

UK Tax Strategy Disclosure

The companies that this document applies to are Bridgestone UK Ltd and Bulldog Remoulds Ltd (collectively “BSUK companies”), that form part of the Bridgestone Europe NV/SA, regional EMEA headquarter based in Brussels (BSEMEA), that forms part of the Bridgestone Corporation Group, headquartered in Tokyo, Japan. The Group is the world’s largest manufacturer of tyres and other rubber products.

This document has been produced in accordance with Schedule 19 of the Finance Act 2016, in respect of the financial year ended 31 December 2017.

Tax Risks

Tax risk is the risk that transactions or business relationships may have unforeseen adverse tax consequences. Tax risks may arise from existing tax laws and practice or from changes in tax laws and practice.

The BSUK companies, in line with BSEMEA, generally aim to avoid uncertain tax positions or unforeseen results in tax positions. Unclear tax law interpretation will be governed by the principle “more likely than not” as stated in Generally Accepted Accounting Principles.

BSUK/BSEMEA will aim to avoid entering into transactions that immediately lead to the creation of a tax provision.

Tax Risk Management

Tax risk of the BSUK companies is managed at the BSEMEA level.

In order to manage tax matters, BSEMEA created a Centre of Excellence Tax. The Head of Tax EMEA is responsible for developing and maintaining tax policies and procedures.

To set the tone on managing tax matters, BSEMEA is in the process of developing for external use an EMEA Tax Policy and for internal use (i) a Vision and Mission Statement, (ii) an EMEA Tax Governance Policy as well as (iii) a Tax Risk Management Policy.

Centre of Excellence Tax Teammates will ensure promotion of these policies and statement towards Finance and Business Communities.

Beyond the code of conduct applicable to all BS employees (explained below), EMEA Tax matters are subject to (i) External Audits, (ii) Internal Audits and (iii) J-SOX reviews.

Tax matters are reviewed by Vice-President Finance and potential tax risks are periodically reported to the Bridgestone EMEA Governance and Risk Management Committee.

Attitude to tax planning

Code of conduct

The “Bridgestone Essence” refers to Seijitsu-Kyocho (Integrity and Teamwork), Shinshu-Dokuso (Creative Pioneering), Genbutsu-Genba (Decision-making based on verified, on-site observations) and Jukuryo-Danko (Decisive action after thorough planning).

More information on : <http://www.bridgestone.com/corporate/philosophy/index.html>

“Our Way to Serve” as mentioned above was published by Bridgestone in March 2017 and is intended to be our Corporate Social Responsibility guiding principle setting also the tone in terms of Management Fundamentals and covers amongst others :

- **Compliance, Fair Competition: ensure excellence through compliance and integrity.** *“We build trust with stakeholders by ensuring that ethical decision-making guides responsible business practices across our operations”.*
- **Business Continuity, Risk Management: Prevent and mitigate operational risks.** *“We anticipate, prevent, and mitigate risks, but when crisis arise, we protect our people, property, and profits*

In addition, BSEMEA has issued a comprehensive set of Business Conduct Guidelines which each BSEMEA employee certifies to comply with, annually. Those Business Guidelines cover the various elements of a comprehensive compliance and business ethics programme (including, without limitation, corruption, information handling, money laundering, trade restrictions, tax, etc.)

In accordance to our Business Conduct Guidelines, all Bridgestone employees must refrain from infringing tax laws. It is strictly forbidden to implement any business scheme that would be tax unlawful. As a consequence, any illegal practice that would qualify as tax evasion is as well prohibited.

Furthermore, these Business Conduct Guidelines contain an expectation in relation to the truthfulness of records, requiring that no false or deliberately inaccurate or incomplete entries be made in Bridgestone’s books and records for any reason.

The principles of our Code of Conduct are reflected in our tax strategy.

We only engage in tax planning when it is aligned to our commercial and economic activity and does not lead to an abusive result.

As a business, we seek to create sustainable value for our shareholders. Like any other business expense, we also seek to manage our tax costs. In this regard, we identify tax incentives and exemptions that are introduced by governments and fiscal authorities with the typical purpose of supporting economic development. Where these exist [and it is responsible and appropriate to do so], we may respond to these incentives or statutory alternatives and seek external advice to ensure we apply these legitimately and that they align to our business activities.

Use of external advisors

BSEMEA acknowledges the difficulty, for internal tax employees, to become experts on all tax matters in all jurisdictions in scope of EMEA organizations.

In order to avoid non-compliant tax positions, our internal evaluation for complex tax matters (leading to uncertainty, personal opinion or judgement) will be supported by qualified external tax advice.

Relationship with Authorities

Relationship with Authorities will be in line with Bridgestone Business Conduct Guidelines:

- Communication and information sharing: Honesty based on clear communication is part of ethical behaviour. Employees may not make misrepresentations to anyone. Every communication has to be made in a manner that is clear and appropriate to avoid misunderstanding or misrepresentation.
- Behaviour at work: Employees while working must exercise respect, honesty, impartiality and care in carrying out their duties and must not discredit Bridgestone and related companies in any manner. They are required to behave in a way which is in line with normal social practices, according to circumstances, whether they have to perform their duties inside Bridgestone premises, or outside.

As stated in the EMEA Tax Policy, “we will disclose relevant facts to tax authorities, seeking constructive relationships”.

In case of tax uncertainty, Head of Tax EMEA, together with Tax Teammates, will look for solutions to reduce / mitigate those risks. As a standard approach, uncertain tax positions that lead to creation of tax provisions will be addressed by tax ruling (for example Advanced Pricing Agreements).