

SUSTAINABLE DEVELOPMENT GOALS

MICHELIN'S APPROACH

Michelin's actions in respect of the United Nations' 17 Sustainable Development Goals are described in the Universal Registration Document (URD) published each year by the Group. The sections of the URD that describe these contributions are indicated in the summary table below.



END POVERTY IN ALL ITS FORMS EVERYWHERE

Target 1.4 - By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

In 2015, Michelin and its Indonesian partner Barito Pacific set up the RLU joint venture to develop new rubber plantations and produce sustainable natural rubber, protect primary forests and restore ecosystems on Sumatra (66,000 hectares) and in East Kalimantan on the island of Borneo (22,000 hectares). Undertaken in partnership with the WWF, [this project](#) has led to the creation of nearly 4,000 jobs and protected thousands of hectares of high environmental value tropical forest and local wildlife, such as Sumatran elephants and tigers and the Bornean orangutan).

In all, the environmental conservation projects being carried out either directly in Brazil or through our joint ventures in Africa and Indonesia covered more than 34,000 hectares in 2020. In addition, the Michelin Foundation funds health-related scientific research projects, such as the one that Institut Pasteur is leading in Laos and Côte d'Ivoire on mosquitoes and the diseases they carry. The aim is to recommend practices to limit the spread of these illnesses among rubber plantation workers and their families.



END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE

Target 2.4 - By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

As part of its commitment to improving farming practices, Michelin has developed MICHELIN UltraFlex technology, a breakthrough innovation that protects cropland by enabling farm equipment to run on low-pressure tires that limit compaction and maximize yields. This technology is now being used on a wide range of MICHELIN tires, enabling farmers to equip their entire fleet with this technology, from tractor axles to axle tippers, for spreaders or grain carts, throughout the crop cycle.



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Target 3.6 - By 2020, halve the number of global deaths and injuries from road traffic accidents.

The Michelin Group's commitment to road safety takes many forms.

- **At the center of its research and development activities:** innovations that guarantee a high level of performance for its products throughout their life cycle.
- **In the countries where we operate:** by committing to road safety, both through employee volunteering in local community engagement programs and through the actions of the Michelin Foundation.
- **Through its tradition of forming close, long-term partnerships:** Michelin has pursued its global commitments in cooperation with organizations as diverse as the United Nations Road Safety Collaboration (UNRSC), the Global Road Safety Partnership (GRSP), the FIA High Level Panel for Road Safety and Youth for Road Safety (YOURS).

In connection with these commitments focused on safe mobility, Michelin is also continuing to actively participate in the global Sustainable Mobility for All (SuM4All) initiative led by the World Bank. As the only private-sector representative on the Steering Committee, Michelin, through its Corporate Foundation and local teams, contributed to a pilot sustainable mobility project in South Africa.



3 GOOD HEALTH AND WELL-BEING



Target 3.9 - By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

The Group’s **Health and Safety Declaration** states that «above all else, Michelin’s wish is to ensure safe and healthy conditions for everyone working in the Group.» This commitment is supported by concrete evidence, since **86% of Group employees** who responded to the 2020 Moving Forward Together survey felt that Michelin never compromises the safety of its employees to meet other targets (costs, deadlines, etc.).

Chemical risks (see section [4.1.3.1 c of the Universal Registration Document](#)) are an important aspect of preventive health and safety for employees. These risks stem from all the products and substances that are used, the pollutants present in process fumes and the asbestos that was used in the past. With regard to the tire use phase, Michelin is particularly involved in addressing the potential environmental and health impacts of wear particles resulting from tire/road abrasion (see section 4.1.1.1).

The Group has also set an objective of reducing the environmental footprint of its manufacturing operations, in particular its volatile organic compound emissions (see section 4.1.4.3). Michelin has put in place controls and measures to limit boiler emissions (NOx and SOx) and effluent discharge, as well as to avoid groundwater discharge (see section 4.1.2.3 g).



