



ALL-SUSTAINABLE APPROACH

**AMBITIONS 2030 & 2050
AND **RESULTS 2022****

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INTRODUCTION

The world is changing fast, and our natural environment and resources are at risk.

To ensure its long-term growth, a company must be able to put **human, economic** and **environmental issues** together at the center of its decisions.

The All-Sustainable approach is embedded in the Group's strategy based on a balanced development between People, Planet & Profit*.

On this holistic basis, Michelin is innovating and committing itself more than ever to **a life in motion**.

In 2021, Michelin reached a new milestone by translating its All-Sustainable approach into **ambitions for 2030 and beyond**.



The Group shares and upholds a set of deeply rooted values;

*Economic Performance



MICHELIN

GROUP PURPOSE

2000 - 2050

***A worldwide population
who will grow
from 7 to over 9 billion***

***Mobility
A human right***

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



&

Sustainable Mobility



SAFETY



UNIVERSAL ACCESS



EFFICIENCY



“GREEN”



Michelin has a strength, all of its employees are united by a common Purpose:

WE CARE ABOUT GIVING PEOPLE A BETTER WAY FORWARD

“Because we believe that mobility is essential for human development, we are innovating passionately to make it safer, more efficient and more environmentally friendly.

We are firmly committed to offering our customers uncompromising quality. That’s our priority.

Because we believe in personal fulfillment, we want everyone to have the means to give the best of themselves; we want to turn our differences into an asset.

Proud of our values of respect, we share the same journey for a better way forward for everyone.”





**ALL-SUSTAINABLE
APPROACH**

MICHELIN ALL-SUSTAINABLE APPROACH

Our vision of the future is founded first and foremost on the realities of today and tomorrow.

Our growth is based on fostering the **right balance**, as expressed in our **future-facing All-Sustainable** approach, between:

- **Development and personal fulfillment** of all [PEOPLE] inside and outside the company,
- **Economic development** [PROFIT],
- **Protection of the planet and its inhabitants** [PLANET].

Leveraging our unrivaled capabilities, we innovate to help humanity conquer new frontiers for a better life in motion.



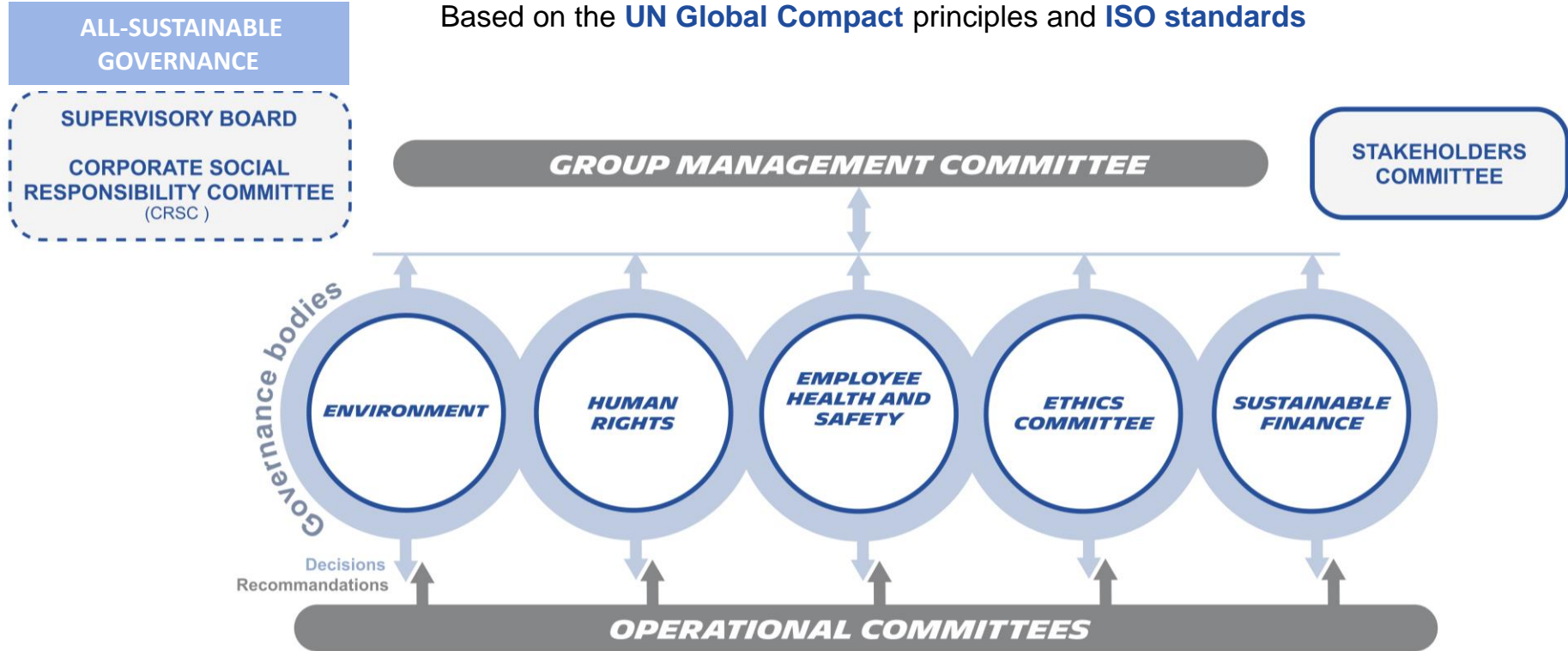
All-Sustainable
is both a daily imperative and a
compass for the future.



