



## Introduction

The planet is currently experiencing increasing demographic and environmental pressure, with populations who wish to be able to move, to work, to access healthcare or education, etc. Mobility is a universal right that Michelin is committed to preserving and making more sustainable.

This is why the Group is innovating to make it ever safer, accessible, efficient, with long-lasting performance and minimum consumption of resources, and with less impact on the environment (see [Leader in Sustainable Development](#) Michelin and our Research and Development initiatives to further reduce of Tyre & Road Wear Particles and develop, new, more environmentally friendly materials to limit the impact of its products). A holistic approach to mobility that bears witness to Michelin's leadership in the field. This pledge is part of this systemic approach, addressing environmental and social issues simultaneously, while increasing our sustainable performance for consumers.

### 1. Reduce carbon footprint

Based on a scientific analysis of the environmental impacts at every stage in the life cycle of its products or services, Michelin provides innovative solutions with a better environmental footprint, without any compromise on the quality and performance of our products, which is so valued by our customers.

As part of its climate change strategy (Net Zero Ambition), the Group has defined a **decarbonization plan** covering the three scopes of emissions with a focus on all its production sites, its logistics operations, and its supply chain with raw material and component suppliers. This plan is compatible with the "Race to Zero" commitment of July 2021, supported by the international Science Based Targets initiative (SBTi) consortium. We commit to:

- *Reducing CO<sub>2</sub> emissions from manufacturing facilities by 27,5 % (in absolute value) in 2030 (vs. 2019, baseline data are 3,22 million of tons). In 2023, the Group has already exceeded its commitments by reducing these emissions by more than 28%.*
- *Reducing CO<sub>2</sub> emissions in logistics by shipping less, shipping better, and shipping differently by 15%<sup>1</sup> in 2030 (vs. 2019, baseline data are 1,39 million of tons). In 2023, the Group reduced these emissions by 25%.*

As Michelin has exceeded its commitments, the Group decided to **accelerate** its net-zero action plan. That is why in January 2024, the Group **submitted new short-term and long-term targets** to SBTi ( for purchases of raw materials, upstream energy and logistics, excluding the use phase) in line with a 1.5°C trajectory. The validation process of these new targets is ongoing and, once finalized in 2024, Michelin commits to update the current pledge accordingly.

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<sup>1</sup> Target recomputed, SBTi target defined with 2018 as a reference year for logistics.



Through continuous innovation, we design products with extremely **high energy efficiency** throughout their lifecycle, from the manufacturing process to their recycling, including the usage phase. We especially commit to:

- *Improving tyre energy efficiency during the in-use phase by 10% in 2030 (vs. 2020).* This is our contribution to reduce the CO2 emission of the usage phase of our products that represents 130 million of tons/year (*more than 80% of the total CO2 emissions*). This index is audited on a yearly basis by an independent third party.

## 2. Increase circularity

Tyres are high-tech products made from more than 200 different materials that must handle contradictory challenges and a wide range of usage conditions. Michelin **innovates to speed the transition to sustainable mobility** through key levers which together contribute to reducing CO<sub>2</sub> emissions and particle emissions while promoting circular economy and ensuring long-lasting performance.

This allows offering a **safe and sustainable driving experience from the first mile to the last**, all the way to the legal wear limit and means that consumers can change their tyres less often for financial savings and a decreased environmental impact. To support our environmental ambition, we commit to:

- Achieving our ambition of “All sustainable” tyres, made solely from **renewable and recycled materials**, by 2050. *The intermediate objective is to integrate an average of 40% renewable and recycled materials across all its lineups by 2030.* Michelin commits to communicating the progress of this objective with the yearly update of the pledge. It will be done by maintaining the momentum of progress in the quality and performance of its tyres (*rolling resistance, wet grip, noise*) and by ensuring that the incorporation of these materials leads to comprehensive progress on tyres’ environmental impact throughout their life cycle.

## 3. Improve social sustainability and fair wage

Michelin makes every effort to ensure that human rights are respected in all its activities and wherever it operates. The Group adheres to the fundamental principles of human rights and to the main international conventions. Based on the 2022 Corporate Policy on Human rights, the Michelin Group is a member of numerous initiatives (Global Compact, Business 4 Inclusive Growth, Global Deal, etc.) aimed at **promoting social dialogue and decent work throughout the world**.



From this perspective, we commit to:

- Ensuring that *100% of Michelin employees receive a wage at least equivalent to the "living wage" by 2025*. Early 2024, Michelin was recognized<sup>2</sup> "Global Living Wage Employer" by Fair Wage Network, an internationally renowned NGO. Exploration is underway on living wage in the value chain.

#### 4. Reporting & progress

Michelin commits to publishing the Group progress on the above commitments at least once a year on its own website and to share regular updates on the implementation.

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<sup>2</sup> Certification scope: all Michelin Group companies, excluding newly acquired companies (one year to be compliant) or those in the process of being sold.