

# Michelin Code of Ethics

*The Code of Ethics applies to all Group employees without exception, as well as to people working on our sites or on behalf of a Group entity, all over the world.*

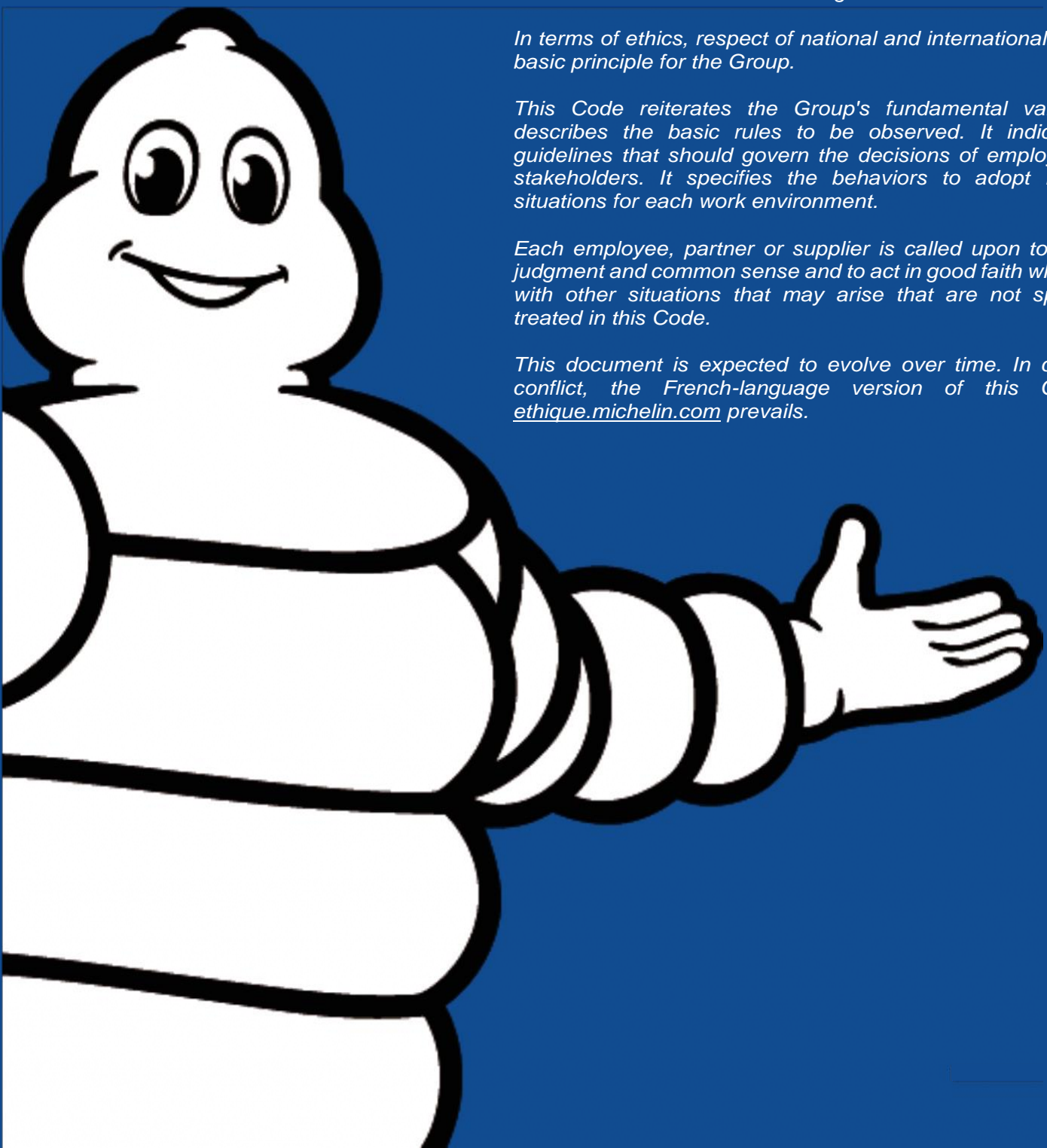
*Michelin also encourages its customers, suppliers and other partners to adhere to this Code; in many cases the respect of this Code is made a condition of doing business with the Group.*

*In terms of ethics, respect of national and international laws is a basic principle for the Group.*

*This Code reiterates the Group's fundamental values and describes the basic rules to be observed. It indicates the guidelines that should govern the decisions of employees and stakeholders. It specifies the behaviors to adopt in typical situations for each work environment.*

*Each employee, partner or supplier is called upon to exercise judgment and common sense and to act in good faith when faced with other situations that may arise that are not specifically treated in this Code.*

*This document is expected to evolve over time. In case of a conflict, the French-language version of this Code on [ethique.michelin.com](http://ethique.michelin.com) prevails.*



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# *Michelin Code of Ethics*

## *Acting Ethically Every Day*

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Michelin also encourages its customers, suppliers and other partners to adhere to this Code; in many cases the respect of this Code is made a condition of doing business with the Group.

In terms of ethics, respect of national and international laws is a basic principle for the Group.

This Code reiterates the Group's fundamental values and describes the basic rules to be observed. It indicates the guidelines that should govern the decisions of employees and stakeholders. It specifies the behaviors to adopt in typical situations for each work environment.

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## *A word from the Partners*

### **Our Group is united by its values**

Michelin needs the contributions of each and every one of us to meet the challenges posed by our environment, our customers and our markets. Building together the Michelin of tomorrow means first of all coming together around the values of our Group and making a collective commitment to its success.

This commitment must be carried out ethically everywhere and all the time, in order to assure Michelin's sustainability. This responsibility must be assumed by everyone in the Group. Our strategy, our behavior and our business practices must embody this.

### **This is why Michelin is committed to:**

- Frame its business practices through the creation and distribution of foundational documents, such as this Code of Ethics and the Anti-Corruption Code of Practice. Failure to comply with the rules and

guidelines issued by the Group may result in liability of employees and expose them to disciplinary sanctions.

- Ensure respect for human rights in all of its activities, and wherever the Group is present.
- Implement policies aimed at reducing the risks associated with the environmental footprint of activities, products and services.

### **A Code of Ethics to guide you toward the right behaviors**

This Code aims to help our employees and partners to adopt appropriate behaviors in relation to certain situations that may present risks for themselves or for Michelin.

#### **This Code**

- Reiterates our values and our fundamental guiding principles.
- Tells our employees how to react to the most frequently encountered situations.
- Clearly expresses the behaviors to adopt in line with our values and procedures (“Dos / Don’ts” section).
- Also deals with more complex situations and explains the course of action to be taken (“Practical Cases” section).
- Provides a list of experts to consult in case of doubts (“Whom to contact” section).
- Proposes a list of additional documents to be consulted (“References” section).

### **Every employee is the ambassador of Michelin's values**

Like safety, ethics is everyone's business.

The force and respect of this Code depends on the commitment of each employee, regardless of their title or function. Our individual and collective conduct must conform to the values of the Group. We are all guarantors of the values, reputation, image and heritage that the Michelin Group builds and strengthens over time, to assure the protection of its employees and its sustainability.

Each employee should take the time to read this document carefully and should apply themselves to implementing its precepts on a daily basis.

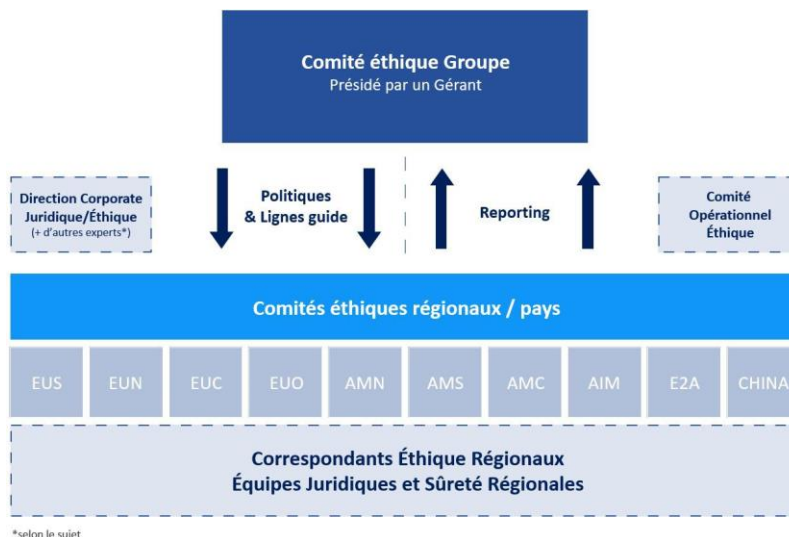
**Florent MENEGAUX**

President of the Michelin Group

**Yves CHAPOT**

Partner and Director of Administration and Finance

# Ethics Governance and Organization



## Missions of the Group Ethics Committee

- Promote an ethical culture
- Assure the Group's commitment to ethics
- Steer the ethics strategy
- Assure the coherence of the Regions' actions
- Validate the Group's ethics program, including key policies and the actions to be taken to ensure continuous progress

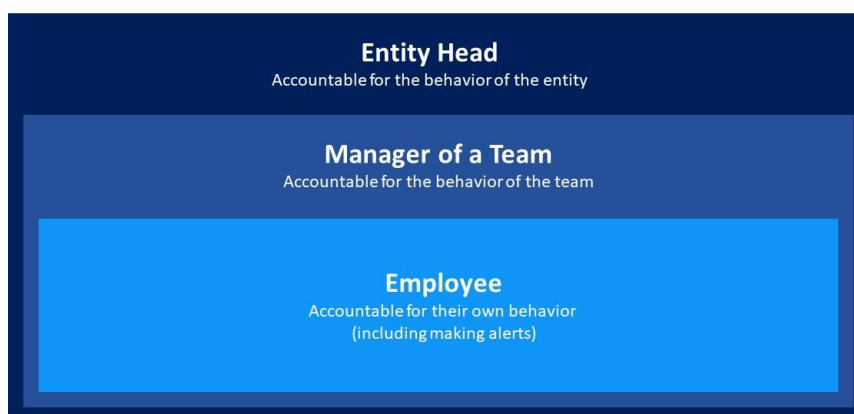
## Roles et Responsibilities



All Michelin employees, no matter what country they are in, must personally respect the principles and prescriptions of this Code. Thus, each employee is a stakeholder in the Group's performance and an ambassador of its values.

The Group also encourages each employee to share and circulate this content among their colleagues and external contacts, in a spirit of respect and dialogue, in order to actively contribute to everyone's well-being at work and to our collective performance.

The scenarios addressed in this Code cannot be exhaustive. Therefore, each employee is called upon to exercise judgment and common sense in the face of various situations that may arise, according to the values and guiding principles reiterated here. If the information in this Code is not sufficient to guide your judgment, we invite you to contact your manager or a representative of the Legal Department. Your questions are welcome.



## CONSEQUENCES OF NOT FOLLOWING THIS CODE

Failure to comply with the principles and prescriptions set out in this Code could expose an employee to disciplinary action, up to and including termination, and to civil actions or criminal prosecution. It is therefore the responsibility of each employee to read, understand and follow all of the Code's principles and prescriptions.

In the event of a conflict between this Code and applicable law or another applicable policy of the Group or a Group entity, the stricter rule will prevail. It is the responsibility of each employee, in collaboration with the Legal Department, to fully understand the scope of such exceptions.

## My role as a manager



As a manager, you contribute not only to the Group's performance, but you also assure the well-being of your team.

You inspire your employees by your exemplary behavior, and create the trust necessary to encourage their questions : you regularly let your team members know that you are listening to them, reminding them that retaliation against an employee who, in good faith, makes an alert about a possible violation of this Code is not tolerated.

### *Regarding people under my responsibility*

## Information

- I make sure that **they know and respect the values, principles and prescriptions defined by the Michelin Group, including this Code.**
- I point out **the content** of this Code that is **most relevant to their activity.**
- **I lead by example**; by not hesitating, if necessary, to share my questions, or to report inappropriate behavior.

## Support

- Accountability: when an employee tells me about an ethical concern, I ask them beforehand if they have used the **questioning procedure in the Code**. If not, I go through it with them.
- I make sure that **they respect the applicable laws and regulations**.
- If doubt remains about a situation, I make sure that **the experts referenced in this Code** are contacted to provide an answer (*refer to the section "Whom to Contact" at the end of each page*).
- **I make sure that no one is subjected to retaliation** of any form for reporting in good faith an inappropriate situation or for raising a question.
- **I make sure that any ethical concerns or alerts are transmitted to the [Ethics Line](#)** so that they can be recorded and treated quickly and efficiently.

