

SUSTAINABILITY REPORT **2015**

MEXICO







INTEGRATION AND COMMITMENT

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Regional sales increased to

\$801,831

Trade Agreements and the growth of the Automotive Industry in the country. In 2015, a production line was installed for the run flat tire, created using

cutting-edge technology and high-quality materials.

Regional sales increased to US \$801.831 million, 71% of which corresponds to Mexico, 23% to Costa Rica and 6% to Colombia. Daily tire production stands at 31,940, 20,540 of which are produced at the Cuernavaca Plant, Mexico, and 11,400 at the Belén Plant, Costa Rica. These tires are distributed through 814 points of sale: 598 in Mexico, 161 in Costa Rica and the Caribbean, and 55 in Colombia and Ecuador.

Given that the economic projections for 2016 forecast a difficult year as a result of falling oil prices and public spending cuts, at Bridgestone we will continue to circumspectly focus on spending in order to maintain our position as the number one manufacturer of OEM and replacement tires.

One of the most outstanding statistics for the region is the consolidation of 139,259 total training hours for 2,369 employees. 60% of the hours (84,262 hours) correspond to Mexico, a country which also has 60% of the region's workforce, followed by Costa Rica with 39% of the workforce (and the same percentage of the total training hours), and Colombia, with a total of 30 employees, logged 237 training hours.

The goal of this regional organizational structure is to ensure alignment with our strategic business objectives. It is flexible and expandable, maximizes strengths, enables us to identify and take advantage of market opportunities, promotes the development of talent and career plans and eliminates any redundancies in our operations, in addition to improving communication with our clients and promoting the more efficient use of resources.

During the development process for this new business unit, the front office and back office

business unit, the front office and back office areas were identified and defined. The front office encompasses those departments that work closely and on a daily basis with the client and end user; while the back office includes those areas that provide support to the entire structure in terms of finance, human resources, information technology, legal aspects, communication and social responsibility, among others.

In October 2015, this new structure was officially formalized. Although we have seen a number of achievements throughout the year, such as the forging of partnerships and alliances in all areas, one clear accomplishment is the creation of this report. In terms of corporate ethics and governance, we have successfully aligned ourselves with the principles that guide the actions of the company; that is why 100% of our employees in the region form part of the Bridgestone Americas Compliance Center (BACC) training system. This system regulates areas such as conflicts of interest, anti-trust laws, patents and IT security, among others. Furthermore, the entire region is governed by the same Code of Conduct, training sessions for which are implemented on an on-going basis. It is also endorsed by an Ethics Committee and a Complaints Procedures System, both of which ensure compliance.

This new structure offers greater business and export opportunities, especially for the Cuernavaca Plant, which has also been benefitted by Mexico's Free



Message from the **President**

At Bridgestone, we are reaffirming the company's commitment to sustainability with the publication of the first Consolidated Report for Bridgestone Latin America North (BS-LAN), which outlines the indicators and results for Mexico, Costa Rica and Colombia. This report uses the same structure and methodology, through a comparative analysis at a regional level, to highlight the major achievements and challenges that are inherent for the business on an economic, social, environmental and ethical basis.

For Bridgestone, 2015 can be defined using two words: consolidation and collaboration. These keywords embody the ethos of a new internal structure that combines the operations in Mexico, Costa Rica, Central America, the Caribbean, Colombia and Ecuador into one business unit: Bridgestone Latin America North (BS-LAN).

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In 2015 we brought together the work of



1,448 employees throughout the region, adding

9,420 volunteer hours.

Each one of the countries in the region has received awards which are a testament to how they generate and value the talent of our employees, in addition to promoting social programs that have a positive impact on the community.

Our subsidiary in Mexico was awarded the Socially Responsible Company Award for the tenth time (2015-2016) by the Mexican Center for Philanthropy (CEMEFI), a distinction which Bandag Mexico was also awarded for the third time. Costa Rica's Social Responsibility Management System certification was also renewed (based on INTECO's INTE 35-01-01 standard), in addition to it being identified as a company on the path to Carbon Neutrality. Our operations in Colombia were presented with the Social Responsibility Award by Fenalco Solidario, in addition to the Carbon Neutral Seal by Accion Verde. Furthermore, Bridgestone retained its place on the list of the best companies to work for in the Great Place to Work rankings in Mexico and Costa Rica.

As a responsible corporate citizen, the company promotes activities that help protect the environment, improve the quality of life of communities and drive security and mobility among society through a structured corporate volunteering program which, in 2015, brought together 1,448 employees from throughout the region who, in total, dedicated 9,420 volunteering hours. 44% of these hours correspond to Mexico, 54% to Costa Rica and 2% to Colombia.

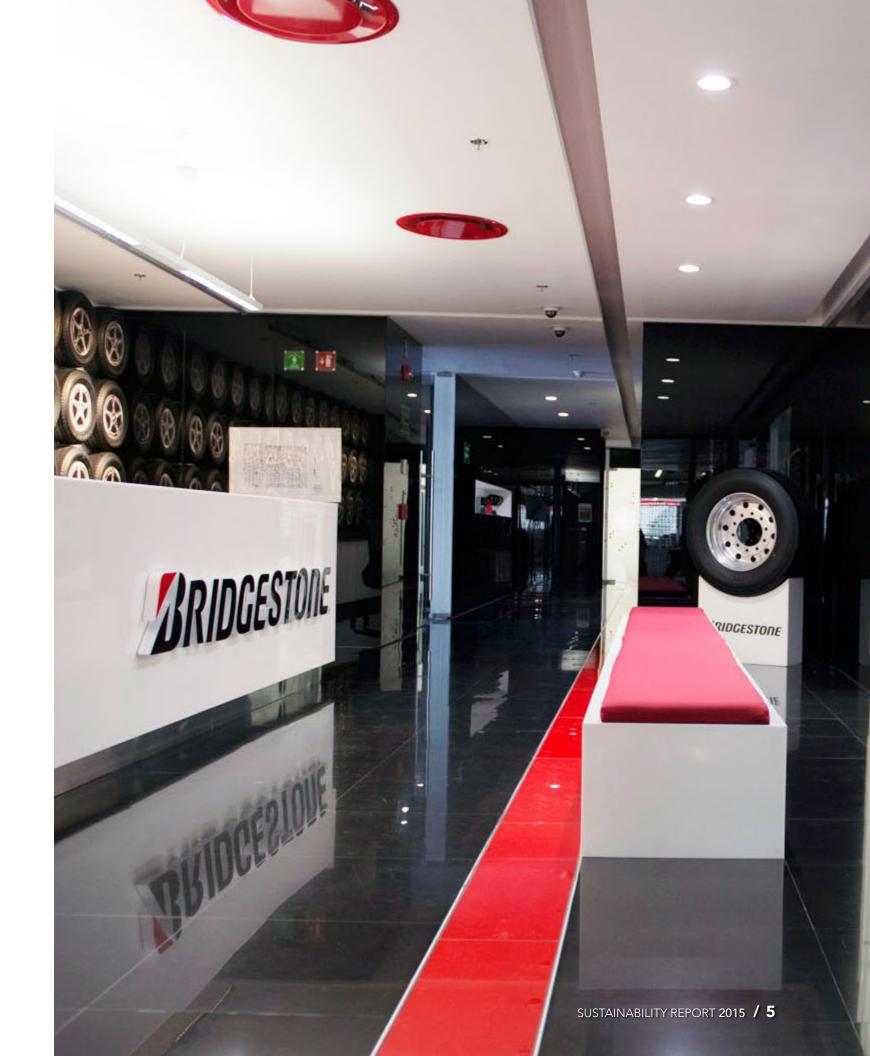
With regard to the environment, in 2015, CO₂₀ emissions in Mexico and Costa Rica dropped in a year-on-year comparison thanks to the use of natural gas in the boilers in Mexico and energy generation through the use of biomass (wood pellets) in Costa Rica.

We would invite you to read through this regional report and be part of the sustainable commitment that we, as corporate citizens, have maintained in synergy with the economic, social and environmental context in each one of the countries in which we operate.

Kind regards.

Dr. Daniel Benvenuti

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





Bridgestone is a company that is committed to superior quality, not only in its products and processes, but also in its internal interaction and response policies and practices for its stakeholders. These aspects are in keeping with the company's essence, as defined by Bridgestone Corporation: "become leaders in the industry".





The Bridgestone Essence

LA ESENCIA BRIDGESTONE

Mission Serving Society with Superior Quality Foundation Fundamentos Seijitsu-Kyocho

Shinshu-Dokuso

Genbutsu-Genba

Jukuryo-Danko

BRIDGESTONE

Four pillars, which are based on **innovation**, guarantee the embodiment of the company's mission: Financial Success, Brand Promise, Great Place to Work and **Outstanding Corporate Citizen.**

Bridgestone Group is **the largest** tire manufacturer in the world. It also **sells and supplies** a wide variety of technologies that drive the **development** of a number of industries through superior quality, passion and innovation



¥ 126.354 billion (JPY)



Head Office in Japan



Regional offices:

- Japan
- The Americas
- Europe, the Middle East, Africa and Russia
- China and the Asia Pacific



Employees

Direct: 144,303Indirect: 13,843



Annual sales

¥ 37.902 billion (JPY)



166 plants

(Tires, Raw Materials, Diversified Products)

- **50** tire manufacturing plants.
- **28** tire retreading plants.
- **18** raw materials plants.
- **70** diversified product manufacturing plants.

Sy Dragones in

Presence in 26 countries

 Its products are sold in more than 150 countries.

* Information compiled from: http://www.bridgestone.com/corporate/locations/index.html

Bridgestone Products and Services

| Tires | It offers a wide range of tires for automobiles, trucks, buses, aircraft, construction and mining vehicles, motorcycles, etc. |
|-------------------------|--|
| Diversified Products | It manufactures and sells a range of rubber products and other diversified articles, many of which have a wide range of day-to-day uses and which help to drive the development of a number of industries. |
| Raw materials | It produces the raw materials it needs for its manufacturing processes, including natural, synthetic and carbon black rubber, among others. |
| R&D | It develops products and technologies to promote a better future, in addition to researching raw materials. |
| Sales | It has a tire sales and distribution network that encompasses 150 |

countries around the world.

Code of Conduct

Acting with integrity and working tirelessly to build relationships of trust with all stakeholders helps Bridgestone to achieve business sustainability and market differentiation.

In this context of ethical business practices, the region is governed by a Code of Conduct and the Bridgestone Americas Compliance Center (BACC) system. This system provides the basis for all decisions and activities to be executed with integrity, ensuring compliance, at all times, with our values, policies and internal regulations, in addition to all applicable legal frameworks governing our operations.

Bridgestone Latin America North (BS-LAN) Crisis Committee

Having a response plan in place for situations that are critical to operations is fundamentally important, which is why the region has a Crisis Committee that has the tools necessary to respond quickly, effectively, efficiently and in a structured manner in the event of any crisis.

The plan has been designed by the Bridgestone Americas Corporation in the United States in order to comprehensively cover situations, such as those that:

- Require steps to be taken by national leaders in the country affected in order to resolve situations that could have an impact on human health, security, the environment or on the operations' assets and reputation, both in terms of the operations of Bridgestone Americas, Inc. (BSA) and all of the operations pertaining to Bridgestone in Latin America (BATO-LA).
- Require steps to be taken by national leaders in the country affected with the support and leadership of BATO-LA or any of the company's business units operating in the country in question, as is deemed necessary.

In addition to setting up the Crisis Committee for Bridgestone Latin America North, Emergency Committees have also been created in each country in the region, the members of which have been trained, in addition to taking part in crisis simulation exercises.

Having a crisis management program that covers the entire company is of fundamental importance given that it highlights the difference between situations which merit a response at a corporate level and those in which the regions have the authority and responsibility to act and communicate.









Missions

Through its Missions, Bridgestone clearly sets out the pillars of its operations (Quality, Safety and Environment) in order to create value and trust with its stakeholders, with the goal of driving on-going improvements in its processes.

Environment

Through its Environment Mission, Bridgestone states the company's long-term goals, highlighting how each aspect of the business should contribute to protecting the environment.



Quality Mission Statement



BRIDGESTONE

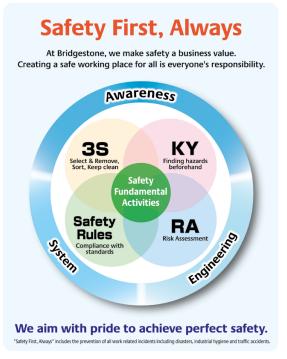
Quality

Through its Quality Mission, Bridgestone improves its processes by offering superior quality in its products and services throughout the entire value chain, in addition to driving performance and generating value for the client by implementing innovation in each area of the business.

Safety

Through its Safety Mission, Bridgestone promotes the health and safety of all its employees, ensuring compliance with all laws governing the workplace.

Safety Mission Statement



BRIDGESTONE



2015 Economic Forecast and Challenges for 2016

Even though 2015 was a year of financial volatility, which led to the devaluation of the majority of the currencies in the region, it was also a year in which countermeasures were adopted, allowing Bridgestone to consolidate its position in the Latin America North region.

Part of this consolidation process focused on developing the strategies necessary to reach the financial goals for our operations, in addition to our coverage and presence in the region's markets. The results of our strategic measures surpassed previous years, thanks mainly to Bridgestone's human capital, which is the driving force behind the company.

The company believes 2016 will see a period of technological advances, regulatory changes, the need for environmental sustainability and the race to create autonomous vehicles, in addition to changes in global demographics and in social behavior, variables that need to be taken into account in order to ensure the sustainability of the business.

Bridgestone has decided to tackle these challenges by focusing its business around the BOSS (end users), aiming to ensure the latter's satisfaction and anticipating their demands and requirements. As a result of the growing demand for goods around the world, not to mention the threat of raw material shortages, the company has identified the need to create a circular economy that focuses mainly on ecology.

