires.

11 k
Costa Rica



Total production
9,719 k tires.

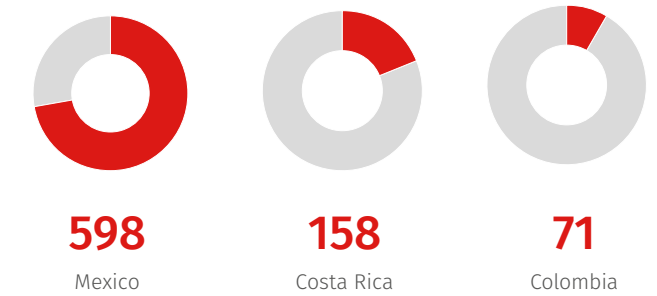
5,996 k
Mexico



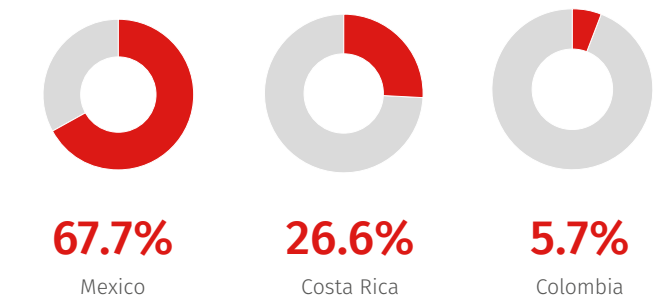
7,323 tonnes of products for tires retreading.



Points of sale
827

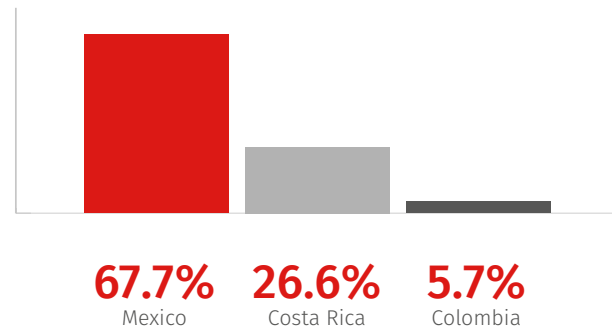


Total sales per country

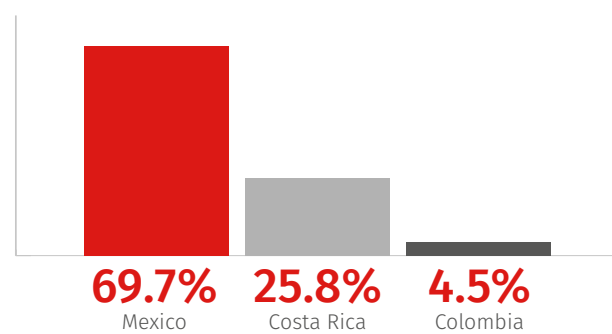




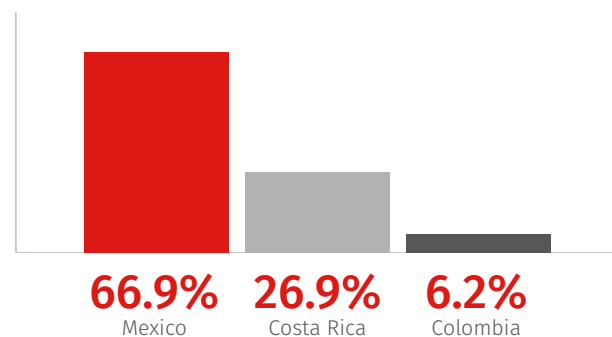
Economic value generated



Economic value distributed



Economic value retain



Total employees

2,522



93%
Men



7%
Female



Corporate volunteering

- 3,691 hours.
- 1,271 volunteers.
- 124,556 people benefited.



Training

- 191,855 hours.
- 963,318 training investment (USD)
- 81 average training hours

Business model

Bridgestone seeks to ensure that its operation generates value for all its stakeholders, the company and society in general. Its business model is based on innovation to select and operate with the best human, material and financial resources, in order to ensure that its operation, distribution, sale and use of its products generate a positive impact on People, Mobility and Environment, promoting the reduction of emissions throughout the production cycle.



1. Development and innovation

- Guarantee tire quality and safety.
- Respond to OEMs needs on time and comply with their technical specifications.
- Manufacture ecological tires: Ecopia.
- Duplicate the useful lives of tires through renewal.



2. Raw Materials

- Establish purchasing processes based on Global Sustainable Procurement Policy.
- Make suppliers aware of ethical, environmental and human rights, as well as employment practices, among others.
- Develop local suppliers.



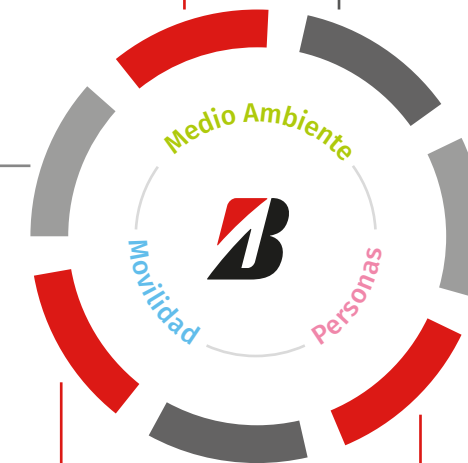
3. Manufacturing

- Maintain employees' health and safety.
- Reduce energy consumption by using less polluting fuels.
- Reduce water consumption.
- Recycle and, where possible, reuse 100% of consumed materials.



4. Distribution and logistics

- Logistics efficiencies, and customer service values.



7. Final Management

- Recovery of used tires.
- Generate alliances to contribute with solutions for a correct tire-disposal practice.



6. Use

- Create awareness among the population through diverse programs:
 - » Road Safety campaigns.
 - » Corporate volunteering.



5. Sales

- Promote high quality and safer products and services.
- Maintain effective communication channels to encourage feedback about the products and services.
- Establish commercial and fair competition practices.