**ALL-SUSTAINABLE
GOVERNANCE**

COORDINATED MANAGEMENT OF THE ALL-SUSTAINABLE APPROACH

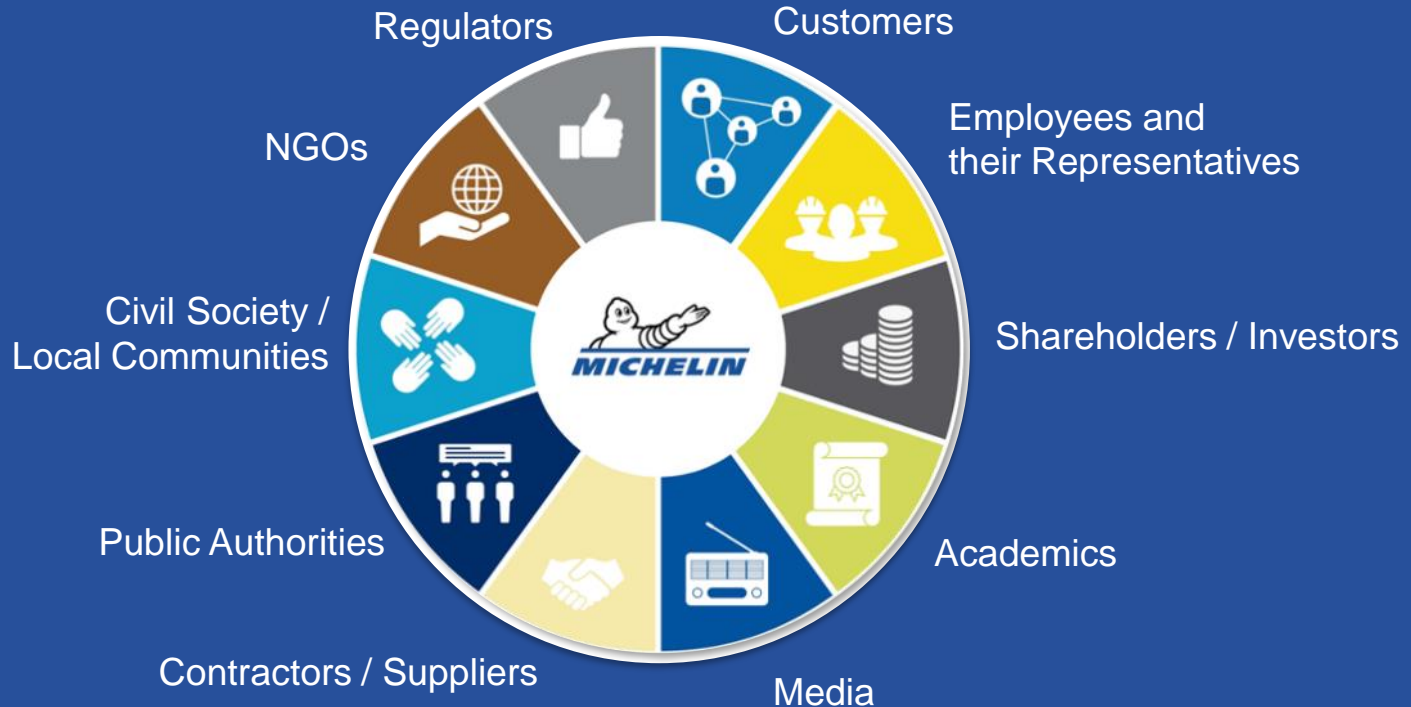
Based on the **UN Global Compact** principles and **ISO standards**



