

MICHELIN MASTER POLICY ON HUMAN RIGHTS

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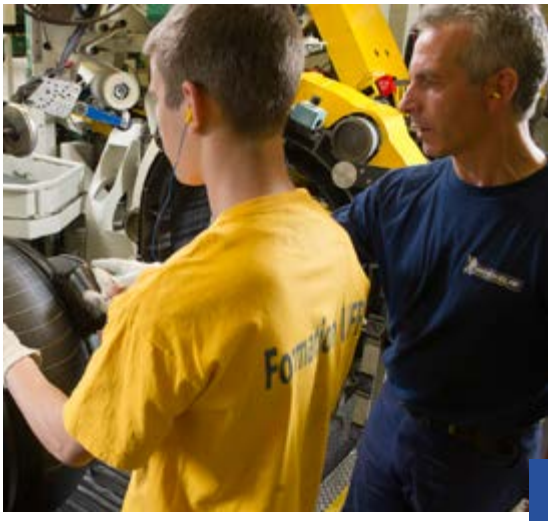
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I. GENERAL POINTS

INTRODUCTION

Since its origins in the 19th century, the Michelin Group has been especially concerned with the well-being of its employees, and respect for people is one of its founding values. Today, the company is aware more than ever of its responsibility towards its various stakeholders. The "All Sustainable" strategy that governs all its activities advocates balance between People, Planet and Profit, and respect for all the stakeholders with which it interacts: employees, business partners, suppliers, local communities, etc.

This policy is also part of the duty of care that Michelin recognizes it has towards all its stakeholders. It specifies the Group's expectations concerning this duty of care with regards to human rights.

The principles conveyed by this policy for each subject are guided directly by our ethical values and international law, and in particular by the fundamental ILO conventions and the UN guiding principles on business and human rights and the Universal Declaration of Human Rights. These are also the results of many working sessions with the UN Global Compact and other bodies specializing in these subjects.

While several of Michelin's founding documents already set out the company's undertakings on some subjects(1) coming under human rights, the Group wished to present a clear and accessible summary of the main actions required in this matter in a single document. This policy is specified and completed in the various, more detailed documents to which reference is made in some chapters.

(1) These include: Diversity and Inclusion Policy, Health and Safety Policy, Anti-Harassment Policy, Purchasing Principles, Code of Ethics, Employee Relations Policy.

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SCOPE OF THE POLICY

This policy applies to all activities by Michelin, its subsidiaries and joint ventures in which the Group is the majority holder.

It is also promoted in the companies in which Michelin holds a minority or 50/50 share.

The Group's suppliers are asked to comply with Michelin's Purchasing Principles, which are in line with this policy.

All our stakeholders and in particular our business partners are made aware of this Human Rights policy and the main documents that complete it (in particular the Purchasing Principles). Michelin uses its power of influence to ensure that the policy is respected by its partners, and in particular by its suppliers.

HUMAN RIGHTS POLICY AND LOCAL LAW

The Group's entities implement this policy, including in countries where the local regulations are not prescriptive on these subjects.

In the event of a difference between the national legislation and this policy, the standard most protective of human rights shall apply.

If, for a given subject, this policy proves to be contradictory to local law, the latter must be applied, and solutions must be sought to allow compliance with the spirit of this policy's principles.

When this policy goes against local customs without being contrary to local law, it must nevertheless be applied by management in good faith.

GOVERNANCE

The Group's human rights governance[2], as well as that for the health and safety of people on subjects concerning them, are responsible for defining, applying, deploying and updating this policy. They decide on the actions for progress and improvement, in accordance with the results seen and new knowledge in this topic.

In the Group's various geographical regions, the Regional Director is the guarantor for implementing it in all the companies and entities in his/her scope. To do this, he/she may appoint one or more operational managers (HR, Purchasing, Industry, etc.) and rely on the regional ethics committee to handle complaints on ethical lines[3]. These managers are trained in human rights.

(2) The Group's Human Rights governance is chaired by the Director of Personnel and includes three members of the Executive Committee.
(3) Especially for complaints relating to harassment.