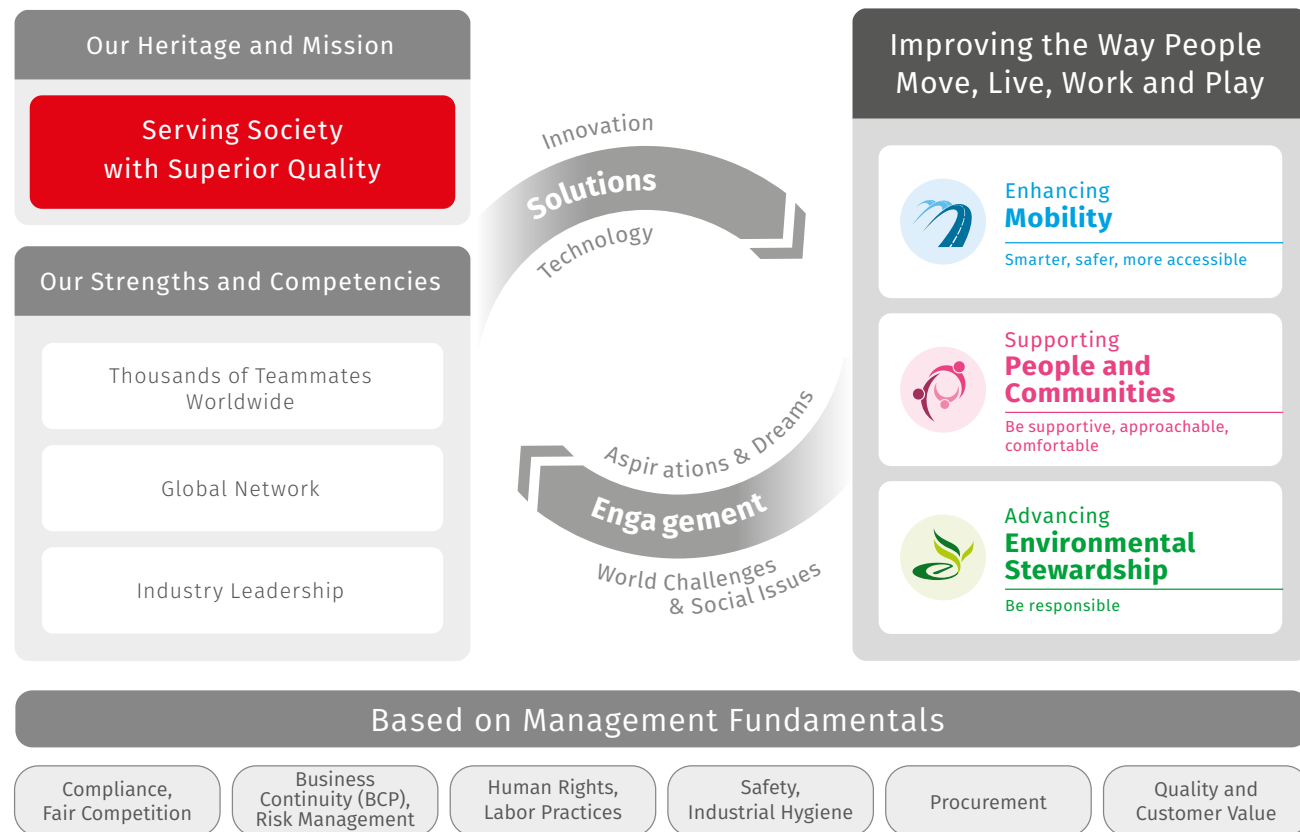


Our Way to Serve

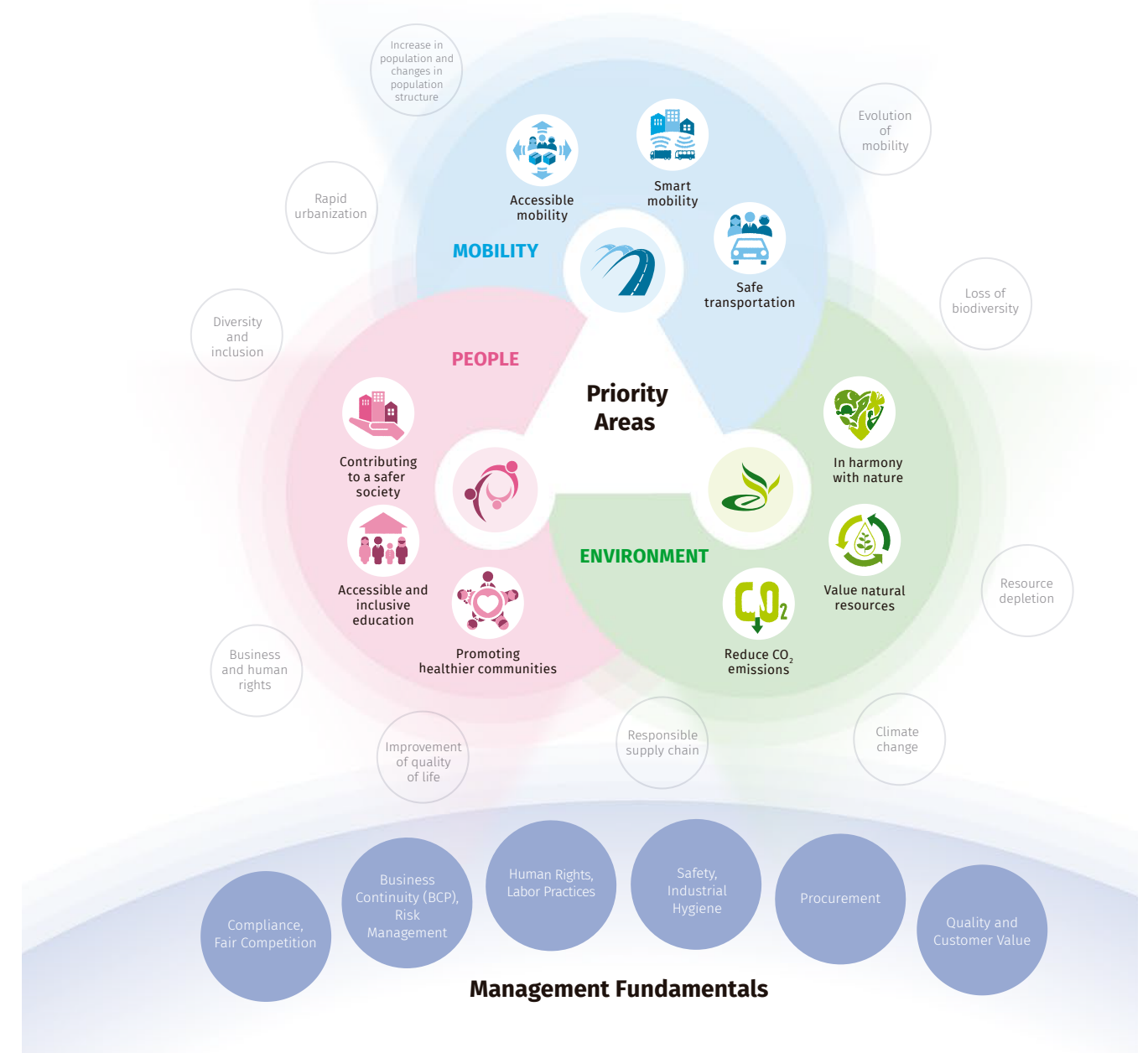
VISION

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

Our Way to Serve

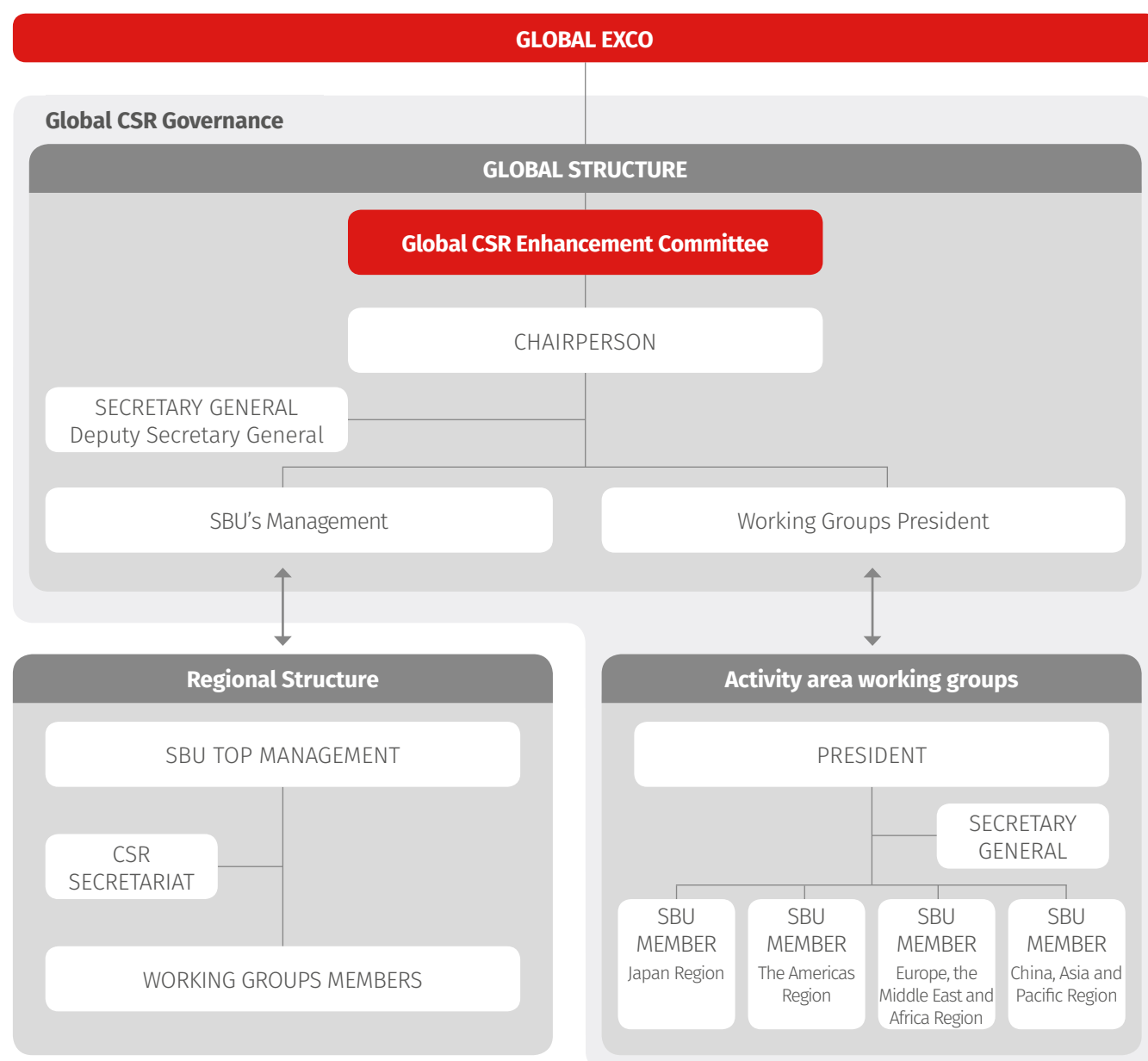


Priority Areas and Management Fundamentals of Our Way to Serve



Bridgestone has consolidated a global sustainability management system which is led by a Global Executive Committee. Its function is to review and approve the strategies that the Global CSR Enhancement Committee (Sustainability) must develop and implement.

The Global Committee is made up of members of the Strategic Business Units (SBU) and several working groups whose collective purpose is to manage and monitor global and regional issues in the sustainability plans established for each country and region.



Corporate governance

Bridgestone's global organizational structure is divided into four regions. One of them is Bridgestone Americas Inc., to which the Bridgestone Latin America North business unit belongs, formed in 2015 and which integrates operations of Mexico, Costa Rica, Central America, the Caribbean, Colombia and Ecuador. Its Executive Committee serves as the main governing body for the company's decision-making and management of its social, environmental, economic, and ethics issues. This committee is headed by the President of Bridgestone Latin America North.

This governing body is comprised of executive and managerial positions who are responsible for controlling and promoting the organization's sustainable performance in line with the vision established by Bridgestone Americas and Bridgestone Japan.



24%

of the Executive Committee members are women.

Executive Committee	Men	Average age	Women	Average age
Mexico				
President	1	46		
Deputy Directors	3	50.3	1	32
Directors, managers, or area representatives	38	41.5	4	43.9
Colombia				
Deputy Director	1	39		
Directors, managers, or area representatives	3	44.6	1	40
Costa Rica				
Deputy Directors	4	47		
Directors, managers, or area representatives	26	45.9	1	33
TOTAL	76		7	

Material Issues

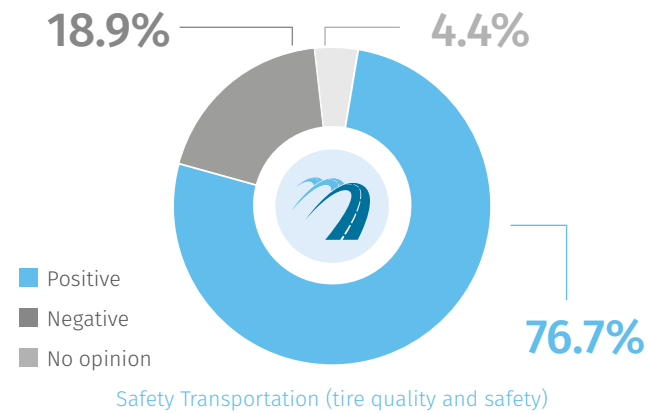
During 2017, Bridgestone Latin America North (BS-LAN) conducted a materiality study, with the following objectives:

- To identify stakeholder perceptions about the company's sustainable performance, in alignment with Our Way to Serve, the three Priority Areas and the six Management Fundamentals.
- To prioritize stakeholder needs and/or expectations through an indirect dialogue conducted through a survey, in order to establish the issues comprising the company's social responsibility strategy reported herein.

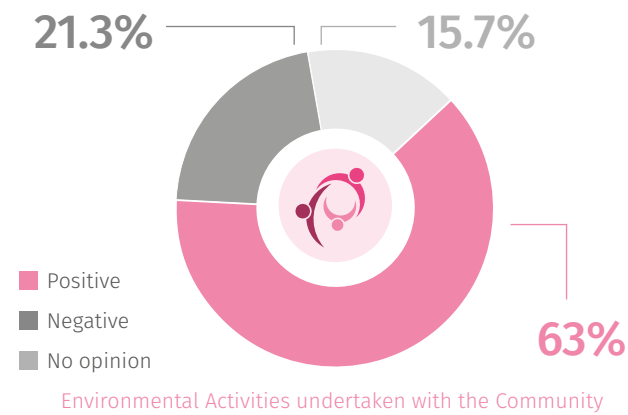
The materiality study was conducted in compliance with GRI Guidelines and INTE G:35 Standard of the Technical Standards Institute of Costa Rica (INTECO), which is unique to that country. The materiality study initially focused on an approach involving a range of internal and external stakeholders, in an effort to identify their expectations and perceptions regarding sustainability at Bridgestone. Thus, the process served to identify issues that are relevant to ensure the continued development of the company's regional sustainability plan, seeking to connect the Priority Areas with the stakeholders' interests and with the company's business objectives.

The conclusions obtained from the stakeholders consulted, is that the company enjoys a positive sustainability image score in Colombia that is 83% above average.

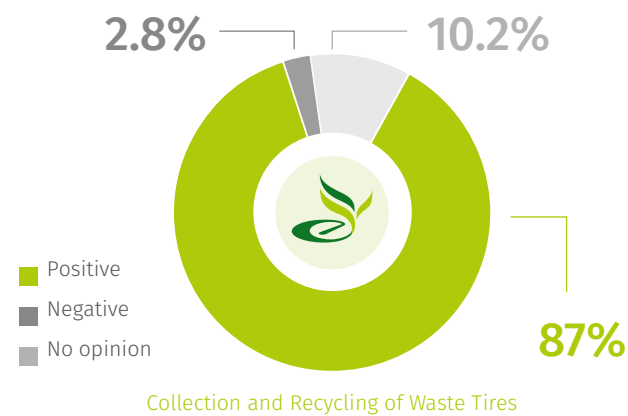
Mobility



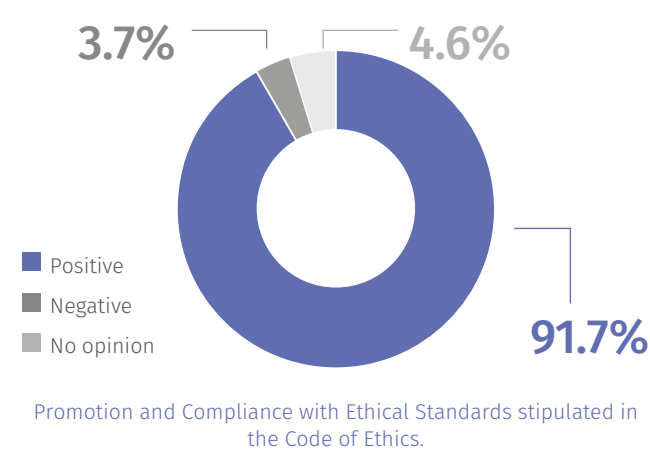
People



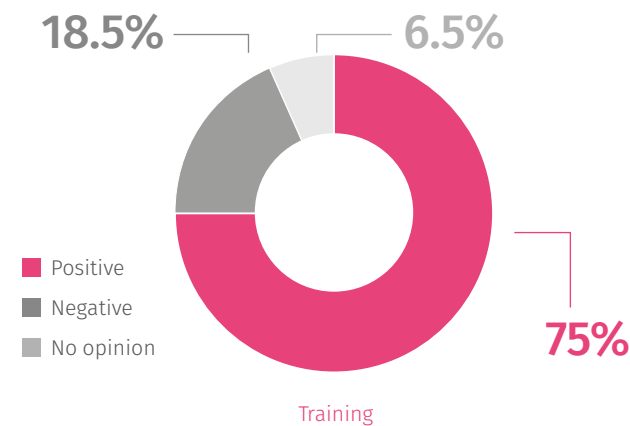
Environmental



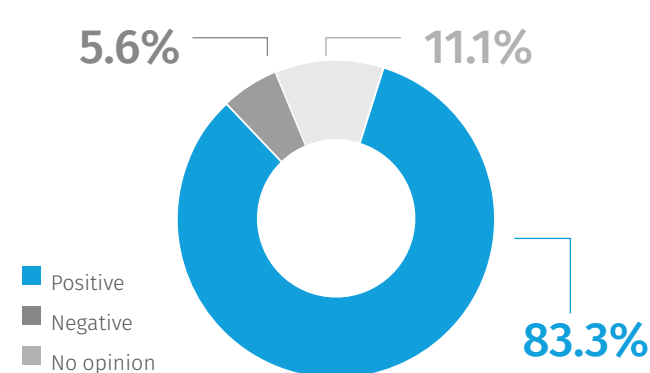
Compliance and Fair Competition



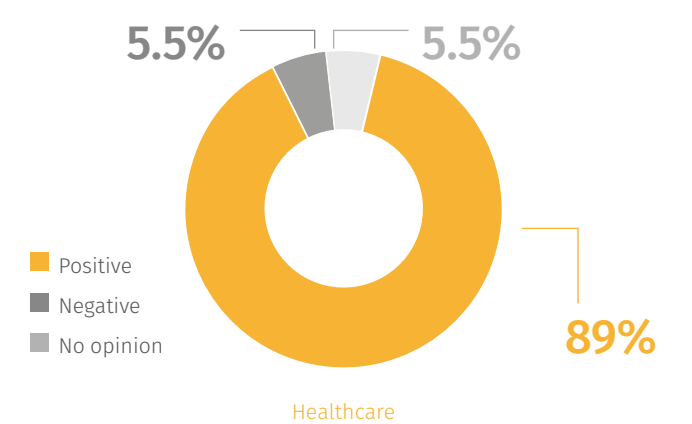
Human Rights and Labor Practices



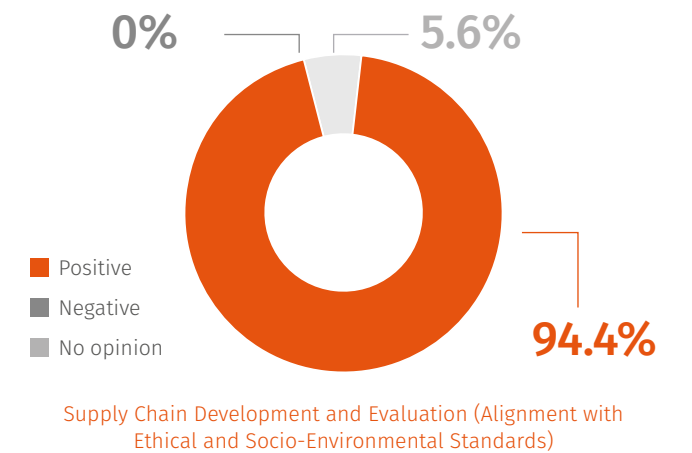
Business Continuity (BCP) and Risk Management