Group Management Committee = Group Executive Committee + the following departments: Legal, Purchasing, Finance, Information Systems, Internal Control, Quality Audit, Strategy, Supply Chain, Corporate and Business Services, China and North America regions

STAKEHOLDERS MAPPING

Michelin establishes an open, constructive dialog with its stakeholders at local, national and international levels.





AMBITIONS **FOR 2050**



AMBITIONS FOR 2050

Michelin has always been about a humanistic project centered on **people** and based on **strong values**.

An assertive commitment to:

- **People's health and safety,**
- **Diversity and talent development** - employees can develop, themselves and grow fully to their potential to become who they are.
- **Fair and equal treatment,**
- **Local communities** through Michelin employees (Michelin Volunteering program), Michelin Development and the Michelin Foundation: development of the local economy, personal growth of people in the community, and road safety.
- Etc.

In a nutshell, Michelin is a company that **plays a responsible role in its environment and in harmony with its stakeholders.**



AMBITIONS FOR 2050

Michelin has set environmental ambitions for 2050.

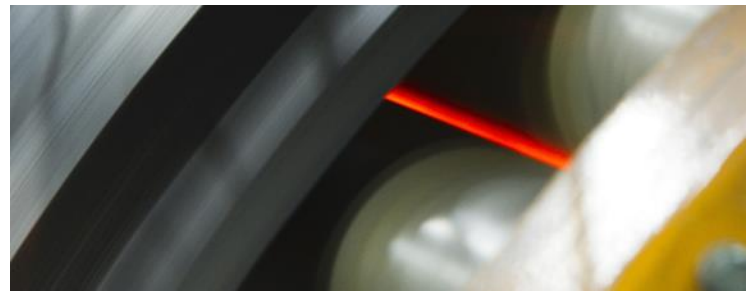
The commitments already made public are reaffirmed.

- **Net-zero emissions** across the entire production base and contributing towards low-carbon mobility of goods and people with highly **energy efficient products**.
- **100% of materials** used by the Group in tires will be **sustainable** *, i.e., from recycled or renewable feedstock.

***renewable materials** obtained from natural resources that can be reconstituted over a short period of time on a human scale, and **recycled materials** obtained by any recovery operation whereby industrial or post-consumer waste is reprocessed into products, materials or substances.



In July 2021, Michelin joined the “**Race To Zero**” campaign, answering the call to action led by the Science Based Targets Initiative (SBTi), the United Nations Global Compact, and We Mean Business to reach net-zero emissions by 2050.



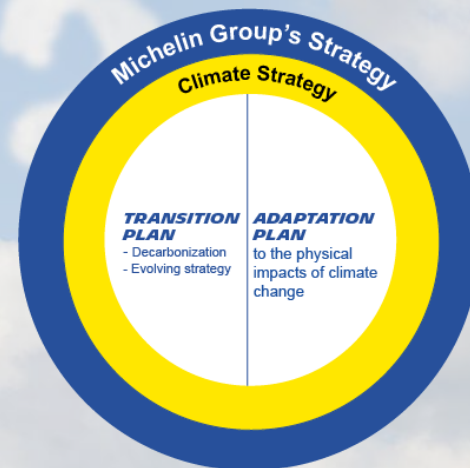
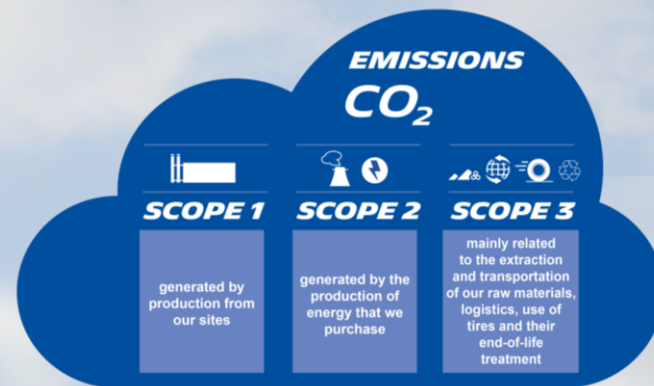
CLIMATE STRATEGY

It is structured around 2 axes:

- **A TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy,
- **An ADAPTATION plan** to physical impacts of climate change.