4 QUALITY EDUCATION



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Target 4.2 - By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

Target 4.3 - By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

Through the philanthropic programs run by the [Michelin Corporate Foundation](#) (see section 4.1.2.5 d) and the volunteer initiatives carried out as part of the local community engagement program (see section 4.1.2.5 c), the Group has set up a number of initiatives to support and encourage the development of individuals in the communities where it operates: schooling for young children who are missing out on primary education and raising awareness of the benefits of technical careers for both young men and women are just two of the Group’s ongoing commitments around the world.



5 GENDER EQUALITY



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

Target 5.5 - Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

For Michelin, non-discrimination is the non-negotiable bedrock of its **Diversities and Inclusion Policy**: No discrimination of any form is tolerated anywhere in the Group with respect to anyone or for any reason whatsoever, including in cases allowed by local practice or custom. The Group is committed to combating all forms of discrimination against women and girls, in particular by promoting career paths and options in all its manufacturing professions. Michelin has set a target of having 35% women among its “Group” managers and among its extended management team by 2030. Worldwide, more than one in three new hires is a woman (see section 4.1.2.2 c) in the “administrative employees, technicians and supervisors” and “managers” categories.

6 CLEAN WATER AND SANITATION



ENSURE ACCESS TO WATER AND SANITATION FOR ALL

Target 6.3 - By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Target 6.4 - By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Water quality is taken into account in the Group’s water management method at all its manufacturing facilities. Water recycling and reuse systems are put in place or optimized every year (see section 4.1.4.2 a).

Mindful of the scarcity of water resources, the Michelin Group has put in place a water strategy aimed at reducing its water withdrawals and optimizing water recycling and/or reuse. Water availability and usage are factored into the Group’s management method at all its manufacturing facilities.

In addition, in line with its 2050 vision, the Group has set an objective of reducing its withdrawals per tonne of finished and semi-finished product, weighted for water stress, by 33% in 2030 compared to 2019.



6 CLEAN WATER AND SANITATION



To meet it, the Group will deploy innovative digitization, reuse and recycling programs, while continuing to instill best practices across the organization to improve its water efficiency.

Since 2010, water withdrawals per tonne of tires produced have decreased by 29%, meaning 13.5 million cubic meters less withdrawn in 2020 than in 2010 (see section 4.1.4.3 f).

Target 6.6 - By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.

The Group ensures that its operations related to natural rubber cultivation, harvesting and processing do not have any adverse effects relating to quality and quantity of surface water, wetlands, or groundwater resources. It prevents water contamination from agricultural and industrial chemicals, and erosion and sedimentation. It ensures that all wastewater generated from natural rubber production is properly treated in full compliance with national and local regulations and maximizes water recycling in the production process. It implements timebound improvement plans regarding quality of wastewater (including COD and BOD) and water use intensity when necessary. It ensures the protection of wetlands, streams, and banks (riparian buffers) to support stream quality and aquatic life in accordance with national and international legal provisions and best environmental practices. It carries out environmental restoration operations where necessary.

It complies with local legal provisions and community rights related to using water resources. (see [Sustainable Natural Rubber Policy](#))



7 AFFORDABLE AND CLEAN ENERGY



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY

Target 7.2 - By 2030, increase substantially the share of renewable energy in the global energy mix.

Michelin is working in two areas to help increase the share of renewable energy in the global energy mix: setting up renewable energy installations at its sites (see section 4.1.4.3 c) and developing hydrogen fuel cell-based mobility systems (see section 4.1.4.2 b).

The Group now has 18 production facilities worldwide equipped with renewable energy installations. In all, these installations avoided the emission of close to 30,000 tonnes of CO₂ in 2020, of which 18,000 tonnes directly reduced the Group's total carbon emissions (see section 4.1.4.3 c).





As well as contributing to cutting greenhouse gas emissions produced by the transportation sector, hydrogen power also can help improve air quality, particularly in urban centers. In addition, hydrogen makes it possible to store excess renewable energy generated by wind turbines or solar panels.