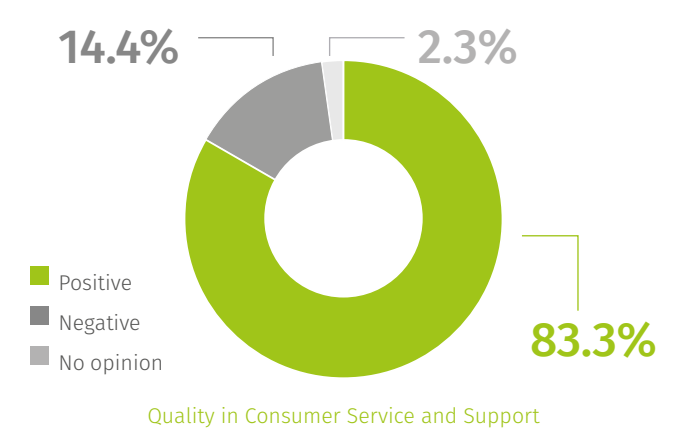
Industrial Hygiene and Safety



Procurement



Quality and Customer Value



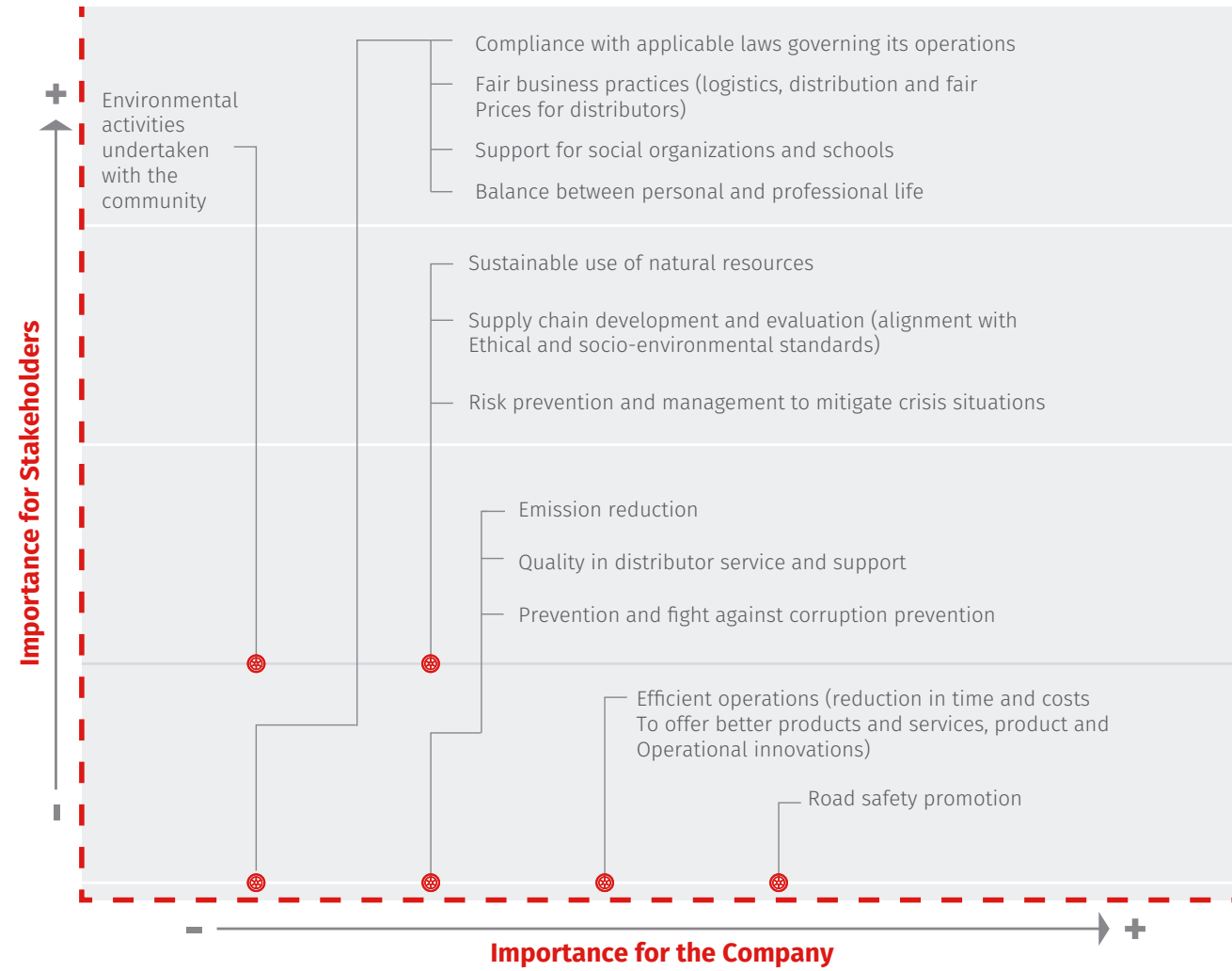
102-44, 102-47

Colombia

In addition to taking into account the priorities of the stakeholders (results of the survey); the issues determined at the internal level were weighted by the importance that each area granted to the management of the organization, its impact in matters according to the focus on social responsibility according to ISO 26000, and the relevance of content that was reported in the media (news monitoring) during 2017.

In addition, a benchmark and comparative analysis of the best sustainability practices of Bridgestone Colombia's competitors was conducted.




















The results are described in following Materiality chart:



Stakeholders

Bridgestone Colombia believes that the success of the business and its permanence depend on working together with its stakeholders, so it seeks to maintain constant communication, meet their expectations and establish partnerships that allow collaboration on topics of mutual interest.

The company has established several communication channels with its stakeholders, in order to respond to the relevant issues. These channels include meetings, opinion studies, surveys, alliances and initiatives of the sector, among others, and are led by the different directions or areas of the organization related to each stakeholder group.

Stakeholder	Description	Communication Channels	Frequency of contact	
 Employees	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"> • Meetings • Activities • Internal communications 	<ul style="list-style-type: none"> • Training • Courses and assessments • Audits 	
 Suppliers	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"> • Supplier meetings and assessments • Training 	<ul style="list-style-type: none"> • Email • Telephone 	
 Associations and Institutions	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"> • Meetings • Email 	<ul style="list-style-type: none"> • Plant tours to learn about the company's quality systems, among others 	
 OEMs (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"> • Meetings • Audits • R&D 	<ul style="list-style-type: none"> • Email • Direct communications 	
 Clients		 Business Partners (Dealers)	<ul style="list-style-type: none"> • Meetings • Training 	<ul style="list-style-type: none"> • Encounters • Direct and permanent communications with the sales and marketing teams 
 End Consumer		<ul style="list-style-type: none"> • Website • Toll-free Customer Service Center phone number: 01 800 713746 	<ul style="list-style-type: none"> • Market Research • Social Media • Email 	
 Community	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"> • Communication campaigns for employees and the community • Direct communications with social organizations 	<ul style="list-style-type: none"> • Campaigns on social networks • Website • Sponsorships 	
 Authorities	These national and international external organizations and government bodies regulate and audit industry processes and operations.	<ul style="list-style-type: none"> • Meetings and participation in sector associations and initiatives • Email 	<ul style="list-style-type: none"> • Telephone • Meetings 	
 Media	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"> • Email • Events 	<ul style="list-style-type: none"> • Telephone or in person • Press conferences 	



Bridgestone Colombia



Corporate Offices:
Bogota, Colombia.



Points of Sale:
71 (10 more than in 2016).



Economic Value:

- Generated: **5,7%**
- Distributed: **4,5%**
- Retained: **6,2%**



Employees:
32



Corporate Volunteering

- **55** hours.
- **22** volunteers.
- **14** benefited.



Training

- **2.134** hours.
- **23.695** training investment (USD).
- **101** average training hours.

Products and Services

Bridgestone Colombia commercializes a great variety of tires for different means of transport with the names of Bridgestone, Firestone and other associated brands. The products provide security and fuel efficiency at a competitive price.

- F-600
- TURANZA ER300
- TURANZA ER30
- DUELER A/T REVO 2
- FIREHAWK GT
- B250 ECOPIA
- DUELER H/P SPORT AS
- DUELER H/T684 II
- ECOPIA EP 150

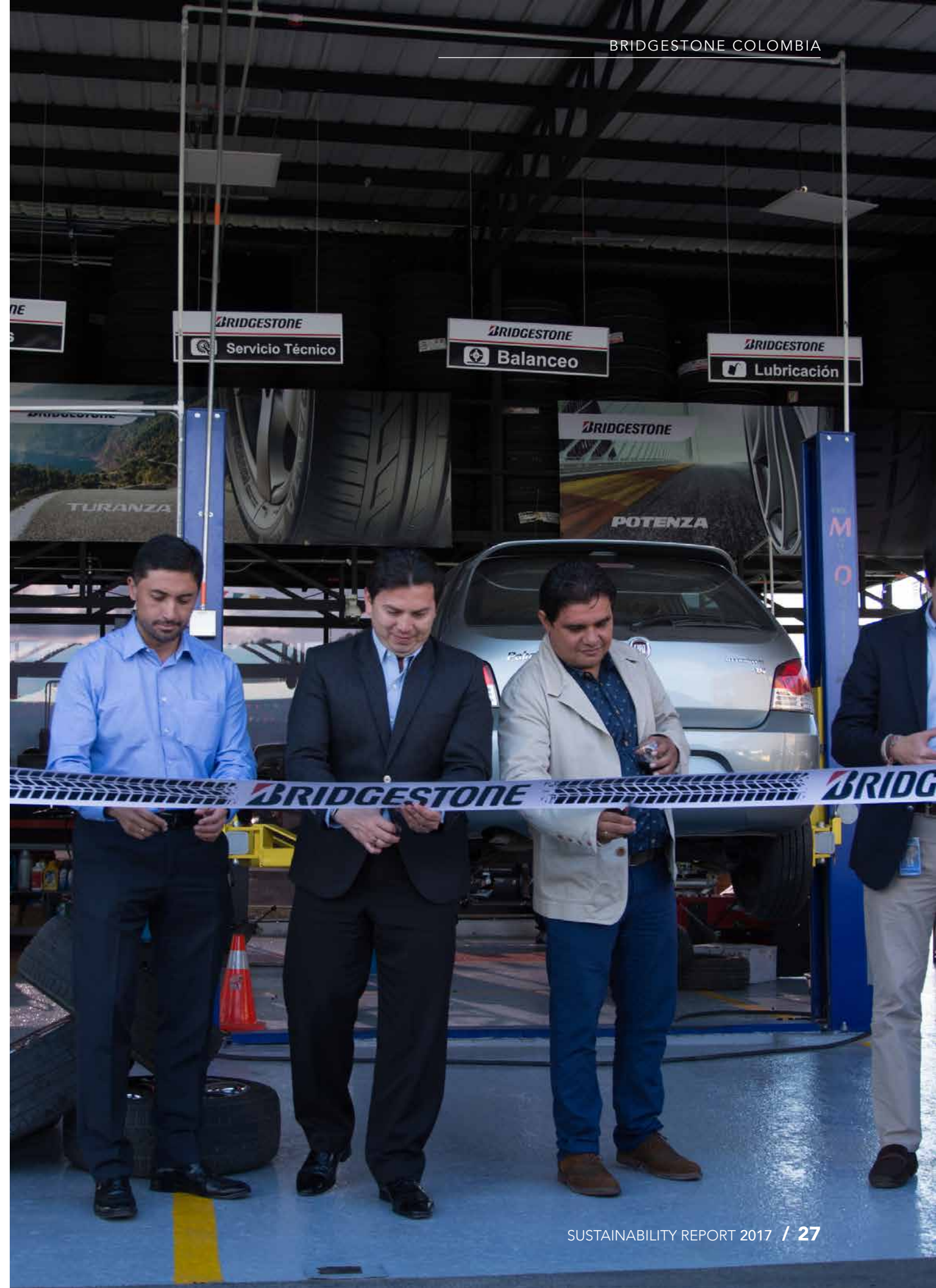
Market

Bridgestone Colombia, in addition to providing services to the domestic market, also coordinates the market in Ecuador. It focuses on the automobile, SUV, truck, moto, agricultural and industrial sectors. Its clients include dealers, corporate accounts and OEM (Original Equipment Manufacturers).