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IMPLEMENTATION OF THE DUTY OF VIGILANCE

Given the extremely vast field concerned by the expectations of the human rights policy, the following is requested, at Group level and at geographical region level, across all the fields of this policy, distinguishing Michelin Group activities from those of suppliers:

① Perform risk assessments in order to identify the main risks on human rights[4]. These maps are regularly updated.

② For the topics identified as a priority, analyse the variance between the actual situation and the policy expectations.

③ When differences are noted between the local situation and the requirements of this policy, draw up and implement action plans.

④ Define monitoring and progress indicators, the results of which are presented regularly to the human rights governance[5].

⑤ If, for a given country, it is considered that the variances cannot be overcome satisfactorily due to a specific context, the human rights governance[6] must be informed in order to take the appropriate decisions.

This implementation of the duty of care on human rights is an ongoing process of progress that will continue over time.

ACQUISITIONS AND CREATION OF JOINT VENTURES

A human rights evaluation (due diligence) is performed during the acquisition of a new company or the creation of a joint venture. The information from this analysis is taken into consideration during the decision-making phases of the acquisition or joint-venture creation project.

Clauses relating to human rights must be integrated into all our acquisition and joint-venture contracts and Michelin must ensure their proper application.

Furthermore, if this proves necessary, a human rights action plan is defined and implemented to reach the Group's standards within a maximum of 5 years.

With regards to the companies in which Michelin holds a minority share, Michelin's company representatives are trained in human rights and bring the principles of this policy to board meetings.

(4) The main criteria for risk analysis are: the severity of the impact on people and the probability of occurrence. External organizations, such as VeriskMaplecroft, can help define the level of risk.
(5) And to the Ethics Committee when in relation to harassment.
(6) And the Ethics Committee when in relation to harassment.

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SUPPLIERS

Michelin's suppliers must comply with the "Michelin Purchasing Principles", which include a section dedicated to human rights. Michelin supports its suppliers in implementing these principles.

Furthermore, in accordance with the "Responsible and Sustainable Purchasing Policy":

- A mapping is done of the purchasing categories and countries most exposed to human rights risks is, and in particular the natural rubber supply chain.
- Suppliers are assessed on their CSR (Corporate Social [and environmental] Responsibility) performance, with specific attention to human rights.
- CSR criteria are taken into consideration in calls for tender.

Instructions focussed more closely on natural rubber supplies are set out in the "Sustainable natural rubber policy" that applies to the Group, its joint-ventures and its suppliers.

References:

- **Michelin Purchasing Principles:**
  - Michelin Purchasing Principles
- **Michelin Sustainable Purchasing Policy:**
  - Michelin Sustainable Purchasing Policy
- **Sustainable natural rubber policy:**
  - Sustainable natural rubber policy

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REPORTING, REMEDIATION AND SANCTION MECHANISM

Any Group employee or external stakeholder can and must report any infringements of the principles set out in this policy via the ethics line . The Group's employees can also make a report via a manager, an HR dept. member, the DCSE (safety and prevention) dept., the legal dept., or an ethics correspondent.

People who report a possible violation of this policy can in no event be subject to reprisals.

Every report is received and analysed securely and confidentially by persons authorized to do so by the Group.

The Group's Ethics Committee and the regional ethics committees ensure this mechanism is correctly implemented.

Remediation et reparation:

If, following a report, the verifications and investigations carried out show a breach of human rights, dialogue must be held with the victims, reparation measures must be established, and the prevention mechanisms must be boosted. Compensation is considered depending on the situation.

Non-compliance with human rights on the part of a Group employee is sanctioned, regardless of his/her position, according to the applicable procedures and laws.

Remediation concerning commercial partners:

If a breach of human rights or a risk prevention failing is seen in a business partner (stakeholder, client, supplier, consultant, etc.), dialogue is held with the person concerned, or in the case of a company with the company manager, in order to remedy the situation. Failure to implement remediation or corrective measures must result in the Group questioning the partner in this regard, and may lead to termination of the commercial relationship.