Owned equally by Michelin and Faurecia since November 2019, the joint venture Symbio is dedicated to designing, manufacturing and marketing hydrogen fuel cell systems for all types of light and heavy electric vehicles. In France, a new plant is expected to come on stream in Saint-Fons (in the Rhône region) by 2023. Symbio aims to produce 200,000 hydrogen systems a year by 2030.

The Group is also participating in the development of hydrogen mobility at a regional level, in particular by deploying fueling stations in association with other manufacturers and institutional stakeholders, so as to make this mobility more accessible and usable by many modes of transportation. The “Zero Emission Valley” (ZEV) project illustrates Michelin’s deep commitment in this area. Set up by the Auvergne-Rhône-Alpes regional authority and the Engie group, ZEV is a clean mobility solution deployed on a regional scale to make the area the first European hydrogen-powered mobility zone (see section 4.1.4.2 c).

Target 7.3 - By 2030, double the global rate of improvement in energy efficiency.

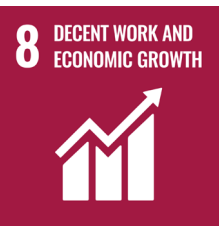
To achieve its objectives to reduce energy use at its sites, Michelin is leveraging the Manufacturing Department’s energy efficiency approach. The roadmap for improving energy efficiency to achieve net-zero carbon emissions in 2050 has now been integrated into the production plants’ five-year strategic plans. The technical solutions identified and the related capital expenditure budgets have been included in their improvement plans from 2021.

In line with its 2050 vision, the Group has set an objective of improving energy efficiency by 37% in 2030 compared to 2010, or by 24% compared to 2019 (see section 4.1.4.3 c).

Target 7.a - By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

Michelin firmly believes that no single player will be able to fight climate change alone. Creating the sustainable mobility solutions of the future demands global public-sector partnerships, initiatives by international coalitions, collaborative platforms and synergies among stakeholders up and down the transportation chain.

In response to the climate emergency and social unrest, mobility has to become safer, more sustainable, more accessible and more efficient. Movin’On, an initiative created and inspired by Michelin, gathers a wide range of public organizations, companies, associations and individuals around its vision and gives them the resources they need to innovate together to develop new sustainable mobility solutions. Today, the Movin’On ecosystem brings together over **250 players from 60 different countries**, with its governance shared between several companies. Movin’On LAB as a “Think and Do Tank,” is at the heart of the innovation approach (see section 4.1.4.2 c).



PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

Target 8.4 - Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead Target.

The impact on energy, raw materials, water and other natural resources has to be improved throughout a tire's life cycle by taking a **circular economy approach**.

Between 80% and 95% of a tire's environmental impact occurs during use. To ensure that resources are used more wisely, Michelin is simultaneously rolling out four initiatives. This is what is known as the **Michelin 4R strategy: Reduce, Reuse, Recycle and Renew** (see section 4.1.4.2 a).

Michelin's primary objective is to increase the energy efficiency of tires while simultaneously improving their other performance factors, especially safety, rolling noise and durability. Reducing a tire's rolling resistance also helps to improve a vehicle's fuel efficiency, which in turn reduces both ambient air pollutants, such as NOx and SO2, and carbon emissions during use. In addition, extending tread-life enables more efficient use of raw materials and amortizes the energy used during the manufacturing process over a larger number of kilometers traveled. This is how Michelin is designing tires that meet the challenge of sustainable development. Its approach is based on using **life cycle assessments** to understand the potential impacts of tires and to reduce, or even eliminate, these impacts from the product design phase.

This means the Group is investing heavily and sustainably in research and development in order to provide more environmentally responsible products. The Group has made three commitments in this regard:

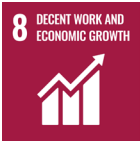
- Improve the overall performance of our products by at least 10% compared with 2010, while using less raw materials in their production;
- Save 3 billion liters of fuel over the lifespan of our tires, thereby reducing CO₂ emissions by more than 8 million tonnes compared with 2010;
- Contribute to the development of a circular economy by increasing the percentage of renewable or recycled materials in our tires to 30%. These commitments are monitored annually (see section 1/ Progress on our Ambitions for 2020).