Awards and Recognitions

Recognition	Granted By
Quality ISO 9001:2015	Lloyd's Quality Assurance (LRQA)
BASC: Control and Security Management System	-
ISO/TS 1694: Quality Management System of product specification	Lloyd's Quality Assurance (LRQA)
Socially Responsible Company	FENALCO Solidario, (National Federation of Merchants)
Recognition as finalist of the ANDESCO Award for Corporate Social Responsibility	Association of Public Service and Communications Companies (ANDESCO)





Priority Areas



Mobility

30



People

34



Environment

38





Accelerate sustainability mobility through advanced technologies and solutions.

Offer easier, safer, accessible and seamless mobility through our innovative technology.



Mobility



Accessible Mobility

Making smooth and seamless mobility available.



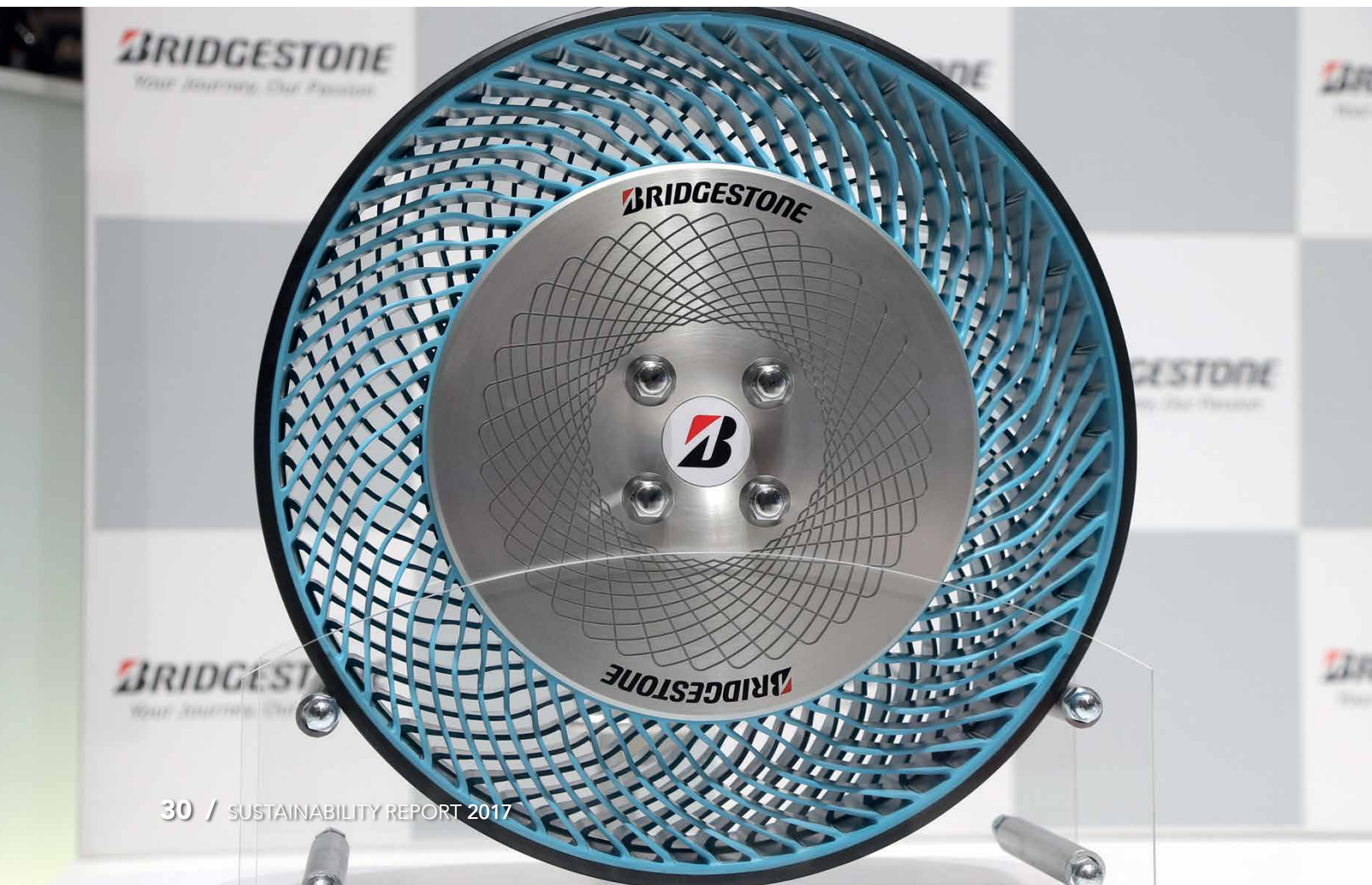
Smart Mobility

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



Safe Transportation

Utilizing unique technologies to enhance safe mobility.



<p>Material Issues</p> <ul style="list-style-type: none"> Road safety promotion. 	<p>How are they managed?</p> <ul style="list-style-type: none"> Quality mission and politics. 	<p>Evaluation and Monitoring</p> <ul style="list-style-type: none"> Quality ISO 9001:2015 Quality Management System. IATF 16949:2016: Quality Management System of product specification. Sustainability Reports.
<p>2017 Achievements</p> <ul style="list-style-type: none"> Launch of 5 new products for the Colombian market. 	<p>2018 Challenges</p> <ul style="list-style-type: none"> Maintain the best standards of quality in our products and services. 	<p>Sustainable Development Goals (SDG)</p>  <p>Target 11.2</p>



Bridgestone Colombia through the innovation of its products and services, contributes to the achievement of the SDG 11, Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety.



Bandag renewed its image in its **60th** anniversary by launching **"Built for Better"**.

Bridgestone creates value for customers and society with technology and innovation in order to minimize the costs associated with the operation without sacrificing the safety and quality of the tires. The company offers products and services that support accessible, intelligent and safe mobility and promotes road safety in the community where it operates:

Bridgestone Colombia does not have a production plant, so its processes of continuous improvement are focused on the optimization of resources and timing of the operation with the goal to improve customer service and attention, both to the internal customers (collaborators and suppliers), as external customers (distributors and consumers).

Bridgestone Colombia serves the markets in the country and Ecuador, where innovative products are offered, such as the Run-Flat tire, made with a special reinforcement on the side wall, which is extremely resistant to heat. In addition, it allows users to drive their vehicles up to 80 kilometers at a maximum speed of 80 kph in case of a puncture, making it possible for the driver to reach a safe place to make the replacement.

New Products

- **Ecopia EP422 Plus** is engineered to be a more fuel-efficient tire getting up to 32 extra kilometers per tank, without neglecting durability, safety, and maneuverability on any type of pavement. Designed for cars and SUV.
- **Firestone F-700:** It provides better performance, maneuverability and driving comfort thanks to the optimized design of its tread. The polymers with which it was developed help reduce CO2 emissions

and optimize fuel consumption, since it incorporates improvements in rolling resistance. It was designed for automobiles and SUV.

- **Fuzion Touring:** It combines slow wear, silent travel and traction in any type of weather or on dry or wet surfaces. It was designed for cars and SUV.
- **Bridgestone M736:** is a traction tire made with a larger number of blocks to improve adhesion, and a tread that reduces heat levels, resulting in longer tire durability. Designed for trucks.
- **Bridgestone R150:** It has a wide tread, four ribs, stone ejectors and a unique design that guarantees high mileage, greater resistance to irregular wear and superior durability of the carcass. It was designed for trucks.

Bridgestone Colombia also supports accessible and smart mobility by implementing initiatives such as:

- **Think Before You Drive:** Road safety activities aimed at children, youth, and adults.





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

Use our strengths and competencies to address health, safety and education issues in our communities.



People



Contributing to a Safer Society

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



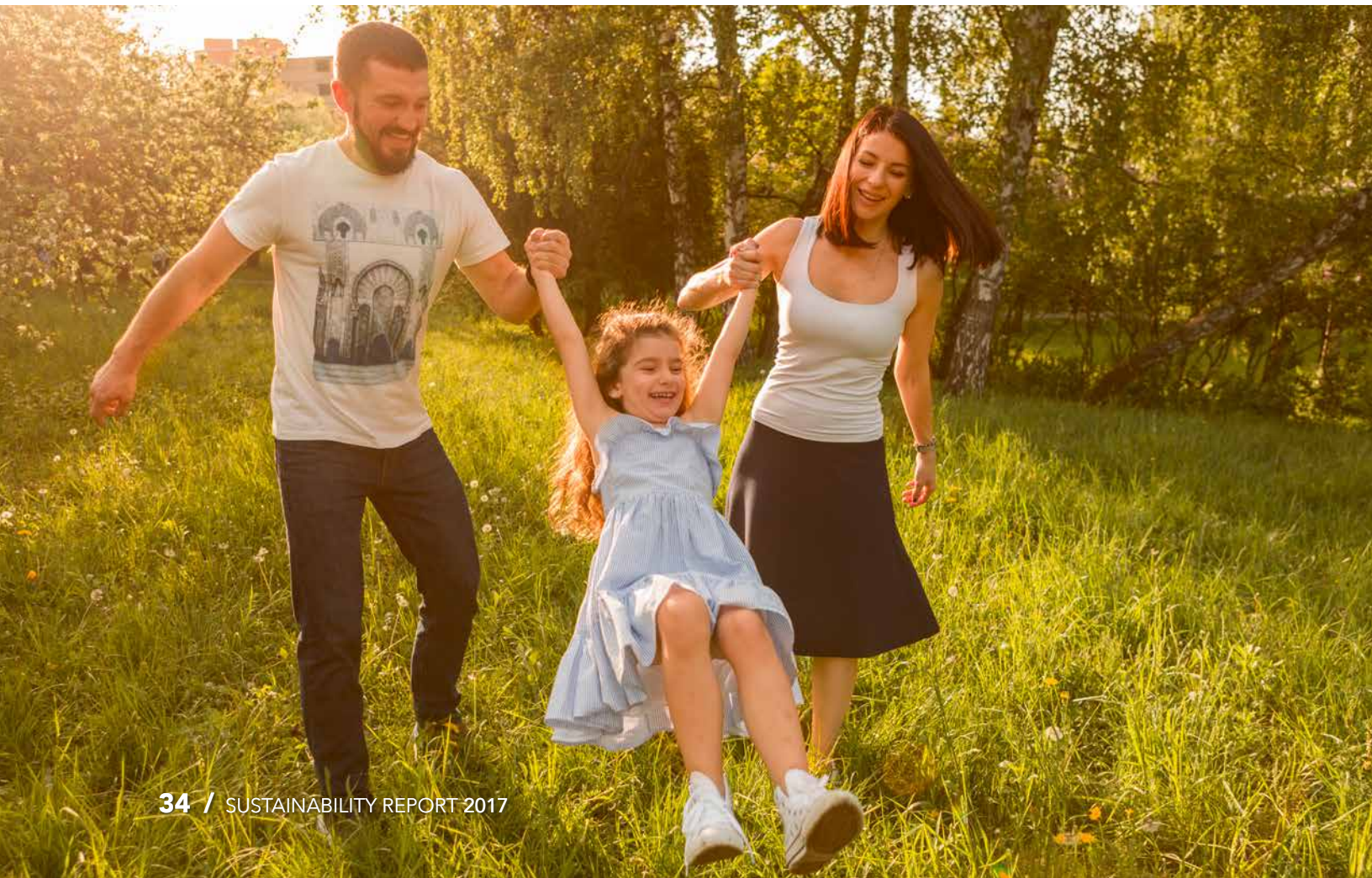
Accessible and Inclusive Education

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.



Material Issues

- Support for social organizations and schools.
- Promotion of Road Safety.

How are they managed?

- Corporate Communication and Social Responsibility Area.
- Our Way to Serve (OWTS).
- Donations Policy.
- Annual Planning in CSR and Volunteering.

Evaluation and Monitoring

- Satisfaction survey on CSR and volunteering.
- Results on the impact of the community.
- People benefited by donations.
- Sustainability Report

2017 Achievements

- Integration of the three Priority Areas of OWTS in an action y plan.
- Improvement of the company's sustainability positioning.

2018 Challenges

- Establish new alliances with social organizations and institutions.
- Select a new provider to ensure quality in the implementation of the Think Before You Drive program.
- Expand the coverage of the Think Before You Drive program in Ecuador.

Sustainable Development Goals (SDG)

3 GOOD HEALTH AND WELL-BEING

Target 3.6

413-1

Bridgestone Colombia takes a deep commitment to the communities that surround it and therefore seeks to influence them positively through various strategies. Its social initiatives are focused on the three objectives of the Priority Area of People: contributing to a safer society, inclusive and accessible education, as well as promoting healthier communities.

One of the working methods that Bridgestone Colombia executes to concretize its social initiatives is volunteering, which allows the integration and direct participation of collaborators in solving problems to transcend their environment.

The corporate volunteer program at Bridgestone Latin America North is classified in four major areas:

- **Assistance volunteering (campaigns)**
Channel philanthropic aid to communities, generating resources and fundraising. At this level are the donations that provide support in emergency situations.
- **Volunteering at events**
This refers to groups of volunteers who produce a positive impact by implementing or maintaining infrastructure and securing additional donations.
- **Skill-based volunteering**
This includes projects executed by certain companies or non-governmental organizations (NGOs) that the company works with to engage volunteers in the transfer of skills and abilities to the people benefitted.