## Protection of whistleblowers

Using the [Ethics Line](#) allows you to make an alert anonymously, confidentially and securely.

**Even if you are not certain that an alert is appropriate in a given situation, reporting it on the Ethics Line will allow you to learn how the situation is viewed and will help ensure that it is treated appropriately.**

No matter what method of alert is used, **no one is permitted to take retaliatory action against an employee who, in good faith, has reported** a possible violation of this Code, of the law, or of Michelin's principles and prescriptions.

Any employee who believes they are the subject of retaliation must report it using this same procedure.

More information: [Michelin Group Ethics Line](#).

## My role as an employee



By their behavior, each employee is an ambassador of the Group and its values. Adherence to this Code is therefore necessary as much for the individual and collective well-being of everyone in the company as for Michelin's reputation.

In case of doubt as to what action to take, an employee should refer to this Code.

## Do: I must

- **Abide by the applicable laws and regulations.**
- **Abide by the values, principles and prescriptions defined by the Michelin Group.**
- **Share my questions or make an [alert](#)** if I encounter a professional situation that does not appear to respect Michelin's values, the applicable laws and regulations, or this Code, for myself or a colleague. *There are several ways that I can make an alert: the [Ethics Line](#), the Personnel Department, the Security Department, the Legal Department, my manager or another manager, the medical officer, or*



*the Region Ethics Correspondent.*

- **Know and understand** the subjects treated in this Code and the recommendations and behaviors to adopt with respect to my work- related activity.
- **Share the contents** of this Code, in a spirit of respect and dialogue, to contribute actively to well-being at work and to the Group's performance.
- **Use good judgment and common sense** when faced with the various situations that could arise, following the values and guiding principles in this Code.
- **Be an example** by not hesitating to ask questions or to report inappropriate conduct.

## If I have a doubt

- If in doubt about what to do, this guide indicates **the expected behavior in a certain number of typical situations** ("Dos / Don'ts").
- This Code treats **more complex situations, through "Practical Cases"**.
- If I cannot find an answer suited to my situation, I consult **the specific documents and the experts mentioned** after the practical cases.
- For further guidance, I use the **tables offered on the [Questions](#) page**.
- I consult with **my manager** or with **a representative of the Legal Department**.

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Any employee who believes they are the subject of retaliation must report it using this same procedure.

More information: [Michelin Group Ethics Line](#).

## Questions and Alerts



Michelin's continued success depends on the willingness of its employees to conduct their activities with integrity and in full compliance with laws and regulations, as well as the Group's principles and prescriptions.

Ethical and compliant behavior that reflects the values of our Group is important to employees, customers, shareholders and the Group. Michelin is counting on you to protect its employees, to preserve the Group's reputation and integrity and to protect it from the risk of financial and legal damage.

# Questions



Respect for people is at the heart of Michelin's values.

The Group encourages dialogue and free expression enabling everyone to raise their concerns. Michelin is committed to promoting the development of all and operating in accordance with the regulations of the countries in which it operates.

The information set out in this Code will give employees the tools they need to make ethical decisions while respecting Group principles and prescriptions. However, some answers are not obvious. Here is a list of questions to ask yourself before making a decision.

***If I have any doubt about whether a situation/decision/action is ethical, I ask myself the following questions:***

Faced with making a decision				
	I say NO	I talk about it with my manager	I consult this Code	I continue with these questions
<b>Is it Legal ?</b>				
Oui		•	•	•
Non	•			
<b>Does it risk harming the Group's reputation ?</b>				
Oui		•	•	•
Non			•	•
<b>Am I willing to take responsibility for it ?</b>				
Oui			•	•
Non	•			
<b>Does talking about it openly pose a problem for my conscience ?</b>				
Oui		•	•	•
Non			•	•
<b>Does it comply with this Code ?</b>				
Oui				
Non	•			

Faced with an action that has already been taken				
	I contact the Ethics Line	I talk about it with my manager	I consult this Code	I continue with these questions
<b>Is it Legal ?</b>				
<b>Oui</b>		•	•	•
<b>Non</b>	•			
<b>Does it risk harming the Group's reputation ?</b>				
<b>Oui</b>		•	•	•
<b>Non</b>				•
<b>Does talking about it openly pose a problem for my conscience ?</b>				
<b>Oui</b>		•	•	•
<b>Non</b>				•
<b>Does it comply with this Code</b>				
<b>Oui</b>		•		
<b>Non</b>	•			

## Alerts



This Code contains strict guiding principles on which the Group does not intend to compromise, concerning behavior **At Work**, **Doing Business** and **External Interactions**.

Note: considering the special nature of the environmental emergency, Michelin has chosen to add an additional dimension to this Code: **The Environment**. **These recommendations are intended to inform and encourage**: they aim to help each employee to improve their environmental footprint within the framework of their professional activities. At this time, they are not mandatory rules (except where activity is the subject of an environmental law).

## When should I make an alert?

If a Group employee becomes aware of facts that could constitute a possible violation of applicable laws and regulations, of this Code, or of other principles or prescriptions of the Group, they must report them, so that these facts can be investigated and appropriate measures taken to deal with the situation and prevent its recurrence.

Each person who receives an alert must ensure that it is registered in the [Ethics Line](#) database, so that it can be investigated and that appropriate measures can be taken to deal with the situation and prevent its recurrence.

See: [Questions](#)

## Why should I make an alert?

**Michelin's continued success** depends on the willingness of its employees to conduct their activities with integrity and in full compliance with laws and regulations, as well as with the company's other principles and prescriptions.

Ethical and compliant behavior that reflects the values of our Group is important for employees, customers, shareholders and the Group. Michelin is counting on you **to protect the Group's employees, to preserve its reputation and integrity, and protect it from financial and legal damage.**

Reporting is also important to inform us of the dilemmas we all face in an increasingly complex environment. **This is a way for all of us to learn and progress continuously.**

The vigilance of employees and partners is one of the most important levers for detecting violations of this Code. The Group relies on everyone's responsibility to ensure that individual behavior is in accordance with the guiding principles set forth in this Code.

## How do I make an alert?

To report a potential violation of applicable laws and regulations, this Code, or of other principles and prescriptions of the Group, the Group has made an [Ethics Line](#) available to employees and third parties all over the world, accessible via the Internet or by telephone.

This professional whistleblowing system, hosted and managed by an independent external supplier, enables anyone - *employees, partners, customers, suppliers or subcontractors* - to report violations of a law or regulation, of this Code, or any situation contrary to the principles and prescriptions of the Group.

### [Michelin Group Ethics Line](#)

In addition to the [Ethics Line](#), several other channels are available to make an alert: employees can also contact the **Personnel Department**, the **Security Department**, the **Legal Department**, their **manager** or **another manager**, the **company medical officer** or the **Region Ethics Correspondent**.

## Confidentiality & Whistleblower Protection

The [Ethics Line](#) allows anyone to make an alert anonymously, confidentially and securely.

No matter what method of alert is used, **no one is permitted to take retaliatory action against an employee who, in good faith, has reported a possible violation of this Code, of the law, or of Michelin's principles and prescriptions.**

Any person who believes they are the subject of retaliation must report it using this same procedure.

For more information: [Michelin Group Ethics Line](#).

# Acting Ethically Every Day



All over the world, Michelin expects ethical behavior from its employees that respects the fundamental values held by the Group.

You will find in these pages the values and guiding principles to guide you in your conduct. Each topic also presents the right behaviors to adopt in the different work situations that you may encounter.

## At Work



Michelin's goal is to constantly contribute to the development and well-being of everyone in the exercise of their responsibilities within the Group.

**Protection of and Respect for employees** requires that everyone observe the following rules of working together.

## Discrimination



Diversity and inclusion in the company are tremendous assets for the Group. Michelin believes that a work environment in which everyone feels respected for who they are reinforces collective commitment and performance. The Group places the fight against all forms of discrimination at the highest level of its requirements.

Michelin expects its employees to be respectful in their interactions with colleagues and with all the people with whom they have professional relations (suppliers, customers, neighboring communities, job candidates, etc.).

### *Definitions and Context*

**Discrimination** is the act of treating a person or group differently by disadvantaging them or favoring them on the basis of criteria such as gender identity, age, religion, culture, social origin, nationality, ethnicity, disability, sexual orientation, union membership, family status, political opinion, physical appearance, etc. Discrimination is contrary to equality. The International Labour Organization (ILO) considers that "protection from discrimination is a fundamental human right"; it is the subject of several Conventions, including Convention 111.

**Discrimination in the company** can occur in recruitment, in a decision to promote, in pay, in training and in access to services or benefits.

It also results in behaviors, words or actions based on stereotypes that may belittle, delegitimize or disqualify a person or class of persons. It is punishable by civil and criminal sanctions in many countries.

### *Values and Guiding Principles*

The Group is committed to assuring **equal opportunities** within the Group, regardless of the status of the employee, during recruitment, in pay decisions, in career paths, in access to training, and in other conditions of employment.

Every partner, manager, employee, must be treated with the same level of **dignity** and **respect** regardless of gender identity, age, religion, culture, social origin, nationality, ethnicity, disability, sexual orientation, union membership, family status, political opinion, physical appearance, etc.

In addition to the expectations of its employees, the Group also asks its customers and suppliers to fight against any form of discrimination against their own employees.

### ***Do: I must***

*(Managers in the Corporate Personnel Direction, other Managers, Diversity and Inclusion Managers)*

- Ensure that job advertisements are aimed at all types of candidates without mention of gender, age, culture, sexual orientation, religion, size, etc.
- Inform employees of possible actions to take in case of discrimination and accompany them in their proceedings.
- Treat any potential discrimination complaints seriously and respect each employee's right of appeal.
- Sanction discrimination if proven, in accordance with applicable laws and regulations.
- Raise awareness among managers and recruiters about stereotypes in Personnel processes.
- Raise awareness among managers of behaviors and comments that lead to discrimination, to pay particular attention to vulnerable people and to know what to do in the event of a report or complaint.

### ***Don't: I must not***

- Ignore discrimination complaints (manager).
- Consider name, address, age, gender, family situation, photo, or any personal characteristic unrelated to the candidate's skills in making decisions during the selection process (recruiter) or decisions related to an employee's career (manager).
- Ask applicants questions about their culture, religion, marital status, intention to have children, sexual orientation, etc. during a job interview (*recruiter*).
- Stipulate in a contract with an employee or a provider any criteria of age, religion, size, gender or culture for people who work directly or indirectly at Michelin.
- Make comments that, seemingly innocuous or humorous, have the effect of belittling or delegitimizing a person due to their origin, sex, social origin, religion, disability etc.

### ***Practical case 1***

*You are a Diversity and Inclusion Manager*

*A co-worker asks you for an interview. She has not had a promotion for five years. On the other hand, one of her colleagues in another department was promoted after two years. She feels that she is being treated differently because she is a woman. How should you respond?*

You explain to her that the Group is committed to ensuring that all employees are treated equally. Promotions are always decided on the basis of objective criteria.

However, you will refer the matter to the Development Partner (PDP) so that the situation can be examined in depth and, if warranted, that the necessary actions in terms of career management are taken.

## **Practical Case 2**

*Your manager constantly makes jokes or comments critical of the religion of one of your colleagues. The manager never chooses this colleague for projects that could represent an opportunity for advancement, even though the work of this colleague is impeccable, and refuses without reason the colleague's requests for leave or training. This employee stays calm and does not react, but seems to be affected by the situation. What should you do?*

You encourage your colleague to express to the manager that the manager's attitude is hurtful and discriminating; you could also offer to accompany your colleague in this process. If the colleague does not wish to do this, or if this approach does not improve the manager's behavior, you encourage your colleague to use the Ethics line and to contact their Development Partner (PDP).

## **Harassment**



**The term harassment in the company refers to a range of unacceptable behaviors, practices and words that are likely to cause physical or psychological harm to an individual.**

Harassment is unacceptable regardless of the reason for it, whether it is made on a discriminatory basis or otherwise.