Target 8.7 - Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Michelin has supported the UN Global Compact since 2010 and upholds both the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The Michelin Group Code of Ethics affirms its opposition to any form of [forced labor](#), as well as to any form of [child labor](#) likely to be detrimental to the health, education or integrity of children and which is not in line with the ILO conventions. The Code accordingly specifies the rules of conduct that all employees are expected to follow to ensure that such situations do not arise.





In line with this commitment, a multi-disciplinary operational committee has been leading a human rights continuous improvement process since 2015. These requirements are also reflected in the special attention we pay to our suppliers (see section 4.1.2.1).

Michelin is also committed to combating forced labor in its subcontracting chain. The Group identifies the sectors/suppliers most at risk and introduces a process to assess and manage this risk in its supply chain. In some of the most at-risk supply chains, particular attention is paid to migrant workers. Migrant workers are among the most vulnerable populations in terms of human rights. Since they often do not speak the local language, they are often without the support of family and friends and are therefore particularly dependent on recruitment agencies and their employers.

To end abuse, exploitation and trafficking, and all forms of violence against, and torture of, children.

The Group ensures that it is not complicit in violating anyone’s human rights, avoids any form of forced and compulsory labor, and is helping to abolish all forms of child labor. Michelin also supports international human rights law by recognizing the fundamental conventions of the International Labour Organization (particularly those relating to the prevention of child labor, forced labor and discrimination) and the OECD Guidelines for Multinational Enterprises.

The Michelin Group Code of Ethics affirms its opposition to any form of [child labor](#) likely to be detrimental to the health, education or integrity of children and which is not in line with the ILO conventions. The Code accordingly specifies the rules of conduct that all employees are expected to follow to ensure that such situations do not arise.

In particular, child labor was examined in detail in 2017, with a review of the legal working age in each of the 18 countries where Michelin has manufacturing facilities; in-country human rights impact studies systematically analyze the potential risks of employing minors, and, based on their findings to date, there is a very little risk of children being employed in Michelin-managed operations. Group suppliers operating in countries where children are at risk of child labor have however been identified.



BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

Our purpose: *“Offering everyone a better way forward.”* The Group has put in place a Sustainable Mobility strategy designed to benefit everyone. It is seamlessly integrated into a circular economy approach (our “4R strategy”), shaped by a commitment to the environmentally responsible management of natural rubber and biomaterials production, which limits our dependence on raw materials derived from fossil fuels. This strategy has delivered tangible results, with Michelin being named the world leader in energy-efficient tires for cars and trucks, the world number one in retreading, etc.

Target 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Michelin’s vision of the tire industry is expressed in its approach to the circular economy and its sustainable use of resources (see section 4.1.4.2 a).

Target 9.5 - Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Innovation has always been the focal point of Michelin’s development strategy. In 2020, 6,000 Michelin employees worked in Research and Development at the Group’s nine research centers located in all its host regions worldwide. Michelin’s growth strategy is underpinned by the Group’s expertise, which is supported by its R&D programs, incubators and targeted acquisitions. Michelin also extends its expertise to customers in other industries through specialized subsidiaries and joint ventures.

A major focus of Michelin’s innovation efforts is decarbonizing the transportation industry: through service offerings for professional fleets, the promotion of innovative mobility solutions using hydrogen fuel cells, and the development of partnerships and collaborative platforms that bring together the world’s leading co-innovation ecosystem for sustainable mobility through the Movin’On Summit and Movin’On LAB (by 2020, more than 250 organizations and companies had already joined Movin’On, since its creation in 2017).



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

Target 10.2 - By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Target 10.3 - Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Target 10.4 - Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

For Michelin, non-discrimination is the non-negotiable bedrock of its Diversities and Inclusion Policy: No discrimination of any form is tolerated anywhere in the Group with respect to anyone or for any reason whatsoever, including in cases allowed by local practice or custom.