It is fundamentally important to offer products that ensure greater levels of safety, using the most advanced technologies possible, in order to have a positive impact on society and on the environment. That is why the company is constantly searching for better materials to mitigate its environmental footprint, manufacturing designs that can be specifically adapted to electric cars, and, in general, greater business sustainability.

Through these specific measures, Bridgestone is guaranteeing on-going research in order to develop tires that offer superior quality in the future, ensuring world-class service and the satisfaction of all of its clients.



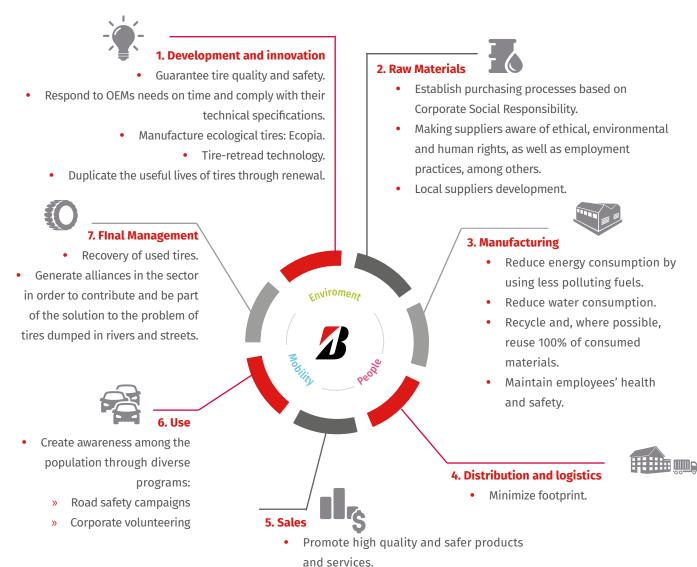




Business **model**



The life cycle of a tire embodies the sustainability of the business model that governs Bridgestone's operations. In each of the stages, priority areas for sustainability are clearly identified in order to ensure that operations generate value for all stakeholders, in compliance with all applicable regulations, driving profitability and efficiency, reducing the company's carbon footprint and giving back to society through superior quality.



Maintain effective communication channels to encourage feedback about

the products and services.Establish commercial and fair competition practices.



From the corporate headquarters in Japan, three priority areas of sustainability for Bridgestone at a global level have been identified, through which the company's core activities are defined and implemented, driving the economic, social and ethical development of each one of the countries in which it operates.

Sustainability management



Through these pillars, Bridgestone's focus encompasses in:

Mobility

Contributing to the sustainable growth of society, providing and promoting the smartest and highestquality options, as well as accessible areas for the mobility of people and safe transport through technologies and innovation.

People

Forging trust and respect among communities and employees, contributing to a safer society with inclusive education and promoting the health of the communities in which Bridgestone operates.

Enviroment

Creating value through environmentally-friendly products and services, contributing to the creation of a more sustainable society while focusing on reducing the environmental impact of the company.

In order to consolidate this vision of sustainability, in addition to raising awareness of its importance throughout the region, in 2015, the area of Corporate Communication and Social Responsibility for the Bridgestone Latin America North region was redesigned in order to function as a key tool in promoting targeted actions and specific results in the areas of priority mentioned above.

The Corporate Communication and Social Responsibility area operates based on the recent Sustainability Model, which was created by Bridgestone's corporate headquarters in Japan. The model adapts the three key areas into seven strategic actions that, in turn, are aligned with the ISO 26000 Social Responsibility standard. These strategic areas encompass: Corporate Governance, Labor Practices, Customer Service, Fair Operating Practices, Community Involvement and Development, Environment and Human Rights.



The Sustainability Model encompasses the strategic actions for each area and its corresponding stakeholders, in order to chart how sustainability is implemented and embodied in the region.

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.

MOBILITY

- Accessible Mobility
- Smart Mobility
- Safe transportation

PEOPLE

- Contribute to a better society Accessible and inclusive education
- Foster healthier communities

- In harmony with nature
- Value natural resources
- Reduce CO₂ emissions

Corporate Governance

Labor Practices

Customer Service

Practices

Fair Operating Community Involvement and Development

Environment Human Rights

Employees

Customers Business Partners, Assemblers and Original Equipment)

Suppliers

Community

Authorities

Associations/ Institutions

Media

*Aligned with the ISO 26000 standard and Bridgestone's



Material Issues

At Bridgestone, we use the Global Reporting Initiative methodology to compile our Sustainability Reports. That is why, in both Mexico and Costa Rica, specific areas or priority topics for sustainability at the company were defined, i.e. the material issues to be included in the report for each country. For Mexico, these were defined using a materiality assessment.

In 2015, these areas were defined, as shown in the table below, which summarizes those areas that are of key importance to sustainability in the region.

| Relevant Areas for Bridgestone Mexico | Stakeholders Involved | Coverage (Internal and External) |
|---|-----------------------|----------------------------------|
| Effective Communication Channels | All | Internal |
| Compliance | All | Internal |
| Tire Quality and Safety | Clients, Consumers | Internal |
| Efficient Response to the Needs of Assembly Plants | Clients | Internal |
| Innovation | Investors | Internal |
| Responsible Purchasing | Suppliers | Internal |
| Energy Use | Community | Internal |
| Reduction of the Carbon Footprint (Mitigation and Adaptation to Climate Change) | Community | Internal |
| Water Use | Community | Internal |
| Recycling and Containment of Raw Materials | Community | Internal |
| Employee Health and Safety | Employees | Internal |
| Employee Development and Training | Employees | Internal |
| Community Support (Social Investment) | Community | Internal |
| Recovery of Waste Tires | Community | Internal |
| Social Awareness and Education in Road Safety | Community | Internal |





Bridgestone Mexico has a total of 1,425 employees. At its tire manufacturing plant in Cuernavaca, Morelos 20,540 tires are produced every day: a total, in 2015, of 6,822,155 units. Sales also increased to US \$539.879 million.

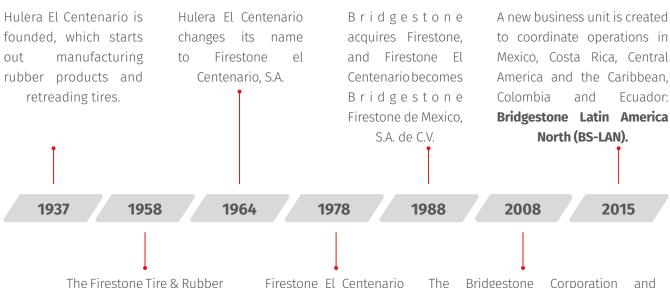
Background

Bridgestone's history in Mexico dates back to 1937 and the creation of the El Centenario rubber company, which was acquired by The Firestone Tire & Rubber Company. At the end of 2008, Bridgestone Americas Tire Operations (BATO) announced the new corporate name for all of the companies pertaining to the group around the world, with Mexico adopting the company's current name: Bridgestone de Mexico, S.A. de C.V.

After almost eight decades operating in the country, in 2015 Bridgestone Mexico celebrated the production of its 100 millionth tire at its Cuernavaca Plant in Morelos. This milestone positioned the company as the indisputable leader in the production and sale of tires in Mexico.

Bridgestone Mexico





Co. acquires Hulera El Centenario, producing, for the first time ever, Firestone tires in Mexico.

Firestone El Centenario goes public on the Mexican stock exchange, floating 51% of its social capital. The Bridgestone Corporation and its business unit in the Americas, Bridgestone Americas Tire Operations (BATO), decide to use the name Bridgestone as the corporate name for all of its companies around the world. The company's operations in Mexico are now known as Bridgestone de Mexico.

Bandag in Mexico

In 1957, Roy Carver, an inventor and industrial pump sales representative, visited Germany to promote his products. While there, he was amazed by how the Germans retreaded the tires on their cars.

His curiosity led to him to seek out a meeting with Bernard Nowak, a German who invented this process. As a result of this meeting, they agreed to bring this tire-retreading technology and its corresponding patents to the United States, leading to the foundation of Bandag Incorporated on December 20th, 1957 in Muscatine, Iowa.

The name Bandag is the result of combining:

BAN: Bernard A. Nowak.

D: Darmstadt (Nowak's hometown in Germany). AG: The equivalent acronym to LTD in German.

The company has spent more 50 years providing services for the transport industry, in addition to creating the cold-cure tire retreading process. Bandag has revolutionized the global retreading industry through the introduction of extraordinary processes that increase the lifecycle of tires, thus helping to protect the environment.

Facts and Figures



Corporate Headquarters and Plant(s) In Mexico, Mexico City.

- A tire manufacturing plant located in Cuernavaca, Morelos.
- A manufacturing plant for retreading materials located in Leon, Guanajuato.



Points of sale

598



Total employees (women/men).

1,425

(99 women and 1,326 men).



Sales for 2015

US \$539,879 million.



Number of Tires Produced per Day

20,540 tires.



Total Volunteering Hours and Participants

. **4,195** hours

. 953 volunteers





Total production

6,822,155 tires.



Average Training Hours per Employee trained

60 hours.



Economic value

(generated, distributed and retained).

- Generated, US \$649 million.
- Distributed, US \$119 million.
- Retained, US \$530 million.



Total generated emissions (CO_{2e})

56,288.27 t co_{2e}.







Products and Services

Bridgestone develops, manufactures and sells a wide variety of quality tires for a number of different means of transport through its Bridgestone, Firestone and associated brands. These tires offer safety and fuel efficiency at a very competitive price.

Bridgestone currently provides the tires for a number of passenger vehicles and SUVs from brands such as Honda, Toyota, Nissan, General Motors, Chrysler and Volkswagen, companies which it supplies with OEM tires (which represent around 50% of its production). Furthermore, it also sells to supermarkets and corporate accounts.

In terms of its products designed for trucks, it sells OEM tires to Volvo, Kenworth, Isuzu Motors, Scania and Hino Motors, in addition to distributing replacement products to more than 120 domestic accounts.

For the agricultural, off-road and industrial sectors, it has OEM clients, such as John Deere and New Holland, while on the replacement market, it supplies the largest network of distributors, working alongside companies such as Neumáticos Muevetierra, Comercial Llantera Tapatia, Tirex Agroneumaticos, and Llantas y Refacciones Agricolas.

Tire Retreading

Bridgestone plays a major role in the high-mileage tire retreading industry, offering technology, consultancy and support to the truck and bus market through its Bandag brand. The tire retreading system increases the lifespan of tires, which is why it plays a fundamental role in protecting the environment, preventing hundreds of tires from being dumped in rivers or landfill sites. It also has an economic impact as it significantly reduces costs.

Tires

Tires and inner tubes for automobiles, vans, trucks, buses, construction and mining vehicles, industrial and agricultural machinery, motorcycles, scooters, retreading materials and services, and automobile maintenance and repair.

Golf Products

Bridgestone Mexico sells a wide range of golf balls and clubs, in addition to a number of sportswear and accessories. It has also sponsored several elite Mexican athletes and has been involved in various prestigious tournaments in the country, such as the Mexican Open and Bridgestone America's Golf Cup, among others.

Motorcycling Tires

Bridgestone sells tires for motorcycle races, offering grip, balance and maneuverability for a number of different championships, such as MotoCross, Supercross Enduro and Off-Road.

The FIM tire is even endorsed by the International Motorcycling Federation as it meets the standards required by this organization in order to avoid damaging the tracks where they are used.

Market

Bridgestone Mexico's sole market is the Mexican one. Its divisions include the automobile, SUVs, truck, agricultural and industrial, diversified product, golf, own store and franchise sectors. It has a range of clients, from direct and associated customers, corporate accounts and OEM's to domestic accounts and end users.



Stakeholders

Bridgestone Mexico considers that the success of the business and its survival depend on the organization working alongside its stakeholders: people, communities or associations that are intrinsically linked to its production and service activities. The main goal of this model is to ensure on-going communication, understand their expectations and forge partnerships that drive collaboration on areas of mutual interest.



The company has a number of different channels through which it communicates with its stakeholders, in order to fulfil the relevant areas of its Sustainability Vision. These channels include meetings, opinion polls, surveys, partnerships and sectorial initiatives, which are coordinated by the different management teams or areas relating to each stakeholder.