### **Examples of inappropriate behaviors**

**Examples of inappropriate behaviors that could constitute harassment (mainly psychological harassment, but sometimes also physical):**

- Offending, humiliating, insulting, degrading or constantly criticizing someone
- Threatening, pressuring, intimidating someone or shouting at them
- Making unwelcome jokes or comments that affect another person
- Putting unreasonable pressure on someone or setting impossible goals to achieve
- Pushing somebody to make mistakes
- Isolating someone physically or socially from the rest of the team
- Excluding someone from advantages or decisions (choice of shifts, holiday periods, promotion, trainings etc.) or giving them only the work that nobody wants to do or that has nothing to do with their function
- Withdrawing someone's responsibilities or tasks or transferring them without reason
- Having unwelcome physical interaction with someone (slapping on the back, embracing, pushing someone, invading their personal space etc.)

Management methods based on pressure and fear, occurring on a large scale in a company, for example in the context of a structural reorganization or a project, could be considered as "institutional harassment".

**Examples of inappropriate behaviors that could constitute sexual harassment:**

- Having excessive or inappropriate physical contact (touching someone's intimate part of the body...), staring at someone constantly, ...
- Making sexual suggestions or invitations, or giving gifts that are inappropriate (underwear, perfume), unwelcome and unreciprocated (physically, verbally, or by any electronic means)
- Making unwanted comments or questions on a person's physical aspect or sexual attributes
- Making any promotion or advantage depend on accepting romantic invitations or sexual advances (always constitutes harassment)

Whether a behavior is perceived as harassment (causes psychological or physical harm) also depends on the sensitivity of the recipient, which can vary from one person to another.

The seriousness of an unacceptable behavior can depend on the circumstances. Some unacceptable behaviors are serious enough to constitute harassment after one occurrence, others would need to be repeated. The repetition of an unwelcome behavior makes it even more harmful and serious.

Harassment may concern anyone and can occur at any occasion related to work, including an outside location. It is punishable by law in many countries and is treated in the International Labor Organization (ILO) Convention N°190 applicable since July 2020.

## **Values and Principles**

**The Michelin Group is committed to ensuring a collegial, safe and secure work environment where all employees can develop themselves without barriers or fear.** The company is aware that harassment affects the dignity of a person, can have severe effects on someone's psychological and physical health and can generate a hostile work environment.

**Therefore, the Group doesn't tolerate any form of harassment of a person,** whether sexual or psychological, in the workplace or having any connection to Michelin's business, including when it concerns/comes from external stakeholders (candidates, suppliers, customers, partners, dealers, visitors). Harassing someone while being in a position of authority over the person constitutes an aggravating circumstance.

Michelin makes its zero tolerance policy for harassment – regardless of the harasser's position in the company - clearly visible. It puts in place accessible, fair and confidential grievance channels for employees and its main stakeholders and encourages any person who is a victim or witness of harassment to report it. It promotes an environment where people feel confident to express their concerns and commits to protect everyone who reports a case in good faith from any retaliation.

The Group commits to treating all cases seriously, with confidentiality, in a timely manner and with impartiality, taking measures to avoid any possible conflict of interest during the investigation. It sanctions all forms of proven harassment and puts in place actions to remedy uncomfortable situations even if harassment has not been established.

Michelin takes prevention and detection measures in every region, trains managers and human resources personnel to promote an exemplary attitude according to the ICARE model and to lead an open dialogue in the teams on inappropriate or unwelcome behaviors experienced during work. Training aims also to identify wrong behaviors and assure that claims of harassment are treated seriously.



Michelin is also careful that company transformation projects will not result in any form of institutional harassment and involves employees in the design of the associated prevention measures.

Persons who have suffered harassment as defined in the Code of Ethics will be recognized as victims and will be accompanied in their professional and personal recovery.

Michelin reports transparently the number of claims of harassment and the actions taken or sanctions pronounced on a yearly basis, taking care always to preserve the confidentiality of the process for all concerned.

## ***Do: I must***

### ***All employees***

- Have a respectful attitude, use respectful language with all people I meet at work, including during electronic contacts (email, video, etc.).
- Pay attention to the well-being of other colleagues and detect possible discomfort in the face of inappropriate behavior.
- Report any situation that could constitute harassment, whether I am a victim or a witness, to my manager or another manager, the Personnel Department, the Security Department, the Legal Department, the company medical officer or the Region Ethics Correspondent. and through the [Ethics Line](#).

### ***Managers***

- Create and maintain a climate of respect for people that encourages dialogue and the expression of all issues.
- Be attentive to the way team members react to a management style and take their comments into consideration.
- Inform employees of the possible ways to report concerns in the event of harassment and accompany them in their efforts.
- Encourage employees to report cases when they are victims or witnesses.
- Treat seriously any potential harassment complaint, regardless of the level of authority of the person involved.

### ***General Secretaries (Chief Administrative Officers)/Managing directors of entities***

- Make managers aware of behaviors and comments that lead to harassment in order to recognize and avoid them, and to know the steps to take in the event of an observation or complaint.
- Take into account conflict of interest issues when assessing or investigating cases and ensure that investigations are not led by persons whose impartiality could be in question.
- Deal with harassment complaints confidentially and with respect for the presumption of innocence.
- Sanction proven harassment, in compliance with applicable laws and regulations.

## ***Don't: I must not***

### ***All employees***

- Make comments or gestures that, even if seemingly innocuous or humorous, have the effect of belittling, hurting or disturbing a person, or of dismissing or discounting someone's opinions.
- Persist in trying to interest a person romantically or sexually when that person shows no interest in return or rejects such advances.

### ***Managers***

- Ignore or minimize complaints of moral, sexual or institutional harassment.
- Require employees to meet targets at all costs if circumstances make this impossible.
- Conduct an investigation if you have not been trained in investigation or if your proximity to the actors involved could cause others to doubt your neutrality.

## ***Practical case 1***

*You notice that within your team, one of your colleagues is always ignored by another colleague, who never greets this person, does not invite them to participate in team meetings and regularly makes disparaging remarks about their physical appearance.*

You attempt to engage in dialogue with them and with the colleague about what you believe to be an improper practice.

You encourage the person to speak to his/her manager or PDP and to make a report on the [Ethics Line](#).

You can also inform your manager of your findings.

## ***Practical case 2***

*Your line manager is very demanding. The manager publicly reprimands team members when some work has not been done in the way he/she expected and can humiliate a person in the middle of a meeting, creating a climate of terror and damaging the motivation of the entire team. No one dares to make remarks to the manager because they are very high up and everyone is afraid of the consequences.*

You can go and talk to the manager alone or with other colleagues and tell them that their behavior is demotivating and stressful and harms the team.

If the manager does not respond, you make a report on the [Ethics Line](#). Besides doing that, you can talk to your Development Partner.

The fact that the person occupies a high hierarchical position in the company does not give them any special protection. Furthermore, company policy protects you from reprisals.

### **Practical case 3**

*During a team building, an external speaker has behaved inappropriately towards you, paying you loud compliments, following you around during all the activities and proposing to meet for a drink. This made you feel very uncomfortable and interfered with the activities. You can:*

Be assertive with the facilitator and ask them to stop the inappropriate behavior. You can do this alone or with a colleague, so that you feel supported.

Report on the [Ethics Line](#). Besides doing that, you can talk to your manager or your Development Partner.

It is essential to put a stop to any unacceptable behavior before it can degenerate, and to prevent its recurrence with others.

### **Practical case 4**

*You work in the sales force and a customer had made clear that he wanted to go on a date with you outside the work location, inviting you several times for a drink or dinner. After you declined their invitations, the customer said they would stop buying Michelin tires or would buy them in a much lower quantity if you would not respond positively to these requests.*

You must talk to your manager and report the matter on the [Ethics Line](#).

Besides that, you can also report the case to your Development Partner.

### **Practical case 5**

*One of your colleagues keeps slapping people on the back. The colleague seems to consider that as a friendly gesture. But you see that some people are offended by this behavior and don't dare to say something.*

You explain to this colleague that this habit is not accepted by others and can hurt them. You ask that the colleague stop doing it.

## **Health and Safety**



The health and safety of people is everyone's business and takes precedence over any other activity.

### **Intentions**

- Make every effort to ensure and enforce the health and safety of employees, external service providers and visitors.
- Manage the health impact of all products and activities on local residents, customers and the public.
- Create working conditions that preserve physical and mental health, promote work-life balance and overall well-being of people, foster their aptitude for work and make workstations accessible to as many people as possible.

## Guiding Principles

- The safety and health of people take precedence over any other activity.
- Each person has a duty to respect the rules and to put an end to any risky situation. Each person has the right not to carry out an activity if they have not been trained and validated to do the activity safely. An employee working at a non-Group site, for example at a customer's site, has the right and duty to refuse to perform operations that, in the employee's good faith judgment, are not safe.
- The opinions of employees and their representatives are taken into consideration when defining action plans to improve working conditions.
- Between the Group's prescriptions and local regulations, the company chooses to respect the most protective standards.
- The company implements the means and conditions to sustainably preserve aptitude for work, reduce the physical burden of activities, preserve physical, mental and social health, and ensure the safety and well-being of everyone.

## Responsibilities

Health, safety and quality of life at work are the subject of accountability at all levels of the Company:

- **Employees and their representatives**

They are responsible for their own health and safety. They are vigilant for the health and safety of their colleagues and are a source of ideas to improve prevention and the quality of life at work.

- **Teams**

They have a collective role in integrating newcomers and alerting them to risks.

- **Managers**

They are responsible for the physical and psychological health of their teams. They steer the development and deployment of improvement plans concerning health, safety and quality of life at work. They demonstrate exemplary and empowering leadership in the application of these provisions.

## Guarantors

- **EP (Environment and Prevention) managers**

They define and guarantee, where it is required, the application of the EP Management System (SMEP), allowing the sustainability of performance and its progress. They are responsible for assessing physical and chemical risks and ensuring the proper deployment of appropriate prevention programs. They are responsible for boosting progress in the health & safety field and decide on the management of risks associated with changes for new chemicals, new installations and new working conditions.

- **SP managers (Personnel Department)**

They guarantee the protection, by the manager, of a person at risk, and the deployment of the health and safety policy and expected behavior. They are responsible for monitoring actions relating to the quality of life at work and the prevention of psychosocial risks.

- **Health personnel**

They are in charge of care, medical monitoring, medical fitness, advice on health/safety/quality of life at work/psychosocial risks to employees and the employer. They are a source of proposals in terms of prevention and have a duty to warn in the face of situations that they consider unacceptable.

### ***Do: I must***

- Wear the Personal Protective Equipment required in the for my work post and site as described in the safety instructions.
- Check the safety protections of my station.
- Stay vigilant to ensure my own safety and that of others.
- Speak up about any risky situation. Ensure compliance with health and safety rules by setting an example.
- Preserve my well-being and that of others. Use the Ethics Line if necessary.
- Contribute to respecting and improving the working environment and company premises (including order and cleanliness).
- Observe the rules for moving inside and around our facilities. Be proactive in improving the quality of life at work.

### ***Don't: I must not***

- Carry out an operation / task without having the appropriate training (post qualification, etc.).
- Disable a safety protection for my post, except during a planned and controlled operation.
- Perform my job under the influence of psychotropic substances (alcohol, drugs, tranquilizers).

## **Child Labor**



At Michelin, we are opposed to any form of child labor that could harm the health, education or integrity of children and that is not in line with ILO conventions.

We want to protect children, support their physical and psychological development and prohibit in our activities and those of our suppliers any work that would violate these principles.

### ***Definition***

**The concept of "child labor" includes all the activities that deprive children of their childhood, harm their education, health, and physical and mental development.** It refers to work:

- dangerous for the health or physical, social or mental development of children;
- which compromises their education or deprives them of schooling;
- which forces them to combine excessively long school and professional activities that are too tiring for them.

**The International Labor Organization (ILO) sets the minimum working age at 15, and 18 for all forms of hazardous work.**

In any case, even one-off work must not prevent a child from attending school, nor harm their health and development. Under this condition, certain light work is considered acceptable by the ILO for children from 13 years of age. Finally, a child should not stop attending school before the compulsory age in a given country.

## **Guiding Principles**

### **Requirements for people working on Michelin sites**

- No work by anyone under 18 on the Group's sites
- Exceptions between 15 and 18 years if the work period is part of an apprenticeship, does not replace education or harm the development and health of the person (no heavy work).