When drafting its new Diversities and Inclusion Policy, Michelin developed a **Diversities & Inclusion Management Index**, in order to more effectively track diversity and inclusion performance through targets set for **12 indicators in five categories**, as follows:

- **Gender balance:** “Achieve parity among Group managers and, by 2030, set the gender balance benchmark in our industry”;
- **Identity** (the sum of an individual’s personal characteristics, such as age, sexual orientation, ethnicity or religion): “Enable every person to be who they really are and to bring their authentic selves to work”;
- **Multi-national management:** “All of our host country nationalities and cultures are represented in all the corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business. In each country and region, more than 80% of management positions are held by locals”;
- **Disability:** “Michelin offers career paths to people of all abilities, in accordance with its talent development policy”;
- **Equal opportunity:** “Every employee can develop his or her talents in the company, regardless of where they started at Michelin. As a manufacturing company, Michelin pays particular attention to promoting production operators (category 5)”.

Michelin also applies a policy of non-discrimination and equal pay for equivalent profiles and positions. The same audited method for calculating wage data has been used worldwide since 2012, enabling comparisons between the pay levels of men and women in positions of equivalent responsibility. Michelin aims to achieve a neutral average pay gap between men and women by 2030 (“net” gap, i.e., at equivalent levels of responsibility, seniority and age).



MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE



Target 11.2 - By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

The emergence of new players such as NGOs, regional governments, cities, and social media reflects the importance of soft law. Accordingly, public decisions must be informed by innovative public-private partnerships around the world.

Michelin’s commitment to safe mobility is expressed on three levels (see Objective 3):

- **At the center of its research and development activities:** innovations that guarantee a high level of performance for its products throughout their life cycle.
- **In the countries where we operate:** by committing to road safety, both through employee volunteering in local community engagement programs and through the actions of the Michelin Foundation.
- **Through its tradition of forming close, long-term partnerships:** Michelin has pursued its global commitments in cooperation with organizations as diverse as the United Nations Road Safety Collaboration (UNRSC), the Global Road Safety Partnership (GRSP), the FIA High Level Panel for Road Safety and Youth for Road Safety (YOURS). In connection with these commitments focused on safe mobility, Michelin is also continuing to actively participate in the global Sustainable Mobility for All (SuM4All) initiative led by the World Bank. As the only private-sector representative on the Steering Committee, Michelin, through its Corporate Foundation and local teams, contributed to a pilot sustainable mobility project in South Africa.

In addition, as a member of the World Business Council for Sustainable Development (WBCSD), Michelin is involved in the “SIMPlify” project (previously known as the «Sustainable Mobility Project»). This urban mobility planning tool, which helps cities develop sustainable urban mobility plans, has been successfully tested in six “pilot” cities: Bangkok (Thailand), Campinas (Brazil), Chengdu (China), Hamburg (Germany), Lisbon (Portugal) and Indore (India); the European Commission has endorsed this methodology by developing technical assistance for 55 cities in Europe.

Through its Movin’On Lab, Michelin brings together more than 250 entities (large companies, startups, international organizations, professional and academic organizations, consultants and experts) in Europe and North America in an innovative, collaborative “Think & Do Tank” to promote practical innovations and solutions to drive more sustainable mobility and, ultimately, to bring them to the attention of public authorities.

Target 11.4 - Strengthen efforts to protect and safeguard the world’s cultural and natural heritage.

The [Michelin Corporate Foundation](#) (4.1.2.5 d), created in January 2014, is designed to support high-quality, innovative projects in all countries where the Group operates, in line with Michelin’s humanist culture and values of respect, in five areas: sustainable mobility, sports and health, community support and education, environmental protection, culture and heritage. In 2020, 98 projects were supported financially, for more than €18 million.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Target 12.2 - By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.4 - By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Target 12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Target 12.8 - By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

Michelin is constantly enhancing its expertise in life cycle assessments and is gradually introducing a systematic evaluation process for all new product projects based on an eco-design strategy. The aim is to gain a better understanding of the environmental impact of the raw materials used and of its products, and to guide design choices (see section 4.1.4.2 a).