G4-24, G4-25, G4-26, G4-27







Continuos

According to needs

| Cor | ntinuc | us | or |
|-------|--------|-----|------|
| Accor | ding t | o n | eeds |

| takeholders | Expectations | Response | Communication Channels | Frequency of Contact |
|---------------------------|---|--|-------------------------------|----------------------|
| | A Better Place to Work | Participation in the Great Place to Work survey Follow-up campaigns for Organizational Climate results | | |
| | Attracting and retaining talent | Bridgestone Group Awards1A and 2S SystemsMy Success Factors | • Meetings | |
| | Career plans | Communication of SkillsTalent 9 Box GridIndividual Development Plan | Internal newsletters/screens | |
| | Professional development | Cultural and sporting tournaments and eventsHealth Week | | |
| | Diversity and equality of opportunities | Benefits (Key Flex) | | () |
| ŕŸř | Workplace health and safety | Open HouseOn-going Improvements in health and safety | • Intranet/e-mail | |
| Employees | Benefits and perks | Base salary Vacations Food stamps Bonus Savings fund Vacation bonus Profit Sharing (variable compensation) Performance bonus (variable compensation) Canteen (variable compensation) IMSS Social Security (variable compensation) Breastfeeding room at corporate offices. | Organizational Climate Survey | |
| | Integration of teams with the company's goals | Bridgestone sporting activities (bowling, soccer, etc.)Bridgestone Summer | | |
| | Fair trade practices | Support to get ESR Certification | • Meetings | |
| , inc | Fair competition | Consultancy | • Audits | |
| Suppliers | Supply chain responsibility | Guidelines for responsible supply chain | • Surveys | |
| | • Recognition | Supplier developmentAwards for suppliers | • Events | |
| | Financing | Economic support - Donations | • Meetings | |
| Associations/Institutions | Partnerships to promote a better quality of life | Partnerships in programs Invitations to learn about and evaluate sustainable performance | • Events - telephone - e-mail | (4) |

| akeholders | | Expectations | Response | Communication Channels | Frequency of Contact | |
|--------------------|---|--|---|---|----------------------|--|
| | | Technological innovation | Quality Management Systems | • Meetings | | |
| | | Superior quality and safety | Absolute compliance | Research and development | | |
| | | Timeframe compliance | Innovation and unique products for clients | • E-mail | | |
| | OEM's | Constant communication | Meeting stakeholders' needs | Satisfaction SurveysAudits | | |
| | | Growth and profitability | Marketing and advertising strategies | • Meetings | | |
| | | Business continuity | Promotion campaigns | Events and expos | | |
| | | Development and training | Training and development | • Sessions | | |
| I Customers | Business Partners (Distributors) | Specific products and services that generate value for consumers | Products that are different from the competition | Annual meetingsAudits | | |
| | | Price vs Quality | Diverse promotions during the year | Satisfaction Surveys | | |
| | | Tire safety | Tire guarantees | • 01 800 – Customer service center | | |
| | | Monitoring and fulfillment of their needs | Awareness campaigns to test tire pressures and provide driving safety tips. | Market studies | | |
| | End consumer | Information about tire care | Loyalty rewardsCarrier Club ProgramDiversified value offer | Social NetworksCampaignsSponsorships | | |
| | | Social support | Formal Volunteering Program – Strategic Corporate Think before you Drive Campaign Programs for Undergraduates Think Before you Drive Kids Campaign | Meetings - Workshops | <u>(-)</u> | |
| (| | Road safety awareness and safe driving | Road Safety Campaigns during Spring Break More Environmentally-Friendly Driving Seguro Llegas (Arrive Safely) Campaign for Carriers | | | |
| Co | • Volunteering | | Environmental activitiesLlantaton programDonation of Wheelchairs | • E-mail - telephone | | |
| | | • Donations | Aid for Areas Affected by Natural DisastersChristmas Toy Drive | | | |
| | <u></u> | • Compliance | Monitoring and implementation of standards applicable to operations in the country | Meetings and participation in sectorial programs and associations | () | |
| Au | uthorities | Forging partnerships for development | Rehabilitation of public spacesRoad Safety Decade | • Events - e-mail - telephone | | |
| | | Clear and precise information | Media liaison and submission of information regarding a campaign or program | • E-mail | | |
| | | Relevant facts for articles | Presentation of reports on a regular basis | • Events | 4 | |
| Media | | Interviews | Coordination of press releases | Press conferences | | |
| | | • Advertorials | Interviews | Telephone or face to face | | |
| | | | | | | |

G4-24, G4-25, G4-26, G4-27

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Awards and Certifications

Awards:



• **Great Place to Work.** Certification (2015) in the 500 to 5,000 employee and multinational categories by Bridgestone Mexico (63rd place) and Bandag Mexico (75th place).



Socially Responsible Company (ESR):
 Bridgestone Mexico received this award for the tenth year (2015-2016) from the Mexican Center for Philanthropy (CEMEFI).

Bandag de Mexico S.A. de C.V. was awarded the ESR Certification for the third year in a row (2015-2016) by CEMEFI.

- Supply Chain Promoter ESR: Bridgestone Mexico received this award in 2016 from CEMEFI*
- Superbrands: For the sixth consecutive year, Bridgestone Mexico received this award from the Mexican Brand Council.
- Morelos State Energy Savings Award: For the fourth time, Bridgestone Mexico's Cuernavaca Plant received this award from the Morelos state government.
- Family Responsible Company: An award presented by the Department of Labor (STPS).



- **Outstanding Quality Award Winners:** The Cuernavaca Plant was presented this award by FCA (Fiat Chrysler Automobiles).
- Green Excellence Recognition: The Cuernavaca Plant was presented this award by Honda.

Certifications:

- Clean Company Environmental Certification
 2015: This award was presented to Bandag
 by the Guanajuato State Environmental and
 Land Office.
- **RETC 2015:** An award from the Guanajuato State Ecology Institute (IEE).
- **IEE:** Bandag was presented this award by the Guanajuato State Ecology Institute (IEE).
- **ISO/TS 16949.** Quality Management System for OEM and storage.
- ISO 14001. Environmental Management System that outlines strict requirements for the development of an effective management model supported by organizational policies.
- Carbon Neutral Certification: An award presented by Leon City Council to the Bandag retreading plant.

^{*} This award is presented to companies that sponsor the participation of their value chain in the ESR Award program. For the second consecutive year, Distribuidora de Aceites Mexicanos ACEIMEX S.A. de C.V., one of Bridgestone Mexico's suppliers, was presented with the ESR Award.







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Mobility, People and Environment have become the key areas for the company's sustainability. These governing principles are the basis for the fundamental measures implemented by Bridgestone, which underpin its ethical, social, economic and environmental interactions with its stakeholders.

These principles encompass seven main areas: Corporate Governance, Labor Practices, Customer Service, Fair Operating Practices, Community Involvement and Development, Environment and Human Rights.

| Corporate Governance | 34 |
|---------------------------------------|----|
| Labor Practices | 40 |
| Customer Service | 52 |
| Fair Operating Practices | 56 |
| Community Involvement and Development | 64 |
| Environment | 74 |
| Human Rights | 84 |



Bridgestone Mexico, through its Corporate Governance model, identifies and mitigates business risks, ensuring that the company acts with integrity, internally and externally, in addition to working tirelessly to forge relationships of trust that benefit the sustainability of the business.

Corporate **GOVERNANCE**



In January 2015, the creation of a new business unit was announced. This unit coordinates the management of operations in Mexico, Costa Rica (Central America and the Caribbean) and Colombia (Ecuador). This new unit was named Bridgestone Latin America North (BS-LAN) and was divided into two main areas: the front office, which deals directly with the client, and the back office, which offers support to the new organization in order to help each of the different departments meet its goals.

Bridgestone Mexico acts in strict compliance with the Corporations Law in Mexico, which requires the existence of a Shareholders Assembly and a Board of Directors. Both carry out their functions in accordance with the terms laid out in this Law.

The President and Managing Director is the person responsible for coordinating the business strategy, and the Country Manager is responsible for implementing said strategy. Together, alongside a team of seven directors, they are responsible for taking decisions regarding economic, environmental and social issues.



The new **Bridgestone Latinoamérica Norte, BS-LAN** business unit was created.



64% of employees took part in ethics and compliance evaluations and courses.



Ethics Week was implemented.



Clauses from the **Code of Conduct** were included in contracts with suppliers.

G4-1, G4-2

The management team is responsible for setting goals, defining the steps needed to achieve them and supervising performance. Each of the members of the team is chosen for their experience, career, integrity and their embodiment of the corporate values and principles. Twice a year, the directors, and all employees, undergo a skill performance review to evaluate their achievements and competences, thus ensuring a solid Corporate Governance model.

Risk Management

In order to drive the sustainability of the business, Bridgestone Mexico has a number of tools that it uses to forecast and manage the risks inherent in the company's operations, including:

Global Risk Management Event. A global event which brings together all the teams responsible for risk management. This event is a perfect forum for exchanging information and reflecting on the management, identification, recognition and evaluation of risks in order to ensure business continuity.

Safety Training Center (STC). This offers training to Bridgestone and Bandag employees, simulating risks involving machinery, equipment and maneuvers. This center helps promote an accident-free environment and an efficient employee training model.

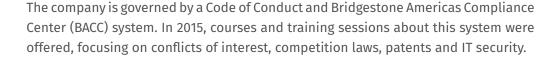
Crisis Response Plan. This comprises a regional Crisis Committee and an Emergency Committee in each country.

Ethics

As part of its conviction to act with integrity and work tirelessly to forge relationships of trust with all of its stakeholders, Bridgestone Mexico helps to achieve business sustainability and set itself apart in the market through its ethical practices:

- The successful implementation of Ethics Week, training associates from the Corporate Offices in Palmas, the warehouse in Cuautitlán and the Cuernavaca Plant.
- Training in ethics and compliance for all new employees.
- During Ethics Weeks, a number of training sessions were organized in order to share information regarding ethics and safety (242 participants).
- During November, training sessions were held for associates in order to raise awareness about the Confidential Information Protection procedure (145 participants).







Ethics Committee

Bridgestone Mexico's Ethics Committee comprises representatives from different areas of the company, who are chosen on a biannual basis by the employees.

Employees from the Management, Auditing and Legal teams have a permanent place on the Committee. The function of the Committee is to analyze all doubts arising from any non-compliance with the guidelines set out in any of the company's policies or procedures.

The fundamental role of the Ethics Committee is to develop materials for the reception, analysis and follow-up of any complaints received.

The areas represented on the Ethics Committee are: Payroll and Tax, Corporate Accounts, Human Capital Development, Workplace Relations, Auditing, Legal, Manufacturing, Procurement, Security and Hygiene, Plants and Accounting.





Code of Conduct

The Code of Conduct sets out the guidelines for promoting respect and tolerance in the workplace. The company uses the Code of Conduct of the Bridgestone Americas Compliance Center (BACC), which groups all of the major areas together. Over the past two years, work has been carried out on a communication plan in order to raise awareness among employees and suppliers of a number of areas relating to ethics, integrity and transparency.

Clauses from the Code of Conduct were included in contracts with suppliers, and a newsletter was created in conjunction with the Internal Communication area, which forms part of the Human Resources department. It was also included in induction sessions and e-learning training programs, in addition to a declaration of compliance signed by company leaders (managers and directors).

The Code of Conduct was distributed to all employees, and a number of workshops were organized. Some posts have annual development plans and obligatory evaluations through the Bridgestone Americas' Online Ethics and Compliance Training Program.

Several talks were organized during Ethics Week, and the Code of Conduct still plays a major role in the familiarization processes (new employees), raising awareness of the policy and procedure for safeguarding confidential information. Furthermore, in November, the 2015/2016 BACC Courses were launched, including topics such as:

- 1. Information and IT Security.
- 2. Patents, Brands, Copyrights and Trade Secrets.
- 3. Conflicts of Interest.
- 4. Global Competition Laws.

Complaints Procedures

A number of communication channels were set up in order to allow employees to report any problems or non-compliance with the Code of Conduct. All complaints are confidential in nature. They are also a means of resolving doubts about ethical dilemmas and compliance with corporate policies.

As part of the Complaints Procedures, employees can file a complaint:

- Via e-mail: ComitedeEticaMX@labridgestone.com.
- Via telephone: Extension *333.
- Internationally: 001-888-243-8072 or Extension *123.
- Directly with a member of the local Ethics Committee.

In 2015, two complaints were lodged: one via e-mail and the other via telephone.



Code of Conduct Training

In 2015, as part of Bridgestone Mexico's activities, 64% of all employees received training about the Code of Conduct. During these sessions, courses and evaluations were given in the areas of ethics and compliance.





Bridgestone Mexico's employees are the foundation and driving force behind the company's sustainability. Their skills, motivation, safety and comprehensive development are the foundations for the profitability of the business and the satisfaction and trust that the stakeholders place in the company.



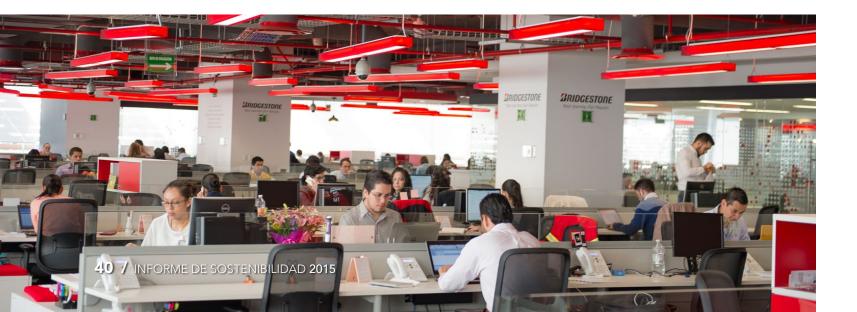
7% of employees were **women** and **919** employees had a **collective** contract.



5% Turn over was



Labor practices



Employees

In 2015, Bridgestone Mexico's workforce was composed of 1,425 employees (99 women and 1,326 men).

42% of employees were aged between 31 and 40 years of age. During 2015, Bridgestone Mexico hired 46 men and 16 women. Of the total workforce, 919 employees had a collective contract, representing 64% of employees. In 2015, the turnover rate was 5%.

| 2015 | | Total employees |
|---------------------|-----------------------------|--------------------|
| | Under 25 years old | 2 |
| | Between 25 and 30 years old | 39 |
| πππ | Between 31 and 40 years old | 43 |
| 99 Women | Between 41 and 50 years old | 13 |
| | Over 51 years old | 2 |
| | Under 25 years old | 65 |
| mmm | Between 25 and 30 years old | 268 |
| | Between 31 and 40 years old | 554 |
| 1,326 Men | Between 41 and 50 years old | 287 |
| | Over 51 years old | 152 |
| | | |

Health and Safety

Bridgestone Mexico sees safety as a fundamental element within the company, which is why it, on a daily basis, strives to offer its employees a safe and healthy working environment.

In 2015, the Multidisciplinary Health Committee was formed, ethically and scientifically evaluating the causes and events surrounding workplace health risks, forming part of the company's multidisciplinary structure. This mitigated the effect of accidents and/or illnesses, in addition to promoting measures to avoid future workplace risks.

The percentage of employees who are represented on the health and safety committees stands at, in total, 50%.