### **Michelin guiding principles for suppliers**

- The Purchasing Principles, which are annexed to contracts, require suppliers to respect the following rules: prohibition of the employment of persons under 18 years of age for hazardous work, and prohibition of workers under 15 years in general. Exceptions are possible depending on the nature of the activity carried out, provided that the practices comply with ILO Conventions 138 and 182 and national law, and in particular that work does not replace schooling and does not harm the development and health of the person.
- The Group has a specific approach regarding natural rubber to map the risk of child labor in its supply chain and put in place actions and monitoring in the areas most at risk.
- The Group also assesses the risks related to human rights - *including child labor* - among suppliers, particularly in the countries and purchasing categories at highest risk. Suppliers whose CSR practices do not comply with Michelin standards must put in place corrective action plans.

### **Do: I must**

- Compare national laws with company principles and prescriptions on minimum working age and use the highest age.
- Check employee IDs to ensure they are at least 18 years old if performing heavy work.
- Have increased vigilance in countries where child labor is frequent, including vigilance over our suppliers.

### **Don't: I must not**

- Allow child labor, even if it is considered normal practice in the country.
- Turn a blind eye to child labor when carried out by a supplier or partner (not at Michelin).

### **Practical case 1**

*You are appointed manager of a workshop in a factory. Some employees seem very young to you. After checking their identity papers, it turns out that one of them is 16 years old and assigned to a heavy post. What should you do?*

The country where you operate allows work from the age of 16, but company rules require anyone working a heavy post to be at least 18 years old. You therefore study the possibility for this young person to work in another position, making sure beforehand that the tasks carried out do not harm their health or their education.

## Practical case 2

*You are a regional director in a developing country. An NGO contacts Michelin to report that children work in a rubber plantation that indirectly supplies the Group. After investigation, it turns out that these teenagers help their parents occasionally in the plantations.*

Should you report it anyway?

**Yes.** You report the case to the purchasing department who will decide what action to take.

## Forced Labor

Michelin opposes all forms of forced labor, on our sites and in our supply chain.

According to the ILO, in 2016, there were nearly 25 million people affected by forced labor. In the world, the sectors where forced labor is most prevalent are: mining and quarrying, tourism, agriculture, agro-food, construction and electronics manufacturing. In France, you can find forced labor in the construction and cleaning sectors, and all sectors that require low-skilled labor and chain subcontracting. Posted workers and undocumented workers can also find themselves in a situation of dependency and forced labor.

## Definition

Michelin rejects forced labor as it is defined in accordance with widely accepted general principles of international law to occur when workers are compelled to render work or services against their will, without pay and/or under unlawful threat of force, fraud, coercion, debt or retention of identity papers.

Forced labor can consist of:

- **Having a contract signed, the terms of which were not understood** by the employee. For example: a contract that was not written in the employee's language.
- **Applying psychological or physical coercion** to an employee to perform a job. For example: threatening to fire an employee for not performing a hazardous operation which is not a part of their job duties or for which they have not been trained.
- **Restricting the autonomy** of a person. For example, by retaining their identity papers, forcing the person to sleep on company premises, to depend on the employer for the creation of a bank account, not to freely dispose of their free time, etc.
- **Getting an employee into significant debt** before they start work, putting them in "debt bondage". In some regions, intermediaries (recruitment agencies) charge candidates particularly large sums (transport, accommodation, insurance costs, etc.) in the selection, recruitment or hiring phase; it will take years for employees to repay this debt to their employer.

## Guiding Principles

The Group is committed to\*:

- Where employment contracts are used, designing **readable and understandable employment contracts** for all employees.
- **Not making an employee work under duress** and respecting their autonomy.
- **Ensuring that each employee has free access to their identity papers and can terminate their employment contract at their own initiative** according to the notice provided for by local regulations or the employment contract.
- **Prohibiting our recruiting services suppliers from charging any recruitment commission or fees** to job seekers.
- Working with recruitment and temping agencies that respect the ILO's General Principles of Fair Recruitment, and that do not induce employee debt, in order to avoid any form of bondage to the employer.

\* *References to employment contracts are applicable only where such contracts are used.*

Michelin is also **committed to combating forced labor in its subcontracting chain**. The Group identifies the sectors / suppliers the most at risk and implements an approach to assess and manage this risk in its supply chain.

Particular vigilance is given to migrant workers. **Migrant workers are among the most vulnerable populations in terms of respect for human rights**. Usually not speaking the language of the country, they are often without the support of their relatives and therefore particularly dependent on recruitment agencies and their employer.

## Requirements for people working on Michelin sites

*Personnel managers, legal department personnel and site managers*

### **Do: I must**

- Where employment contracts are used, have employment contracts signed which set out clear clauses (place of work, conditions for breach of contract, notice etc.) and are written in a language understandable by the employee.
- Ensure, during the recruitment process by Michelin services, that no recruitment fees are billed to the candidate (such as, for example, application fees).
- If the law of a country requires the employer to keep the employee's identity papers, contract or residence permit, give a copy to the employee. Assure that the employee is able to retrieve these documents at any time.
- Be vigilant for any "signs" that could reflect forced labor by an employee: excessive overtime, isolation, financial pressure, etc.
- Provide employees with free access to information on their rights and working conditions.



### **Don't: I must not**

- Keep employee identity papers as a guarantee.
- Accept that workers regularly work overtime without checking that they are not doing so under external pressure, with a view to repaying debts or "recruiting costs".
- Threaten an employee in any way so that they continue working in the Group against their will.

### **Requirements for Group and Regional Purchasing Managers**

#### **Do: I must**

- Include the Purchasing Principles in all contracts.
- Check that the practices of the recruitment and temping agencies with which the Group works on its sites, particularly in high-risk countries and for the specific case of migrant workers, comply with regulations and are fair (no costs for employees recruited, no worker bank account through the agency etc.).
- Identify the countries and the categories of purchases most at risk in terms of forced labor in order to enrich the CSR risk mapping of suppliers and to target them to receive documentary assessments.
- Propose a suitable action plan for suppliers or purchasing sectors the most at risk.
- Make the [Ethics Line](#) accessible to suppliers and their employees. Publicize the alert procedure via the purchasing website.
- Identify, for natural rubber suppliers, areas potentially exposed to forced labor. Put in place action plans to eradicate them.
- Be attentive to the situation of employees of the Group's subcontractors when they are on assignment on a Group site.

### **Practical case**

*You are responsible for the personnel department in a country. Several workers, originally from a neighboring country, come to you to inform you that the recruitment agency has kept their identity papers as "financial guarantee" of the contract. What should you do?*

**It is a practice of forced labor.** You contact this agency. You strive to find solutions so that employee "debt" is erased. You assess the agency's ability to change these practices. If not, you call on another provider that is more respectful of human rights. You make sure that the workers get their papers back. In the future, you will be more careful in the selection of your partners.

## **Security - Protection of assets**



Michelin's "assets" include both people and tangible goods, as well as knowledge and know-how. The protection of assets is essential for the future of the Group.

Safety and security are everyone's responsibility.

## Guiding Principles

Each employee is responsible within the framework of their duties for the proper use and protection of tangible and intangible assets as well as the resources of the Group.

**These include, for example, industrial facilities, equipment, the Group's financial resources as well as trade secrets, patents and trademarks.**

- Assets and resources must be used in accordance with the needs of the Group and within a framework set by the various entities.
- Physical assets and documents are classified according to their importance (*Level 1 - Major, Level 2 - Severe, Level 3 - Low*).
- **D1 and D2 information should only be shared with people who “need to know”.**
- Managers must demonstrate exemplary conduct.
- Knowledge of security policies and requirements is essential to safeguard the Group's assets.

## Security measures

- **Laptops should be secured** physically using cable locks and logically using Windows + L or CTR / ALT / DEL.
- Employees should **classify assets according to their importance in terms of Confidentiality, Integrity and Availability.**
- Employees must **encrypt sensitive data** (D1 & D2) and dispose of physical assets and electronic information securely.
- Michelin sites use security systems to provide a safe and secure environment:
  - Verification of access to the site for authorized persons via electronic access control;
  - Use of cameras (where authorized) to identify and investigate incidents;
  - Protection of classified zones by alarms.

## Do: I must

- Lock my laptop.
- Wear my badge all day.
- Make travel reservations with a travel company approved by the Group.
- Follow all site security procedures.
- Ensure the confidentiality of Michelin information, and adhere to confidentiality commitments that apply to information of third parties.
- Keep in mind that all the Group's assets and documents belong to Michelin.

## Don't: I must not

- Leave confidential documents unattended.

- Authorize a person to access secure sites and areas with my badge.
- Leave my laptop unsecured (for example, at my post, in my hotel, in my car, etc.).
- Ignore the rules for the sake of convenience.
- Publish sensitive or confidential information (photos of installations, procedures) on social networks.
- Use the Group's resources for private purposes, except where such use is authorized by a policy of my Region or country.

## Doing Business



Each Michelin employee, no matter in what country they work, must personally comply with **these principles and prescriptions for business ethics**.

Noncompliance may subject you to liability and disciplinary sanctions as well as civil actions or criminal prosecution.

In addition, violation of these prescriptions may be the subject of an alert, according to [the alert procedure and the links indicated herein](#).

## Gifts and invitations



*"Wherever we are located, we are determined to act as a responsible and honest Company, respectful of mankind and the law."*

Michelin Performance and Responsibility Charter (2002), Implementing our values, exercising our responsibilities

The Group does not tolerate any form of corruption, whether public or private, active or passive, direct or indirect. The Group is committed to conducting its business honestly, not to improperly influence a business partner, an official or any other natural or legal person.

In business relationships, the exchange of gifts or hospitality can affect the independent judgment of employees in their dealings with external partners. Likewise, the Group has undertaken not to accept any hospitality or invitation which could harm its reputation.

### Definitions

**Unreasonable gifts and entertainment may constitute bribes.**

Group policies apply to gifts and entertainment:

- Given or received;
- Directly by an employee or indirectly by a third party representative of the Group;
- Directly to a Group employee or indirectly to a member of their family.

**A third party representative** is any natural or legal person who acts on behalf of the Group. For example: lobbyists, lawyers, sales representatives, or intermediaries. All inappropriate actions and decisions of these external third parties could be attributed to the Group. Their behavior should be in close accordance with this Code and any policies that apply to their activities.

## **Guiding Principles**

**Any employee or third-party representative of the Group is prohibited from accepting a gift, invitation or any other advantage that could affect their judgment, impartiality or independence and cause them not to act in the best interests of the group.**

Each employee or third-party representative must adhere to the Group gifts and invitations policy as well as any Region (or other) applicable policy.

## **Receive a gift or invitation**

Group employees and members of their families, and third-party representatives of Michelin, must, as far as possible, refuse gifts and invitations from a supplier, customer or third party.

A gift or an invitation could be accepted if it meets the following criteria:

- Complies with this Code and applicable gift policy(ies);
- Of reasonable value;
- Occasional;
- For a legitimate business purpose;
- Authorized by a specific policy or validated by a manager and registered in the applicable Gift Register\*.

In case of doubt it is recommended to politely refuse the gift.

## **Give a gift or invitation**

Gifts and hospitality that could inappropriately influence the professional judgment of the recipient are prohibited.

A gift or an invitation could be offered if it meets the following criteria:

- Complies with this code and applicable gift policy(ies);
- Of reasonable value;
- Occasional;
- For a legitimate business purpose;
- Authorized by a specific policy or validated by a manager and registered in the applicable Gift Register\*.

When in doubt, it is recommended to avoid giving gifts.

*\* Each Region must keep a Gift Register. Gifts, given or received, that are not authorized by a specific policy but which may be deemed acceptable by Michelin management are recorded in this Register. The following*

*must be mentioned: the nature, value and motivation of the gift, as well as the decision taken (refusal, acceptance then donation or sharing in the department, etc.)*

### **Do : I must**

- Know and comply with the gifts and invitations policy that applies to my professional activities.
- Explain to business partners the applicable gifts and invitations policy, to avoid any misunderstanding.
- Speak with my manager and the Legal Department if in doubt.

### **Don't : I must not**

- Accept gifts and invitations that could influence my behavior in the practice of my professional activities.
- Give or accept gifts or entertainment of unreasonable value.
- Give or accept gifts or invitations without informing my manager.

### **Practical case 1**

*Your Region's gift policy allows employees to accept promotional gifts valued at less than a certain amount. A supplier offers you, as a buyer, a beautiful crystal decanter personalized with the company's logo, the value of which could exceed the amount authorized by the gift policy. You don't want to offend the supplier; can you accept this gift?*

**Yes.** You can accept this gift if you use it only for professional purposes. You must register it in the Gift Register if its value exceeds the amount authorized in the applicable *Gifts and invitations* policy.