- **Entrepreneur volunteering**
This promotes leadership and entrepreneurship skills among employees as it seeks to engage them in the medium term, through the implementation of projects that the volunteers identify and execute as part of the volunteer program. It also promotes alignment with higher objectives through proposals that are then put into practice.

In 2017, the total number of volunteers stood at 22 with 55 volunteered hours, achieving a positive impact on 14 people benefitted. Regardless of their classification, the volunteer programs at Bridgestone Colombia are aligned with the three Priority Areas: Mobility, People, and Environment.



Corporate Volunteering

- **55 hours.**
- **22 volunteers.**
- **14 people benefitted.**

Contributing To a Safer Society

In addition to the products it offers, Bridgestone Colombia strives every year to contribute to a safer society through different campaigns and projects. In 2017, the initiatives were focused on safe mobility.

Think Before You Drive

This is one of the main volunteer campaigns promoted by Bridgestone. It consists of checking tire pressure and tire wear free of charge.

During 2017, three operatives of the Think Before You Drive program were held during the mid-year holiday season, carrying out 97 reviews and impacting 120 people.



120 people benefitted.



Bridgestone Colombia, through their programs of road safety, contributes to the achievement of the SDG 3, Target 3.6: By 2020, halve the number of global deaths and injuries from road traffic accidents.

Promote Healthier Communities

Bridgestone Colombia believes that it is essential to contribute to ensuring the necessary resources to ensure the good health of communities and their environments. In 2017, the company supported vulnerable families during the Christmas season. Bridgestone volunteers in Colombia carried out an activity in collaboration with the Casa Hogar Huellas de Alegría organization, which benefitted 14 girls and 14 families.



14 gifts and **14 food pantries** were donated by

Bridgestone Colombia during the Christmas season.





Help ensure a healthy environment for current and future generations.

Continually work toward a sustainable society.



In Harmony with Nature

Promote biodiversity by improving natural habitats and through education and research on the environment.



Value Natural Resources

Continually improving natural resource conservation through operational improvements and product design.



Reduce CO₂e Emissions

Continually reduce emissions of Greenhouse Gases, including CO₂, from our products' complete life cycle.



Environment



Material Issues

- Environmental activities undertaken with the community.
- Efficient use of resources.
- Emission reductions.

How are they managed?

- The Environmental mission and politics of Bridgestone.

Evaluation and Monitoring

- Recertification in the Quality Management Systems IATF 16949 2016 and ISO 9001: 2015.
- Sustainability Report.

2017 Achievements

- Alliance with Rueda Verde Association.

2018 Challenges

- Increase the percentage of waste tires collected.

Sustainable Development Goals (SDG)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Target 9.4

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Target 12.2 and 12.5

Living In Harmony with Nature

Bridgestone encourages caring for the environment by protecting biodiversity and the natural habitats located near its operation. The company partners with the community to help ensure that the coming generations will enjoy a healthy environment while promoting the sustainability of the business in the long-term. In 2017, the effort continued so that all aspects of the business contribute to the conservation and care of the environment.

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 CO₂ emissions**
To continually reduce emissions of Greenhouse Gases, including CO₂, from our products' complete life cycle.

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

TEAMS
Operations | Environmental Communication | Products and Services | Community Activities

One Team, One Planet.

BRIDGESTONE



The offices of Bridgestone Colombia contribute to the achievement of the SDG 9, Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Leed Certificate Building

Bridgestone Colombia offices are located in the Argos Tower of Bogota, a building that has LEED Silver certification (Leadership in Energy and Environmental Design), in the *Core and Shell* and *Commercial Interiors* categories. LEED is a certification system for sustainable buildings composed of a set of rules on the use of strategies aimed at sustainability in buildings of all kinds.

In the construction of Torre Argos, all concrete used was produced following environmental practices that allowed savings in water and cement, as well as the reduction of CO₂e emissions. In addition, the building has a green roof that serves as a thermal control, as well as a filter for collecting rainwater that is then treated and reused. It also has cross ventilation, blinds and crystals with solar refraction coefficients that help to reduce energy consumption.



Bridgestone Colombia works for the right management of their waste contributing to achieve the SDG 12, Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Rueda Verde

Since 2016, Bridgestone Colombia has a partnership with Rueda Verde, a non-profit organization that develops a sustainable system of selective collection and environmental management of used tires, with the purpose of preventing and controlling the degradation of the environment in accordance with current Colombian regulations.

Rueda Verde carries out the appropriate process for tire recycling and manages its reincorporation as raw material for new production processes. The program offers different collection points in Bogota, Barranquilla, Cali, *Eje Cafetero* and Medellin, as well as collection programs in other cities of the country and transportation to collect the tires in several companies or institutions.

Once they are collected, the tires go through mechanical crushing processes to obtain granulated or pulverized rubber. Subsequently, this rubber is used to make modified mixtures that are used in the rehabilitation and construction of roads, urban furniture, synthetic courts, athletic tracks and footwear, among others.

Bridgestone Colombia dispose waste tires; the goal of the program is to increase 5% per year. In 2017, Bridgestone Colombia contributed with the collection of 2.5 million tires.



Valuing Natural Resources



Bridgestone Colombia is constantly working to implement operational efficiencies, contributing to achieve the SDG 12, Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Environmental efficiency

Bridgestone Colombia encourages environmental efficiency actions that support the optimal use of resources. In order to reduce the consumption of electricity, all the lights used in the company are energy-saving and mercury-free, while for paper consumption the printers were relocated and there is a specific report with the objective of digitizing the processes and avoid unnecessary impressions.

In addition, in 2017 recertification under the new standards in the Quality Management Systems IATF 16949: 2016 and ISO 9001: 2015 were achieved, which indicates a continuous improvement of the processes, emphasizing the prevention of errors and reduction of variation and waste in the automotive supply chain. With this, Bridgestone Colombia becomes one of the first companies in the industry to achieve this recertification.

Reduction of CO₂e Emissions

At Bridgestone, innovation and sustainability go hand in hand. For this reason, the company developed ECOPIA, a line of specialized and environmentally friendly products that allows up to 32 extra kilometers per 640 kilometers traveled (with a full tank of fuel). These tires minimize rolling resistance, optimize fuel consumption and help reduce carbon dioxide emissions.





Management Fundamentals



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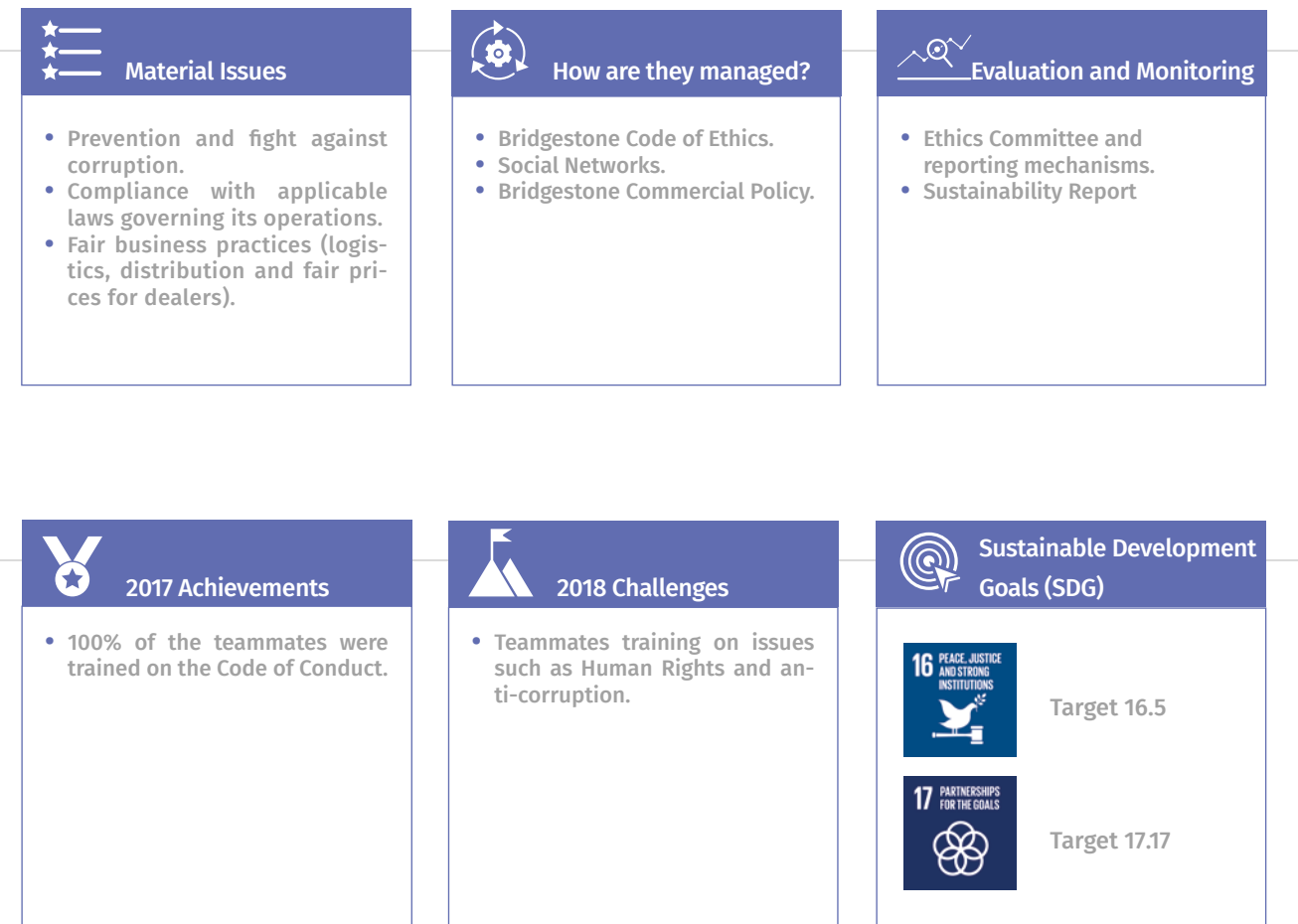
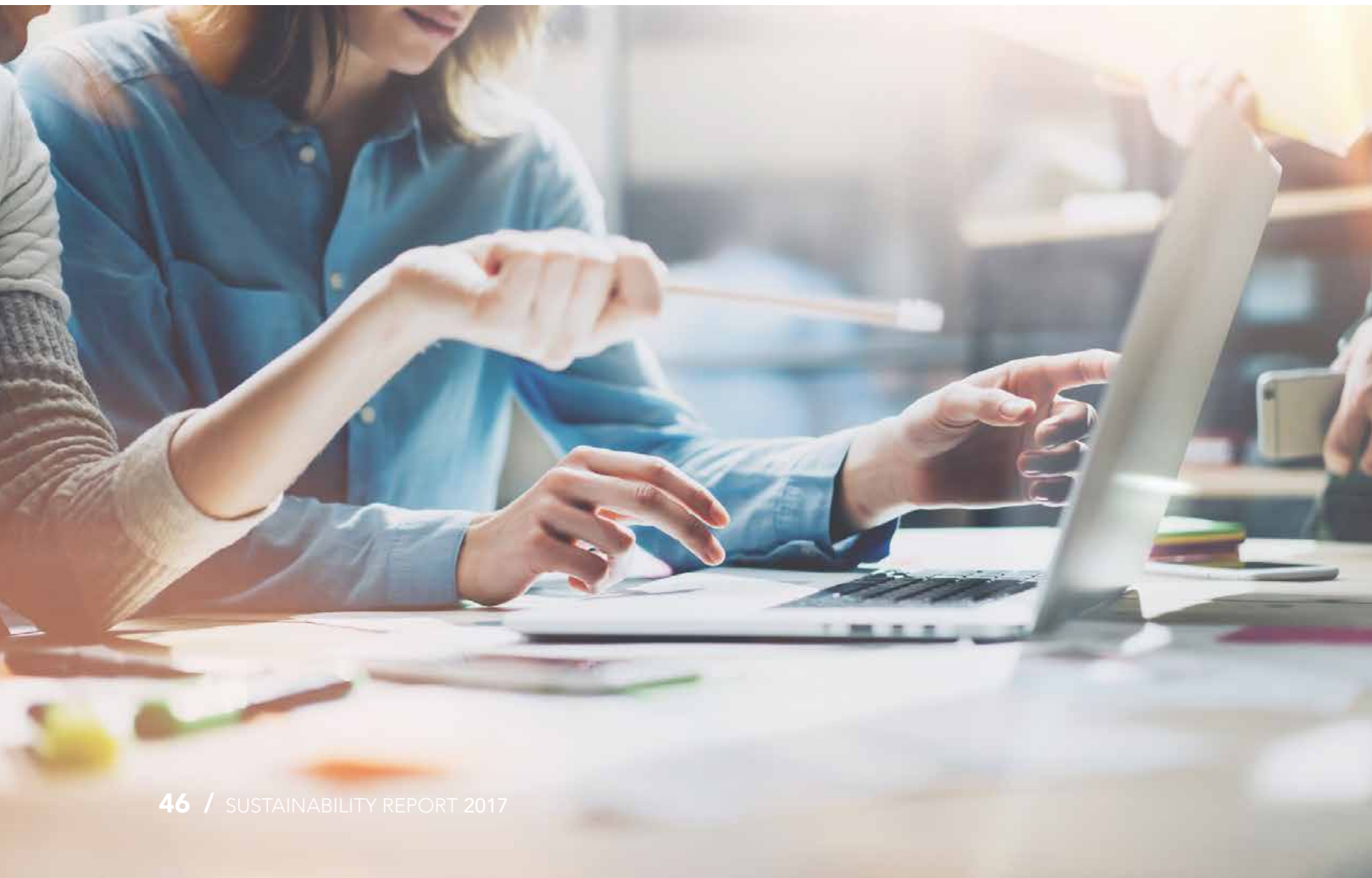
The principle of management of Health and Industrial Hygiene does not apply in Bridgestone Colombia because it carries out commercial activities that do not represent greater risks to the health or safety of its employees. In 2017, they did not register injuries, fatalities or days lost due to illnesses linked to his professional practice.