Michelin fulfills its registration requirements as a chemical manufacturer or importer and verifies that the chemicals it uses have been registered by the suppliers, thereby ensuring that it is in compliance with REACH. (see section 4.1.1.3 b) A wide range of initiatives are in place to manage chemicals and attenuate their potential impacts throughout the tire life cycle (see section 4.1.4.2 a).

To support the circular economy and ensure that resources are used more wisely, Michelin is simultaneously rolling out four initiatives. This is what is known as the Michelin 4R approach: *Reduce, Reuse, Recycle and Renew*.

Reduce: This aspect involves using fewer raw materials and less energy to make tires that are lighter, longer-lasting and more energy efficient, thereby helping to reduce vehicle fuel consumption, all while delivering the same safe driving experience and ever-improved tire performance (see section 4.1.4.2 c).

Reuse: Michelin innovates to guarantee the longevity of its products. By repairing, regrooving and retreading truck, construction and agricultural aircraft tires, it is possible to conserve raw materials during the use phase and to extend their life (see section 4.1.4.2 c).





Recycling: For many years, Michelin has been working to set up technical and economical systems for recycling and processing end-of-life tires. Work is carried out in consultation with all the stakeholders concerned through the various associations of which Michelin is a member (see section 4.1.4.2 c). The Group is actively involved in end-of-life tire recycling programs and is also exercising its influence to encourage material recovery, which optimizes the reuse of tire components as secondary raw materials and offers a substantially smaller carbon footprint than energy recovery. Michelin manages **BlackCycle**, the European project for recycling used tires into new ones. This public-private partnership is supported by the European Union as part of the *Horizon 2020 program, project number 820687*. At the same time, Michelin is also involved in other recycling ventures, such as plastic waste recycling (see section 4.1.4.2 c).

Renew: Michelin is committed to ensuring that by 2050, all the materials used to make its tires are sustainable. To meet this major challenge, the Group is encouraging the use of sustainable recycled, but also biosourced materials such as natural rubber and certain plant-based oils and resins, among others.

In the bio-based materials sector, Michelin is developing its natural rubber supply in a sustainable and responsible manner. At the same time, the Group is carrying out research projects such as *BioButterfly*, *BioImpulse* and *Bio-Speed*, to develop innovative products from biomass (see section 4.1.4.2 c).

In its manufacturing operations, the Group's Waste Policy is based on three principles: reducing the amount of waste produced, in particular through reuse; recovering and reusing all of the waste produced; and focusing waste treatment processes on recovering and reusing materials rather than recovering energy through burning.

Between 2005 and 2020, the volume of waste generated per tonne of finished product has decreased by around 32%, and the volume of waste landfilled has fallen by more than 92%.

In line with its 2050 vision, the Group has set an intermediate objective of reducing the amount of waste produced per tonne of tires manufactured by 25% in 2030 compared to 2019 (see section 4.1.4.3 e).



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Target 13.1 - Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Since 2018, the Group has been implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a body operating under the aegis of the G20 Financial Stability Board and showed its support in 2020 as a signatory.

Embracing TCFD principles implies driving change up, down and across the entire organization as it shifts to a market strategy and operations consistent with the below 2°C global warming scenario, while addressing the impacts arising from above 2°C scenarios (see section 4.1.4.1 c).

In line with recommendations issued by the Group's risk managers, business continuity plans in the event of extreme weather events have been reviewed in every host country.

A specific risk concerning the "global impact of the physical effects of climate change on supply chain and business continuity" was added to the environmental risk map in 2020 (see section 4.1.4.1 b).

Target 13.2 - Integrate climate change measures into national policies, strategies and planning.