It is based on 3 principles:

- **Achieve net-zero emissions by 2050** by fulfilling our external emission reduction commitments by 2030,
- **Identify risks and opportunities** based on climate change scenarios,
- **Transparently disclose information** to our external stakeholders.



GROUPS' DECARBONIZATION PLAN

By 2050, Michelin aims to achieve net-zero emissions* for its:

- **Entire production base,**
- **Transport operations,**
- **Supply chain, i.e., raw materials and components suppliers.**

Going further, Michelin contributes towards low-carbon mobility of goods and people by:

- Designing **products that are highly efficient over their entire lifecycle** from production to the use phase, to end-of-life recycling,
- Developing **services and solutions that optimize the use and management of vehicle fleets**, reducing energy consumption,
- Deploying **new mobility solutions** through innovation within ecosystems, particularly developing the hydrogen fuel cell business.

(*) Michelin's commitment to net-zero emissions under the SBTi Corporate Net-Zero Standard means reducing CO₂ emissions from its own operations and those of its value chain by 90% and preparing for the longer-term capture and permanent storage of a volume of CO₂ equivalent to the residual emissions each year.



MICHELIN ***IN MOTION***

We have a plan for 2030


SUSTAINABILITY IS CORE TO MICHELIN'S HISTORY

The All-Sustainable approach seeks the best balance between **PEOPLE, PROFIT & PLANET** and focuses on:

PEOPLE

- 
- Employee engagement
 - Safety
 - Diversity & Inclusion
 - Value creation for our customers

PROFIT

- 
- Growth
 - Financial value
 - MICHELIN brand power
 - Innovation in products & services

PLANET

- 
- Reduction of CO₂ emissions for manufacturing and transport
 - Improving the energy efficiency of tires
 - Environmental performance of industrial sites
 - Preserving biodiversity and resources
 - Circularity and usage of products



AMBITIONS FOR 2030

AND RESULTS 2022





AMBITIONS FOR 2030 AND RESULTS 2022

PEOPLE

RESPECTING HUMAN RIGHTS



- As a responsible, community-minded company, Michelin subscribes to the **highest international standards in the conduct of its business and in its value chain**. Michelin has been a signatory to the UN Global Compact since 2010.
 - These principles inspire the Group's internal policies, and the Group is committed to respecting Human Rights wherever it operates.
-
- Since 2014, Michelin's Human Rights approach has been coordinated by a multidisciplinary task force and monitored by a **Human Rights governance body** at the highest level of the company.

AMBITIONS FOR 2030 AND 2022 RESULTS

[SCORECARD]



Be world-class in employee engagement

METRICS
Engagement rate



Be a reference in diversities and inclusion of teams

METRICS
IMDI⁽¹⁾



(1) IMDI = Inclusion & Diversities Management Index

Be world-class in employee safety

METRICS
TCIR⁽¹⁾



(1) TCIR = Total Case Incident Rate

Be best-in-class in value created for customers

METRICS
NPS partners⁽¹⁾



(1) NPS = Net Promoter Score

Total Case Incident Rate: number of accidents and cases of occupational illness recorded per 200 000 hours worked.
The Partner NPS « Net Promoter Score », a weighed average of the OEMs and business dealer clusters.

PEOPLE - AMBITIONS FOR 2030 AND 2022 RESULTS

Engagement rate (Survey MFT)
 > **85%** in 2030
 80% in 2021; **83% in 2022**

TCIR (accidents)
 < **0,5** in 2030
 1,29 in 2021; **1.07 in 2022**

% employees involved in volunteer programs for local communities
20% in 2030
 2,5% in 2021; **8.7% in 2022**

Suppliers assessed that comply with the Group human rights' standards
 > **95%** in 2030
 89% in 2021; **89% in 2022**

IMDI (Composite indicator of diversity and inclusion)
80/100 in 2030
 67/100 in 2021; **70/100 in 2022**

Work-life balance (Survey MFT)
80% in 2030
 76% in 2021; **79% in 2022**

Volume of natural rubber for which the human rights assessment includes smallholders (RubberWay)
80% by 2025
 41% in 2021; **58% in 2022**