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II. PRINCIPLES BY SUBJECT

DISCRIMINATION

Michelin wants each of its employees and stakeholders interacting with the company to feel respected in their authenticity and uniqueness, and does not tolerate any form of discrimination. Any employee, candidate, client, supplier, neighbour or other stakeholder must be treated with the same level of dignity and respect, without consideration of identity, gender, age, religion, culture, social background, nationality, ethnicity, disability, sexual orientation, trade union membership, marital status, political views, or physical appearance, etc.

Vigilance is maintained in order to grant equal opportunities to all, especially during recruitment, salary decisions, career paths, access to training and working conditions.

References:

- **Ethics Code:**
  - Discrimination - Michelin - Behavioural Guide: Michelin – Behavioural Guide
- **Diversities and Inclusion Policy:**
  - Diversities & Inclusion Policy (sharepoint.com)

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HARASSMENT

The Michelin Group wants to offer its employees a welcoming and safe working environment, where everyone can progress without obstacles or fear. It does not tolerate any form of harassment, whether psychological or sexual, towards any person with whom time is spent within the work environment, including when this concerns external stakeholders (candidates, suppliers, clients, partners, retailers, and visitors).

It promotes an environment in which people express their difficulties with confidence and undertakes that any person reporting a case in good faith shall be protected from any reprisals. It also ensures that no person committing harassment is protected as a result of his/her position in the company.

Michelin is also mindful that the company's transformation projects do not generate a form of systematic harassment, and involves employees in designing the prevention measures relating to structural changes.

People who have suffered harassment will be acknowledged as victims and assisted with their personal recovery and professional situation.

References:

- **Ethics Code:**
  - Harassment - Michelin – Behavioural Guide: Michelin – Behavioural Guide
- **Anti-harassment Policy:**
  - Anti-harassment Policy (sharepoint.com)

HEALTH & SAFETY

Michelin strives to procure a safe working environment and working conditions for all its employees, that protect their physical and mental health, favour their work-life balance and their wellbeing, and sustainably maintain their skills. It has the following principles applied:

- The health and safety of people takes precedence in every decision or action.
- The company implements the means and conditions to sustainably protect the health and skills of people in the workplace and to reduce occupational health risks.
- Everyone has the duty to have any risky situation stopped. They have the right not to perform operations for which they have not been trained and validated in order to act safely.
- An employee intervening on sites outside the Group - for example, on a client site - has the right and duty to refuse any operation if he/she honestly believes that the intervention conditions are unsafe.
- The opinions of staff and their representatives are taken into consideration when defining action plans to improve working conditions.

Michelin strives not only to ensure the safety of its employees, but also that of staff from exterior service provider companies and visitors.

References:

- **Health and safety policy:**
  - Health and safety Policy (sharepoint.com)
- **Ethics Code:**
  - Health and safety - Michelin - Behavioural Guide: Michelin – Behavioural Guide

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DECENT WAGE AND SOCIAL PROTECTION

Michelin ensures that its employees receive a decent wage allowing them to have sufficient income to meet their essential needs and that of their households[7] (food, housing, transport, children's education, and healthcare), but also to create a rainy-day fund. It also asks its suppliers to ensure that their employees receive such decent remuneration.

Furthermore, Michelin wants to ensure every Group employee and their families, throughout their career with the company, has a set of essential social care guarantees, which supplement the national public systems when needed:

- leave to accompany the birth or adoption of a child.
- life insurance paid to the family.
- access to a healthcare program (hospitalization costs, emergency treatments, costs relating to maternity, consultations and treatment).

FREEDOM OF ASSOCIATION AND COLLECTIVE NEGOTIATION

Wherever it is present, Michelin promotes and organizes an open and constructive social dialogue between the management and employee representatives, complying with the freedom of association and the right to collective bargaining.

This social dialogue is based on employee representation independent of the management structure.

When the law or culture is not conducive to this, the local management seeks ways for employees to participate in creating collaborative solutions.

The aim of the social dialogue is to undertake a co-construction approach and reach balanced solutions between the interests of the company and the employees.

The company shares with employees or their representatives the information allowing them to get to grips with the issues relating to their entity and the company.

Staff representatives do not suffer any discrimination and the skills they display within the framework of their action are taken into account when managing their careers.