### **Practical case 2**

*You are the Key Account Manager for X, a big customer. Over the past six months, your business relationship has deteriorated. Your customer's purchasing manager has brought this to your attention. You want to invite your customer to dine in a 2-star Michelin restaurant in an attempt to maintain the account. Is this practice allowed?*

You should consult the gifts and invitations policy in force in your country and discuss it with your manager. While occasional meals of reasonable value are tolerated, a dinner in a Michelin-starred restaurant could be considered to be of an unreasonable value. In case of doubt, consult the Legal Department.

## **International commerce and export control**



The Group is subject to numerous trade regulations, and must ensure compliance with all regulations for all flows of goods, whether tangible or intangible.

### **Context**

**The Group is subject to numerous regulations:**

- **Customs regulations** governing the import and export of all goods, regardless of their nature, origin,

value, use or mode of transport.

- **Export control regulations** that restrict transactions with certain countries for products, technologies, software or services. Special attention should be paid to dual-use technologies and products that are used for both civilian and military use.

Failure to comply with these regulations can have serious consequences for the Group: stopping certain flows, financial penalties, harm to its image, and in some cases incurring criminal liability for those responsible for these offenses.

## **Values and Guiding Principles**

### **Values**

The Group must be the guarantor of compliance with all regulations for all flows of tangible and intangible goods.

**Michelin may in some cases adopt a more demanding policy to reduce the risks in its supply chain and facilitate the development of its activities.**

For example: the AEO (Authorized Economic Operator) customs certifications for Europe and C-TPAT (Customs Trade Partnership Against Terrorism), its equivalent in the USA, allow the Group to benefit from simplified and more secure customs clearance procedures.

### **Guiding Principles**

**The Customs and Export Control function defines policies to ensure compliance with all of these regulations.**

It relies on its regional and local network to implement these policies in various Group processes.

**Every employee has a role to play in ensuring that their activities comply with these regulations.**

### **Do: I must**

- Systematically involve the Customs and Export Control teams in setting up a new industrial or commercial site, a new international flow or any operation that is not part of the standard processes of the Group.
- Follow internal Export Control training, in order to better identify risk areas and have the right reactions.
- Ensure that the standard export control clauses are inserted in contractual documents with customers.
- Adhere to the Group's standards and, if necessary, contact the Customs and Export Control teams in case of doubts or questions from a supplier, a customer, a bank or any other partner concerning customs formalities or export controls.

### **Don't: I must not**

- Use my personal luggage to transport professional equipment between two countries without first consulting the Customs and Export Control teams.
- Give a power of attorney to a customs broker (for the establishment of an export or import customs

declaration).

- Pay a customs broker, transporter, or other partner to speed up border crossing or customs clearance.
- Initiate or participate in a transaction to a country prohibited by Group policy.
- Assume that I need not feel concerned by export control because military goods are not part of the scope of my function.

### **Practical case 1**

*To avoid paying customs duties, a customer explains to you over the phone that it is sufficient to add a handwritten note on the invoice indicating the origin of the product. They tell you that all your competitors are doing it. What do you do?*

You contact the Customs teams. Any request aimed at reducing import customs duties (addition of a note on an invoice, reduction in value, including for free shipments, modification of the description of the product, of its country of origin or customs classification, etc.) must be validated with the Customs teams.

### **Practical case 2**

*You are in contact with a potential client located in a country to which sales are prohibited by Group policy. They offer to go through a third party in another country to circumvent the ban. What should you do?*

You contact the Customs and Export Control teams. Even in the event of an indirect flow, you may be affected by export controls.

## **Competition and Fair Dealing**



*"We are in favor of fair commercial competition from all players, within the framework of competition law."*

Michelin Performance and Responsibility Charter (2002), Implementing our values, exercising our responsibilities

### **Definition**

**The principle of fair competition** governs the behavior of a company in relation to its environment (customers, suppliers and competitors).

Fair competition contributes to the realization of collective interests: promoting better prices and services for consumers and encouraging innovation.

Fair competition is a principle recognized in many countries. The authorities ensure that it is respected through a legislative and regulatory system.

**Anticompetitive behavior** can expose the Group or its employees to heavy penalties: very heavy fines, lawsuits for compensation, damage to reputation. or even prison sentences. These sanctions are spreading internationally and are getting tougher.

## Guiding Principles

The Group promotes respect for its employees, its customers and, in general, its environment. Fair competition is one of the practical applications of these principles.

To ensure employee adherence to competition rules, Michelin has implemented a **compliance program**. This system includes principles and action plans including regular training for the most exposed populations (sales and marketing). These employees are subject to permanent monitoring, in particular by the Legal Department.

### The Group ensures the effectiveness of the principle of fair competition by excluding:

- All agreements, discussions and exchanges of information with its competitors on commercially sensitive information;
- Any abusive conditions with respect to its customers and suppliers;
- All actions likely to distort the free play of competition.

**Respect for fair competition is everyone's business.** Each employee must be exemplary in their interactions with external interlocutors.

### Do: I must

- Adopt a respectful and fair behavior towards our customers and our suppliers.
- Exclude all contact with competitors (apart from discussions within a structured framework such as professional associations and acquisition projects).
- Respect confidentiality obligations.
- Adopt a behavior towards customers that is adapted to the Group's position in its market (a high market share has a greater impact on Michelin's responsibility).
- Exclude any punitive measure (sanction, boycott) in the event of unsatisfactory trade negotiations.

### Don't: I must not

- Set prices or exchange sensitive business data with competitors.
- Share markets (products, services or territory) with competitors.
- Impose resale prices on customers.
- Engage in bid-rigging.
- Facilitate an agreement or a discussion on prices between customers (e.g. distributors).

## Practical case 1

*A distributor customer (A) wishes to discuss the price level of passenger car tires on the market. A complains about the aggressive pricing policy of a competing distributor (B) who is also a customer of Michelin. A asks you to intervene with B to increase its prices, so as to ensure higher margins. Is this type of proposal acceptable?*



**No.** If you accept the request (ask B to increase its prices), the Group will be in breach because it will be considered as the "facilitator" of a cartel (jointly fixing the sale price). You must therefore explain to the distributor that you cannot interfere with the pricing policy of customers, who are free to set their prices.

## **Practical case 2**

*You represent Michelin in a professional association and participate in meetings on topics of general interest to the industry. These meetings are supervised, and you never bring up commercially sensitive topics (price, volumes, costs, etc.). A member of the association from a competing company invites you to have a drink with a few other members / competitors. He wants to know you better because you do the same job and have common interests. Should you accept?*

**No.** You must decline the proposal and avoid any discussion, even informal, with competitors. If the exchange results in a commercial agreement, simple participation in this type of meeting may lead to a sanction (including fines) from the authorities.

## **Avoiding Conflicts of Interest**



*"We want to prevent potential conflicts of interest between the employees' responsibilities in their lives inside and outside the Company. We therefore expect our employees to avoid personal financial, commercial or other activities which could be contrary to the legitimate interests of the Michelin Group or that could lead to ambiguous perceptions, given their responsibilities within the Company."*

Michelin Performance and Responsibility Charter (2002), Implementing our values, exercising our responsibilities

### **Definition**

**A conflict of interest exists when the personal interests of an employee conflict with the interests of their employer.**

**Personal interests** can be charitable, cultural, financial, political, religious, athletic, through associations, or result from family, sentimental or friendly ties.

There is no legal definition of conflict of interest in all countries, however these behaviors are frequently criminally sanctioned.

A **conflict of interest** can be **actual**, **potential** or **apparent**:

- **Actual conflict of interest:** a situation in which an employee has a personal interest that conflicts with Michelin's interests and that influences the employee in the conduct of their job duties.
- **Potential conflict of interest:** a situation where the personal interest of an employee could come into conflict with Michelin's interests; the employee must be vigilant that a potential conflict does not become an actual conflict.
- **Apparent conflict of interest:** a situation where the personal interests of an employee could be perceived as a conflict of interest.

## **Guiding Principles**

**Each employee must inform their manager and / or the personnel department of any conflict of interest situation (real, apparent or potential) to ensure that the situation is managed in accordance with Group policy.**

Each employee must be particularly vigilant in the event of personal relationships (friends, family, ...) with a person working for a competitor, supplier or customer of the Group. This relationship is not illegal, but it must not act against Michelin's interests.

Any situation which may raise a reasonable doubt as to the impartiality, loyalty to the Group and the ethics of an employee, even wrongly, exposes the employee to the risk of a conflict of interest.

### **Do: I must**

- Seek advice from my manager if my personal situation (or that of my family members) is likely to present a conflict of interest in favor or against the interests of Michelin.
- Avoid giving preference to friends and relations in my decisions and professional activities.
- Ensure that my decisions are always fair and impartial, in the best interests of the Group.

### **Don't: I must not**

- Hold or buy tangible or intangible goods in order to sell or rent them to Michelin.
- Make a decision based on financial interests I hold, in any form whatsoever, in a commercial company controlled by competitors, suppliers or customers of Michelin.
- Lobby for my spouse, one of my parents or one of my children to be hired by a competitor, supplier or customer of the Group.

## **Practical case 1**

*You know that your industrial site will soon be launching a call for tenders to select a cleaning company. Your daughter runs a very renowned and successful local business in this field. What attitude should you adopt towards your family and within the Group?*

You should avoid any mention of this call for tenders in front of your relatives. You must inform and discuss with your manager the existence of this link which could be considered a conflict of interest.

You should under no circumstances get involved in the selection of suppliers for the call for tenders, or in its implementation.

You are vigilant because you know that even a casual mention of your daughter's activity to a colleague involved in the tender could be interpreted as a conflict of interest.

## **Practical case 2**

*Your son, looking for a job, just applied to one of your main customers. During a discussion with this customer, the latter repeatedly mentions your son's application. What should you do?*

You must inform your manager of this situation and of this family relationship which could be interpreted as a conflict of interest in the continuation of your relationship with this customer.

Together with your manager, you clarify the situation with your customer, in order to avoid any direct or indirect pressure.

## Charitable and Political Contributions



Michelin does not make political contributions.

The Group favors involvement in charitable endeavors that enhance the communities and people with which it interacts and on which it may have an impact.

### Definitions

**Charitable contributions** are donations made to a non-profit organization, charity or private foundation. Such donations may be in the form of cash, real property, goods, securities or other items of value.

**Political contributions** are funds or resources donated to political parties, candidates for office, or PACs (political action committees).

### Guiding Principles

Michelin does not make political contributions.

The Group considers that it may legitimately express its point of view, with integrity, in explaining to public decision-makers its positions on matters of interest to the Group. The exchanges are made in accordance with the principles of honesty and in the interest of our stakeholders, such as shareholders, customers, partners, employees and the relevant jurisdiction (country, province, state, municipality, etc.).

Charitable contributions are not allowed unless they are:

- Allowed by all applicable law;
- Publicly disclosed according to applicable law; and
- Authorized by a written policy of the Region, the Group, or the Entity (for example, the Gifts and Invitations policy), or specifically authorized in writing and in advance by the Region Director

Third parties (for example, agents, intermediaries, external consultants) are strictly forbidden to make contributions in the name of or on behalf of the Group.

*Because of its nature, the [Michelin Corporate Foundation](#) is subject to governance and reporting requirements that are not covered by this Code.*

### Do: I must

- Before a charitable contribution is made by an entity of the Group, make sure that it conforms to this Code and to applicable law.

- Consult my manager, the Region or country Ethics Correspondent or the Legal Department if I have any doubt.

### **Don't: I must not**

- Use Group funds or resources to make a political contribution or make any political contribution in the Group's name.
- Distribute in the workplace any signs or slogans in favor of a political candidate.
- Make a charitable contribution that could be interpreted as a bribe. If I have a doubt, I consult the sections of this Code concerning [Gifts and Invitations](#) and [Fighting Corruption](#), and/or I contact the Legal Department.

### **Practical case 1**

*You are member of the leadership team of a factory that has a significant economic impact on the neighboring community. In the course of a re- election campaign for a political office that represents the territory in which the factory is located, the incumbent contacts you. They want to organize a visit to the factory, with local media, to announce the introduction of a proposed law favorable to industry, including Michelin. How do you react?*

Michelin does permit visits to facilities to allow officials to learn about its operations. However, such visits are discouraged during political campaign seasons. You should immediately contact the public affairs department, the Region or country Ethics Correspondent or the Legal Department to obtain their advice before responding to the request.