Ensure excellence through compliance and integrity.

The company builds trust with all stakeholders by ensuring that ethical decision-making guides responsible business practices across its operations.

Compliance and Fair Competition



Ethics

Bridgestone Colombia maintains the highest ethical standards, guaranteeing compliance with applicable regulations at both the national and international levels. In the daily operation, the company encourages and strengthens best practices that seek to ensure fair trade and market competition.

Code of Conduct

The Code of Conduct sets out the guidelines for promoting respect and tolerance in the workplace. The expected behaviors are specified in the Code of Conduct of the Bridgestone Americas Compliance Center (BACC). Thanks to it, the most important issues on the subject matter are prioritized with the ethics guidelines established to ensure that all Bridgestone Colombia employees can make sound decisions.

Ethics Committee

Ensure compliance with the Code of Conduct is a priority for Bridgestone Colombia and therefore there is an Ethics Committee made up of representatives of all areas of the subsidiary. The main function of this Committee is to address all doubts and concerns that come up with respect to any breach or interpretation of the guidelines established by internal policies or procedures. In 2017, this committee had eight members who participated in five meetings.

In order to strengthen the ethical culture and the standards established by the Code of Conduct, in 2017 various actions were implemented, such as the delivery of information leaflets to all teammates. The Ethics Week was held as every year with the aim of strengthening the knowledge and preparation of all partners on key issues such as the Code of Conduct and the complaint reporting procedures.



100% of employees **were trained** on matters concerning the **Code of Conduct.**

Bridgestone Colombia has an **Ethics Committee with 8 members** that met **5 times** in 2017, to address the **company's issues related to ethics.**

In 2017, the Ethics Week was held to reinforce the **culture of ethics and compliance across the organization.**

Training

Bridgestone Colombia maintains a firm commitment to train its employees on matters concerning the Code of Conduct. In 2017, 100% of the employees completed training on aspects related to rights and responsibilities in a work environment based on ethics. The culture of ethics begins when an employee joins the company and receives basic training during the induction process, which is then consistently reinforced day after day as long as they work for the company.

Complaint Reporting Procedures

Bridgestone Colombia recognizes the importance of opening accessible and transparent communication channels so employees can report problems or breaches of the Code of Conduct.

The mechanisms established are absolutely confidential and can be used to report and address cases and concerns about ethical dilemmas. These channels also allow employees to express their doubts and obtain answers about the guidelines established to ensure compliance with corporate policies.

Employees may file a complaint through the following channels:

- Direct communication with the manager or with the Human Resources Department.
- Direct communication with the Legal Department.
- Communication with the Ethics Committee.
- The Ethics Line: 00 800 011 110.

Fight against Corruption



Through training in ethics and anticorruption, Bridgestone Colombia contributes to the achievement of the SDG 16, Target 16.5: Substantially reduce corruption and bribery in all their forms.

In addition to compliance with the culture of ethics, Bridgestone Colombia works to prevent corruption and conflicts of interest at all levels. In 2017, 12,5% of the employees received extensive training on how to make better decisions when faced with this type of situation.

Because of the training efforts and the culture of ethics that the company strives to maintain, there were no confirmed cases of corruption or any fines for breach of national or international legislation or regulations in 2017.

Responsible Marketing

Bridgestone Colombia assumes full responsibility for its advertising materials, and as such, executes campaigns with the highest quality standards that adhere to the provisions established by the Promotion of Competition and Effective Defense of Consumers Act of Colombia.



The Legal and Marketing Divisions work together to evaluate and approve the company's advertising and promotional materials, to ensure the application of the proper ethics approach from a marketing perspective as well as compliance with the guidelines established by applicable legislation.

Bridgestone Colombia believes that it is important to assure customers that the advertising campaigns fully reflect the true quality and characteristics of the products promoted. The price of goods is determined by the legal regulations applicable to the operation.

Personal Data Protection

A relevant aspect of the regulatory compliance framework for Bridgestone Colombia is the protection of personal information, both of the company's employees and of the candidates aspiring to join the company. All of their information is protected through the corporate Privacy Policy that sets the specifications and guidelines required to ensure the company's proper handling of personal information.

 **52.247** followers on Facebook.

Dialogue with Stakeholders

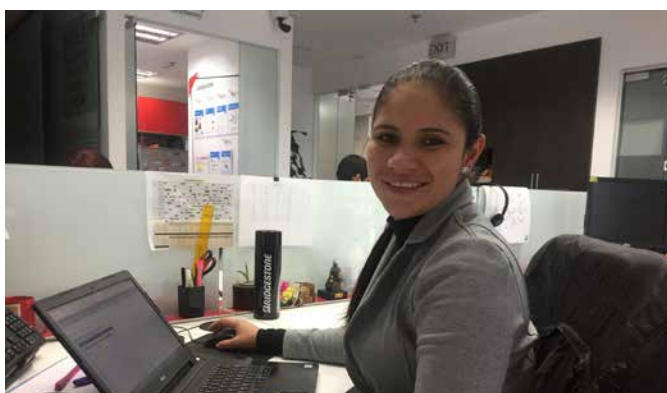
Communication is a key element in the relationship that Bridgestone Colombia maintains with its stakeholders. This connection is simpler if the available spaces are used to disseminate relevant information and facilitate dialogue and direct opinion exchanges.

Social media networks are an essential medium in these communication efforts, as they allow Bridgestone Colombia to ask customers what they want and need, as well as their perception of the brand. In 2017, Bridgestone's interaction with its customers on these platforms allowed it to establish contact with 52.247 followers on Facebook.

Memberships



Through the formation of alliances and the collaboration with industry, Bridgestone Colombia contributes to the target of the SDG 17, goal 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.



Bridgestone Colombia considers itself a driver of free competition and healthy development of the industry in the country. To act in congruence, the company participates in events and initiatives that promote these objectives, adding to alliances and collaborations that favor more efficient and accurate contributions.

The company maintained alliances with the following organizations in 2017:

- Asociación Nacional de Empresarios de Colombia (ANDI).
- Consejo de Empresas Americanas (CEA).
- Cámara de Comercio Colombo Americana (AMCHAM).
- Asociación Nacional de Reencauchadores de Colombia (ANRE).
- Federación Nacional de Comerciantes (FENALCO).
- Corporación Posconsumo de Llantas (Rueda Verde).

Bridgestone Colombia believes that it is essential to partner with these organizations and collaborate with them by joining their work committees, exchanging best practices, and engaging in open dialogue to stay abreast of the most relevant legislative changes that could affect the business.



In 2017, Bridgestone Colombia collaborated with 6 organizations to boost industry and fair competition in the country.

Bridgestone Colombia has different communication channels to assist the stakeholders.



Prevent and mitigate operational risks.

The company anticipates, prevents and mitigates risks, but when crises arise, it protects its people, property, and profits.

Business Continuity And Risk Management



Corporate Business Continuity and Crisis Management Program



Bridgestone Colombia through their crisis management program contributes to the achievement of the SDG 16, Target 16.6: Develop effective, accountable and transparent institutions at all levels.

At Bridgestone, risks are anticipated, prevented, and mitigated. **The people, the company, and its revenues are protected** during crisis situations.

Crisis management is a key aspect to ensuring business continuity; therefore, Bridgestone Japan divides potential risks into the business strategy and operational risk categories. Bridgestone has prepared an emergency response plan for critical situations that affect operations in both cases. This plan was designed by Bridgestone Americas in the United States with the purpose of responding to situations that:

- Require a response from the national leaders of the country affected to resolve issues that may produce an impact on human health, safety, the environment, assets, and the operation's reputation.
- Require actions by organizations in the affected country with the support and leadership of Bridgestone Americas Tire Operations Latin America (BATO-LA) or other company businesses operating in the country, when necessary.

The emergency response plan is assessed and managed by a Crisis Committee whose objective is to provide the necessary tools for the decision-makers, to make sure that they are able to respond in a quick, effective, and structured manner.

The committee is a vital element to ensuring business continuity during crisis situations. Its particularity lies in the fact that there are issues that must be addressed by the corporate headquarters, and others for which the region assumes the authority and responsibility to act and report these matters.





Promote respect for fundamental Human Rights and responsible labor practices.

The company fosters an inclusive culture in which all Bridgestone entities and locations adopt and apply ethical labor practices, build trust with teammates, and embody respect for diversity and for fundamental Human Rights.

Human Rights and Labor Practices



<p>Material Issues</p> <ul style="list-style-type: none"> • Balance between personal and professional life. 	<p>How are they managed?</p> <ul style="list-style-type: none"> • Work flexibility programs. • Management of cultural activities. 	<p>Evaluation and Monitoring</p> <ul style="list-style-type: none"> • Great Place to Work certification. • Level of satisfaction of culture programs. • Sustainability Report.
<p>2017 Achievements</p> <ul style="list-style-type: none"> • Promotion of recreational activities for teammates within the offices. • Launch of life insurance for teammates. 	<p>2018 Challenges</p> <ul style="list-style-type: none"> • Implementation of the Family Bridgestone Program. • Improve overall satisfaction on issues related to organizational climate. • Development of an inclusive, balanced and creative culture. 	<p>Sustainable Development Goals (SDG)</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Target 8.5</p>

Human Rights

Bridgestone Colombia has a profound respect for Human Rights, as it believes that they represent a pillar to ensure harmonious relations with society and sustainable development. The company recognizes their importance, as Human Rights are a Management Fundamental of the business model, and consistently strive to find ways to design strategies that create a positive impact.



41% of the **workforce** is made up of **women**.



2.134 hours of **training**.



11 new **hires**.

Bridgestone Colombia has four corporate policies that go deep into the guidelines to ensure the organization's compliance with Human Rights standards, guaranteeing a work environment based on respect for all employees.

1. General Code of Conduct

This code recognizes that the employees on the Bridgestone Americas team are the company's most valuable resource and the key to success. It believes that everyone must be treated with respect and dignity at all times and without exception. This information is included in the section addressing the promotion of respect and dignity that also clearly states that the company will not tolerate any behavior that fosters an intimidating, hostile, or offensive work environment.

2. Harassment, Discrimination, and Retaliation Prevention Policy

In Bridgestone Colombia there is the conviction of that diversity enriches teamwork. Therefore, we have a policy that nurtures a workplace free from harassment, discrimination, and reprisals on the basis of any characteristic such as race, ethnicity, color, mental or physical disability, age, sexual orientation, sex (including pregnancy, childbirth, lactation, or related medical conditions), gender identity/expression, marital status, citizenship status and any other characteristic protected by federal, state, and local laws.

3. Human Rights Policy

This policy focuses specifically on the issue of Human Rights, by explicitly prohibiting discrimination in any corporate activity carried out by Bridgestone Colombia based on ethnicity, nationality, sex, age, language, religion, creed, social status, disability or any other related factor.

Our policy also prohibits harassment and establishes that no Bridgestone member will speak or act in a manner that denigrates the individual dignity of another person. Under this same philosophy, we prohibit child labor in all of the countries in which the company operates.

4. Sexual Misconduct and Harassment Policy

The purpose of this policy is to encourage a workplace free of sexual harassment and misconduct by any employee, especially in their work relations within the Bridgestone Latin America North business units. The policy also recognizes the importance of Bridgestone assuming its responsibility for the implementation of effective processes to prevent and punish said behaviors, under the oversight of the Investigation or Ethics Committees.

Open Door Culture

In addition to specific policies, Bridgestone seeks to strengthen a culture of open communication and free expression in order to nurture an environment where the team respects each other. The Open Door Culture was created to encourage employees to feel

comfortable sharing their suggestions and concerns. This type of work environment fosters relations that address challenges directly, by creating a problem-solving culture and facilitating productivity.

In 2017, Bridgestone Colombia reinforced its Human Rights culture among all team members by training its employees on this subject during Ethics Week. The online training courses on the values of integrity, respect, ethics, and compliance were taught to all staff.

Workplace Inclusion and Diversity

Bridgestone Colombia seeks to integrate diverse profiles in our work team. The company recognizes that labor inclusion is fundamental to human and economic development, both for the company and stakeholders alike.