Living wage
100% by 2025
 95% in 2021; **98.5% in 2022**

Number of smallholders whose living conditions have been improved by remediation projects
30,000 in 2025
 New in 2021; **467 in 2022**

Shareholder employees
 > **50%** in 2030
 49,8% in 2021; **58.6% in 2022**

% of employees
 who respond positively to the Moving Forward Together survey question: *"I have real opportunities to develop my skills at Michelin."*
85% in 2030
 74% in 2021; **77% in 2022**

% of employees
 who respond positively to the Moving Forward Together survey question: *"I feel like my opinion matters and my ideas are taken into account in my company."*
80% in 2030
 69% in 2021; **71% en 2022**



DIVERSITY AND INCLUSION MANAGEMENT (IMDI)

It is composed of 5 dimensions

DISABILITY

Michelin offers career paths to people of all abilities according to its talent development policy.

EQUAL OPPORTUNITY

Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.



IDENTITY

(All D&I dimensions, e.g., age, sexual orientation, ethnicity, religion, etc.)
Enable every person to be who they really are and to bring their authentic selves to work.

GENDER BALANCE

Achieve parity among Group executives, and by 2030, set the gender balance benchmark in our industry.

MULTI-NATIONAL MANAGEMENT

All our host country nationalities and cultures are represented in all corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business.



**AMBITIONS FOR 2030
AND RESULTS 2022**

PROFIT

AMBITIONS FOR 2030 AND 2022 RESULTS

[SCORECARD]

PROFIT

Deliver substantial growth

METRICS
Total sales



Maintain Michelin brand power

METRICS
Brand vitality quotient



Deliver continuous financial value creation

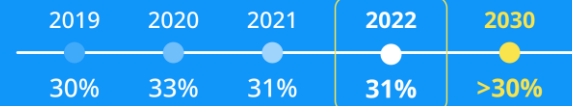
METRICS
ROCE⁽¹⁾



(1) ROCE = Return on Capital Employed

Maintain best-in-class innovation pace in products and services

METRICS
Offers vitality index



In calculating consolidated ROCE, goodwill, acquired intangible assets and shares in equity-accounted companies are added back to economic assets. Net operating profit after tax (NOPAT) includes the amortization of acquired intangible assets, as well as profit from equity-accounted companies.

Brand vitality quotient: composite indicator used to measure the brand's vitality.

Offers vitality index: percentage of sales from products and services introduced in the last three years.



AMBITIONS FOR 2030 AND RESULTS 2022

PLANET

AMBITIONS FOR 2030 AND 2022 RESULTS

[SCORECARD]

PLANET



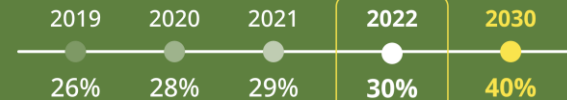
Reach net-zero emission by 2050 (manuf. & energy)

METRICS
CO₂ emissions (Scopes 1&2)



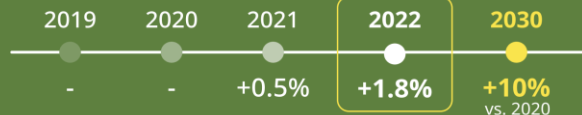
Reach full circularity of products by 2050

METRICS
Sustainable Material Rate



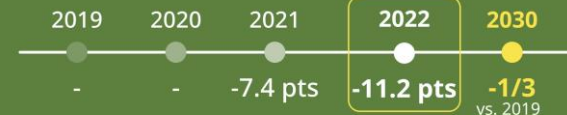
Contribute to reaching net-zero emission (Scope 3)

METRICS
Products energy efficiency (Scope 3)



