

THE FUNDAMENTALS

MICHELIN PERFORMANCE AND RESPONSIBILITY CHARTER 2002

This document is a reprint of the 2002 Michelin Performance and Responsibility Charter. While its format has been harmonized with other Group reference materials released in 2010, its content remains unchanged.





PREAMBLE

PREAMBLE

One day, over a hundred years ago a small company in Clermont-Ferrand decided to help out a customer, a passing cyclist whose tire, bonded to the wheel in those days, was flat. This is how our adventure began. The immediate problem was to find a solution to help the cyclist back on to the road.

But, above and beyond, the Company anticipated a yet unexpressed need: an easily removable tire, which could be solidly repaired in just a few minutes.

Service, attention to customers' needs, consideration for facts, a will to innovate, the choice of quality, we truly have a great deal to learn from this minor, some might say insignificant, incident!

The successive generations of men and women making up our workforce have developed this spirit. Our shareholders, placing their trust in us, have allowed us to take risks, and we have always chosen to maintain our focus on our customers' requirements. It is precisely for these reasons that the Michelin Group has continued to develop over such a long period of time.

Today, our Group is world leader on the tire market.

Over more than a century of growth, we have taken on numerous challenges: the launch of the radial tire, the green tire, the PAX System, success on the American markets, establishment in Asia and Eastern Europe, to name but a few!

And the challenges that lie ahead of us will be just as difficult and no less exciting.

At the end of the day, what is the defining aspect of our business?

We manufacture tires, products designed to help transport people and goods, at the best possible price and in maximum safety. We provide travel related services. But beyond, the core of our business is mobility.

It meets a universal, fundamental need of people and society. And it is becoming more and more complex, with the growing diversity of vehicles, travel conditions and service requirements.

Our organization is now worldwide; and we need to reaffirm our major development orientations, in order to ensure that our Group, a vast team of more than 120,000 players, focuses its efforts efficiently on a common goal.

We want to:

- Focus our passion to improve mobility. Remain the most innovative Company for tires, suspension systems and travel related services.
- Offer our customers the best quality products and services at the best price in each market we decide to serve.
- Provide growth and fulfillment for our people as they carry out their responsibilities, especially by making full use of the Company's diversity and by developing our people's talents.
- Durably grow the value of our Company by maximizing the profitability of our operations and the return on our investments.
- Recognize and fulfill our Company's role as a responsible member of society, by practicing our values.

So, moving forward, while constantly adapting to the realities of the world.

However, we want to achieve this while remaining true to our values and roots.

This is the reason why we have decided to draw up a charter: **"Michelin Performance and Responsibility"**. Its objective is simple: to clearly state our values in order to facilitate their implementation within the framework of our mission. And this is a challenging task. The charter will provide us with an ongoing indicator revealing the gap between our actions and our intentions.

Even as we progress in our efforts, this target will always be ahead of us. In a way, it will serve as our Group's polestar.

And this is how we will improve!

The key to our Company's sustained development lies in targeting performance. We must always be able to weigh the consequences of our decisions. We want to be both efficient in our performance and responsible in our actions. May this charter help us achieve this goal!

Édouard Michelin, René Zingraff
November 2002



**MOBILITY:
THE ISSUES**

Mobility, a key factor in development

➔ **Mobility, the possibility of transporting people and goods from one place to another, has always been an integral part of the development of societies.**

It is the fundamental medium of virtually all economic activity.

Manufacturers use a means of transportation to deliver goods to their customers. Service providers rely on travel to reach their clients. Companies' employees commute to their place of work. Mobility is also essential for relationships between people and mutual discovery: it is a means of maintaining social and family links and enabling leisure travel and tourist activity.

Road transportation continues to grow in prevalence among the various modes of travel. Its performance, in terms of speed, flexibility and cost, makes it the best solution for individual and professional needs, which are increasingly more demanding when it comes to lead time and flexibility. There is a need to deliver within 24 hours or change holiday itineraries at the last minute, while at the same time reducing the cost of travel.

Today, road travel appears to be the best solution for most people using land transportation.

But permanent growth in road mobility has placed the spotlight on major environmental and social issues throughout the world, in industrialized and developing countries alike.