Bridgestone is in strict compliance with the measures stipulated by OSHA. In 2015, the Cuernavaca Plant registered an injury rate of 1.83% and a 9.7% rate of occupational illness. Absenteeism among its employees stood at 3.41%. 19 accidents were reported, and the total number of days lost as a result of illness were 4,270 for men and 40 for women.

At the Bandag Plant in León, in 2015, one employee accident was reported, leading to an absenteeism rate of 0.006% of the total number of employees. The total number of sick days for men were 127, while there were no reported sick days for women.



The rate of **absenteeism** as a result of accidents **decreased.**



The formal agreements between Bridgestone Mexico and the unions fully cover the requirements of the International Trade Organization, the use of safety equipment, the Health and Safety Committee in conjunction with the management team and employees, the participation of employees in inspections, audits and investigations into health and safety-related accidents, and training and education for employees, in addition to complaints procedures.

Health Week

Promoting employee health through services offered by suppliers in two locations (General Offices and Cuahutitlan Wharehouse):

| SUPPLIER | TOPIC AND GOAL | PARTICIPANTS |
|-----------------------------------|---|------------------------|
| IMSS | PrevenIMSS at companies, glucose, cholesterol, weight, waist and BMI testing, breast cancer and uterine cancer screening. | 100 |
| Visual Health | Eye test. | 50 |
| Dental Implant Center | Dental check-up. | 40 |
| Dental Implant Center | Talk: "Most Common Mouth Diseases." | 20 |
| Eye Care Campaign | Talk: "Eye Problems stemming from Computers and How to Prevent Them". | 30 |
| Massages | Relaxing massages for workers. | 12 |
| PAE | Talk: "Handling Stress in the Workplace ", "Time Management" and "My Body: A Mirror of my Stress". | 20 |
| Nutrición Activa | Talk: "Maintaining your Insulin Levels". | 20 |
| Torre Medica ABC | Talk: "HPV and Vaginal Infections". | 20 |
| Allen Carr's | Workshop on how to give up smoking | 20 |
| MSD | Talk: "HPV and the Gardasil Vaccination". | 20 |
| Dolorfin | Talk: "Subluxation and Stress" and "Back Hygiene". | 20 |
| Dotoriii | Relaxing massage, foot scanner. | 20 |
| Body Image Clinic (Medica Sur) | | |
| Podiatrist | Talk: "Foot Health" and employee evaluation. | 32 |
| Nutrition | Talk: "Nutrition "and employee evaluation. | 32 |
| | TOTAL of 16 events | TOTAL of 476 people |







G4-LA12



Training

For Bridgestone Mexico, the importance of employee training lies in its purpose: improving the knowledge and skills of those who work at the company. It is through its employees, ideas, projects, skills and hard work that the company grows and progresses.

In 2015, 99% of employees received training. Of the employees trained, the total number of training hours for women was 8,056.5 hours, while for men this number stood at 76,205.5 hours. The average number of training hours for women was 80 hours, while for men it was 58 hours, giving an average of 60 hours per employee trained.

| 99% of staff received |
|------------------------|
| some form of training. |

| | Total Employees T in 2015 | otal Training Hours in 2015 | Average Training Hours in 2015 |
|-------|------------------------------|--------------------------------|-----------------------------------|
| Men | 1,305 | 76,205.5 | 58 |
| Women | 100 | 8,056.5 | 80 |
| Total | 1,405 | 84,262 | 60 |

The employee category with the highest average training hours was Middle Management, with an average of 69 hours, followed by Unionized Workers, with an average of 63 hours. A total of 236 courses were offered, resulting in 84,262 training hours with an annual investment of US \$592,460, and an average investment per employee trained of US \$422.



US \$592,460.00

invested in **training**,

84,262 hours per year and an average of

60 hours of development per employee trained.



| Employee Category | Total Employees in 2015 | Total Training Hours in 2015 | Average Training Hours in 2015 |
|--|-------------------------|---------------------------------|-----------------------------------|
| Directors | 6 | 358 | 60 |
| Deputy Directors, Managers or Area Coordinators | 50 | 3,015 | 60 |
| Middle Management | 134 | 9,302 | 69 |
| Professional | 284 | 14,393 | 50 |
| Assistants | 6 | 258 | 43 |
| Unionized Workers | 897 | 56,749 | 63 |
| Others | 28 | 187 | 6 |
| Total | 1,405 | 84,262 | 60 |



Performance Review

For any company wanting to improve the quality of its product, it is fundamentally important to have productive employees who are committed to the company. This is why Bridgestone has created a tool that enables it to recognize the talent and positive performance of its unionized workers.

Justo al Blanco - Performance Review System

The goal of this program is to learn more about the levels of safety, productivity, quality and behavior of the company's employees, in accordance with the specific requirements for each post. In addition to measuring individual goals, this system facilitates the systematic, objective and comprehensive measurement of professional conduct and goal achievement (who people are and what they do and achieve).

This program is composed of two areas: practical, which encompasses the knowledge and skills of inherent to the post, and behavioral, which focuses on people's attitudes, i.e. the skills that they have. All staff participate in this program: employees, supervisors, area coordinators, union representatives and training staff. The program is applied to employees every two years, as well as when new employees are hired, when employees change posts and when there are any special requirements.

Benefits

Bridgestone Mexico offers its employees stability and trust when they need them most. This means that its employees feel they are truly a part of the company, creating a peaceful and family-oriented working environment.

In terms of non-unionized workers, Bridgestone offers higher levels of benefits than those required by law by means of a comprehensive and varied benefits package through its Key Flex platform, including:

- Base Salary
- Vacations
- Food Stamps
- Bonus
- Savings Fund
- Vacation Bonus
- Profit Sharing Program (Variable Benefits)
- Performance Bonus (Variable Benefits)
- Canteen (Variable Benefits)
- IMSS-Social Security (Variable Benefits)

For unionized workers, Bridgestone also offers more benefits than those required by the law, such as performance bonuses, public holidays, uniforms, incentives for perfect attendance, bereavement leave, paternity leave and a meal program, among others.





Talent Awards

Promoting talent at Bridgestone means driving innovation, development and profitability within the business. This is why the company has a number of programs that reward its employees' ideas, achievements, new projects and strategies.

Bridgestone Group Awards

Each year, the Bridgestone Group organizes a competition to find the best project, idea or activity which has contributed to one of the following five categories:

- Achievements
- · Contribution to Society
- Education
- Environmental Excellence
- Risk Management

As such, it is able to recognize the work being done by all of its employees, who, on a daily basis, contribute to the business and go above and beyond in their activities, reflecting the Bridgestone Essence.

1A, 2S and 3E System

Bridgestone Mexico's internal communication strategy encompasses 3 areas: Institutional, Interpersonal and Intrapersonal.

The 1A System refers to the fact that all the communication strategies start "from above", i.e. the company's leaders. This is a priority model as it focuses on the source of all formal communication within an organization. Instructions from directors, messages from the management team and the words of the leaders themselves have a huge impact on the entire organization.

The 2S System refers to two key aspects in human labor that have a decisive impact on internal communication: Salary and Sense. Both are messages that the organization transmits to its workers, focusing on "what we work for": one focuses on the material benefits and the other on the emotional rewards.

The 2S Model deals with interpersonal communication that is treated in a strategic manner. It is the best option for transmitting this concept of Sense to members of a team. The goal of this model is to manage internal communication strategies among the teams in order to ensure the concept of Sense has the same or a higher level of importance than the concept of Salary.

Finally, the 3E System encompasses three steps for institutional communication: Listening (Escucha) – Empathy (Empatía) – Transmission (Emisión). It is a permanent model given that immediately after Transmission, it returns to a state of Listening, and so on in a cyclical manner. This model ensures an upward spiral of quality and effectiveness in all written communication throughout the organization.

My Success Factors

During 2015, work continued on different modules of My Success Factors, such as the Performance and Objective Management, Development and Succession Plans, and Employee Profile modules. The goal of each of these modules is to easily and efficiently help employees to set goals, perspectives and initiatives with regard to their performance, while, at the same time, promoting collaboration between people within the organization.

Great Place to Work

Bridgestone and Bandag in Mexico continue consolidating their position as companies that are committed to human capital through their decision to promote policies and practices that improve the quality of life of their employees.

During 2015, a pulse survey was carried out in order to evaluate the company from an internal perspective. The results from this survey show that more than 90% of the company's employees are proud to belong to both companies. Furthermore, this survey focuses on the five lowest-scoring questions for each department in the 2014 Great Place to Work survey.

Prior to conducting the survey, each department created teams to drive advances and improve upon the results obtained last year. Some of the measures implemented by the areas included: regular meetings with their teams and employees in order to consolidate important messages and therefore promote communication, and the installation of suggestion boxes to help promote feedback.

Talent Retention and Development

Bridgestone identifies and cultivates talent within the organization in order to keep its employees motivated and offer them real prospects for a career that offers stability and development opportunities.

Internship Program

The company has the Bridgestone Internship Program that helps evaluate and retain young college talent looking for an internship opportunity. New professionals can gain experience at a world-class company like Bridgestone Mexico, and they may even be offered a full-time position after the program has finished. In 2015, 45 interns took part in this program, 19% of whom were hired.

Talent 9Box Grid Individual Development Plan

The Human Resources team, through its Organizational Development area, developed a catalog of activities in 2015, the goal of which was to help employees (with the support of their immediate boss) to work on their Individual Development Plan (IDP) using the 70-20-10 methodology: where 70 encompasses all experience within their area of work, 20 covers knowledge that can be transmitted to other areas, and 10 represents the knowledge that can be acquired through reading or training.

Open House

In order to drive equality and offer the families visiting the company an enhanced experience, in 2015 a number of limited-attendance events were organized which were open to all groups within the company. This meant that employees working 8 and 12 hours were also eligible to sign up for a guided tour of the Bridgestone plant to learn more about the production process alongside their families.

Furthermore, during 2015, this experience was opened to more people through the participation of 30 volunteers who coordinated the event and offered the guided tours. Each Saturday, their support and enthusiasm meant that 98 families (a total of 350 people) were attended.







Balance between Personal and Professional Lives

Bridgestone understands the importance family plays in the comprehensive development of employees, which is why it organized outreach activities with their children and immediate family.

Children's Finance Workshop

In July 2015, the first ever Children's Finance Workshop was held. The goal of this workshop was to teach the employees' children and nieces and nephews about the importance of personal finances, in addition to promoting interaction and professional-personal integration among the employees by involving their young family members.

Bridgestone Sporting Activities

During 2015, the fourth Bridgestone Annual Bowling Tournament was held at:

- Alboa Cuernavaca 11 teams (33 people in total).
- Bol Polanco 6 teams (18 people in total).
- Bol Leon 4 teams (12 people in total).

On a weekly basis, the **teams got together, in the company of their families and colleagues**, vying to see who could **reach the final and be crowned** the 2015 champions.



Bridgestone Summer

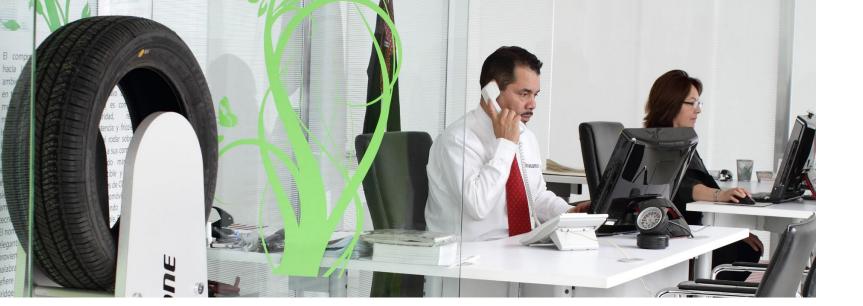
This is a summer program for employees' children and nieces and nephews, the goal of which is to offer them a workplace experience by interacting with experts in each area.

Registration for the program takes place at the beginning of June, with the program starting during the first week of July.

Requirements for participation include:

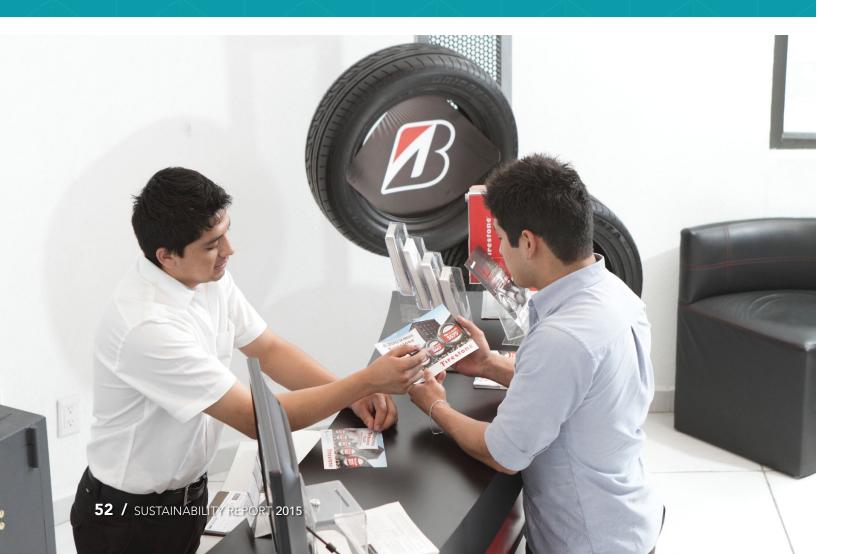
- Being the son or daughter of an Employee.
- Studying the last semester of high school or the first semester of college.
- Being available from 7:00 am to 1:00 pm and having a GPA of 8 or higher.
- Having an interest in one of the areas of the business: sales, marketing, finance, manufacturing, etc.