Be best-in-class in environmental footprint of industrial sites

METRICS
i-MEP⁽¹⁾

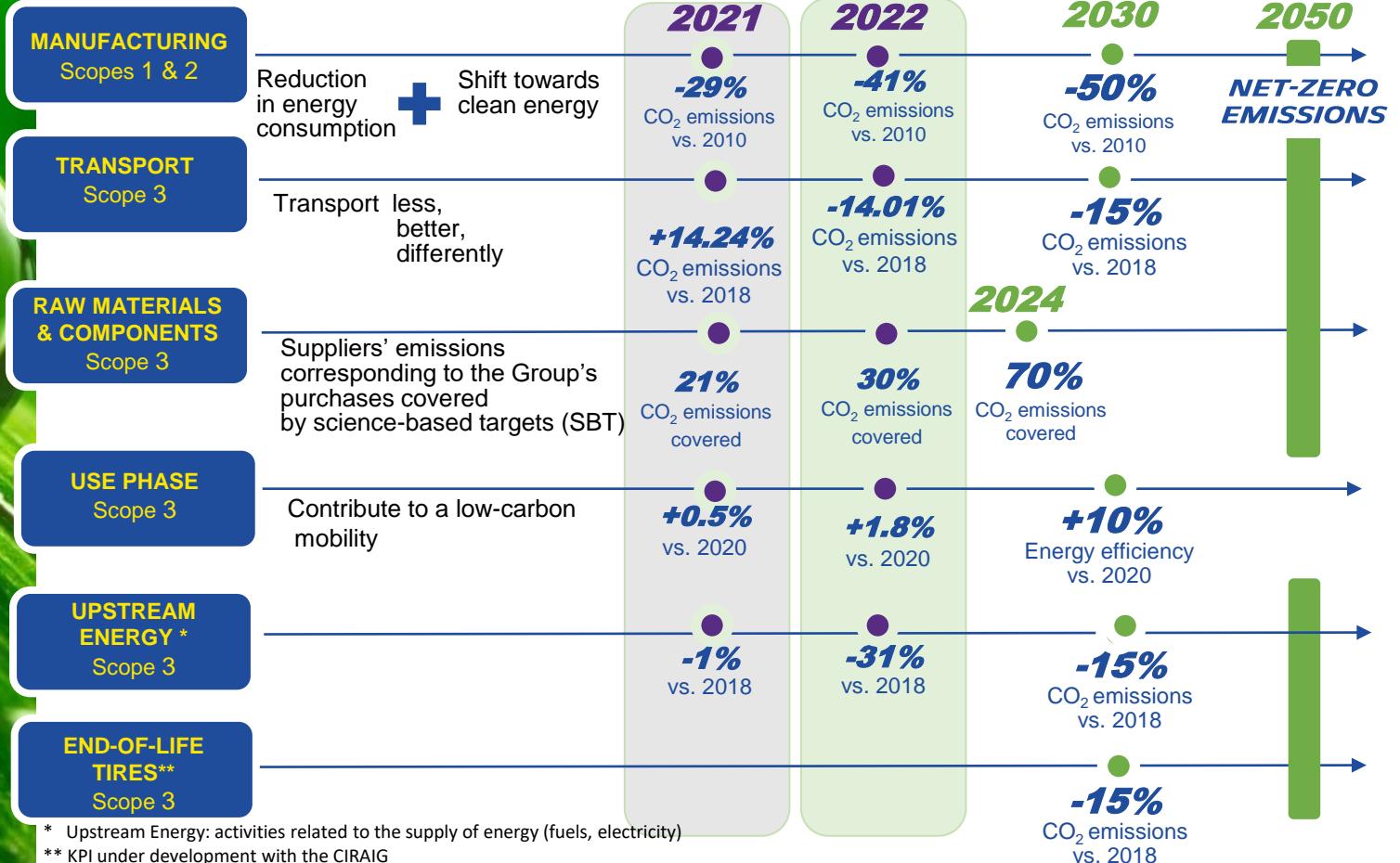


(1) i-MEP = industrial - Michelin Environmental Performance

(*) The Industrial Michelin Environmental Performance (i-MEP) indicator will be used to track the environmental impacts of the Group's manufacturing operations over the next ten years. It will make these impacts easier to understand by focusing on five priority areas: energy use, CO₂ emissions, organic solvent use, water withdrawals, and waste production.

ON THE PATH TO REACH NET-ZERO

PLANET



* Upstream Energy: activities related to the supply of energy (fuels, electricity)

** KPI under development with the CIRAIG



As part of the Group's All-Sustainable approach, a new indicator – the **i-MEP, industrial Michelin Environmental Performance** – was introduced in 2021 to manage the environmental performance of production sites and assess their contribution to achieving the Group's commitments.

For each industrial site, it monitors and controls **water withdrawals**, the amount of **waste generated**, the **use of organic solvents**, **energy consumption** and **CO₂ emissions**.