The continued development of road transportation must go hand in hand with significant progress in the areas of safety and the environment.

Road safety, which varies greatly from one geographical area to another, falls far short of our society's fully justified expectations. Road pollution, irrespective of its actual contribution to the global environmental impact of human activity, must be reduced. Other issues have arisen, ranging from areas as varied as energy sources, transportation in major urban areas, improving traffic flow, use of various transport modes or end-of-life product disposal.

These are all concerns that require long-term solutions.

For many years now, industrialists from the transportation sector have worked hard on new research to improve performance on these questions. At the same time, these industrialists have been faced with issues arising from the performance of their own organization. These can be controlling the environmental impact of their production sites and meeting the expectations of their partners, both internally and externally.

Sustainable mobility: the issues facing us

- ➔ We are faced with all the transportation issues, through our tire products, our systems for improving vehicle response to the road and our personal and professional travel products and services.

The sustainable nature of mobility, i.e. a mobility which “can be carried by the planet and human society over the long term,” depends on our ability to develop efficient answers, in partnership with all concerned.

Like any other Company, our Group aims for a high level of economic performance. This enables its continued, structured development, while meeting the expectations of its shareholders and the aspirations of its employees.

But we are not prepared to accept just any conditions to achieve this. We want to assume our responsibilities regarding the mobility issues.

Accordingly, when it comes to safety, the quality of our products, carefully inspected at every stage of production, has always been an absolute imperative. In recommended conditions of use, the performance of our tires in terms of grip, handling, braking and run-flat capability for the PAX System, makes a significant contribution to safety.

But we want to do more.

In terms of environmental pollution, our life cycle research has clearly shown that the effects of tires on the environment are considerably greater during the tires' active life, i.e. when they are fitted to a vehicle.

Indeed, reducing the tires' rolling resistance lowers the amount of energy used by the moving vehicle. This consequently decreases engine pollution.

In 1946, we invented the radial tire, which consumes less energy than its predecessors, followed by the low-rolling-resistance tire in 1992. We have been progressing ever since in this field, resulting in constantly enhanced products being launched onto the market.

In terms of end of product life, introducing technical and economic systems for recycling and disposing of used products is a major challenge, which we fully intend to meet throughout the world, in partnership with all concerned. We have been working on this type of solution for many years, because we consider it our responsibility to play a major role in the implementation of efficient solutions.

Above and beyond the specific mobility-related issues, we want to achieve long-term growth by maintaining a balance between economic performance, respect for the environment and the quality of our relations with people, both within and outside the Group.

We recognize the importance of issues relating to the environmental performance of our sites, working conditions, health and safety. We feel it is necessary to contribute to the widespread adoption of these principles of responsibility by our partners, through honest practices and high standards.

By virtue of its daily activity, our Company influences the working and living conditions of numerous people who thus become its stakeholders.

By better meeting the expectations of one and all, our Company can continue to develop in a sound, responsible and long-term fashion, **making its own contribution to the improvement of living conditions on our planet.**



**OUR MISSION,
OUR
RESPONSIBILITY,
OUR VALUES**

***“We have one profession and one mission:
contribute to long-term progress
in the field of mobility.”***

Édouard Michelin, 2002

Since the Company was founded, Michelin’s stated mission has been to contribute to progress in the area of personal and goods mobility and, beyond this, the development of society. The Company’s goal is to satisfy the fundamental human need to socialize, exchange and discover.

We intend to carry out this mission, fully accepting our responsibilities in all aspects of our operations. Accepting our responsibilities means taking part in the development of sustainable mobility or, in other words, achieving increasingly efficient solutions to meet expectations and aspirations, respecting the natural environment, while achieving economically sound operations. This also means taking into account the long-term impact of the choices we make. A Company’s performance must be measured against each and every one of these aspects.

By “accepting our responsibilities”, we mean implementing the **Michelin Group’s five fundamental values** on a daily basis, in our actions and decisions:

- **respect for customers**
- **respect for people**
- **respect for shareholders**
- **respect for the environment**
- **respect for facts.**

The purpose of the “Michelin Performance and Responsibility” charter is to clearly state these values in order to facilitate their implementation, making them a commitment for the Group as a whole.