Bridgestone Mexico focuses on offering an effective and opportune response to all of its clients' needs through a wide-ranging service and communication infrastructure. The company has three types of clients: OEM's, product distributors and the end consumer.

Customer **Service**





At Bridgestone Mexico, we take decisions in order to consolidate our leadership in each one of the company's markets within the region, in addition to focusing on increase sales volumes in these markets, which is a clear benchmark for the efficient service it offers its clients.

The Mexico plant covers the domestic market, including the automotive, truck, agricultural, offroad and retreading sectors.





The company recorded **generated value** of

US \$649 million,

a distributed value of

US \$119 million,

and a **retained value** of

US \$530 million.

^{*} See examples in the Stakeholder Appendix in the section entitled Clients (Pages 28 and 29).



Bridgestone is ranked **number one** in **OEM sales in Mexico.**



598 points of sale in Mexico,

15 more than in 2014.



The **AGROPRO** program was successfully integrated into **Bridgestone Mexico's** operations.

In 2015, Bridgestone Mexico had 598 points of sale, 54 of which were opened during the year with an investment of US \$782,436.69. This led to the creation of 324 indirect jobs.

At its Distribution Centers, it has implemented a number of environmental programs, such as waste separation schemes (cardboard, plastic, paper and aluminum), the use of energy-saving light fixtures and containment procedures in the event of oil spills from the forklifts used at these centers.

Furthermore, a number of ethics programs were also implemented, ranging from training from the Ethics Committee to compliance courses from Corporate. Finally, in terms of civil protection, the company is in full compliance with the social security, labor and civil protection regulations applicable in each area.

In 2015, the AGROPRO program was implemented, which consists of the sale of AG and OTR products, previously distributed by third parties, and which are now sold directly by the Bridgestone Family Channel distribution network. This has the benefit of offering direct invoicing between the distributors in this product segment and Bridgestone Mexico.





Bridgestone Mexico proactively implements Responsible Marketing initiatives, promotes programs that drive the development of its value chain and participates in trade associations that are aligned with its business model in order to offer benefits to its stakeholders and create a prosperous and equitable business that has a positive impact on society.



Bridgestone Mexico worked with **three trade associations** in the country on a number of economic and social projects to promote competition and fair trade.

operating practices



Responsible Marketing

Bridgestone Mexico's Marketing department is charged with promoting the company's products, services and actions, offering its clients quality and ensuring they get what is being offered in its advertising campaigns, which are in accordance with that stipulated in the PROFECO's statutes (Federal Consumer Protection Office).

- NFL. Bridgestone celebrated the start of the National Football League season as the "Official Tire of the NFL" in Mexico.
- CopaBridgestoneLibertadores. As part of its regional Sports Marketing strategy, Bridgestone is the title sponsor of the most important soccer championship in the Americas: Copa Bridgestone Libertadores. Through its sponsorship of this championship, the company reaffirms its commitment to international sport, bringing together fans from different countries and overcoming distance and language barriers.

92% of Bridgestone Mexico's suppliers



37% of the raw materials used by Bridgestone are domestically source.

- Copa Bridgestone Fut 7. This tournament brought together participants from seven cities throughout the country (Monterrey, Guadalajara, Torreón, León, Celaya, the State of Mexico and Mexico City) to compete for an all-expenses-paid trip to the final of the Copa Bridgestone Libertadores in Argentina or Brazil.
- Mexico sponsored the Bridgestone America's Golf Cup at the Club Campestre. This tournament brought together some of the best golfers, and it was a great opportunity to show the Latin American market what Bridgestone products have to offer, ranging from all types of tires to golf accessories and other sporting products.



Nine promotional campaigns were implemented in **compliance** with the guidelines set out by **PROFECO**, so no fines were incurred.

Campaigns

Throughout 2015, a number of successful strategies were implemented in order to drive engagement with key Stakeholders:

- Bridgestone Super Sale. Supporting distributors from the beginning of the year, in addition to capitalizing on the sales season. Discounts of between 15% and 25% were offered on the sale of tires.
- Spring Break 4x3 Promotion. Boosting brand demand in the run up to Spring Break.
- Verano Enllantador. Promoting brand demand by taking advantage of one of the best potential sales periods for the industry: the summer.
- **Buen Fin 2015.** Promoting consumerism and boosting the domestic economy through a 2x1.5 promotion.
- Win your Place at the Super Bowl. Bridgestone recognized the loyalty of its clients through the Win a Place at the Super Bowl promotion, offering the opportunity to win 7 all-expensespaid trips for two to watch Super Bowl 50 in San Francisco.

Data Privacy

The company has all the necessary permits for promotions that require clients to give their personal information, and it is in full compliance with all the requirements stipulated by PROFECO. Its Data Privacy Notice is available at all times.

Thanks to these preventative measures, there were no fines or penalties for communication in 2015.

Social Networks

Bridgestone Mexico seeks to drive engagement, or commitment, with consumers in order to facilitate direct contact between both parties, in addition to listening to their demands and understanding what they need and what their perception of the brand is. This is necessary to ensure they are satisfied with the company's products.

Through its social networks, Bridgestone remains in contact with its clients and consolidates the brand's position. During 2015, it has 22,918 followers on Twitter, 126,112 followers on Facebook and 2,547 subscribers to its YouTube channel.

Through its "Tips from Bridgestone the Expert" YouTube channel, the company has successfully engaged with its clients by offering quick and practical tips.



Facebook Bridgestone Mexico : https://www.facebook.com/bridgestoneMX/

Youtube Bridgestone MX:

https://www.youtube.com/user/BridgestoneMexico

Twitter @Bridgestone_MX https://twitter.com/bridgestone_mx









Evaluations of raw material suppliers and service providers were carried out.



Two local suppliers of **natural rubber** were created: **PROGOMEX**, with an advance of approximately **80%**, and **El Fénix**, with a **15%** advance.

Suppliers

Bridgestone Mexico generates value through and alongside its suppliers. The fair and equitable treatment that embodies the search and subsequent hiring of suppliers promotes healthy competition among the latter, laying the foundations for solid and long-lasting relationships.

In 2015, the Supply Chain had 3,829 suppliers, 15% more than in 2014. The countries where these suppliers are based include: Singapore, the United Kingdom, Japan, Spain, the USA, Venezuela, Brazil, Costa Rica, Guatemala, Vietnam and Argentina. The approximate monetary value of the payments made to suppliers was US \$632,000.

Bridgestone supports domestic talent: there are 3,524 Mexican suppliers at Bridgestone, which represents 92% of the total number of suppliers. Domestic raw materials represent 37% of the total used by Bridgestone Mexico for its operations, with 35% of its budget being earmarked for the former.

In 2015, Bridgestone Mexico created a total of 6,000 indirect jobs: 3,829 jobs with suppliers and 2,171 with contractors.

Supply Management Process

In October 2015, the Bridgestone Latin America North (BS-LAN) (Mexico-Colombia-Costa Rica) business unit came into force. The new Procurement structure helped provide greater clarity in local operations and processes while maximizing the knowledge and expertise in the markets in which each operates. It also leveraged the existing strengths and business opportunities in each one of the countries that form part of this new region, while more easily aligning each of the operations with the general corporate strategy.



The current processes of the Procurement Department are in compliance with the requirements of the business in order to contribute to the development of its commercial partners.

Through an interdisciplinary group, Bridgestone Mexico drives engagement with its suppliers through memos, meetings and training sessions in areas such as environment, ethics and labor practices, among

others. Supplier and/or contractor registration policies have been created and improved upon, in addition to safety regulations for suppliers and/or contractors and round-the-clock safety training.

In 2015, it worked alongside Latin American Supply Chain (LASC) in order to drive the creation of new raw material suppliers, leading to savings of close to US \$32 million.



Supplier Evaluation

Bridgestone has a set of requirements that must be fulfilled before contractors can start working with the company. These requirements are evaluated by a team of representatives from the Procurement, Quality and Raw Material Warehouse areas, as is necessary.

The evaluation process is carried out by the coordinator of the evaluation team, in accordance with the company's internal procedures. Once completed, another meeting is scheduled to present the results and clarify any doubts.

The suppliers have a 30-day period to send Bridgestone a plan of how it will implement the corrective measures needed to rectify any areas of opportunity detected, which will then be verified by means of an audit undertaken by the company.



Supplier Excellence Award.

The goal of this award is to highlight the performance of suppliers through criteria such as competitiveness, quality and service.

Some of the criteria that are taken into account in this evaluation include:

- Respect for people.
- · Counselling service.
- Visits requested by Bridgestone.
- Accuracy of any quotes requested.
- · Speed of response when a quote is requested.
- Presentation of samples if and when necessary.
- Negotiation potential and costs.
- · Information submitted with offers.
- Sustainable business conditions/respecting
- Reliable and faster delivery time /agreedupon delivery requirements.
- Deliveries that meet requirements, identification, packaging and certifications.
- · Quality of the product or service.
- Priority supply (loyalty).
- · Ability and interest to fulfill commitments, proposals and improvement initiatives.
- After sales service/response to complaints/ warranty issues.
- Implementation of corrective measures when
- · Communication with Bridgestone in light of any unforeseen circumstances.
- Response to an emergency/flexibility when audited.





Impacts on Supplier Chain

During 2015, there were considerable decreases in the international benchmarks that determine the price of some raw materials, as is the case of SICOM, which has a direct impact on the price of natural rubber.

In light of this situation, natural rubber producers in Mexico voiced their concern and presented a proposal to cut down their trees in order to increase their income. As a Socially Responsible Company, Bridgestone Mexico worked alongside the suppliers, advising them and setting up regular feedback sessions, as well as organizing visits to the plantations and to the company's plant, in order to remain with the current supplier.

Responsible Supply Chain Programs

Mexico has a high potential for cultivating natural rubber; however, less than 10% of the areas that could potentially be used are currently being employed for this purpose. Bridgestone Mexico is focusing on increasing local supplies of natural rubber, which, in 2015, stood at 46%. These steps help promote smallscale suppliers and protect them from exogenous factors that affect the price of rubber, thereby guaranteeing their product is bought.

Partnerships and Collaborations

Bridgestone Mexico has a number of partnerships and collaborations that help drive its business. In 2015, it worked in partnership with:

- The National Chamber of the Rubber Industry (CNIH).
- National Association of Tire Distributors and Retread Plants in Mexico. (ANDELLAC).
- The Technical Office of the National Commission for the Prevention of Accidents (CONAPRA).
- The Mexican Red Cross.

In addition to the company's partnerships with these organizations, in 2015 it collaborated on a number of activities to promote integrity and healthy competition on the domestic market, benefiting both people and companies.



Bridgestone Mexico coordinates a range of social and volunteering activities, the goal of which is to drive development opportunities for the community and forge bonds of trust with society. These activities offer the company and its employees the opportunity to have a positive impact on their surroundings.

Community involvement and development



Volunteering

At Bridgestone Mexico, volunteering is considered to be the embodiment of the company's social responsibility, given that it has a dual impact: within the company and in the communities in which it operates.

In 2015, the Corporate Volunteering program was redesigned in order to promote, facilitate and support employee volunteer work and drive a greater positive impact on social development and well-being.





10.4% increase in volunteer participation compared to 2014.



The program encompasses four types of volunteering:

Face-to-Face Volunteering (Campaigns)

Philanthropic efforts to help communities, in addition to providing resources and donations. Emergency aid is included in this area.

Volunteering at Events

Groups of volunteers who build or maintain infrastructure, in addition to donating any other articles necessary.

Skills-Based Volunteering

Projects implemented by companies, NGO's, etc., with volunteers providing their skills, competences and knowledge.

• Entrepreneurial Volunteering

Promotion of employee leadership and entrepreneurship. Mid-term involvement through the implementation of employee projects which the volunteer identifies and deploys with support from the program.

| | 2014 | 2015 Goal (10% increase) | 2015 Result | % increase |
|----------------------|-------|-----------------------------|-------------|------------|
| Number of volunteers | 863 | 949 | 953 | 10.4% |
| Volunteering hours | 1,970 | 2,167 | 4,195 | 113% |

In 2015, the total number of volunteers was 953, donating a total of 4,195 hours of their time to community service. There was a 10.4% increase in volunteering compared to 2014 and a 113% increase in volunteering hours.

During 2015, the program focused on contributing to improving the quality of life in the communities in which the company operates, based on three major lines of action: **Road Safety, Environment and Community.**

Road Safety

Bridgestone is committed to Road Safety, which is why it coordinates a number of activities to raise awareness among drivers and pedestrians, no matter their age or gender, in order to avoid accidents. Drivers are given tips about how to avoid accidents, as well as the importance of checking the pressure/wear and tear of their tires (which Bridgestone offers free of charge during its programs), providing the users with the results of these checks.



646 tire pressure/wear and tear

checks carried out among motorists and carriers.

Think Before You Drive (Skills-Based Volunteering)

2015 marked the seventh consecutive year of this campaign, which focuses on carwashes, parking lots, highways, universities and some of the most popular vacation highway routes. In total, since 2015, this program has offered more than 13,000 tire checks, in addition to transmitting road safety messages.

Furthermore, during Spring Break 2015, Bridgestone deployed its Road Safety campaign, providing motorists with tips to help avoid car accidents and prevent dangerous driving. Since 2011, these campaigns have been held every Spring Break, with some 143,000 leaflets being distributed along different highways.







College Students

The Think Before You Drive campaign, which is aimed at college students, celebrated its sixth anniversary in 2015. In previous years, the company organized creative competitions through videos, radio spots, songs, Vines, and/or a poster. In 2015, this campaign went digital through social networks, eliminating the competition element.

As part of the program, Bridgestone Road Safety experts offered a number of conferences, in addition to tire checks and drink-driving simulators organized by a team of Bridgestone promoters at a number of colleges.

Some of the results on social networks were the following:



487,355 reached on Twitter.