REDUCTION OF THE INDUSTRIAL ENVIRONMENTAL IMPACT



INDUSTRIAL






Michelin Environmental Performance

OBJECTIVES FOR 2030

REDUCTION OF THE IMPACT BY 1/3 * THROUGH 5 PROGRAMMES

*2019 base year

Result 2022: -11.2 pts vs. 2019

			TARGET 2030	2022	% VAR. 2022
	ENERGY	GJ/t PF+SF	-37%	4.35	-19% VS. 2010
	CO₂	Tons CO2	-50%	2.3M	-41% VS. 2010
	WATER	(m3/t weighted by water stress index)	-33%	3.15	-6,1% VS. 2019
	VOC	kg/t PF+SF	-50%	0.66	-20.6% VS. 2019
	WASTE	kg/t PF+SF	-25%	33.1	-8.3% VS. 2019

2022 RESULT

88.8 VS. BASIS 100 IN 2019

BIODIVERSITY COMMITMENTS 2030 & RESULTS FOR 2022



Michelin is committed to reducing the impact of its operations on biodiversity and ecosystems.

	2022	2025	2030
RESEARCH & DEVELOPMENT Life Cycle Analysis incl. biodiversity criteria from best methods	At least 75% of new projects	products: 100% services: Pilot	100% of new ranges marketed
RAW MATERIALS Compliance with the Responsible Natural Rubber Policy environmental criteria	Assessment carried out on all subsidiaries and JVs*	50% of the volume used	80% of the volume used
Evaluation of raw material supplier policies & practices **	Study carried out to identify the raw materials with the greatest impacts ***	Pilot	80% of suppliers
PRODUCTION SITES Biodiversity plan adapted to local issues	8 sites	at least 15 sites	100% of industrial sites
No phytosanitary products to maintain green spaces	12 sites	at least 30 sites	100% of industrial sites

* It accounts for 4.5% of the Group's supply

** Other than natural rubber

*** Based on the results of the Science Based Targets for Nature (SBTN) method and the life cycle analyses of raw materials

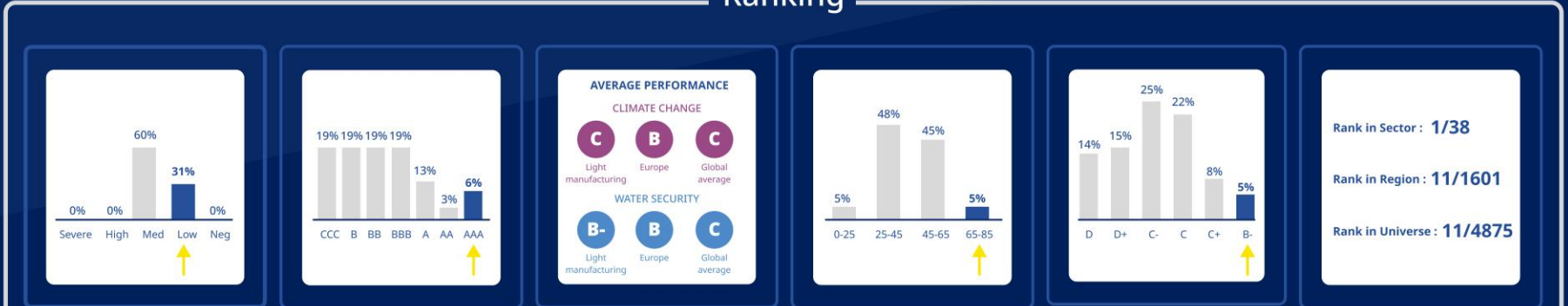
MAJOR SUSTAINABILITY RATINGS

(AS OF DEC. 31ST, 2022)