### **Practical case 2**

*You believe your site should lend support to a local event to raise money for a charity that benefits the community. Whom should you contact to explore this possibility?*

You should contact your local public affairs department.

## **Preventing Insider Trading**



*"The Company asks all and any employees who, by virtue of their professional activity, may have access to confidential information that may influence the share price of any of the Group's companies, not to disclose such information, buy or sell shares or other securities in the Company in question or to do so via third parties. This is not only in keeping with the law, but also a sign of respect for and equality with the other shareholders."*

Michelin Performance and Responsibility Charter (2002), Implementing our values, exercising our responsibilities

### **Context and Definitions**

As a publicly traded or "listed" company, European regulations impose particularly strict obligations on the Group's managers, employees and partners with regard to the prevention of market abuse.

**No employee or partner should profit from buying or selling shares of a listed company, based on confidential information.**

Any person who holds Inside Information in the performance of their duties or as a result of the preparation of a particular transaction is considered to be an "**Insider**".

"**Inside Information**" is non-public, precise information likely to influence the Group's stock market price before it becomes public.

### **Guiding Principles**

European regulations and French criminal law punishing violations of securities laws are applicable to any natural person or legal entity, regardless of their nationality and country of residence. Any breach of the rules on insider trading may be subject to severe penalties (fines or prison terms).

The rules on market abuse and the measures taken by Michelin are specified in the **Group Deontology Charter**.

To prevent insider trading, the Group must maintain and update a list of people with occasional access to Inside Information.

- For each situation or project classified as inside information, the Group has drawn up a **list of specific insiders**. The Group ensures at the outset that these people or third parties are aware of their obligations and the penalties applicable in the event of violation of the rules.
- For persons exercising managerial responsibilities and similar persons who may have access, by virtue of their functions, to inside information, the Group has set up annual periods of abstention called "**negative windows**." These people must refrain from any transaction in the shares of the Group during these periods. The Group ensures that they are aware of their obligations, the timetable to be respected and the penalties applicable in the event of violation of the rules.

### **Do: I must**

- Refrain from any transaction on the shares of the Group in the event of notification of my inclusion on a one-off list of insiders or on the list of persons subject to "negative windows."
- Call the [Corporate Legal Direction/Corporate & Financial ethics officer](#) in case of doubt about my insider status (see below "**Whom to Contact?**").

### **Don't: I must not**

- Ignore a notification received informing of my registration on one of the "insider" lists.
- Buy or sell shares of a listed company as the holder of confidential information that could significantly influence its stock market price.
- Buy shares in a company if I know that the Group's business dealings with that company could affect that company's value.

## Practical case

You are a Group employee-shareholder thanks to the BIB'Action employee shareholding plan. You have just heard an office rumor that the Group will soon publish poor results. You still want to sell Michelin shares, which you have held for more than 5 years\*, to initiate the purchase of a new vehicle. Can you do this?

\* Shares issued in Group employee shareholder plans are "blocked" for 5 years.

**No.** The rumor that you heard is indeed important information that can have an effect on the price of the Michelin shares. As an employee-shareholder of the Group, you are most likely considered an "insider;" therefore, the obligation to avoid transactions will apply to you, even if before you knew this rumor you had no particular prohibition. As a result, you cannot buy or sell Michelin shares until the information is published in a press release.

## Fighting Fraud



Fraud endangers Michelin's activities as well as its image and reputation.

Fraud and dishonesty, like any criminally reprehensible behavior, are strictly prohibited at Michelin; they can engage the civil or criminal liability of the employee. Any proven fraud is subject to a disciplinary sanction, in accordance with applicable law.

Absolute vigilance is required with respect to the communication of sensitive data to persons outside the company which could allow an external third party to commit fraud.

### Definition

**Fraud is a willful and intentional act of dishonesty, deception or breach of trust, committed with a view to illegally obtaining a financial or other advantage**, whether for a Group employee or for the benefit of a third party or a company outside the Group. There are several categories of fraud:

- Misappropriation of assets: goods and money.
- Corruption, whether active or passive.
- Falsification of financial statements.

Fraud can be committed by an employee working for the Group. It can also be carried out by a person or an organization outside the Group.

### Guiding Principles

The promotion of a culture of integrity at all levels of the Group (clear managerial messages on expected behavior and zero tolerance) and the implementation of effective risk control procedures limit the risk of fraud.

Michelin has implemented an internal control system for all Group companies.

This system is based on means, behavior, procedures and action plans adapted to the specific characteristics of each company which aims to:

- Contribute to the control of activities, the efficiency of operations and the efficient use of resources,
- Appropriately take into account significant risks, whether operational, financial or compliance.

This system aims more particularly to ensure:

- Compliance with laws and regulations;
- The application of instructions and guidelines set by the Corporate Directions or the management of the Group;
- The proper functioning of the Group's internal processes, in particular those contributing to the protection of its assets;
- The reliability of financial information.

**The manager is a key player in this system:**

- They develop a culture of integrity in their team;
- They communicate the fundamental principles of the Group;
- They remain vigilant on the risks of fraud that may arise in their Entity;
- They impose sanctions when fraud by an employee is proven.

### ***Do: I must***

#### ***To prevent fraud***

- Know and respect the internal control rules defined in my Entity, in particular those relating to the segregation of duties.
- Define and implement corrective actions when a control weakness has been detected.
- Reserve the tools and resources made available by the Group (bank card; computer; tools) for professional use, except where specifically authorized by a Region or country policy.
- Report to my manager any urgent request for modification or communication of sensitive data.
- Alert my manager to recurring difficulties in applying a procedure.

#### ***In case of suspicion of fraud***

- Alert my manager or contact the [Michelin Ethics Line](#).
- Systematically involve the Regional Security Director, who is the only person authorized to carry out investigations.

#### ***When the fraud is proven***

- Identify any weaknesses in the control system and correct them.
- Alert my hierarchy to the mechanism of fraud in order to prevent its reproduction in other Entities.
- Sanction an employee who has committed fraud in consultation with the Personnel Department.

## **Don't: I must not**

### **To prevent fraud**

- Bypass a procedure because everyone is doing it.
- Communicate my information system access passwords to third parties.

### **In case of suspicion of fraud**

- Seek to carry out an investigation on my own.

## **Practical case 1**

*A supplier asks you to urgently pay an invoice to a new bank account with contact details attached. What should you do?*

Many frauds have been committed by people impersonating a supplier.

You inform your manager. You follow the procedure of the Purchasing Department to confirm this request.

## **Practical case 2**

*You are the sole recipient of a signed email from a Michelin executive requesting sensitive information. Should you respond?*

An unusual request, even an internal one, can be a sign of an attempted identity theft fraud. You transfer it to the Security Department of your Entity to ensure the procedure to follow.

## **Practical case 3**

*Your manager asks you to defer the accounting of an expense to the following year (for example, the value of unsellable or unusable product that will be destroyed). What should you do?*

You should refuse to do this and remind your manager of the accounting rules and procedures of the Group. If your manager insists, contact your functional manager. If the situation persists, you should make an alert on the [Ethics Line](#).

## **Fighting Corruption**



*"Wherever we operate, throughout the world, we are firmly against all and any form of corruption, irrespective of the organizations and bodies concerned, whether public or private ... We refuse all and any remuneration to third parties if such remuneration does not correspond to an actual service, for a justified amount, duly posted in our accounts."*

Michelin Performance and Responsibility Charter (2002), Implementing our Values, Exercising our Responsibilities



The Group intends to preserve and develop its reputation for honesty and integrity. Corruption and influence peddling destroy trust in an organization. Without this trust, the Group's Core Values cannot be respected.

## Scope

As a company whose ultimate parent is traded on the French stock exchange, the Group's activities throughout the world are subject to French law on corruption and influence peddling, in particular its requirement that the company adopt certain measures to fight corruption.

This Code as well is applicable to Michelin's activities in France and in all of its countries of operation. The local law in force in these countries of activity may be stricter than this Code. If so, the country's anti-corruption laws will prevail in such country.

It is the responsibility of the employee, in collaboration with the Legal Department, to fully understand the scope of such exceptions.

## Definitions

**Public corruption** refers to the offering of a gift or any benefit to a governmental actor for themselves or for others, directly or indirectly, to induce them to do or refrain from doing an act falling within the scope of their function or mandate. This illegal practice is an act of **active corruption**.

The acceptance or solicitation by a governmental actor of such a proposal or offer is an act of **passive corruption**.

**Private corruption** refers to the offering of a gift or any benefit to a private actor for themselves or for others, directly or indirectly, to induce them to do or refrain from doing an act falling within the scope of their function. This illegal practice is an act of **active corruption**.

The acceptance or solicitation by a private actor of such a proposal or offer is an act of **passive corruption**.

**Active influence peddling** refers to the fact of offering, directly or indirectly, to a governmental or private actor that has (real or supposed) influence, a gift or any benefit in return for the abuse by such person of their influence to obtain a favorable decision from a public authority or administration (such as distinctions, jobs, or contracts).

The acceptance or solicitation by a public or private person of such a proposal is an act of **passive influence peddling**.

## Guiding Principles

The Group has zero tolerance for corruption and influence peddling, whether public or private, active or passive, direct or indirect. Any act or attempted act of corruption or influence peddling could expose the employee to disciplinary sanctions, could expose the employee and the Group to fines and civil or criminal proceedings, and could damage the Group's reputation for integrity.

Michelin opposes any payment of bribes (money or gifts paid illegally) or other illicit payment, directly or indirectly by an intermediary, to officials, members of government or any other public official, as well as to any individual or any private sector entity, whatever it may be.

An employee will not be penalized for the consequences of refusing to pay a bribe by Michelin.

### Third parties acting on behalf of Michelin

Employees should exercise caution when using third parties that represent or act on behalf of a Group entity, such as agents, intermediaries, external consultants, or customers who perform this type of service.

Contracts with third parties acting in the name or on behalf of Michelin, or persons in contact on Michelin's behalf with administrative or government bodies, must be written and must contain anti-corruption clauses. The duration of these contracts must be limited in order that the corruption risk posed by the relationship can be re-evaluated and that the contract can be submitted to bidding.

Remuneration for the services of these third parties must:

- Correspond to reasonable amounts, proportionate to the assigned task, be identifiable, and comparable to market standards.
- Be correctly accounted for, paid in consideration for actual services rendered, and in accordance with Michelin's practices in terms of authorized expenditures and its accounting rules.

Employees should check with the Legal Department about allowable compensation in accordance with the Group's anti-corruption practices and applicable law.

### **Do: I must**

- Reject any request or offer for a bribe or kickback. Report it immediately to the Legal Department and to the [Ethics Line](#).
- Abide by the applicable gifts and invitations policy.
- Participate in all required anticorruption training.

### **Don't: I must not**

#### **Personally, or through a third party**

- Give or receive, nor propose or request, bribes or other illegal payments, nor agree to such a demand or request.
- Give a gift or benefit to a government or private actor, for their personal benefit, with a view to:
  - influencing an administrative or professional decision
  - obtaining or maintaining contracts, business partnerships or
  - obtaining any benefit for the Group.
- Propose, or agree to a request for, offers, promises, gifts, presents or benefits of any kind to an individual in exchange for the latter's abuse of their real or supposed influence over a public official or employee.

### **Practical case 1**

*You are a sales representative. A customer contacts you to negotiate a refund for a product under warranty (refund for unresolved warranty claims). The customer informs you that they are ready to share with you the benefits of this refund "as usual according to the practice of your predecessor". Is this practice allowed?*

**No.** First, you must courteously decline the offer. Then, you should contact the Legal Department or report the fact through the [Ethics Line](#). An investigation into the current and past events is thus assured.

### **Practical case 2**

*During a meeting with the representative of a government customer in a country recognized for its elevated corruption risks, the customer's representative asks you to pay them cash "to assure that the purchase contract will be renewed." You answer that you are not authorized to do this. The customer's representative gets angry and threatens you. Do you have to comply with the demand?*

**No.** First, you should try to defuse the situation in order to ensure your safety. Don't put yourself in danger! Then you report the situation to your supervisor or to the Legal Department. You also report the fact on the [Ethics Line](#).

For any meeting organized with local authorities, it is recommended to always have two representatives of the Group present.