A large, stylized black silhouette of a human profile is set against a solid orange background. The silhouette is composed of thick, curved lines representing the head, neck, and shoulder. The text is positioned within a white rectangular area on the left side of the profile.

**IMPLEMENTING
OUR VALUES,
EXERCISING OUR
RESPONSIBILITIES**

It is our intention to carry out our mission to the full, implement our strategic orientations and achieve our performance objectives, while implementing our values and exercising our responsibilities.

RESPECT FOR CUSTOMERS

“By exercising his free choice, the customer is really the one in charge.”

François Michelin, 1969

The very core of the Company’s mission is to serve its customers; our long-term existence and growth depend on the long-term satisfaction of our customers.

Serving our customers through high-performance products

➤ First and foremost, we want to serve our customers through the performance of our products and services. We constantly anticipate, accompany and strive to offer the best solution to their needs, through quality products and services, fully suited to changing applications and lifestyles.

Our primary responsibility is to provide our customers with safe products, suitable for their intended use, of high manufacturing quality, compliant with regulations. Their technical performance levels will remain applicable throughout product life. Likewise, the services we provide aim for the highest levels of quality in terms of reliability, customer expectations and compliance with deadlines and costs. These principles apply to tire dealers, but also to other service providers.

To achieve these objectives, we must be attentive to our customers’ expectations, without preconceived ideas or bias. It is up to them to tell us whether our products comply with their expectations. They will encourage us to serve them better.

To achieve this, we depend on our capacity to innovate, a key factor in our ability to progress. It is this capacity which enables us to improve travel safety and comfort, at the lowest possible cost, while minimizing negative impact on the environment.

And as we have already done with the radial tire, the green tire and more recently, with the PAX System or online travel itineraries, it is our ambition to introduce bold new technology that transforms the conditions of mobility to benefit our customers, even if this means far-reaching market changes or adapting our organization.

Serving our customers through our attitude

- ➔ **Fundamentally, we wish to have a solid, honest relationship with our customers, based on mutual trust, professional excellence and a genuine will to communicate.**

To achieve this, we strive to provide precise technical and commercial information on the value of our products and services, regarding not only the technical aspects and characteristics of use, but also the commercial aspects.

More broadly, our role is also to help make roads safer for all users, via specific operations advising customers on the use of our products, as well as by encouraging them to behave in a prudent and responsible manner.

With our tire dealers, our aim is to build up balanced commercial relations, enabling them to constantly develop their business alongside our own, via quality products and services.

We are in favor of fair commercial competition from all players, within the framework of competition law. 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 are attentive to such practices in all bids we submit and in all relations with authorities.

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.

We also refuse all and any arrangements contrary to the integrity which our customers and our partners rightly deserve and harmful to fair competition.

Accordingly, we ensure that our business is carried out fairly in relation to our competitors and our customers alike.

We are the more so aware of this matter as we are in a leading position in numerous markets.

RESPECT FOR PEOPLE

“Every man and woman is unique and irreplaceable.”

François Michelin, 1998

From the beginning, the Michelin Group has considered respect for people to be a key responsibility, has tried to respect certain rules of behavior: fair exchange, constructive dialogue for harmonious development within society.

It is our firm intention to encourage positive relationships with all our partners. We do this in a spirit of honesty and mutual respect, to establish a dialogue which is beneficial for one and all.

With our employees

We want to pursue the Michelin Group’s worldwide expansion based on three guiding principles:

- maintain a strong, open and shared Company culture, a source of social cohesion and motivation;
- encourage personal development and self-realization within the Company for one and all, in the exercise of their responsibilities;
- ensure constant compliance with the regulations and respect for cultures of the countries in which we operate.