Given the challenges of climate change for the company and its activities, the Michelin Group is taking action to promote an energy transition and low-carbon mobility through a policy introduced in 2015 and shaped around five areas: reducing carbon emissions from its manufacturing operations in absolute value, with the goal of reaching net zero emissions by 2050; reducing carbon emissions from activities in both the upstream and downstream value chain; reducing the energy consumption generated by tires in use; capitalizing on its expertise, culture of innovation and advanced research to develop new technologies, new low-carbon energy sources and new forms of mobility for people and goods; and supporting the introduction of a global carbon pricing system (see section 4.1.4.1 a).

Michelin is committed to sustainable mobility at the international level as a member of the [SuM4All](#) (Sustainable Mobility for All) Consortium Steering Committee. This World Bank-led global initiative is designed to give countries the resources they need to improve performance in the four core components of sustainable mobility: universal access, efficiency, safety and green.

The Group is also committed to the [Transport Decarbonisation Alliance](#) (TDA), a coalition of the "3Cs" (Countries, Cities/Regions and Companies) that are driving the systemic transformation of mobility with their mutual commitment to devising real-world solutions for a net-zero emissions transportation industry by 2050, particularly in the freight segment.

Michelin continues to support the [Paris Process on Mobility and Climate](#) (PPMC), the historic coalition of non-government transportation stakeholders formed in 2015 during the French-led COP 21 conference. A major point of methodological reference for industry-wide decarbonization strategies, PPMC actively contributed to the completion and publication of national transportation roadmaps in two countries, India and Côte d'Ivoire, following on from Morocco in 2017. These projects, which are designed to help shape national low-carbon strategies, were supported with funding from the Michelin Corporate Foundation.



CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS, AND MARINE RESOURCES

Contributions to this Goal are made indirectly through the other related Goals (such as SDGs 2, 6, 12 and 15).



SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, HALT AND REVERSE LAND DEGRADATION, HALT BIODIVERSITY LOSS

Target 15.1 - By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

Target 15.2 - By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Target 15.5 - Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Target 15.8 - By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.

Target 15.C - Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.

Michelin is aware of the need to preserve biodiversity and ecosystems in order to conduct its business in a sustainable manner, and takes the environmental impacts of its products, operations and sites into account from the design phase.

As one of the world's leading purchasers in the natural rubber industry, Michelin pays particular attention to the responsible and sustainable management of the rubber industry.





Through its Sustainable Natural Rubber Policy, Michelin reaffirms its zero deforestation objective and its commitment to protecting biodiversity by upholding the following principles: protecting and preserving High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatlands; protecting wildlife, including rare, threatened, endangered and critically endangered species from poaching, over-hunting and habitat loss and avoiding the introduction of invasive alien species; raising awareness of biodiversity conservation among local communities and stakeholders; preserving surface water and groundwater; safeguarding soil quality; using pesticides and chemical inputs judiciously; managing waste responsibly; prohibiting the use of open burning/ fire in managing land and waste; reducing greenhouse gas emissions from rubber production and processing. (see [Sustainable Natural Rubber Policy](#))

Michelin is leading several projects to preserve and restore tropical forests and to research and preserve biodiversity around the world. Examples include the Michelin Ecological Reserve (REM) in Bahia, Brazil; the RLU project in Indonesia as a joint venture with its partner Barito Pacific; and through its partnership with the Société Internationale de Plantation d'Hévéas (SIPH) in West Africa. (see [Sustainable Natural Rubber progress report 2015-2020](#))

Through its partnership with the NGO World Wildlife Fund (WWF), in effect since 2015, Michelin is trying to encourage key rubber tree farming stakeholders to take action so that responsible natural rubber production becomes the norm. This commitment played a key role in setting up the multi-stakeholder [Global Platform for Sustainable Natural Rubber](#) (GPSNR). An independent platform, the GPSNR is designed to lead improvements in the socio-economic and environmental performance of the entire natural rubber industry (see section 4.1.1.3 c).