### **Practical case 3**

*You are a buyer in charge of a request for proposal. A potential supplier offers their services to you personally in exchange for the contract award. Can you accept?*

**No.** You courteously decline the offer. You immediately inform your Legal Department. You report the fact to the [Ethics Line](#).

### **Practical case 4**

*You are a sales representative. A former government official in the country contacts you and offers their services "to make sure that Michelin will win" a tender that was just announced by the country. It concerns a large contract that would be a big win for the Group and would ensure that you would reach your growth objectives in this market. What should you do?*

You must decline to meet with this former official and immediately contact your manager and the Legal Department. The fact that the former official claims to be able to guarantee that Michelin will be selected for the contract is a "**red flag**" that could indicate that the official will abuse their influence with their former colleagues. You make an alert about this possible influence peddling offer on the [Ethics Line](#).

## **Protection of Privacy and Personal Data**



Michelin is convinced that the protection of personal data is critical to inspire confidence in its relations with all of its stakeholders. The Group undertakes to collect and process only the data necessary for its activities.

### **Definition and context**

**Personal data is information that directly or indirectly identifies a natural person.**

This includes for example:

- for the **direct identification** of a person, a photo or information on the person's civil status (last name,

first name, etc.).

- for **indirect identification**: a unique identification number (license plate, Michelin identifier, mobile phone number, etc.) or a combination of information (sex, age, profession, city of residence, etc.).

All this personal information must be protected.

The number of regulations to protect privacy and personal data has increased dramatically worldwide in recent years. In many countries, **failure to comply with these regulations is now punishable by very significant financial sanctions (often reported in the press) and even criminal sanctions.**

## **Guiding Principles**

The personal data of employees, customers, suppliers, shareholders, partners or subcontractors must be processed in accordance with laws and regulations, as well as with applicable Group directives on the protection of personal data.

**The Group undertakes to collect and process only the data necessary for its activities.**

No personal data should be communicated to third parties, unless this is necessary and permitted by law.

Michelin is also convinced that data protection is a major competitive asset and a vehicle for trust in relations with all its stakeholders.

**The protection of personal data can only be ensured with the help of everyone.**

## **Do: I must**

- Collect and handle only personal data that is necessary for the objective pursued, and make sure that this objective is legitimate and clearly defined.
- Ensure that the collection and use of personal data complies with the information provided to the persons concerned; if required, I make sure that I obtain the consent of the person to collect and use the data.
- In free comment fields, only fill in comments that are relevant, adequate and not excessive; ask myself if I would be comfortable sharing this comment with the person who is the subject of it.
- Destroy or correct inaccurate or incomplete data and respect the rights of individuals over their data.
- Transmit personal data only to authorized internal recipients who have a legitimate need to know about it.
- Transmit personal data externally only in the event of a legal obligation or to companies that have entered into an agreement with the Group.
- Have read and comply with all of the commitments applicable within the Group in the event of authorized access to data from other countries or international transfers, these documents being accessible on the intranet (for example, the binding rules for the company (BCR)).
- Ensure the security and confidentiality of personal data (for example, for document transmissions, by complying with group security rules regarding file encryption);
- Inform the Michelin CERT (*Computer Emergency Response Team - team in charge of managing IT security incidents*) in accordance with the procedure applicable in the event of a data breach (loss of data, unauthorized access, unauthorized publication, etc.).

- Participate in regular training if the functions I hold require handling of personal data. Know the framework applicable to my activity.

### **Don't: I must not**

- Collect personal data without the knowledge of the data subject.
- Collect so-called "sensitive" information (state of health, sexual preference, political opinions, religious convictions, racial or ethnic origin) without the consent of the person or only if the law requires it.
- Give access to personal data to a person located in another country, without having consulted the Legal Department.
- Keep personal data longer than necessary for the purpose pursued.

### **Practical case 1**

*You are part of a sales team and you would like to create close relationships with your customers. You would like to enter some details related to their private lives in the Group's customer relationship management tool. Your replacement could thus have access to this information in your absence. Is this practice allowed?*

**No.** You can only collect factual information related to the professional sphere. In addition, the collection of certain sensitive information (state of health, religion, etc.) is strictly prohibited. Remember that your customer can request access to their personal data.

### **Practical case 2**

*A colleague had an accident at work. You wish to provide feedback to all industrial sites. You provide the following information: Ronan A., Monitor, Vannes site, as well as the details of his injuries and the context of his accident. You only mention the first name of your colleague, do you comply with the regulations?*

You should ask yourself the following questions.

1. **Are you pursuing a legitimate objective?**

**Yes.** It is about improving the safety of employees through this feedback.

2. **Is it essential to transmit all this information?**

**No.** The site, the position, the first name is not useful for reporting on this accident.

To "anonymize" personal data, you always must ask yourself: can I identify this person with the information provided? In this case, in giving the first name, function and mention of the industrial site, you give enough information that the person could be identified.

## **Supplier Relations**



Michelin attaches great importance to relations with its suppliers.

For all of the prescriptions, practical cases and expectations concerning relations with suppliers, please refer to the [Supplier Relations Code of Conduct](#) and associated [e-learning](#).

## Respect of laws and regulations



*"Ensure constant compliance with the regulations and respect for cultures of the countries in which we operate. Wherever we are located, we are determined to act as a responsible and honest Company, respectful of mankind and the law."*

Michelin Performance and Responsibility Charter (2002), Implementing our values, exercising our responsibilities

Michelin is committed to fully respecting the applicable laws and regulations in all of its activities. It is the responsibility of each employee to abide by the letter and spirit of these laws.

### Context

All over the world, laws and regulations are enacted by government authorities at different levels: country, city, canton, province. Some laws and regulations also have extraterritorial scope.

For certain topics, local law may be stricter than this Code. If so, local laws will prevail. However, in the event that this Code is stricter than local law, this Code will prevail.

### Guiding Principles

The Group does not expect its employees to be legal experts. It is nevertheless the personal responsibility of each employee to find out about the laws and regulations applicable to their missions and to comply with them. The Legal Department will help all employees to act in accordance with the applicable laws and regulations.

Employees should also determine when it is necessary to seek advice from the Legal Department.

### Do: I must

- Find out about the law applicable to my activities by consulting the Legal Department if necessary.
- Comply with the applicable laws and regulations.
- If this Code is stricter than the applicable law, comply with this Code.

### Don't: I must not

- Act without consulting the Legal Department in case of doubt or in the presence of an unknown situation.

### Practical case 1

*You would like to give gifts to public servants whom you frequently meet in the course of your work. This custom, on an important holiday, is completely legitimate in the country. What is the procedure to follow?*

You should consult the applicable gifts and invitations policy and contact the Legal Department. You must also ensure that this practice complies with local policy, this Code and French anti-corruption law, which applies to the Group's activities throughout the world.

### **Practical case 2**

*You have just accepted a position in a new métier. Due to a heavy workload, you do not have time to complete the mandatory legal training for this position. Does it comply with the Group's principles?*

**No.** You need to find the time to take the training.

## **External Interactions**



Sincere communication, the desire for constructive dialogue, a willingness to listen and systematic attention to people's needs all support the confidence placed in the Michelin Group.

**Respect for facts** is the keystone of the Group's four other fundamental values of respect (respect for customers, employees, shareholders, and the environment).

## **Social Networks**



During their social media activities, employees must ensure that there is no confusion between their opinions or personal interests and the position of the Group.

It is important to be respectful of colleagues, partners, customers and competitors when using social media.

In this context, care in communications on social media is key for Michelin.

### **Context**

Social networks (Facebook, LinkedIn, blogs, forums, etc.) give employees the opportunity to express themselves, to learn and to share information with colleagues, customers or partners.

In this context, everyone must act responsibly to preserve the image and reputation of the Group.

### **Guiding Principles**

The "social media" team within the Digital & Social Room / DCEM supervises the use of social networks on behalf of the Michelin Group.

**A guide "Social Networks: Best Practices for Employees" is available to guide employees in the use of social networks for private purposes.**

When speaking, **everyone must protect the Group's reputation, the brand image and avoid disclosing confidential information.**

As a reminder: the only people authorized to speak on behalf of Michelin on social networks have been validated in advance by the Communication & Brands Department of each Entity. Please contact the Social Media Manager of your Region/country or the DCEM "Social room" for any questions.

### **Do: I must**

- Configure any personal account with my **personal** e-mail address.
- Mention that comments are written and posted in a personal capacity and / or only mention personal facts (not professional) in my biography / profile.
- If I post a comment related to Michelin or its activity, even if this comment is made in a personal capacity, specify that I am a Michelin employee.
- Report any false account to the Digital & Social Room / DCEM. The Group is sometimes the victim of identity theft.

### **Don't: I must not**

- Include the Group's logo in my visual identity, to avoid any confusion.
- Include the name of the MICHELIN Group in my username.
- Refer to partners, customers or suppliers without their prior agreement.
- Reveal confidential information that does not belong to me.

### **Practical case 1**

*You are working on a new confidential distribution network project. A colleague suggests that you create a group on LinkedIn to exchange and share documents. Is it possible?*

**No.** You refuse because internal Group documents should not be exchanged on social networks. You offer to exchange via the Group's internal tool to facilitate collaborative work.

### **Practical case 2**

*You took pictures at the party for the departure of one of your colleagues. You want to publish them on your Facebook page, is this allowed?*

**No.** You must seek permission from the persons concerned to respect the right to their image. For any publication, you should consider the potential risk of damaging your reputation as well as that of other people or entities.

## **Civil Society Organizations (CSO)**

OSC

Wherever it is present, the Group acts in harmony with the society around it. Dialogue with stakeholders, including CSOs, is a source of wealth, creativity and cohesion.



## Context

Civil society organizations (CSOs) **are formal** (eg: *Non-governmental organizations or NGOs*) or **informal** (eg: *experts, opinion leaders*) **structures that express the expectations of society in social or environmental fields**. They act in the general interest.

Their capacity to influence continues to grow. They have legitimacy in public opinion.

## Functions and Principles

The Group has created within the Public Affairs (PA) department a position that is responsible for dialogue with CSOs at the global level.

This position relies on the network of regional or national PA managers.

Together, they map out the subjects at risk (the subjects that are debated in society) and identify the "correct" interlocutors in civil society in order to engage in constructive dialogue.

**A "correct interlocutor" is not necessarily an ally; it can be an adversary who, through debate, helps the Group to form an opinion before taking action.**

## Do: I must

- Listen to the expectations of civil society, whatever my position, because it concerns me and the company.
- Share with the person in charge of the dialogue with CSOs the information that I have, in order to promote a long-term dialogue with each CSO.

## Don't: I must not

- Leave an inquiry unanswered; I must forward the messages received (orally or in writing) to the person responsible for dialogue with CSOs so that they can address these messages.

## Practical case

*You are challenged by a local NGO that defends the cause of animals. They ask you about the Group's purchasing rules for the supply of natural leather gloves for your employees, what do you do?*

As a buyer of personal protective equipment, the Group is particularly attentive to the supply chain for the leather industry. Suppliers involved in the manufacturing process of this type of product must commit to animal welfare and the environmental rules issued by the Group.

You start a dialogue with this NGO in order to understand its arguments. You examine the internal process and propose levers for improvement that you share with the NGO. You remind it of the Group's commitment to eliminate any direct or indirect causes of animal suffering and to favor, if possible, the use of synthetic leather gloves.

## Local Communities



As an industrial group, Michelin has a strong local footprint in many countries.

The Michelin group wishes to carry out its activities in harmony with local communities wherever it is established and seeks to ensure that its presence is as beneficial to them as possible.

### Context

The impact of our activities concerns, on the one hand, major projects (construction of a new factory, closure of a site, purchase of rubber plantations) and, on the other hand, ongoing activity at operational sites.

In compliance with international human rights standards, **Michelin is committed to ensuring that its activities do not harm the health or safety of local communities, do not deprive them of their access to natural resources (water, food, land, habitat), and do not disrupt their cultures or economic activities.** It is also committed to ensure that our operations can **generate positive effects on their development.**

### Values and Guiding Principles

The Michelin group wishes to carry out its activities in harmony with local communities wherever it is established and seeks to ensure that its presence is as beneficial to them as possible. To this end, it makes the following commitments:

- **Identify the interests and needs** of the surrounding populations very early on in a construction, site development or land acquisition project. This consultation work with stakeholders concerned or impacted by the project includes the potentially most vulnerable groups.
- **Look for favorable and beneficial opportunities and actions** for local stakeholders (employment, joint projects); prevent the risk of negative occurrences; adjust our projects so that they benefit them as much as possible and do not adversely affect their health, safety, access to natural resources or their cultural heritage during the construction phase or when the site is in operation.
- **Maintain direct, regular, transparent and high-quality communication** with local communities and all stakeholders present near operating sites.
- **Establish a mechanism for handling complaints.** In the event of damage to the environment or to local populations, address each complaint and propose appropriate repair and compensation plans. Make this system known to local communities.