In practice, these principles lead to the following statements and positions:

- the safety of our employees is paramount. To move forward, every member of the Company must become a responsible player.
In addition to the necessary implementation of technical and organizational conditions to reduce risks, we invest in the training of our personnel. Training is a key factor in individual empowerment, which will enable us to raise the challenge of a constant improvement in safety in the workplace;
- we constantly seek to identify areas of progress in employee relations, health and safety. Whenever the need becomes apparent, we set up infrastructures to improve safety, welfare, working conditions and the living environment. We address these matters extensively when acquiring new sites;

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- from the product design phase, we integrate health and safety goals when selecting materials and processes. These choices have indeed consequences on tire manufacturing conditions within our production sites. It is our ambition to constantly improve working conditions, notably by excluding materials with a recognized potential harmful effect on health;
 - we encourage our employees to progress in their duties, via a justified level of demands.
We encourage them to work as teams, which is the best way to provide appropriate answers to complex questions demanding the sharing of different experiences, trades and cultures;
 - we expect our management to delegate, in a spirit of trust, enabling the responsibility for each task to be assigned to the person best suited for the job, providing one and all with freedom of initiative and action;
 - we wish to provide our employees with conditions of advancement and compensation, as well as appropriate, personalized training programs. We want to give them real, fair options for personal and social development, without discrimination, so that they can improve their immediate welfare and build their future, including at the end of their professional life;
 - we encourage direct communication with each and every employee of the Group, as an indispensable and irreplaceable kind of relation. We also wish to hold positive, constructive debate with the legal bodies representing employees, with sincerity and respect for their viewpoints. Our goal is balanced development for both the Company and employees;
 - within all our establishments, we develop high-quality medical supervision for all our employees. Our aim is to apply the same international health protection standards in all the countries in which we operate;
 - we are fundamentally opposed to child and forced labor, in full compliance with the principles of the International Labor Organization;
 - we see cultural diversity as an asset. This diversity is an opportunity for fruitful development of inter-personal relationships and greatly enhances the quality and creativity of exchange;

- 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;
- finally, we see confidentiality as a duty, whenever the interests of our customers, shareholders, partners, employees and, more generally, our Group, are at stake. In a competitive universe like ours, the sustainability of our activities and those of our partners depend on it.

With our industrial and commercial partners

- **We establish honest relationships with our industrial and commercial partners, notably with our suppliers, based on fair contractual conditions and targeting the best possible balance between improving our results and establishing long-lasting partnerships.**

In the initial choice of all our partners and when evaluating our continued relationships with them, we wish to include in our selection criteria their attitude towards the principles of sustainable development and to contribute to the widespread adoption of such practices.

Our suppliers are selected after visible, equitable, competitive bidding, in full compliance with competition law.

We examine several bids, depending on the size of the contract and the possibilities of the market. We use a formal process, rejecting all and any unfair or dishonest attitudes.

We expect high quality services from our suppliers, that contribute to meeting as fully as possible, our customers' expectations.

We are particularly attentive to their ability to effectively implement practices and technologies, which respect national and international law and, more generally, people and the environment.

With the public authorities

- ➔ As a Company, we apply the principle of non-interference in the activities of the public authorities in the countries in which we operate.

It is nonetheless our responsibility to express our points of view. In all honesty, we explain to public decision-makers the positions we take to guarantee the development of the Michelin Group.

We will do this in keeping with the ethical principles expressed within this document, and in the interests of our shareholders, customers, employees and partners.

Finally, we cooperate with governments, either directly or through our industry's representative bodies, in order to contribute to the development of regulations pertaining to our field of activity, for the common and legitimate good of all concerned.

With non-governmental organizations

- ➔ We recognize the monitoring role of non-governmental organizations in a certain number of situations and their vigilance in such matters.

We are in favor of positive, constructive relationships with these organizations, in a spirit of mutual understanding and a shared will to move forward.

With the media

- ➔ The media play a vital role within society and we recognize the importance of fast, comprehensive and reliable information. In our relationships with the media (television, radio, written press, electronic media), we aim for honest debate, based on mutual respect and the constructive pursuit of relevant, objective information.

Accordingly, we refuse all and any relationships contrary to the basic principles of integrity.

With the host communities at our locations throughout the world

- ▶ We are aware of the responsibilities arising from our commercial and industrial presence in numerous countries. Wherever we are located, we are determined to act as a responsible and honest Company, respectful of mankind and the law.

This is a statement of our genuine intent to constantly improve the integration of our industrial and commercial sites into the local social and economic fabric.