Children

The Think Before You Drive campaign is also aimed at younger audiences. Bridgestone Mexico promoted Road Safety among boys and girls through the Think Before You Drive Kids campaign, which is in its sixth year. This program is offered through entertaining workshops and an art competition.

60 presentations were organized at 58 elementary schools, in addition to 2 shows at the Plaza Cuemanco mall in Coapa. Through these activities, the company had an impact on more than 15,000 boys and girls. After more than six years, this program has reached more than 100,000 young children in Mexico.

The company also organized the third edition of its Children's Art Competition, the goal of which is to reinforce the Road Safety messages discussed during the workshops. Submissions for the art competition had to include one of the five Road Safety tips, such as always using their seatbelt, avoiding onboard distractions, ensuring their parents check the tires on a regular basis, reducing speed, obeying road signs and not using cellphones while driving.

Make Cars Green

2015 marked the sixth year since this campaign was first implemented. It focuses on gas stations and smog check centers, where more than 9,000 tire checks were carried out, in addition to communicating the ten key messages the campaign promotes and which aim to offer drivers tips about how to make their cars go green.



Seguro Llegas (Arrive Safely) (Skill-Based Volunteering)

This is Bridgestone Mexico's first road safety campaign, and the only one of its kind in the industry, to focus on carriers. It provided safety and accident prevention information and tips, focusing on three key areas:

- 1. Not driving when tired;
- 2. Promoting proper vehicle maintenance; and
- 3. Carrying out tire checks.

In 2015, 20 fleets were visited, with a total of 3,460 impacts and 6 Road Safety training sessions.







79% increase compared to 2014.

Llantatón (Entrepreneurial Volunteering)

The goal of this program is to promote the recycling and reuse of tires, preventing damage to the environment, raising awareness among the general public, forging partnerships with the authorities in order to facilitate collection, and eliminating sources of infection.

The phases of the program included:

- 1. Implementation
- 2. Collection
- **3.** Recycling and Reuse
- **4.** Co-processing (use of waste as an alternative fuel source)
- **5.** Adequate disposal of tires

Collection centers were set up at Plaza Los Cedros CIVAC and the esplanade of Auditorio Teopanzolco. Car and van tires were accepted, and partnerships were forged with Cemento Cruz Azul, Tracusa and the Morelos state government.

12 volunteers were present at the event, with a total of 103 volunteering hours. The number of tires collected was 3,136 (79% more than in 2014).





Reforestation (Entrepreneurial Volunteering)

In 2015, Bridgestone employees, alongside landowners and officials from the Axochiapan local government, planted 2,500 trees in El Quebrantadero. The volunteers reforested a number of different species that were donated by the Department for Sustainable Development. This reforestation program is expected to produce environmental assets and services in the mid and long-term, such as preventing soil erosion, trapping CO_{2e}, attracting pollinators, protecting crops or pastures, and providing shade, firewood and fodder.



Eco-Parks (Volunteering at Events)

This program was designed by Bridgestone Mexico to find an alternative use for waste tires and improve the quality of life of the communities in which the company operates. In 2015, the first Eco-Park part was built in Parque Álvaro Obregón, with the support of the Morelos state Forestry Commission. The construction procedure for the Eco-Parks is outlined below:

- 1. Selection of location
- 2. Design of play area
- **3.** Coordination of work teams and volunteers
- 4. Appeal for volunteers
- 5. Training and development of teams
- 6. Specialized groundwork
- **7.** Construction of play areas

The second Eco-Park was built in Mexico City, and a total of 158 tires were used in the construction of both parks. This is a different and fun way of reusing waste tires and benefitting communities, especially children. In 2015, a total of 22 volunteers took part in this program, with a total of 88 volunteering hours.



Two parks fitted with play areas made from waste tire products.

Community

Mexican Red Cross (Face-to-Face Volunteering, Campaigns)

Bridgestone made a cash donation to the Mexican Red Cross to help buy 85 wheelchairs, which were given to people with mobility problems. The beneficiaries were selected by the Mexican Red Cross from Mexico City and the state of Morelos.

This donation was made possible thanks to the contributions made by 144 of the company's employees, who worked as volunteers at the annual Ruedas a la Vida program, purchasing commemorative jackets and making donations.

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500 children benefitted by the renovation of a children's home.

58 children trained through the Freestyle Soccer program, raising awareness about how to prevent violence at stadiums.

Save the Children Drive, Bridgestone Christmas (Volunteering at Events)

Bridgestone Mexico joined forces with Save the Children through CEDIS El Duende Azul in the State of Mexico and Treatment Centers #6 and #1 in Cuernavaca to give out toys and smiles to more than 209 boys and girls from these institutions during the month of December. Bridgestone Mexico's corporate offices and the manufacturing plant in Cuernavaca, Morelos, acted as collection centers, with all of the company's employees sponsoring a child. Some 240 toys were collected and given out by volunteers from the corporate offices in Mexico City and the plant in Morelos.

Freestyle (Skill-Based Volunteering)

Bridgestone Mexico coordinated a Freestyle Soccer clinic for boys and girls through its volunteer team and the Mexican Red Cross in order to promote values and prevent violence through soccer, creating positive friendships.

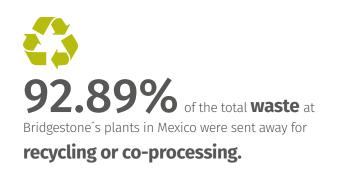
The clinic was held at Parque Uno de Santa Cruz Meyehualco in Iztapalapa and given by Steve Elías, President of the Freestyle Soccer Federation of North America, and Esteban El Pantera Hernández, the Freestyle Soccer champion of Mexico and North America, with the help of 27 Bridgestone volunteers.



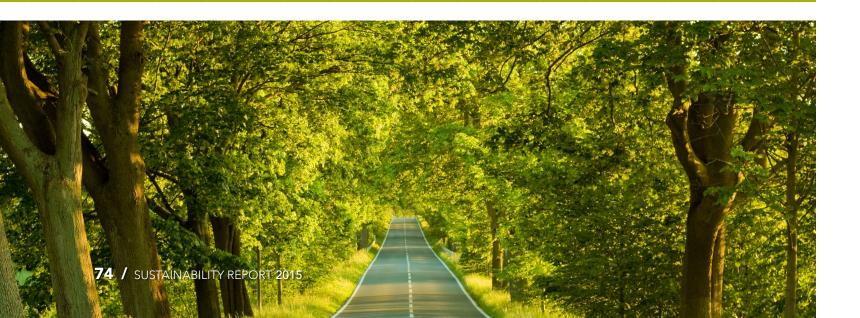


Bridgestone Mexico has been certified in ISO 14001, the environmental management system, for 17 years. The goal of this certification is to drive and incorporate sustainability into all of the company's productive processes. Through its environmental activities, Bridgestone ensures that all areas of its business contribute to protecting the environment.





Environment



One Team, one Team,



^{*} Total annual spending on the environment was US \$2,036,018 with an average exchange rate in 2015 of 15.8483.

Cuernavaca Manufacturing Plant



Boiler # 3 now operates on natural gas, reduction of CO_{2e} emissions



92.52% of **waste** generated was sent away for **recycling or co-processing**



Installation of **new waste water treatment** plant.



Two Llantatón events (tire collection drives) in 2016.



Environmental support for expansion projects in 2016.

Energy

In 2015, the Cuernavaca Plant used a total of 72,771,236 kWh of electricity.

| Energy type | 2015 |
|---|------------|
| Electricity (kWh) | 72,771,236 |
| Electrical Energy (kwh) / Ton of Production | 1.04 |
| Ton of CO _{2e} /Ton of Production | 0.724 |

Fuels

Included in its energy consumption are the following non-renewable fuels, which are used by the Cuernavaca Plant on a daily basis. The total consumption of non-renewable fuels in 2015 was:

| Fuel type | 2015 |
|----------------------|----------------|
| Diesel (liters) | 152,294 liters |
| Fuel oil (liters) | 3340.5 kl |
| Natural Gas (liters) | 4,181,976 m³ |

Energy-Saving Measures

In order to reduce energy consumption, the Cuernavaca Plant implemented the following programs in 2015:

Electricity

Transformer No. 15 (1,000 KVA at 2.3 KV) was replaced by a 23 KV, 2,500 KVA transformer, reducing energy losses by 6%, which is the equivalent of 317,000 kWhr/year.

Furthermore, a variable-frequency drive and a temperature sensor were installed in Recold Tower 1, meaning that when room temperature drops below 24°C, the motor stops, leading to savings of 44,760 kWhr/year.

Fuel

The boilers were converted from fuel oil to natural gas during the first half of 2015. Natural gas was first used in June, cutting CO₂₀ emissions by 7,887 tons.

Water

The Cuernavaca Plant extracted a total of 209,332 m³ of water from artesian wells in 2015. The water extraction process is metered and monitored on a daily basis, and the corresponding monthly, quarterly and annual reports are published.

The water used to irrigate the green spaces at the plant has been recycled and is taken from the flow meter.

Recycling and Treatment

In 2015, the Cuernavaca Plant used a total of 62,545 m³ of water, of which 61% was recycled water. The amount of recycled water used is calculated using a flow meter, which subtracts the amount of water used for irrigating the plant's green spaces from the total water used at the plant.

The total amount of water discharged in 2015 was 102,094 m³. The percentage of this total amount of water that was treated, through a physicochemical process prior to being discharged, was 49%.

The Cuernavaca Plant was awarded the Corporate Award for converting boiler #3 to natural gas.







Emissions

The total amount of gross greenhouse gas emissions produced by the Cuernavaca Plant in 2015 was 50,832 tons of $\mathrm{CO_{2e}}$. This represents a decrease in emissions of 5.8% compared to 2014, when 53,967.95 tons of $\mathrm{CO_{2e}}$ were emitted

During 2015, net direct greenhouse gas emissions represented 17,724 tons of ${\rm CO_{2e}}$, a decrease of 19.96% compared to 2014.

Range 1

| 015 (tCO _{2e}) |
|--------------------------|
| 17,724 |
| |

Gross indirect greenhouse gas emissions in 2015 stood at 33,108 tons of CO_{2e} .

Range 2

| 2014 (tCO _{2e}) | 2015 (tCO _{2e}) |
|---------------------------|---------------------------|
| 31,823.48 | 33,108 |

Atmospheric emissions in 2015 were the equivalent of 289.69 kilograms of Volatile Organic Compounds (VOC's) per year, representing a 13% reduction compared to 2014.

In order to reduce emissions, boiler #3 was modified to use natural gas, leading to a 25% reduction in ${\rm CO_{2e}}$ emissions for this boiler.

Effluents and waste

The total amount of waste in 2015 was 4,294,588 kilograms, of which 10% was classified as being hazardous and 90% as non-hazardous waste. Of the total amount of waste, 61% was recycled, 31% was sent for co-processing and 4% was sent to a landfill site. 2% was used as compost, 1% was reused and 0.2% was sent for confinement.

| Method of Elimination | Hazardous Waste | Non-Hazardous Waste | Total (kg) | % of Total Waste |
|--------------------------|-----------------|------------------------|--------------|------------------|
| Recycling | 243,660 | 2,375,247 | 2,618,907.00 | 60.98% |
| Co-Processing | 186,500 | 1,168,200 | 1,354,700.00 | 31.54% |
| Landfill | 0 | 184,899 | 184,899.00 | 4.31% |
| Compost | 0 | 93,762 | 93,762.00 | 2.18% |
| Reuse | 0 | 34,590 | 34,590.00 | 0.81% |
| Confinement | 7,730 | 0 | 7,730.00 | 0.18% |
| Incineration | 26 | 0 | 26.10 | 0.00% |
| Total | 437,916 | 3,856,698 | 4,294,588.00 | 100% |

Investment in the Environment

In order to ensure environmental sustainability, the Cuernavaca Plant invested MXN \$21,717,428¹ in 2015.

| Туре | Benefits or Achievements Resulting from Investment |
|--|--|
| Waste Treatment and Elimination | Recycling or co-processing of 100% of waste generated at BSMX. |
| Treatment of Emissions (spending on filters and agents) | Compliance with NOM and preventing pollution. |
| Cleaning Costs (including clean-up costs for spills) | Clean and well-maintained areas within the plant (there were no clean-up costs associated with spills) |
| Environmental Training and Education | |
| External Environmental Management Services | Environmental consultancy and water and emission analysis, etc. |
| External Management System Certification | ISO14001 recertification, a requirement demanded by OEM's and corporate. |
| Research and Development | Viability study for the use of rain water and analysis of a new treatment plant. |
| Additional Expenses resulting from the Implementation of Clean Technologies (additional costs compared to standard technologies) | Conversion of boiler to run on natural gas and the installation of a decompression unit. |



1. Total annual spending on the environment at the Cuernavaca Plant was US \$1,370,331 with an average exchange rate in 2015 of 15.8483.

Bandag manufacturing plant



11% reduction in water use.



There was a significant **reduction** of 4.24 joules in the amount of fuel oil used, given that it was replaced by natural gas.

Energy

In 2015, the Bandag Plant used a total of 4,898,222 kWh of electricity.

| 2014 | 2015 |
|-----------|-----------------------------|
| 4,806,743 | 4,898,222 |
| 909.64 | 923.69 |
| 1.83 | 1.78 |
| 0.53 | 0.51 |
| | 4,806,743 909.64 1.83 |

Fuels

Included in its energy consumption are the following non-renewable fuels, which are used by the Bandag Plant on a daily basis. The total consumption of non-renewable fuels in 2015 was:

| Fuel type | 2014 | 2015 |
|----------------------|-------------|-------------|
| Diesel (liters) | 476 | 504 |
| Gas (liters) | 21,059 | 21,259 |
| Fuel oil (liters) | 105,933 | 0 |
| Natural Gas (liters) | 135,432,182 | 244,682,051 |





Water

At the Bandag Plant, the water is extracted from SAPAL (Sewage and Drinking Water System of León) as the plant does not have its own well. In 2015, a total of 8,011 m³ was extracted. This calculation is made based on readings from the flow meter.