***For the attention of site directors, directors of new site construction or site closure projects, and mergers / acquisitions managers:***

#### ***Do: I must***

##### ***In all circumstances***

- Identify the risks and opportunities for local populations related to the construction of a new site, the activity of a site in current operation or the closure of a site.
- Inform myself of the existence of any local regulations applying to specific population segments (particularly disadvantaged populations) and ensure the protection of the cultural heritage of local populations.

- Put in place action plans based on the results of the previous step in order to eliminate or, failing that, mitigate any negative consequences and to develop positive opportunities for local populations.
- Set up a formalized and easily accessible complaints mechanism so that any possible complaints from local communities are effectively dealt with and publicize this mechanism.

***For sites in operation:***

- Establish regular and constructive dialogue with local residents near the sites.
- Encourage partnerships with local stakeholders (associations, schools, research centers, companies, etc.) which can generate positive impacts on the well-being and development of the surrounding populations.
- Deploy a Reaching Out to Local Communities (IVL) program on each site with more than 400 employees.
- Refer to the requirements of the EP (Environment & Prevention) standards for the use of natural resources. (Objective: limit pollution, the extraction of scarce resources or any damage to the health and safety of local communities).

***During the construction of an industrial site:***

- Inform local stakeholders of the consequences of the construction project through direct communication. Take into account their interests and requests in order to carry out the work in a satisfactory manner for them. The approach should not be limited to dialogue with local authorities. It can be performed by an external firm, in partnership with Michelin.
- Give priority to local recruitments when possible. Respect the principles of equal opportunity and non-discrimination.
- Give priority to the training of local populations when the job requirements allow it.

***When closing a site:***

- Take all the necessary measures to clean up the site.
- Promote the redeployment of employees.
- Support employment in conjunction with local authorities.

***When buying and managing plantations:***

- Document the land settlement process to ensure we know the history of the property.
- Respect the people's right of use and access to land, so that they continue to cultivate their food crops.
- Sustainably use natural rubber plantations. Refer to the responsible natural rubber policy which sets out Michelin's commitments in social (recruitment, training, first aid), economic (respect for food safety) and environmental (conservation, biodiversity) matters.

***Don't: I must not***

- Carry out a new location project without taking into account the interests and demands of the main local stakeholders. Engage in direct dialogue.

- Fail to follow up on questions or possible complaints raised by local stakeholders.
- Limit dialogue to government authorities only.

### **Practical case 1**

*You are a project manager in charge of building a new factory in a country. A piece of land has been identified and the project has been approved by the local municipality. Is this enough to start construction?*

**No.** Before validating this project, you must broaden the dialogue with other stakeholders. You ask your team to contact local associations, businesses, and schools in order to organize discussions or consultations.

You may be able to hire an external firm to help you in this process.

### **Practical case 2**

*Responsible for a human resources team in a country, you are considering recruiting locally. However, most of the candidates are not trained in the professions of the Group. What do you do?*

Before considering recruiting in more distant employment pools, you study the possibility of training local populations, in partnership with training organizations.

## **Fairness in Financial Reporting**



The Group needs sincere and reliable financial information in order to ensure the quality of its management and the confidence of its shareholders, partners and suppliers.

### **Values**

*"The Company is in favor of open, regular, accurate and honest communication with its shareholders and the representatives of the financial community... Respecting facts demands objectivity and intellectual honesty, above and beyond opinions and preconceived ideas. It means daring to recognize that a problem exists and admitting the reality of its impact, even when solutions seem hard to find."*

Michelin Performance and Responsibility Charter (2002), Implementing our values, exercising our responsibilities

### **Guiding Principles**

The operations and transactions carried out by the Group are recorded truthfully and faithfully in the accounts of each Entity in accordance with applicable regulations and internal procedures.

Respecting the facts means maintaining objectivity and intellectual honesty, beyond opinions and prejudices.

Any attempt to falsify financial reports is considered a violation and will be duly sanctioned.

### ***Do: I must***

- Report promptly, completely and honestly any information that may have an effect on financial information.
- Justify all entries with evidence. Ensure the reliability of financial and accounting information.
- Respect the internal control rules.
- Speak up if I observe a possible breach of the principle of fairness in financial reports.

### ***Don't: I must not***

- Sign or approve documents that are inaccurate or do not reflect reality.
- Neglect to correct the accounting or to make an alert if I am aware of assets or debts not recorded on the Group's balance sheet.

### ***Practical case 1***

*You are responsible for the budget. You notice at the end of the year that you risk exceeding the budget to which you have committed. What do you do?*

You don't try to agree with your suppliers on delaying invoicing into the next year in order to keep your commitment. Accounting records are linked to receipt of the good or service, rather than to receipt of the invoice.

### ***Practical case 2***

*You check sales reports prepared by your manager and find errors. You hesitate to talk to your manager about it, is it the right attitude?*

**No.** You don't have to be afraid to let them know. On the contrary, you serve the interests of the Group by preventing republication of inaccurate information.

## **My Work and the Environment**



**Respect for the environment** is one of Michelin's five fundamental values, expressed in 2002 in the "Michelin Performance and Responsibility Charter" and reiterated in 2012 in the publication "Michelin Performance and Responsibility: A better way forward".

Considering the special nature of the environmental emergency, Michelin has chosen to add an **environmental component** to this Code. **Its recommendations are for information and encouragement**: they aim to help each employee improve their environmental footprint within the framework of their professional activities; at this time, they are not mandatory rules (except where activity is the subject of an environmental law).

### ***Context***

The fight against climate change, the commitment to renewable energies, the preservation of resources and biodiversity are essential to protect the future of the planet.

Michelin has been evaluating and taking into account for many years the environmental impacts of its activities throughout the life cycle of its products, from the extraction and processing of resources, through the use phase, to the treatment at end of life.

## **Guiding Principles**

The Group is now aiming for zero NET CO2 emissions for its industrial sites as a whole (scopes 1 and 2), by 2050 - *consistent with the climate scenario that limits global warming to 1.5°C.*

Each employee contributes to this commitment by adopting eco-responsible actions at their workplace: at their workstation, on sites and during their business trips.

## **At My Post**

### **Recommendations**

#### **Printing**

- I favor digital. I only print final documents that are used frequently.
- I adapt documents being read on screen to avoid unnecessary printing. For PowerPoint presentations, for example, I print two slides per page.
- I limit printing, and I print on both sides, and in black and white.
- I prefer thin, ink-efficient printing fonts.
- Where possible, I use recycled paper and make sure that used paper is recycled.
- Where possible, I use refillable ink cartridges and make sure they are recycled.

#### **Did you know?**

*An employee working in an office consumes an average of 70 to 85 kg of paper per month.*

*It is imperative to ensure that its consumption is reduced and to favor recycling.*

#### **Use of devices**

##### **SMARTPHONE**

- I put my smartphone in "energy saving" mode.
- I turn off the GPS, Wifi and Bluetooth functions when they are not useful to me.
- At work or at home, I use Wifi rather than 4G.
- I prefer "*dark mode*" (dark background), which consumes less energy.

## COMPUTER (consumption and data storage)

- I preferably use a laptop to a stationary computer.
- I configure the computers to go to sleep mode quickly.
- I regularly clear the cache, history and cookies of my computer's browser.
- I delete old emails regularly.
- I lighten the weight of my "PowerPoint" presentations by using:
  - lightweight templates / masks;
  - the "image compression" function;
  - a « PDF » version if I send it by e-mail
- I sort and delete at regular intervals:
  - unnecessary emails in all my files
  - the documents in the "downloads" folder of my operating system
  - the One Drive files that I own, every year or as soon as they become unnecessary (and at each change of position)
- I turn off computers and printers during lunch break and at night.

## OTHER DEVICES

- In general, I take care of my equipment to optimize its lifespan.
- I return my landline phone if I no longer use it.
- I turn off the lights when not needed.
- I use low consumption light bulbs.
- I lower the shutters / blinds in case of high temperatures during daylight hours.

### Did you know?

*IT equipment is responsible for 21% of electricity consumption in offices.*

*It is essential to optimize its energy consumption in order to reduce the overall carbon footprint of the activity.*

### Emails (sending)

- I limit sending to essential recipients. I avoid the systematic use of the "reply to all" function in order to reduce unnecessary emails.
- I avoid using photos or logos in the footer and email signature, or I prefer low definition images.
- I prefer to share with a link rather than sending attachments.
- I reduce the size of attachments (convert documents to PDF format, compress files).
- I unsubscribe from rarely consulted mailing lists.
- I manage notifications from internal applications (Teams - Yammer) so as not to systematically receive

a notification email.

- I favor collaborative tools, which are often more efficient and economical than emails (many recipients, presence of attachments). I use the right tool for each purpose.

**Did you know?** 

*The environmental impact of an email varies depending on the number of recipients, the size of attachments and the storage on a server.*

*Multiplying the number of email recipients by 10 multiplies its ecological footprint by 4.*

**Internet searches** 

- I save frequently visited pages as favorites.
- I type the address / URL of a website directly into the search bar, rather than going through a search engine.
- I systematically close the programs / Internet pages / tabs which are no longer useful to me.

**Did you know?** 

*A minute-long internet search consumes 100 Watts on a desktop computer and 20 watts on a laptop computer.*

*When you enter the URL of a website directly, you divide the greenhouse gas emissions by 4.*

**Beyond My Site** 

Behaving ethically, such as ensuring respect for the environment, is not just a question of reputation: it is above all an urgent global and collective issue.

The Group invites each and every one of its employees to freely practice the values and the ethical behavior supported by Michelin beyond their professional framework.

**My Business Trips** 

**Whenever possible, I favor:**

- Videoconferences over travel.
- For daily journeys: environmentally friendly transport (public transport, cycling, walking), and ride-sharing over individual vehicles.
- For long journeys: the train and ride-sharing.

**Did you know?** 

*Home-to-work and business trips are the main source of greenhouse gas emissions from office activities: 12 million tonnes per year.*



3/4 of these trips are made by car.

*source: ADEME, Eco-responsible in the office (June 2020)*

## At my site



### Recommendations

#### Waste and circular economy

##### ACCORDING TO THE RESPONSIBILITIES OF MY JOB

- I favor recyclable, reusable or sustainable materials for the purchase and use of office equipment, consumables, supplies, the choice of packaging, etc.
- I set up a recycling station that is visible and understandable by all.
- I use environmentally friendly cleaning products.
- I ensure the presence of sufficient trash bins and ashtrays; I do not throw rubbish / cigarette ends on the ground.
- I limit the use of packaging and I prefer sustainable packaging (reusable, recyclable, or from sustainable channels).
- I promote the second life of equipment (computers, smartphones, offices, etc.) by entrusting them to associations or companies for them to be reconditioned

#### Did you know?

*The recycling of electronic equipment enables the recovery of rare or precious materials.*

*A ton of electronic cards has 50 to 100 times more gold than a ton of ore.*

*Some components of these devices, such as arsenic or chlorine, are harmful to health and the environment and require appropriate treatment.*

#### Heating and air conditioning

- As a manager, I allow employees to adapt their work clothes to the temperature.
- I make sure that windows are properly closed when it is cold, and have shading (shutters / blinds) during daylight hours in the event of high temperatures.
- I do not leave windows open while the air conditioning is on.

#### Did you know?

*Among office energy consumption, heating represents on average of 50%, and air conditioning can represent up to 20%.*

*source: ADEME, Eco-responsible in the office (June 2020)*

## **Meals**

### *ACCORDING TO THE RESPONSIBILITIES OF MY JOB*

- I favor local and seasonal products (canteens, offices, distributors, etc.).
- I favor supplies from short distances.

### **Did you know?**

*Each meal in corporate catering setting generates on average 75 g of food waste, compared to 130 g for collective catering in general.*

*source: ADEME, Eco-responsible in the office (June 2020)*