We shall achieve this integration by constantly pursuing our goal of reducing negative impact, inherent in any industrial activity, and by paying great attention to compliance with operational safety regulations on our sites.

We wish to achieve this through constant sharing of information with the local authorities as well as the general public and any other concerned parties acting in good faith in a spirit of common progress. We want to amplify dialogue with our local partners, for a better working relationship, in the interests of one and all.

We consider it is our responsibility to take part in the economic development of the regions in which we are located, helping whenever possible to create jobs outside our Company. We use our expertise and, when appropriate, provide financial assistance.

We must be even more determined in these commitments when industrial imperatives oblige us to restructure.

Whenever possible, we shall strive to establish individual or collective solutions to enable professional life to carry on outside the Company.

So, wherever we are, we have a role to play a responsibility to accept by establishing "good neighbor" relationships, by taking part in local life through training and development programs, or through cultural and social exchanges.

We want our activity to help improve living conditions and welfare, particularly in developing countries. We also remain vigilant regarding crisis situations, which require a more specific involvement from the Company, above and beyond its regular commitments.

However, we are fully aware that our resources may seem inadequate when compared to the gravity of certain matters.

RESPECT FOR SHAREHOLDERS

***“Without the risks taken by shareholders,
there would be no Company.”***

Édouard Michelin, 2002

Economic performance, our primary duty to our shareholders

Our economic performance is a constant objective for all our teams.

Realizing a sufficient level of profit is indeed essential for the long-term development of our Company. Profit enable us to meet our investment needs, grant our employees pay rises, develop our shareholders' assets and guarantee them a fair income in keeping with their financial commitment to the Company.

Furthermore, being a profitable business enables us to apply fully and on a long-term basis our guiding principles, enhance our ecological performance and participate in the development of the countries in which we operate.

We are convinced that focusing on our economic performance, as well as caring for the environment, for people and for society as a whole, are not only compatible but, indeed, inseparable:

- by using, whenever possible, clean technology, we consume less energy, reduce raw material use and cut costs;
- we have broadening our long-term vision and our decision-making processes, by systematically including an appraisal of the environmental and social aspects. We thus increase our risk management capacities, particularly in terms of industrial risks, and more effectively protect our shareholders' assets;
- our low-rolling resistance tires, launched commercially several years ago, are more environmentally friendly, providing us today with a decisive technological edge in a highly competitive market;
- maintaining good relations with society in general, which is above all an ethical choice on our part, facilitates and enhances our operations, while providing a better response to our stakeholders' expectations;
- given these fundamental orientations, our Company is able to attract the best employees into its teams thus strengthening our efficiency.

The shareholders are the Company's owners

There is a form of partnership between our shareholders, our Company and its executives.

The shareholders help establish the Company, take part in its development, and help it through hard times. They also share its risks but, if they are not satisfied, they can decide to sell their shares. Respecting the shareholders therefore means fully recognizing their role and the risks they take, involving them in the life of the Company and striving to meet their long-term expectations.

To achieve this:

- the Company considers the shareholders' desire for an optimal level of income and appreciation of their assets to be legitimate. Its declared will is to strive constantly to achieve this objective;
- the Company is in favor of open, regular, accurate and honest communication with its shareholders and the representatives of the financial community;
- for this purpose, regular meetings are organized to enable in-depth and open debate concerning the Group's situation and prospects. Such debate is facilitated in the companies within the Group which have identified shareholders, which enables close, personalized relations with our shareholders, particularly with our individual shareholders;
- in its decisions, the Company takes into account the long-term risks taken by its shareholders, and its responsibility towards those who have placed their trust in it by helping finance its growth;
- the Company organizes its management operations in such a way as to clearly separate management and control functions.
The Michelin Group applies precise governance principles, compliant with legal and accepted practices.
The Managing Partners' open-ended liability concerning their personal assets is evidence of this very strong bond between personal commitment and responsibility;
- 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.

Members of the workforce may also choose to become shareholders, thus strengthening their understanding of their contribution to the Company's economic performance.

Other financial partners

- ➔ Other economic players, such as banks, funding agencies and other lenders, are also committed financially with us.