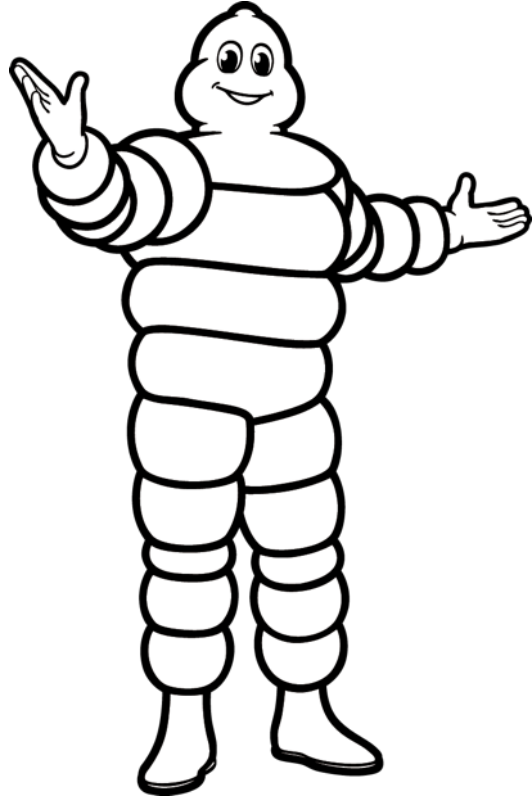
Ratings 2022



Ranking



Extra-financial performance: a recognized All-Sustainable approach



THANK YOU!



ATTACHMENTS

MICHELIN ALL-SUSTAINABLE SCORECARD



Be world-class in employee engagement

METRICS
Engagement rate



Be world-class in employee safety

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TCIR⁽¹⁾



Be a reference in diversities and inclusion of teams

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(1) TCIR = Total Case Incident Rate; IMDI = Inclusion & Diversities Management Index; NPS = Net Promoter Score



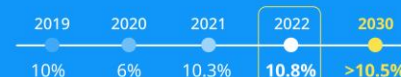
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Total sales



Deliver continuous financial value creation

METRICS
ROCE⁽¹⁾



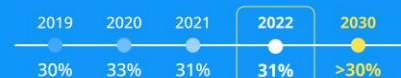
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Brand vitality quotient



Maintain best-in-class innovation pace in products and services

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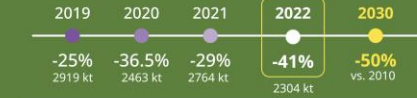


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Reach net-zero emission by 2050 (manuf. & energy)

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CO₂ emissions (Scopes 1&2)



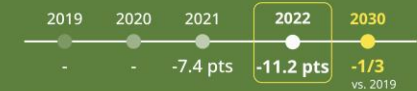
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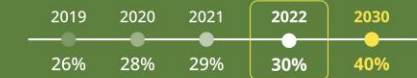
Be best-in-class in environmental footprint of industrial sites

METRICS
i-MEP⁽¹⁾



Reach full circularity of products by 2050

METRICS
Sustainable Material Rate



(1) i-MEP = Industrial - Michelin Environmental Performance

SUSTAINABLE NATURAL RUBBER BY MICHELIN

in a fragmented and complex value chain

ID CARD

~**90%** of the Group's supply come from ~**2 M** farmers with an average of **3 HA.** farm size

Up to **7 MIDDLEMEN** between direct suppliers and smallholders in Asia

A GLOBAL PRESENCE through **SUBSIDIARIES** in Brazil & Indonesia, and **JVS** in West Africa & Thailand with:

85,000 ha. of plantations
15 rubber processing plants
500,000 † produced/yr

FOUNDING MEMBER of the Global Platform for Sustainable Natural Rubber



ACCELERATING SUSTAINABILITY ACROSS THE INDUSTRY BY 2025

Dedicated roadmap tracking progress on commitments including zero deforestation, human rights, and smallholder farmer empowerment

EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN

Direct suppliers via EcoVadis: 92% of expenditures assessed in 2022, 90% at confirmed level of ESG maturity.

- **Indirect suppliers** : 80% of suppliers in volume deployed **RubberWay™** app. in 2022
- **Further risk analysis on deforestation***

IMPLEMENTING IMPACTFUL PROJECTS

- **Brazil** – Increasing the rubber harvest while preserving the forest (6.8 million hectares under management). to have a positive economic impact on 3,800 families in the State of Amazonas**
- **Indonesia** – (1) Partnership with Porsche to improve the skills of 1,000 smallholders identified with the RubberWay™ app. by 2024. (2) Project in East Kalimantan to train 2,000 farmers by 2025
- **Sri Lanka** – Improving the skills & sustainability performance of 6,000 smallholders by 2025, impacting ~30,000 people
- **Thailand** – Helping 1,000 small farmers diversify their income with agroforestry by 2025***
- **West Africa** – Offering ~90,000 farmers a year training in best practices through SIPH

*Tool developed & deployed with WWF France in 2022 - ** With WWF - *** As part of the Global Platform for Sustainable Natural Rubber (GPSNR)