END POVERTY IN ALL ITS FORMS EVERYWHERE



Target 16.2 - End abuse, exploitation, trafficking and all forms of violence against and torture of children.

The Group ensures that it is not complicit in violating anyone's human rights, avoids any form of forced and compulsory labor, and is helping to abolish all forms of child labor. Michelin also supports international human rights law by recognizing the fundamental conventions of the International Labour Organization (particularly those relating to the prevention of child labor, forced labor and discrimination) and the OECD Guidelines for Multinational Enterprises.

The Michelin Group Code of Ethics affirms its opposition to any form of [child labor](#) likely to be detrimental to the health, education or integrity of children and which is not in line with the ILO conventions. The Code accordingly specifies the rules of conduct that all employees are expected to follow to ensure that such situations do not arise.

In particular, child labor was examined in detail in 2017, with a review of the legal working age in each of the 18 countries where Michelin has manufacturing facilities; in-country human rights impact studies systematically analyze the potential risks of employing minors, and based on their findings to date, there is a very little risk of children being employed in Michelin-managed operations. Group suppliers operating in countries where children are at risk of child labor have however been identified.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Target 16.5 - Substantially reduce corruption and bribery in all their forms.

In 2010, Michelin formalized a set of basic rules and guidelines to govern all employee decisions related to preventing corruption in its [Code of Ethics](#).

To strengthen this system, an easy-to-understand, practical [Anti-Corruption Code of Practice](#) for all employees was published in 2015 and updated in 2020, demonstrating the Group's commitment to building its sustained growth on fair and ethical business practices. The new Code is designed to raise manager and employee awareness of the actions that may indicate an attempt at corruption, by providing examples and offering advice on how to counter such attempts. More specifically, it deals with typical cases such as bribes, kickbacks and payoffs, the use of agents and brokers, payments for favors or other inducements, charitable or political contributions, gifts and invitations. In 2018, Michelin formally introduced an Anti-Corruption Compliance Program (ACCP), structured around existing procedures. In compliance with France's Sapin II Act, the program describes corruption and bribery-related risks and the procedures for managing them, then defines the measures to be put in place to ensure compliance with the Group's policy of zero tolerance for corruption. It applies to the entire Group and has been deployed in every host region.

17 PARTNERSHIPS FOR THE GOALS



REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Target 17.16 - Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

Target 17.17 - Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Mobility is at the heart of human development; it is essential to our societies and for the benefit of everyone. The Michelin Group has been committed to more sustainable mobility since 2010 and is a signatory to the United Nations Global Compact and its 10 principles, which are a voluntary commitment framework, an international benchmark and a platform for action and interaction. Sustainable mobility is an essential driver for any global sustainable development program: it fuels growth, which is necessary for health, employment and culture. In order to succeed, it requires the collaboration of public authorities (national for roadmaps, as well as local for road safety). To give the transportation industry a voice during COP21, Michelin, along with a group of NGOs, created the [Paris Process on Mobility and Climate](#) (PPMC) in 2015. This platform has helped to structure and bring the voices of non-governmental players in sustainable mobility to the fore in the climate negotiations since COP21. The PPMC recommends the development of a Global Macro-Roadmap to transform Transport by 2050, which is fully in line with the Paris Agreement.

In terms of technological innovation, the Group is also practicing an open innovation approach, with 300 operational research partnerships around the world. Through its [Movin'On Lab](#), Michelin brings together **more than 250 organizations** (large companies, startups, international organizations, professional and academic organizations, consultants and experts) from 60 countries in an innovative, collaborative "Think & Do Tank" with a shared governance structure for several companies. Its goal is to promote practical innovations and solutions for better sustainable mobility and, ultimately, to bring them to the attention of public authorities. Building on the OpenLab, the annual "[Movin'On Summit](#)" (formerly Challenge Bibendum) has established itself as the world's leading annual event for sustainable mobility. [Movin'On](#) is therefore the world's leading co-innovation ecosystem focused on sustainable mobility.