Reference:

Employees Relations Policy:

Employees Relations Policy (sharepoint.com)

(7) The average household includes 2 adults, of which only 1 has an income, and 2 children.

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PRIVACY AND PERSONAL DATA

The Michelin Group believes that the protection of personal data constitutes a vector of trust, especially in its relations with its employees, clients, suppliers or partners. The Group consequently undertakes to comply with the following principles[8]:

- When collecting data, the data subject is informed of the use that will be made of such;
- The data is processed for a specific, determined and explicit purpose, and will not be processed subsequently in a manner incompatible with the initial intent;
- Each item of data collected is limited to that strictly required in relation to the processing process;
- The data is accurate and, if necessary, updated regularly;
- The data is not kept for longer than necessary with regard to the processing purpose;
- The data is protected against any unauthorized access and against loss or destruction.

References:

Personal data protection:

Group Personal Data Protection Directive 06-2021.docx (sharepoint.com)

Ethics Code:

Protection of Privacy and Personal Data - Michelin - Behavioural Guide: Michelin - Behavioural Guide.

CHILD LABOUR

At Michelin, we are opposed to any form of child labour likely to harm their health, schooling or integrity and that is not in line with the ILO conventions.

We want to protect children, support their physical and psychological development and exclude from our activities and those of our suppliers any labour that contravenes these principles.

The Michelin Group does not employ people under the age of 18.

Exceptions are possible for people between the ages of 15 and 18 within the framework of a training course or in certain sectors (agriculture, especially in low developed countries etc.), if this is not detrimental to their schooling or their development or health, and does not expose them to any dangerous work, and is in compliance with ILO Conventions 138 and 182 and with national law (ad-hoc, light work that is not detrimental to schooling or health).

Reference:

Ethics Code:

Child labour - Michelin - Behavioural Guide: Michelin - Behavioural Guide

(8) In accordance with the local regulations applicable to personal data, including the RGPD (General Data Protection Regulation) and Convention 108 of the Council of Europe on the protection of individuals with regard to the processing of personal data.

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FORCED LABOUR

Michelin is opposed to forced labour, which is characterized by situations in which workers are forced to produce work or a service against their will, without a salary, and/or under illegal threats of force, fraud, coercion, debt or the withholding of identity papers. This means that:

- Employment contracts are legible and understandable for all employees.
- An employee is not coerced to work, and his/her autonomy is respected.
- Every employee has free possession of their identity papers and can terminate the employment contract on their initiative, subject to the notice period provided by local regulations or the employment contract.
- Jobseekers are prohibited from paying commission or recruitment fees.
- Compliance by the recruitment and temping agencies appointed by the Group with the above principles is verified, and in particular that these do not put the employee into debt, which can create a form of servitude towards the employer.

Michelin is also combatting forced labour in its supply-chain and pays specific attention to migrant workers, who form part of the most vulnerable populations in this regard.

Reference:

Ethics Code:

Forced labour - Michelin - Behavioural Guide: Michelin – Behavioural Guide

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IMPACT ON LOCAL COMMUNITIES

The Michelin Group wants to carry out its activities in harmony with the local communities and with respect to their rights, wherever they are located, and seeks for their presence to be beneficial. To this end:

- **The interests, requirements and rights** of surrounding populations, including the most vulnerable groups, are identified upstream of a construction, site development, or land acquisition project, by means of a human rights impact study and consultations with the local communities. Projects are adjusted as a result, so that they benefit the communities in as far as possible and do not damage their health, safety, access to natural resources or cultural heritage.
- **Opportunities and beneficial actions** are sought for local stakeholders (employment, common projects).
- **Direct, regular, transparent and quality communication** is held with the local communities and all stakeholders present near active sites.
- **A complaint handling mechanism** is accessible and made clear to local communities. Every complaint is treated and if damage has been caused to them, this gives rise to suitable reparations and compensation.

Reference:

Ethics Code:

Local communities - Michelin - Behavioural Guide: Michelin – Behavioural Guide

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Owner: DCP/DMD – Publication date: December 2022 - Contact: sophie.perrier@michelin.com

Design: All Contents AURA - 22090268 - Photo credits: Michelin, 123RF.

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