We acknowledge this and ensure that they receive all the necessary information enabling them to appreciate their level of undertaking in our Company.

Our responsibility is to respect this engagement in our own risk-taking decision process.

RESPECT FOR THE ENVIRONMENT

“Michelin must promote what is now clearly inseparable: mobility and respect for the environment.”

Édouard Michelin, 2001

Aware of the negative consequences that growth in road mobility without reflection could have on the environment, we are resolved to taking a wide range of measures to help reduce, year after year, the negative impact of current means of transportation on the environment.

Our products and services contribute to environmental protection

- ➔ **It is our responsibility to provide our customers with always more environmentally friendly products and services.**

Accordingly, our permanent innovation policy focuses on enhancing the environmental performance of mobility.

Life cycle assessment have shown that it is during the tire's use on a vehicle that we can best contribute to reducing the impact of road-based mobility on the environment.

To achieve this, we constantly work on decreasing our tires' rolling resistance. By helping reduce total vehicle energy consumption, we contribute to lowering pollution levels and the use of non-renewable fuels, the most common sources of energy used on the vehicles of today.

Right from the design phase, our research departments take into account these environmental objectives in the choice of materials, architecture and manufacturing process.

Accordingly, wear resistance of our passenger car tires or the possibility of regrooving and retreading our truck tires extends product life. Thus, they can take full advantage of the raw materials used and the energy consumed in the manufacturing process.

Improving technical performance is clearly a major aspect of our activity, but the conditions in which our products are used by our customers are also vital. It is up to us to provide our customers with all the necessary information to enable them to put our products to the best possible use. We organize, when necessary, specific technical training programs, notably for professional applications. Our research departments also play an important part, especially with their work on permanent tire pressure control systems.

Our aim is to enable our customers and users to behave in a more environmentally friendly way by reducing fuel consumption and extending the lifespan of their tires.

Our responsibility also extends to the implementation of efficient end-of-life product recycling solutions, by drawing value from used tires in the form of energy or reusing basic materials after appropriate processing.

In our work with industry associations and taking into account countries' specific laws and regulations and the existing mechanisms, we propose long-term economic and logistical solutions enabling products to be recycled as fully as possible.

On this major issue we intend to position ourselves as leaders.

Finally, via our professional assistance services, route planning and guidance systems, we help make travel and transportation safer and more efficient, limiting the need for contingency plans and allowing greater control over road travel.

Our sites limit their impact on the environment

➔ Permanent progress in terms of respect for the environment at our industrial, administrative and commercial sites is a major issue for Michelin.

The ensuing responsibility of the management teams at each site is clearly defined. Our Environmental Management System is a practical tool that identifies and controls the impacts of our activity. By perfecting this tool, we intend to make it a Group standard, enabling us to fully meet existing regulations or to apply our best standards, in the absence of local regulations.

It is our responsibility to integrate our objectives for better risk prevention in terms of the environment and general safety, from the initial stages of every study. This active anticipation approach guarantees better operational performance in our new installations.

Then production operations and maintenance take into account the “risk management” dimension.

We train our site personnel and involve them so that they actively contribute to enhancing our environmental risk control systems. To accompany our approach in these different areas, we develop the necessary internal expertise, on a local, national and international level.

We are aware of our responsibilities toward the populations around our production sites.

We want to keep our neighbors informed of the activities taking place within our establishments and our efforts to minimize impact on the environment. For this purpose, we establish the necessary emergency plans to counter potentially dangerous threats. These plans are constantly updated, in liaison with the relevant local authorities.

Our contribution to sustainable mobility

➔ **The development of mobility for people and goods, essential to worldwide social and economic development, must go hand in hand with measures to reduce its negative impact, on a social and an environmental level.**

Reducing pollution, improving safety and traffic flow, transitioning gradually toward renewable energy sources, using where appropriate intermodal transportation systems, these are just a few of the challenges for the future of mobility.

It is the Michelin Group’s responsibility to contribute to finding long-term solutions to these questions, but these solutions can only result from concerted research efforts. For this reason, we take part in research programs regarding concepts and technologies for the transportation of the future, aimed at establishing sustainable mobility.