The total amount of water discharged was 3,700.55 m³, while total water used was 8,011 m³.

Emissions

The way in which emissions totals were calculated in 2015 differed from 2014. In 2014, they were calculated based on Bridgestone's internal standards, while this year they were calculated based on the methodology proposed by the Greenhouse Gas Protocol's (GHG) Corporate Reporting and Accounting Standard from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

During 2015, the total amount of gross greenhouse gas emissions produced at the Bandag Plant was 2,843.98 tons of CO_{20} .

During 2015, gross direct greenhouse gas emissions stood at 600.59 tons of CO_{2a} .

Range 1

| 2014 (tCO _{2e}) | 2015 (tCO _{2e}) |
|---------------------------|---------------------------|
| 3,039.62 | 600.59 |

Total gross indirect emissions of greenhouse gases in 2015 was 2,243.39 tons of CO_{γ_0} .

Range 2

| 2014 (tCO _{2e}) | 2015 (tCO _{2e}) |
|---------------------------|---------------------------|
| 2,435.40 | 2,243.39 |

The intensity of emissions in 2015 was 0.80. Atmospheric emissions in 2015 included:

| Gas | Quantity in Kilograms or its Multiples 2014 | Quantity in Kilograms or its Multiples 2015 |
|----------------------------------|--|--|
| NOx | 2.03 Tons | 4.63 Tons |
| SOx | 0.19 Tons | 0.00 Tons |
| Volatile Organic Compounds (COV) | 31.49 Tons | 46.31 Tons |
| Particles | 1.89 Tons | 0.03 Tons |

Effluents and Waste

The total amount of waste in 2015 was 256,482.73 kilograms. Of the total amount of waste, 99.08% was recycled or sent for co-processing, while in 2014, this figure was 99.03%. Of the total amount of waste generated, 96.02% was recycled, while 2.8% was sent for co-processing and 1% was sent to a landfill site.

| Method of Elimination | Hazardous Waste | Non-Hazardous Waste | Total (kg) | % of Total Waste |
|--------------------------|-----------------|------------------------|------------|------------------|
| Recycling | 617.36 | 246,087.55 | 246,704.90 | 96.187% |
| Incineration | 6.6 | | 6.6 | 0.002% |
| Landfill | | 2,256.1 | 2,256.1 | 0.879% |
| Confinement | 122.9 | | 122.9 | 0.0479% |
| Co-Processing | 7,392.23 | | 7,392.23 | 2.882% |
| Total | 8,139.09 | 248,343.65 | 256,482.73 | |



Products and Services

The Bandag Plant has worked to mitigate the most significant environmental impacts stemming from its productive activities. During 2015, a number of programs were implemented:

Material Efficiency

Water Use

The process oil and lubrication being used was changed, lowering costs and decreasing the amount of materials used by 5%.

A number of leaks were repaired and equipment maintenance was improved, leading to a reduction in the use of water and costs, which dropped by 11%.

Investment in the Environment

In order to ensure environmental sustainability, the Bandag Plant invested MXN \$1,550,000² in 2015.

| Туре | Benefits or Achievements Resulting from Investment |
|---|---|
| Waste Treatment and Elimination | Better control. |
| Treatment of Emissions (spending on filters and agents) | Filter changes. |
| Environmental Training and Education | Prevent negative consequences. |
| External Environmental Management Services | Certification. |
| External Management System Certification | Certification. |
| Additional Expenses resulting from Green Purchases | Improvement projects. |

Employee Awareness Program

In order to raise awareness among its employees about protecting the environment, the Bandag Plant provided 105 hours in environmental training for 35 employees.



2. Total annual spending on the environment at the Bandag Plant was US \$97,802 with an average exchange rate in 2015 of 15.8483



Bridgestone Mexico aligns its business strategy with the UN's Sustainable Development Goals. This helps identify specific goals it can attain by promoting solutions based on its skillset.

During 2015, a number of programs and activities were organized, involving support from the company to promote a range of different sustainable development goals:

Human Rights



Sustainable Development Goals

Bridgestone's Vision

2015 Programs

Health Week.

Sustainable Pillar



Bridgestone Mexico promotes health as a fundamental part of the company, which is why, on a daily basis, it strives to offer its employees a safe and healthy work environment.

- 50% of the workforce is represented on the Health and Safety committees. Compliance with the International Trade
- Organization's standards.







Improving the knowledge and skills of those who work at the company is a priority for Bridgestone Mexico.

- The Bridgestone Internship Program welcomed 45 interns, 19% of whom were then hired.
- 99% of employees received Training.
- 84,262 Training hours.
- Annual investment in Training: US \$592,460.







Bridgestone values diversity and prevents discrimination of any kind through its Code of Conduct

- 7% of its employees are women.
- 16 women hired in 2015





Using water properly and ensuring it is treated correctly is of fundamental importance for Bridgestone Mexico's sustainability strategy.

- 11% reduction in Water Use at the Bandag Plant.
- 61% of water was recycled at the Cuernavaca Plant.





The use of clean and sustainable energy is one of Bridgestone Mexico's goals to mitigate the environmental impact of its activities.

- 6% energy savings at the Cuernavaca Plant.
- Installation of a variable frequency drive, leading to savings of 44,760 kWH.



Sustainable pillar:









| Sustainable Development Goals | Bridgestone's Vision | 2015 Programs | Sustainable Pillar |
|---|---|--|-----------------------|
| 8 DECENT WORK AND ECONOMIC GROWTH | Fulfilling, productive and inclusive employment is what Bridgestone achieves through its economic growth and internal policies | Great Place to Work. 6,000 indirect jobs. 62 new hires. 64% of its workforce is covered by collective labor contracts. Benefits above those required by law. | |
| 9 MOUSTRY, INNOVATION AND INFRASTRUCTURE | Bridgestone invests in innovation in order to ensure its business is always at the cutting edge, with the goal of driving productivity and domestic industry. | Tire retreading through technology, consultancy and support for the truck and bus market. ECOPIA tires incorporate technology to help combat irregular wear and increase the life span of tires, which has a positive benefit on the economy and the environment. | |
| 11 SUSTAINABLE CITIES AND COMMUNITIES | Bridgestone promotes quality transportation, in order to ensure that cities become more sustainable and inclusive places. | The volunteering program focuses on improving the quality of life in communities, focusing on three main elements: Road Safety, Environment and Community. 646 tire pressure/wear-and-tear checks offered to motorists and carriers. Think Before You Drive campaign: more than 13,000 tire checks and Road Safety messages. Make Cars Green campaign: more than 9,000 tire checks and messages to promote greener driving. Seguro Llegas campaign: first campaign for carriers in Mexico, 20 fleets visited and a total of 6 Road Safety training sessions. | |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Bridgestone Mexico guarantees sustainable production and consumption through its Use of Materials and Sustainable Procurement policies. | 92% of all suppliers are domestic. 37% of the total amount of raw materials used for operations are sourced domestically. Supplier of Excellence Award. Rates the performance of suppliers based on criteria such as competitiveness, quality and service. Bridgestone Mexico seeks to increase local natural rubber supplies, which in 2015 represented 46%. Bridgestone has obligatory standards that must be met by contractors, including areas such as quality and Human Rights. Changes in process oil and lubrication, lowering the | |

| Sustainable Development Goals | Bridgestone's Vision | 2015 Programs | Sustainabl Pillar |
|---------------------------------------|---|--|----------------------|
| 13 CLIMATE ACTION | In order to protect the environment, Bridgestone Mexico implements a number of measures to drive the incorporation of sustainability in all of its productive processes. | 105 hours in environmental training for 35 employees at the Bandag Plant. Reduction in emissions of 5.8% at the Cuernavaca Plant. The Bandag Plant invested MXN \$1,550,000 in environmental protection measures. The Cuernavaca Plant invested MXN \$21,717,428 in environmental protection measures. Make Cars Green campaign: more than 9,000 tire checks and messages to promote greener driving. 92.89% of waste generated was recycled or sent for co-processing. There was a 7,887- ton reduction in CO_{2e} emissions at the Cuernavaca Plant. | |
| 15 LIFE ON LAND | Bridgestone promotes the sustainable use of ecosystems, driving their conservation through volunteering programs and Employee Awareness campaigns. | 105 hours in environmental training for 35 employees at the Bandag Plant. 40.23 tons of tires collected. 2,500 different species of trees planted. | |
| PEACE JUSTICE AND STRONG INSTITUTIONS | Bridgestone Mexico focuses on being an effective, responsible and inclusive company, one in which its employees are offered equality of participation and representation. | 64% of employees were given training and certifications in Ethics and Compliance. Ethics Committee The company is governed by the Bridgestone Americas Compliance Center (BACC) Code of Conduct. Diverse Complaints Procedures. | * |

Sustainable pillar: 😭 Mobility 👺 People 💝 Enviroment









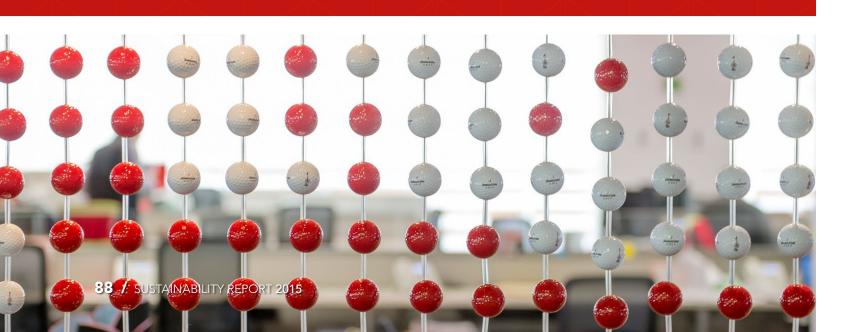
SUSTAINABILITY REPORT 2015 / 87 **86** / SUSTAINABILITY REPORT **2015**



For the fourth consecutive year, Bridgestone Mexico has published its Sustainability Report, which encompasses the most significant milestones relating to sustainability at the company, in addition to providing its stakeholders with information about the company's main commitments and activities in the areas of:

- Corporate Governance
- Labor Practices
- Customer Service
- Fair Operating Practices
- Community involvement and development
- Environment
- Human Rights

About this report



In 2014, through a Materiality Assessment process, the company's priority areas of sustainability were identified. In 2015, these areas were updated, in accordance with the strategic objectives of the new Bridgestone Latin America North (BS-LAN) structure, in addition to being validated by the President of BS-LAN.

This report encompasses the three areas of Bridgestone de Mexico, S.A. de C.V: its corporate offices in Mexico City, the tire production plant in Cuernavaca, Morelos, and the manufacturing plant for tire retreading products in León, Guanajuato, which belongs to its sister company, Bandag de Mexico S.A. de C.V.

This document has been created using the core conformity option stipulated by the Global Reporting Initiative (GRI) for drafting G4 sustainability reports, covering the period from January 1st, 2015, to December 31st, 2015.

In order to guarantee the quality of the report during the drafting process, the following guiding principles and processes relating to materiality were taken into consideration:

MATERIALITY PROCESS

G4-18, G4-33

- Identification: Relevant issues were identified by indirectly analyzing public opinion and stakeholder perception through internal polls and surveys.
- Prioritization: The issues were weighted and prioritized based on their relevance to the long-term sustainability of the business and the perception of the company's stakeholders.
- Validation: The content was evaluated and verified by different areas and then approved by the Department for Corporate Communication and Social Responsibility at Bridgestone in order to select which indicators would be included in the report.

REPORTING PRINCIPLES

Balance

This report reflects a number of the company's performance indicators in order to reasonably evaluate its sustainable performance.

Comparability

The information and content were selected, compiled and distributed in order to offer stakeholders the opportunity to analyze the changes Bridgestone has experienced over time. Previous reports are available on the website: www.informebridgestone. com/sostenibilidadBS-LAN

Accuracy

The information contained in the report is the result of internal controls and systems that help ensure the transparency of accurate and detailed information offering the company's stakeholders the opportunity to evaluate its performance.

Punctuality

The Sustainability Report was published in 2014 on a bi-annual basis, while, in 2015, this was changed to an annual basis, which will be the future standard for reports published over the coming years.

Clarity

The focus lies in presenting the information in an understandable and accessible way in order for stakeholders to make use of this report.

Reliability

The information and procedures followed when preparing the report are compiled, registered, analyzed and presented in such a way as to reliably establish the quality and materiality of the information included.

In terms of the information published in previous years, there has been no reformulation of the data used, meaning that the information published previously has not been modified. Furthermore, although there is a regional report that consolidates the most relevant statistics regarding operations under this new structure, this report focuses exclusively on Mexico, which is why there are no significant changes to the scope and coverage found in previous years.

If you have any questions or doubts about the information published in this Sustainability Report, please contact the Corporate Communications and Social Responsibility Department at Bridgestone Latin America North (BS-LAN) at the following e-mail address: BS_LAN_Prensa@la-bridgestone.com.