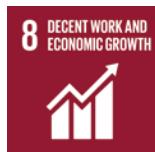
In 2017, gender equality continued to be promoted in the workplace by hiring 4 more women to the Bridgestone Colombia family.



36% of all **new hires** were **women**.



Labor Practices



Through their labor practices, Bridgestone Colombia contributes to the achievement of the SDG 8, Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Bridgestone Colombia recognizes that its employees are the central force that drives the company and that serves as a pillar for its sustainability. The company's business profitability is built on the basis of the capabilities, motivation, security, and integral development of human capital, as well as the satisfaction and trust of all stakeholders.

Employees

In 2017, the Bridgestone Colombia team had 32 members, 41% of which are women and the remaining 59% are men. The company hired 11 new employees over the course of the year, adding 4 women and 7 men to the workforce. The employee turnover rate stood at 2,34% per month.

Gender	Age	Total number of employees
 Men	Under 30	2
	Ages 30-50	14
	Over 50	3
 Women	Under 30	2
	Ages 30-50	11
	Over 50	0

	2016	2017
New Hires	9	11
Turnover %	0,44%	2,34%

The information and statistics of the template of Bridgestone Colombia are obtained through the databases that go from December 31, 2016 to December 31, 2017. They considered only full-time collaborators.



Training

Bridgestone Colombia seeks to promote the development of its employees. Improving the team members' skills and abilities is essential to building a work environment that presents challenges to ensure their professional development. Daily operations include efforts to provide complementary training to each worker, and this work is reflected in the positive contributions that each one makes with their ideas and work on projects that nurture quality at work and creativity for innovation.

In 2017, a total of 21 employees were trained, including senior and management, middle managers, assistants, and operators. This implies that 66% of Bridgestone Colombia received some type of training over the course of the year.

The company imparted a total of 2,134 hours of training, for an average of 101 hours per employee. Bridgestone Colombia invested USD 23.695 in training in 2017, representing a 500% growth over 2016.

Professional categories	Total employees	Men / 2017		Women / 2017		
		Total hours of training	Average hours of training	Total employees	Total hours of training	Average hours of training
Directors	1	184	184	0	0	0
Sub-directors, managers, or area representatives	3	558	186	1	10	10
Middle management	1	32	32	0	0	0
Professionals	8	766	96	7	584	83
Assistants	0	0	0	0	0	0
Total	13	1.540	118	8	594	74





102-8, 401-1, 404-1, 404-3, 401-2, 404-2

	2016	2017
Total number of employees trained	32	21
Hours of training	730	2.134
Average hours of training	25	101
Investment	\$3.950 USD	\$23.695 USD

Performance Assessments

Bridgestone Colombia values continuous feedback as a means for each employee to find areas for improvement and opportunities to enhance their talent. All team members are subject to regular performance reviews in the middle and at the end of each year. In 2017, 100% of all staff received a performance evaluation.

In order to ensure an objective performance review process, Bridgestone Colombia applies the Performance Management and Appraisal (PMA) System to set simple and clear metrics for each worker. The results indicate the solid performance of 75% of the employees, while 4% exceeded expectations.

Talent Attraction, Retention, and Development

Bridgestone Colombia is a company that takes responsibility for its stakeholders. The company knows that in order to deliver the best quality to the customer service, it must have the best talent and ensure their well-being in the workplace. The organization engages in a variety of activities to achieve this goal, aimed at attracting, retaining, and developing its talent.

Some of these activities are described as follows:

a) The Professional Bridgestone Experience

This program seeks to build solid ties with the university community. It is used to evaluate and retain young university talent among students who wish to strengthen their academic knowledge and gain professional experience in an internship and with possibility of being hired at the end of that period. A total of 2 trainees were hired to work full time for Bridgestone Colombia.



2 of the **Bridgestone Professional Experience trainees** were hired at the end of their internship.

b) Mentoring for Leaders

As part of the initiatives created to develop talent in Bridgestone LAN, the company implemented the Mentoring Program at a regional level in 2017, to allow staff members to exchange experiences, develop competencies and receive guidance through their *Mentor-Mentee* relationships. The purpose of this program is to contribute to both their personal and professional development and provide exposure for each one at a regional level.

The program is structured as follows:

1. Fields of Interests and Learning Areas
2. Build the *Mentor-Mentee* Relationship / Objectives
3. Maintaining the relationship
4. Measure of Effectiveness

The program was started in September 2017 with 2 high potential employees in the organization.

c) Leadership Program

Another initiative focused on the development of talent is the Dan Totsu Leadership and Business Program, for which a group of teammates is selected to develop their leadership, coaching, strategy, customer management, process, project, innovation, and negotiation competencies.

The diploma is carried out at a Latin America North level and in 2017 Bridgestone Colombia counted with the participation of 4 teammates.

Work-Life Balance

Bridgestone Colombia respects the work-life balance of each of its team members, which favors enhanced performance in all daily activities and seeks to ensure the overall well-being of each of its staff members. Thus, Bridgestone Colombia strives to ensure that its work-life balance initiatives benefit both the employees and their family members.

66% of employees were trained in 2017.

74 hours of training for women.

\$23.695 invested in employee training.





Additionally, teammates enjoy benefits such as prepaid medicine, discounts on tire sets, food support and holiday bonus.

Recognitions

Recognizing the talent and efforts made by the employees is essential to reinforcing the link with the company. Bridgestone Colombia understands this as a key factor in motivating its team members and promoting desirable actions and behavior throughout the organization. In 2017, the company recognized its employees' performance through a variety of activities.

- Bridgestone President Awards (BS-LAN)
- Bridgestone Americas Awards (BSAM)

Bridgestone Group Awards

Bridgestone Group launches an annual invitation to nominate a project, idea or activity that has produced a positive impact on one of the following categories:

- Achievements.
- Mobility.
- People.
- Environment.
- Management Fundamentals.

This award recognizes the employees that contribute to the business with their initiatives and go the extra mile in their daily work activities as they reflect the Bridgestone Essence.

Bridgestone President Awards

This recognition is given to individuals selected for their performance or for making high impact contributions to the business. In addition to the recognition itself, it is accompanied by an incentive of 300 USD. In 2017 this award was granted to 4 collaborators.



4 employees were honored through recognition initiatives.

Occupational Health and Safety

The business approach of Bridgestone Colombia is purely commercial, and therefore does not represent greater risks to the health or safety of teammates. In 2017, there were no injuries, fatalities or days lost due to illnesses linked to the execution of work.



Some of the initiatives in 2017 were:

- Celebration of special dates such as Women's Day, Father's Day, Children's Day and Valentine's Day.
- Birthday Day: Each employee has a day off during their birthday month so that they can enjoy it with their family. A birthday gift is also given, which in 2017 consisted of a branded cup for coffee.

In addition, in response to the results obtained in the Great Place to Work survey in 2016, the Flexible Friday strategy was implemented. This work model allows Bridgestone Colombia teammates to leave at 2:00 p.m. every Friday, so they can do more leisure activities and spend more time with their families. In the same way, greater flexibility is offered in permits and licenses according to personal needs.

Benefits

Bridgestone Colombia seeks to create an atmosphere of certainty and stability so that each staff member can make specific plans, have the means required to address their needs, and enjoy a good quality of life. This increases the bonds of trust between them and the organization, guaranteeing peace of mind for all and creating a sense of internal cohesion.

In Colombia, the benefits granted by law to teammates are:

- Premium for Services (30 days according to the law).
- Severance payments (equivalent to 30 days of salary plus 12% per year).
- Holiday voucher and 10 days off guaranteed.
- Pension plan in accordance with Colombian law.



Create value for society through sustainable procurement practices.

Bridgestone is committed to creating value and working continuously towards a sustainable society to ensure long-term environmental, social and economic benefits by incorporating the following into the entire supply chain:

1. Transparency
2. Compliance
3. QCD and Innovation
4. Sustainable Procurement Practices

Procurement



Material Issues

- Supply chain development and evaluation (alignment with ethical and socio-environmental standards).

How are they managed?

- The Bridgestone Sustainable Global Procurement Policy.

Evaluation and Monitoring

- Annual meeting to introduce results of the suppliers management evaluation.
- Sustainability Report.

2017 Achievements

- 2,344 suppliers.
- 99% local.

2018 Challenges

- Strengthen alliances with suppliers, in order to continue directing them to ethics and commitment to the planet.

Bridgestone works with its suppliers on the creation of new opportunities to leave a positive mark that not only raises the level of regulatory compliance, safety and quality, cost, and delivery, but also creates value for the entire supply chain through environmental best practices, respect for Human Rights, fair work practices, and transparency. With this, Bridgestone makes a positive contribution to the local communities touched by its supply chain.

Bridgestone recently launched its Global Sustainable Procurement Policy that supports the vision of creating value for society through the sustainable management of its supply processes.

Today there are four principles that guide this important aspect of the business:

1. Transparency

Bridgestone understands that transparency is crucial for business in general since it points directly to two key objectives: traceability and good governance.

2. Regulatory Compliance

Bridgestone is committed to complying with all laws and regulations established by each country or region in which it operates and working with suppliers on the promotion of relevant international standards and compliance with the same.

3. Quality, Cost, Delivery, and Innovation

Bridgestone works with its suppliers on identifying the best way to ensure the delivery of quality services and materials on time and at a reasonable cost. In addition, the company consistently strives to improve its products by increasing durability, recycling and reusing materials, as well as offering tire retreading services.

4. Sustainable Procurement Practices

Bridgestone believes that sustainable procurement practices include responsibility for the environment, respect for human rights and land use, health, safety, disaster prevention, and resilience.

At Bridgestone Colombia, these principles are reflected in:

Transparency	Regulatory Compliance	Quality, Cost, Delivery, and Innovation	Sustainable Procurement Practices
Bidding processes are used to select suppliers. They are supported by informational talks with the suppliers and reinforcement of the procurement process.	Internal and external audits are conducted to provide certainty about compliance with the applicable regulations.	Suppliers are evaluated with the use of comparative tables, to improve internal customer satisfaction indices.	The company consistently looks for sustainable suppliers to strengthen the current supply chain.

Supply Chain

In 2017, Bridgestone Colombia had a total of 2,344 suppliers of general inputs for the operation and management of the business, mostly from Brazil, Mexico, the United States, Costa Rica, Japan and Colombia.

In general, only 1% of the suppliers are foreigners, where the company spends 95% of its general procurement expenses, while the national suppliers represented the remaining 99% where the company spent the remaining 5% of the total expenditure.

The company utilizes forms and an established internal procedure by which each person responsible for the service or product to be acquired must evaluate their supplier with help from the Purchasing Department. Once the evaluation is completed, a meeting is held to report the results and answer questions. The suppliers have a period of 30 days to send Bridgestone their action plan to correct the nonconformities detected, which is then verified in an audit conducted by the company.

Some of the criteria considered in the evaluation include:

- Respect for people.
- Guidance services.
- Accuracy and speed of the quotes requested.
- Costs and negotiation capacities.
- Sustainable commercial conditions and respect for these offers.
- Reliable and reduced delivery deadlines.
- Compliance with the delivery of everything required, including product identification, packaging, and certificates.

Supplier Assessment and Development

The evaluation processes carried out by Bridgestone Colombia aim to provide a diagnosis of its suppliers' knowledge and practice of the sustainability principles, in an effort to align the practices of both parties to ensure a fair and transparent trade relationship.



- Quality of the product or service.
- Supply priorities or loyalty.
- Capacity and interest in undertaking improvement commitments, proposals, and initiatives.
- After-sales services and response to claims and warranties.
- Implementation of corrective actions, if necessary.
- Emergency response capacity and flexibility during audits.

Under these criteria, 6 new suppliers were evaluated and selected in 2017, while another 89 were evaluated (4% of the total), with whom a consolidated relationship already exists, seeking to guarantee compliance and possible improvements.

There were no risk factors or negative impacts found on the social and environmental aspects resulting from these evaluations, so the company was not forced to cancel its commercial relationship with any suppliers in 2017.

Training and Development

By training and promoting the social, environmental and ethical fundamentals that govern Bridgestone, we seek to develop and encourage suppliers to contribute to sustainable development by aligning their policies with those established by the company.

Bridgestone Colombia meets with its main suppliers and contractors every year to offer training courses and reinforce their adoption and understanding of safety, environmental and ethics processes and policies, with the purpose of ensuring that the operation meets the highest standards in terms of caring for their employees and for the business environment.

Training Tools	Participants	Hours of Training and/or Meetings	Teaching Methodology	Topics Addressed
Annual Meeting	89 business leaders	2 hours a year (178 hours)	Classroom courses	Reinforcement of safety and environmental processes, policies, and procedures.