These programs take place, in particular, under the auspices of the World Business Council for Sustainable Development or via the Challenge Bibendum, Michelin’s annual clean energy automobile competition, where industrialists present their state-of-the-art research in the field.

RESPECT FOR FACTS

*“When a fact contradicts theory,
we should opt for the fact.”*

Édouard Michelin, 1924

To meet the many challenges we face, we have always considered it essential to adopt attitudes based on clear identification and impartial observation of facts.

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.

It means adopting an approach based on curiosity, attentiveness and modesty, in all our activities, from the rubber-processing machines in our workshops to our laboratories testing the performance levels of a new tire, and also in our everyday relationships with customers.

This attitude also governs our relationships with our economic, social and public partners.

This respect for facts is a way of seeking the truth. It applies to each and every one of us, regardless of our profession or our position within the Company. It encourages us to investigate, when we are alerted to a possible negative consequence arising from our decisions.

Combined with the ability to question our own acts, it has enabled us to make our most significant advances throughout our history.

Finally, this attitude is required for a shared vision of reality and is a prerequisite to a broad acceptance of the Group's objectives.



**OUR
COMMITMENTS**

The principles of action stated in this document correspond to the values we hold, the responsibilities we accept and the behavior we have long sought to encourage within the Michelin Group.

Constantly onward

➤ **We strive to apply these principles, but we also know that it is an objective, which must be constantly pursued and restated.**

We constantly strive to identify areas of progress and are determined to deploy substantial means to improve our performance in areas where our reality falls too far behind the objectives we have defined.

Our commitment is sincere, even though we are fully aware that, in certain weak areas, our ambition is great and will sometimes require having to resolve delicate dilemmas.

In this search for progress, we want to preserve an important role for initiative, innovation, even risk taking that is considered, weighted and consciously undertaken. This willingness to break out of an existing framework enables us to go further.

Involve employees as a whole

➤ **Our management teams must be resolutely committed to the “Michelin Performance and Responsibility” approach.**

We are also counting on the involvement and commitment of all the Group’s employees, regardless of their position within the Company and their geographical location. Awareness, information and training initiatives, specific to our professions and intended for all employees, are one way of serving this commitment.

Since the very beginnings of our Company, we have always encouraged all our teams to make a concrete contribution to progress, through ideas for improvement and by motivating innovation.

Our **“Michelin Performance and Responsibility”** approach amplifies this practice, with an ongoing exchange of information between the Michelin Group’s different entities.

We thus want to capitalize on best practices, to accelerate our implementation.

Accurately measure our progress

➔ We want to achieve the best possible rate of progress, according to the economic and technical data at hand.

In concrete terms, the target figures defined per sector of activity must be tangible signs of our determination to involve our Company even further along the lines of sustainable development.

These quantitative indicators will be reported on a regular basis and compared with the defined objectives. Corrective action will be taken, if necessary, based on the state of advancement of technical knowledge and practices.

By defining Group standards and applying them to all equivalent situations throughout our Company, we shall be able to compare and control the performance of our units throughout the world.

Compliance with these standards is an integral part of our managers' missions, under the supervision of the Group's steering bodies.

Promote this approach with tried and tested tools

➔ To achieve these objectives, we rely on the procedures and referentials of our Quality System, which has been in use for many years now, as well as our Environmental Management System.

The Michelin Continuous Improvement Approach, which is a specific method for analyzing and implementing progress actions, and the "Right first time" principle are some of the tools used in our approach, together with quality assurance techniques used to consolidate and sustain progress. Our actions, once decided upon, will be integrated into the budgets defined in our multi-year planning strategies.

Finally, our investment decision-making process, systematically and explicitly including social and environmental aspects, above and beyond economic aspects, must provide an even stronger guarantee of delivering on our commitments.

Publish results

➤ **We regularly measure our performance and our progress in the environmental and social areas, as is the case for the financial domain.**

This monitoring enables us to develop a full assessment of how effectively we have lived up to the values declared in this charter.

Accordingly, beginning in 2003, we will publish our results annually, in a public report entitled "Michelin Performance and Responsibility".

Michelin - Communication and Brands Group Department

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