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| G4-11 | pp. 41 | ✓ Pg. 96 |
| G4-12 | pp. 61 | ✓ Pg. 96 |
| G4-13 | pp. 35 | ✓ Pg. 96 |
| PARTICIPATIO | ON IN EXTERNAL INITIATIV | ES |
| G4-14 | Mexico is attached to the Rio Declaration on 1992, to meet the applicable regulations we follow the precautionary principle. | ✓ Pg. 96 |

| Indicator | Page/Direct Response | External Verifcation |
|-----------------------|----------------------|-------------------------|
| G4-15 | pp. 63 | ✓ Pg. 96 |
| G4-16 | pp. 63 | ✓ Pg. 96 |
| MATERIAL AS | SPECTS AND COVERAGE | |
| G4-17 | pp. 89 | ✓ Pg. 96 |
| G4-18 | pp. 90-91 | ✓ Pg. 96 |
| G4-19 | pp. 19 | ✓ Pg. 96 |
| G4-20 | pp. 19 | ✓ Pg. 96 |
| G4-21 | pp. 19 | ✓ Pg. 96 |
| G4-22 | pp. 91 | ✓ Pg. 96 |
| G4-23 | pp. 91 | ✓ Pg. 96 |
| PARTICIPATION | ON OF STAKEHOLDERS | |
| G4-24 | pp. 26-29 | ✓ Pg. 96 |
| G4-25 | pp. 26-29 | ✓ Pg. 96 |
| G4-26 | pp. 26-29 | ✓ Pg. 96 |
| G4-27 | pp. 26-29 | ✓ Pg. 96 |
| PROFILE OF THE RECORD | | |
| G4-28 | pp. 89 | ✓ Pg. 96 |
| G4-29 | pp. 89 | ✓ Pg. 96 |

| Indicator | Page/Direct Response | External Verifcation |
|-------------|---|-------------------------|
| G4-30 | pp. 91 | ✓ Pg. 96 |
| G4-31 | pp. 91 | ✓ Pg. 96 |
| GRI INDEX | | |
| G4-32 | pp. 89 | ✓ Pg. 96 |
| VERIFICATIO | on . | |
| G4-33 | pp. 90 | ✓ Pg. 96 |
| GOVERNANC | CE | |
| Structure a | nd Composition of Govern | ance |
| G4-34 | pp. 35 | ✓ Pg. 96 |
| G4-35 | pp. 36 | ✓ Pg. 96 |
| G4-36 | pp. 35 | ✓ Pg. 96 |
| G4-37 | pp. 39 | ✓ Pg. 96 |
| G4-38 | pp. 35 | ✓ Pg. 96 |
| G4-39 | pp. 35 | ✓ Pg. 96 |
| G4-40 | pp. 35 | ✓ Pg. 96 |
| G4-41 | pp. 38 | ✓ Pg. 96 |
| | VERNMENT IN ESTABLISH VALUES AND STRATEGY O ION | |
| G4-42 | pp. 35 | ✓ Pg. 96 |
| ETHICS AND | INTEGRITY | |
| G4-56 | pp. 7, 36, 37 and 38 | ✓ Pg. 96 |
| G4-57 | pp. 39 | ✓ Pg. 96 |
| | | |

Specific General Content

| Indicator | Page/Direct Response | External Verifcation |
|--------------|----------------------|-------------------------|
| G4-58 | pp. 39 | ✓ Pg. 96 |
| CATEGORY: | ECONOMY | |
| Economic P | erformance | |
| G4-EC1 | pp. 23 | ✓ Pg. 96 |
| Procureme | nt Practices | |
| G4-EC9 | pp. 60 | ✓ Pg. 96 |
| CATEGORY: | ENVIRONMENT | |
| Energy | | |
| G4-EN3 | pp. 76 and 80 | ✓ Pg. 96 |
| G4-EN6 | pp. 77 | ✓ Pg. 96 |
| G4-EN7 | pp. 77 | ✓ Pg. 96 |
| Water | | |
| G4-EN8 | pp. 81 | ✓ Pg. 96 |
| G4-EN10 | pp. 77 | ✓ Pág. 96 |
| Blodiversity | у | |
| G4-EN13 | pp. 75 | ✓ Pg. 96 |
| Emissions | | |
| G4-EN15 | pp. 78 and 81 | ✓ Pg. 96 |
| G4-EN16 | pp. 78 and 81 | ✓ Pg. 96 |
| G4-EN17 | pp. 78 and 81 | ✓ Pg. 96 |

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| Indicator | Page/Direct Response | External Verifcation |
|--------------|---|-------------------------|
| G4-EN18 | pp. 81 | ✓ Pg. 96 |
| G4-EN19 | pp. 78 and 81 | ✓ Pág. 96 |
| G4-EN20 | pp. 82 | ✓ Pg. 96 |
| G4-EN21 | pp. 82 | ✓ Pág. 96 |
| Effluents aı | nd Residues | |
| G4-EN22 | pp. 78 and 81 | ✓ Pg. 96 |
| G4-EN23 | pp. 79 and 82 | ✓ Pg. 96 |
| Products a | nd services | |
| G4-EN27 | pp. 83 | ✓ Pg. 96 |
| G4-EN28 | pp. 70 | ✓ Pg. 96 |
| Regulatory | compliance | |
| G4-EN29 | No significant fines were presented in environmental terms. | ✓ Pg. 96 |
| General | | |
| G4-EN31 | pp. 79 y 83 | ✓ Pg. 96 |
| CATEGORY: | SOCIAL PERFORMANCE | |
| SUB-CATEG | ORY: DIGNIFIED EMPLOYM | IENT AND |
| Employmer | nt | |
| G4-LA1 | pp. 41 | ✓ Pg. 96 |
| G4-LA2 | pp. 46 | ✓ Pg. 96 |
| Occupation | al Health and Safety | |
| G4-LA5 | pp. 42-43 | ✓ Pg. 96 |
| G4-LA6 | pp. 42-43 | ✓ Pg. 96 |

| Indicator | Page/Direct Response | External Verifcation |
|----------------|--|-------------------------|
| G4-LA8 | pp. 42-43 | ✓ Pg. 96 |
| Training and | Education | |
| G4-LA9 | pp. 44-45 | ✓ Pg. 96 |
| G4-LA10 | pp. 44-45 | ✓ Pg. 96 |
| G4-LA11 | pp. 44-45 | ✓ Pg. 96 |
| Diversity an | d Equal Opportunities | |
| G4-LA12 | pp. 44 and 45 No significant fines were presented in environmental terms. | ✓ Pg. 96 |
| Evaluation o | f Labor Practices of Supp | oliers |
| G4-LA14 | pp. 62 | ✓ Pg. 96 |
| G4-LA15 | pp. 62 | ✓ Pg. 96 |
| SUBCATEGO | RY: HUMAN RIGHTS | |
| Child Labor | | |
| G4-HR5 | pp. 62 | ✓ Pg. 96 |
| Forced Labo | r | |
| G4-HR6 | pp. 62 | ✓ Pg. 96 |
| Labor security | | |
| G4-HR7 | | ✓ Pg. 96 |
| Indigenous I | Rights | |
| G4-HR8 | No significant fines were presented in terms of rights of indigenous peoples. | ✓ Pg. 96 |

| Indicator | Page/Direct Response | External Verifcation |
|-------------|--|-------------------------|
| Evaluation | of Suppliers' Social Reper | cussions |
| G4-HR10 | pp. 62 | ✓ Pg. 96 |
| G4-HR11 | pp. 62 | ✓ Pg. 96 |
| Human Rig | hts Complain Mechanisms | • |
| G4-HR12 | No significant fines were presented in terms of human rights. | ✓ Pg. 96 |
| SUBCATEGO | DRY: SOCIETY | |
| Local Comr | nunities | |
| G4-S01 | pp. 65-72 | ✓ Pg. 96 |
| G4-S02 | None | ✓ Pg. 96 |
| Fight Again | st Corruption | |
| G4-S04 | pp. 38-39 | ✓ Pg. 96 |
| G4-S05 | None | ✓ Pg. 96 |
| Public Poli | су | |
| G4-SO6 | Bridgestone does not receive nor gives financial contributions granted by the government or political parties | ✓ Pg. 96 |
| Unfair Com | petition Practices | |
| G4-S07 | None | ✓ Pg. 96 |
| Regulatory | Compliance | |
| G4-S08 | Does not apply | ✓ Pg. 96 |

| Indicator | Page/Direct Response | External Verifcation |
|-----------------------|------------------------|-------------------------|
| SUBCATEGOR | RY: PRODUCT RESPONSIBI | LITY |
| Customer He | ealth and Safety | |
| G4-PR1 | pp. 57 | ✓ Pg. 96 |
| G4-PR2 | None | ✓ Pg. 96 |
| Product and | services labeling | |
| G4-PR3 | pp. 57 | ✓ Pg. 96 |
| G4-PR4 | None | |
| G4-PR5 | pp. 53 | ✓ Pág. 96 |
| Marketing Co | ommunications | |
| G4-PR6 | None | ✓ Pg. 96 |
| G4-PR7 | None | ✓ Pg. 96 |
| Customer Pr | ivacy | |
| G4-PR8 | None | ✓ Pg. 96 |
| Regulatory Compliance | | |
| G4-PR9 | None | ✓ Pg. 96 |

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Verification letter



Independent Letter of Confirmation of the Bridgestone México's 2015 Sustainability Report.

Scope of our Work

I am pleased to inform the readers of Bridgestone México's 2015 Sustainability Report that Redes Sociales LT has conducted an independent and impartial review of the preparation processes of the report, as well as of a sample of the indicators reported. Our work consisted of a limited review of the content of the report to confirm the level of coverage of the material aspects of conformity with the standards of version G4 of the Global Reporting Initiative (GRI). We considered the following norms and standards: The ISAE 3000 ethical principles of independence, the activities stipulated in standard AA1000AS and the methodological guide "The External Assurance of Sustainability Reporting".

Conclusions

Bridgestone México's 2015 Sustainability Report complies with the general basic and specific contents to comply with the 'Essential' option of the Guide of version G of the Global Reporting Initiative for the preparation of Sustainability

There was no evidence to show that the final samples of information that support the contents of Bridgestone México's report contain errors.

During the review process, no situations arose that led one to think that the information collection, validation and analysis mechanisms failed to comply with the principles of traceability, exhaustiveness, comparability and confirmation.

Recommendations

Bridgestone México has been provided with a report of the specific areas of opportunity in each phase of the Report preparation process for internal consultation purposes.

Statement of independence, competence and responsibility of Redes Sociales LT

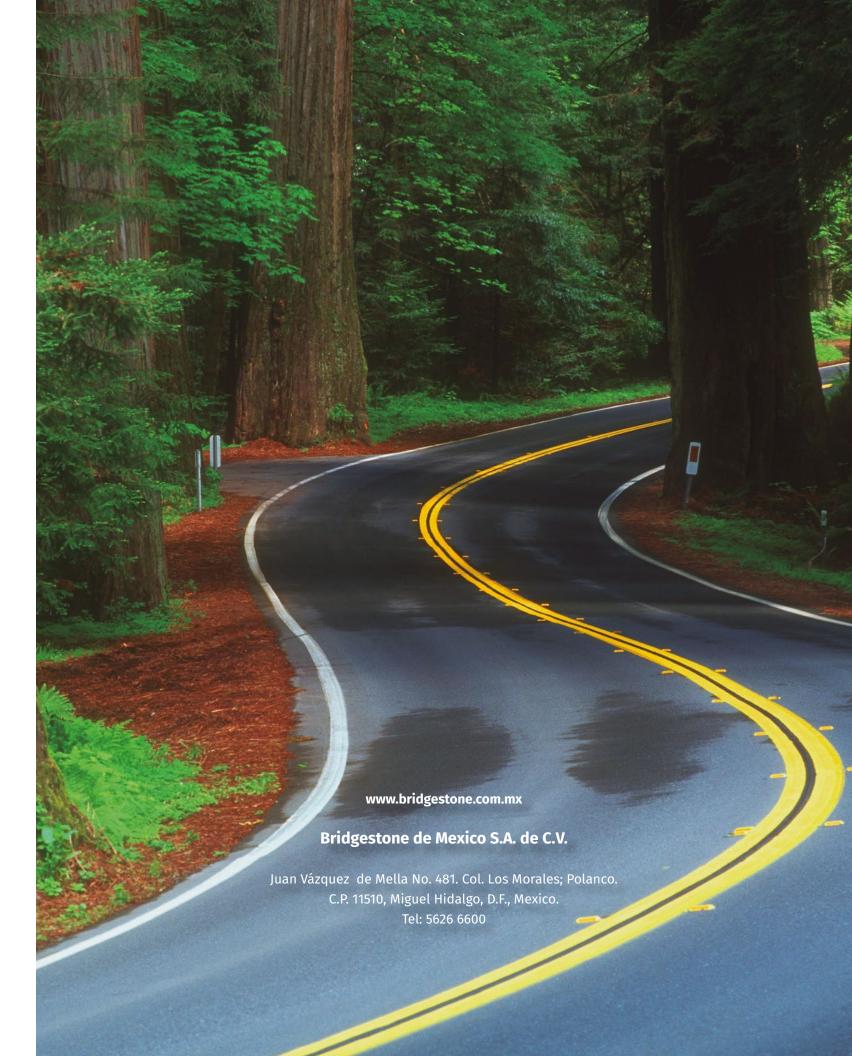
Redes Sociales' employees have the levels of skills necessary to confirm the due compliance of the standards used in the preparation of Sustainability Reports; therefore, they are qualified to issue professional opinions on companies' reports Redes Sociales' responsibility consisted of conducting a limited review of the report. Under no circumstance may our confirmation statement be understood as being an audit report; therefore, we not assume any liability whatsoever on the management and internal control systems and processes from which the information is obtained. This Review Letter is issued in August 2016 and will remain valid provided that no subsequent modifications are made to Bridgestone México's 2015 Sustainability Report.

Summary of Activities

- The information on the Materiality Study was reviewed for clarity and that the results were in line with the contents of the Report.
- The databases provided by the staff in charge of the report preparation process were reviewed.
- The reviews and/or corrections necessary to the results of the calculations that presented margins of differences against our verification were requested.
- We compared the 2015 Report with the 2014 Report to review the fairness of the information presented between both fiscal years.
- Finally, we reviewed the level of coverage of the indicators included in the Report and the congruence with the GRI Index Table.

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