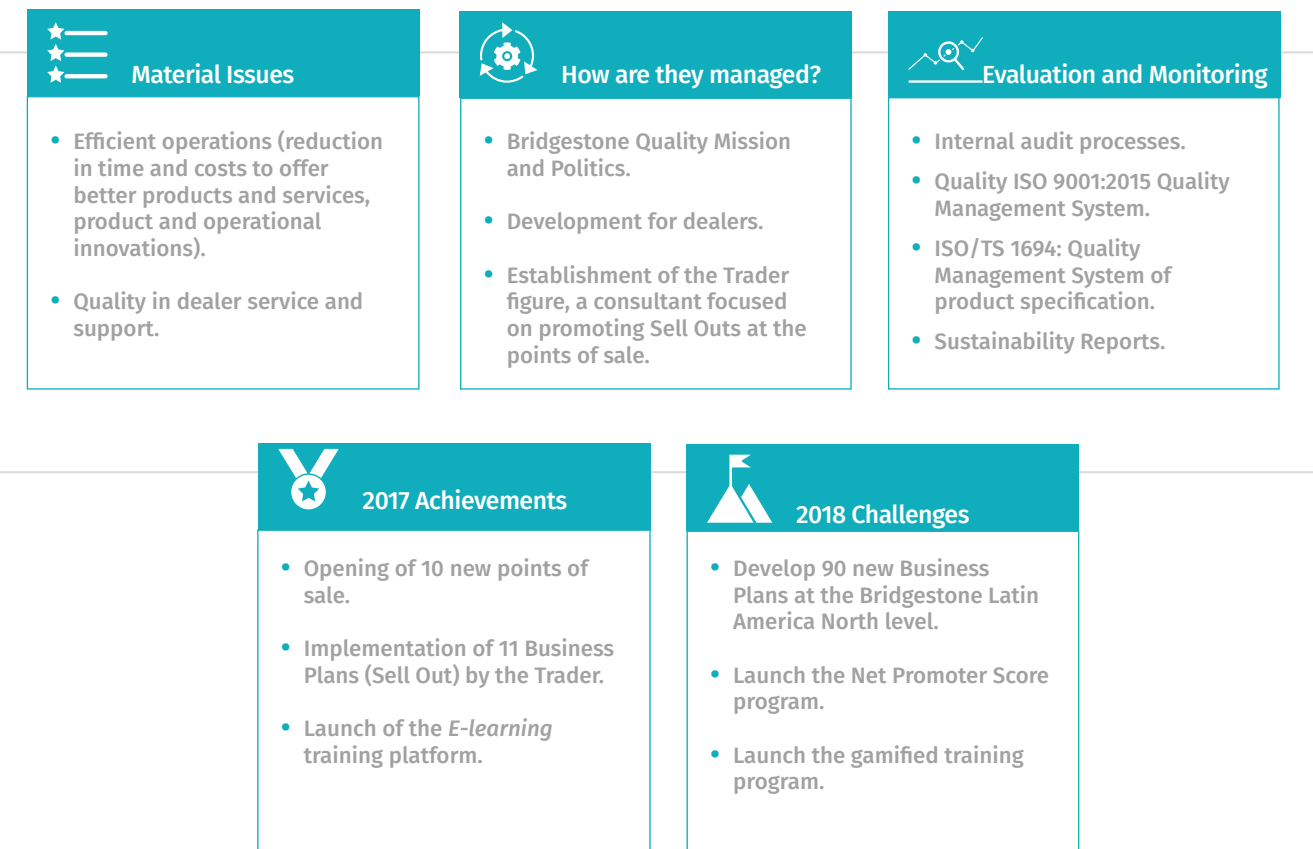




Create value for the client and promote a relationship of trust.

Bridgestone creates a global framework in collaboration with all related Bridgestone entities and stakeholders to proactively identify, prioritize and address customer quality issues in keeping with the intentions of our founder to: *“Serving Society with Superior Quality”*.

Quality, Value, and Customer Satisfaction



The Bridgestone Quality Mission statement is one of its hallmarks, which is why the company consistently works on improving its processes by delivering high-quality products and services throughout the value chain. It uses constant innovation to optimize performance and create value for customers in all aspects related to the business.



Bridgestone Colombia has a total of **71 points of sale** located within the Colombian and Ecuadorian territories.

Sales Promotions

Bridgestone Colombia strives to favor its clients through significant promotions that benefit both them and the company. For this reason, on the occasion of the month of the transporter, in October 2017, he launched the "The tires that give value to your trip" promotion, with which the owners of trucks had better options to acquire new tires.

In addition, with the purpose of contributing to the prevention of accidents and raising awareness among Colombian drivers about the importance of road safety, during the mid-year holiday of 2017 Bridgestone Colombia carried out free inspections of the state of the tires and of the inflation pressure in several cities of the country.

Logistics Efficiency

Bridgestone Colombia seeks to streamline its operations continuously and therefore in 2017 managed to improve various logistics processes. Warehouse productivity increased by 12%, logistical expenses decreased by 21% and lead time days were reduced by 17%. In addition, the definition and fulfillment of the service promise went from 90% in 2016 to 96% in 2017. In order to contribute to the sustainability of the operation, spaces, times and movements within the warehouse were optimized, efficient transport circuits were established, including reverse logistics, and new import logistics models were implemented.



The delivery time of the products was reduced by **17%**.



256 hours of training for **dealers in Colombia**.

Customer Service

Bridgestone Colombia has several communication channels to interact with the consumers of its products, among which are: *call center*, social networks and Chat Bridgestone. In addition to the aforementioned, communication with dealers is reinforced in periodic meetings, which are very useful to know first-hand the state of the market, as well as its problems, concerns and opportunities for improvement.

In addition, through the figure of the Trader, the Trade Marketing area communicates with dealers constantly through emails, incentives, promotions, face-to-face meetings or videoconferences.

In case of any crisis or delicate situation with the dealers, the matter goes directly from the call center to the communication team to redirect it to those responsible. In this way, direct follow-up with the BOSS is made.

In 2017 **the company launched an online platform** to manage its **TBR product catalogs**, thus **eliminating the use of paper** and **providing updated information** as needed, enhancing its internal user and **customer services**.



Bridgestone Colombia also attends relevant events for the sector, in order to publicize its portfolio of products and services and establish contact with customers and prospects. In July of 2017 he participated in the National Grand Prize of Tractomulas, an event that pays homage to Colombian truckers and that has become a tradition for the transport sector of the country.

Dealer Development Activities

For Bridgestone Colombia it is very important to improve the quality of its service and highlight the importance that the client has for the company. We are constantly working on the innovation of initiatives to achieve the Quality Mission, and part of this is the training provided to dealers every year. In 2017, the first training course for fleet technicians was held and various courses were given to train dealers on the issues that are key to the business:

Course Name	Description	Training Methodology	Course Name	Description
Bridgestone Ambassadors	Develop the dealer's employees as internal trainers to replicate <i>In-company</i> training	30	40	Classroom course
Consumer Products Clinic	Identify the tools that allow the dealer to sell a product for its benefits and compare it with those of the competition	22	64	Classroom course
Fleet Technician Training	Develops technical personnel to support fleets in the analysis of tires in service and out of service	22	128	Classroom course
Product and Sales Clinic	Provides knowledge about products and sales methodologies	13	24	Classroom course





Bridgestone Colombia presents the 3rd Edition of its annual Sustainability Report on the most important issues related to the company's sustainability while providing information to stakeholders on its main activities and commitments to sustainability.

Report Preparation Process

The materiality covered in this report is the same as was presented in the last report, with the exception of changes in indicators due to the adoption of the new version of the GRI Standards. We believe that the materiality is valid for this report because it was conducted in the first half of 2017 and the organization has not changed its business model.



	Material issues	GRI Indicator	Coverage
Mobility	Promotion of road safety		
People	Support for social organizations and schools	413-1	
Environment	Environmental activities undertaken with the community		
	Sustainable use of natural resources		
	Emission reduction		
Regulatory Compliance and Fair Trade and Competition	Prevention and fight against corruption		
	Compliance with applicable laws governing its operations	102-16, 102-17, 102-25, 205-2, 102-12, 102-13	Internal
	Fair business practices (logistics, distribution and fair prices for dealers)		
Business Continuity (Bcp) and Risk Management	Risk prevention and management to mitigate crisis situations	102-11, 102-15	
Human Rights and Labor Practices	Balance between personal and professional life	102-8, 401-1, 401-2, 404-1, 404-2, 404-3	
Procurement	Supply chain development and evaluation (alignment with ethical and socio-environmental standards)	102-9, 414-1, 414-2	
Quality and Customer Value	Efficient operations (reduction in time and costs to offer better products and services, product and operational innovations)		
	Quality in dealer service and support		

The scope of this report includes Bridgestone de Colombia S.A.S, considering the offices in Bogotá.

This document was prepared by complying with the essential compliance option of the Global Reporting Initiative (GRI) for the preparation of sustainability reports in its Standards version, covering the period from January 1 through December 31, 2017. The 2016 report was published in September 2017. The company prepares and publishes this report once a year.

In contrast to the information published in previous years, no reformulation of data was presented that would change the information published in the past. In addition, although the company publishes a Regional Report that consolidates the most relevant figures of the Bridgestone Latin America North Region, this report focused exclusively on Colombia, so there are no significant changes in the scope and coverage compared to previous years.

Please send your requests for information or your comments about the content of this Sustainability Report to the Bridgestone Latin America North, BS-LAN Corporate Communications and Social Responsibility Department via email addressed to BS_LAN_Prensa@la-bridgestone.com.



GRI Content Index

Content	Description	Page	Omission
Essential Disclosures			
102-1	Name of the organization	25	
102-2	Activities, brands, products, and services	26	
102-3	Location of headquarters	10	
102-4	Location of operations	10 and 26	
102-5	Ownership and legal form	25	
102-6	Markets served	27	
GRI 102: GENERAL DISCLOSURES 2016	102-7	Scale of the organization	25
	102-8	Information on employees and other workers	62 All employees have permanent and full-time contracts. Only trainees have temporary contracts. The organization does not outsource its key activities.
	102-9	Supply chain	69

Content	Description	Page	Omission
102-10	Significant changes to the organization and its supply chain		There were no significant changes in the capital structure and supply chain.
102-11	Precautionary Principle or approach		Our operations in Costa adhere to the 1992 Rio Declaration and follow the precautionary principle by complying with the applicable regulation.
GRI 102: GENERAL DISCLOSURES 2016	102-12	External initiatives	50
	102-13	Membership of associations	50
	102-14	Statement from senior decision-maker	3
	102-15	-	3
	102-16	Values, principles, standards, and norms of behavior	48
	102-18	Governance structure	17
	102-40	List of stakeholder groups	22
	102-41	Collective bargaining agreements	0%, there is no union.

	Content	Description	Page	Omission	
GRI 102: GENERAL DISCLOSURES 2016	102-42	Identifying and selecting stakeholders	22		
	102-43	Approach to stakeholder engagement	22		
	102-44	Key topics and concerns raised	21		
	102-45	Entities included in the consolidated financial statements	25		
	102-46	Defining report content and topic Boundaries	79		
	102-47	List of material topics	21		
	102-48	Restatements of information	As a result of the G:35 corporate social responsibility certification audit process of 2017, Corporate Volunteering was included in the company's materiality assessment.		
	102-49	Changes in reporting	None		
	102-50	Reporting period	79		
	102-51	Date of most recent report	79		
	102-52	Reporting cycle	79		
	102-53	Contact point for questions regarding the report	79		
	102-54	Claims of reporting in accordance with the GRI Standards	79		
	102-55	GRI content index	82 to 87		
	102-56	External assurance	Este informe no ha sido verificado.		

	Content	Description	Page	Omission
Material Issues				
Support for Social Organizations and Schools				
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	35	
	103-2	The management approach and its components	35	
	103-3	Evaluation of the management approach	35	
GRI 413: LOCAL COMMUNITIES 2016	413-1	Operations with local community engagement, impact assessments, and development programs	36	
Prevention and Fight Against Corruption				
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	47	
	103-2	The management approach and its components	47	
	103-3	Evaluation of the management approach	47	
GRI 102: GENERAL DISCLOSURES 2016	102-16	Values, principles, standards, and norms of behavior	48	
	102-17	Mechanisms for advice and concerns about ethics	48	
	102-25	Conflicts of interest	49	
GRI 205: ANTI-CORRUPTION 2016	205-2	Communication and training about anti-corruption policies and procedures	49	

	Content	Description	Page	Omission
Risk Prevention and Management to Mitigate Crisis Situations				
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	53	
	103-2	The management approach and its components	53	
	103-3	Evaluation of the management approach	53	
GRI 102: GENERAL DISCLOSURES 2016	102-11	Precautionary Principle or approach	54	
	102-15	Key impacts, risks, and opportunities	54	
Balance between Personal and Professional Life				
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	57	
	103-2	The management approach and its components	57	
	103-3	Evaluation of the management approach	57	
GRI 102: GENERAL DISCLOSURES 2016	102-8	Information on employees and other workers	57	
GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	62	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	62	

	Content	Description	Page	Omission
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee	62	
	404-2	Programs for upgrading employee skills and transition assistance programs	62	
	404-3	Percentage of employees receiving regular performance and career development reviews	62	
Supply Chain Development and Evaluation (Alignment with Ethical and Socio-Environmental Standards)				
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its Boundary	67	
	103-2	The management approach and its components	67	
	103-3	Evaluation of the management approach	67	
GRI 102: GENERAL DISCLOSURES 2016	102-9	Supply chain	69	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	New suppliers that were screened using social criteria	69	
	414-2	Negative social impacts in the supply chain and actions taken	69	



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COLOMBIA

SUSTAINABILITY REPORT
2017