



# **OUR ROAD TO A SUSTAINABLE FUTURE**

2021 SUSTAINABILITY REPORT  
Joint Stock Company Michelin Italiana S.A.M.I.

**ABSTRACT**



# ***OUR ROAD TO A SUSTAINABLE FUTURE***

*2021 SUSTAINABILITY REPORT  
Joint Stock Company Michelin Italiana S.A.M.I.*

## ***ABSTRACT***

# LETTER TO STAKEHOLDERS



Dear Stakeholders,

In 2021 there was a gradual recovery from the severe difficulties that the pandemic unexpectedly forced us to face in 2020. The partial return to normality, while not linear, owing to the difficulties with which we are all familiar, allowed our sector to resume substantial growth, thanks to the resumption of production and long-distance mobility.

This challenge, and the success with which it was overcome, allowed us to consolidate the Company's strengths and the awareness that **we are ready to face the future**. We demonstrated the **resilience** and validity of our business model and, above all, we gained even greater awareness of the importance of our **relationship with our people**. The challenges we faced brought out the ability to work together and adapt of all our employees, both to achieve results and to react to difficulties, through the engagement and skills of all.

The importance of people to us is also witnessed by the fact that in 2022 we obtained the **Gender Equality certification** promoted by the Winning Women Institute, ranking Michelin Italiana among the most virtuous companies in terms of gender parity.

This result is not a final destination, but a stepping stone in a journey in which we are committed to building an increasingly inclusive workplace, capable of supporting the development of each employee's potential.

In parallel to reinforcement of interpersonal, social bonds, we also intensified our efforts in the area of environmental sustainability, a fundamental pillar of a business model and growth. The constant energy efficiency gains by our production facilities and procurement of energy from certified renewable sources are just some of the initiatives introduced to achieve the carbon neutrality goal set by the Group by 2050. This is in addition to constant dedication to the development of technological innovation for both our sites and products, to not only participate in, but lead, the **transition to sustainable mobility**.

Our approach to sustainable, long-term growth embraces the vision of “*pérennité*”, which helps us take effective decisions today, with a positive impact on our future and that of coming generations. Accordingly, our work is permeated by the values of sustainability shared with the Group in the “**All Sustainable Strategy**” or “**Strategy of 3 Ps**” (People, Planet and Profit), in which economic and financial sustainability – necessary to ensure a lasting future for the Company – coexist with respect and personal development and attention to the planet.

The “**P**” in “**People**” takes the form of attention to our people and focuses on the fundamental role they play in implementing the Group's strategy. These are the people who make up the Company and during this period we have had occasion to note the importance of the sense of belonging, collaboration and trust between individuals and between people and the Company – true strengths on which we were able to count in consolidating our growth.

When we refer to “people”, we also include the attention we reserve to the communities in which we live and work: each service and production site, directly or through the “social arm” formed by the Michelin Sport Clubs, where present, is involved in concrete steps to promoting their well-being. In addition, with the Michelin Development Foundation and its partners, we continue to promote the socio-economic development of the community to provide concrete support to SMEs, including start-ups, also implementing the open innovation model to create new jobs. The “**P**” in “**Planet**” takes the form of Michelin Italiana's commitment to face the environmental challenges of today and tomorrow to promote sustainable development and achieve carbon neutrality by 2050. The pandemic further confirmed the reflections under way in the Group with regard to the global situation and the need to intervene in the development models followed thus far. The coming decades will be a fundamental opportunity to change direction and form a healthy, harmonious relationship between human beings and nature. Preserving and restoring the planet's ecosystems and biodiversity is now an urgent challenge. This is why Michelin Italiana undertakes to go about its business in a sustainable manner, taking into account the environmental impacts of its products and processes, starting from design and going right through to of the products management of the end-of-life.

The “**P**” in “**Profit**” is the area that represents Michelin Italiana's desire to generate value, both internally and externally to the Company, without ever losing sight of the essential relationship with the areas of People and the Planet. We are firmly committed to guaranteeing the brand's growth through the continuous sustainable innovation of our products; we promote the creation of value for all our stakeholders, in particular by collaborating with and supporting our partners, who share sustainability values with us.

With the benefit of what we have learned from the challenges successfully faced to date, and with an awareness of the complexity of the future scenario ahead of us, I am pleased to present to you the second Michelin Italiana Sustainability Report, which confirms our commitment to the transparency and traceability of the Company's sustainability performances and that outlines the steps we wish to take in this direction

The Chairman and CEO  
*Simone Miatton*



# 2021 SUSTAINABILITY HIGHLIGHTS

## 01

### MICHELIN ITALIANA


 **3,700**  
EMPLOYEES IN ITALY

 **14 M**  
TYRES / YEAR

## 02

### RESPONSIBLE MANAGEMENT OF THE BUSINESS

 **0 CASES**  
OF CORRUPTION, VIOLATION  
OF HUMAN RIGHTS OR NON-  
COMPLIANCE WITH SOCIAL  
AND ENVIRONMENTAL RULES  
OR REGULATIONS

 **"CODE OF ETHICS"**  
AND **"CODE OF  
ANTI-CORRUPTION  
BEHAVIOUR"**

 ANTI-CORRUPTION POLICIES  
DISSEMINATED TO  
**859** WHITE COLLAR  
(EXECUTIVES, MANAGERS  
AND EMPLOYEES)  
**2.460** CLIENTI  
**6,915** SUPPLIERS

 **ETHICS LINE**  
FOR REPORTING

 DIRECT ECONOMIC VALUE GENERATED OF  
**1,782 € BILLION**

 **100%**  
OF SUPPLIERS ASSESSED ACCORDING TO  
ENVIRONMENTAL AND SOCIAL CRITERIA



## 03

### PRODUCT AND SERVICE INNOVATION, QUALITY AND SAFETY

 **7 AWARDS**  
OBTAINED FROM CUSTOMERS

 **1,900**  
RESTAURANTS REVIEWED  
IN THE MICHELIN GUIDE  
ITALY 2022

 **ISO 9001:2015**  
CERTIFICATION AT ALL  
MANUFACTURING PLANTS

 **IATF 16949:2016**  
CERTIFICATION FOR THE CUNEO  
AND ALESSANDRIA PLANTS



## 04

### ATTENTION TO OUR PEOPLE

 **3,721**  
EMPLOYEES, **16%** OF WHOM  
ARE WOMEN

 **246,000**  
TRAINING HOURS PROVIDED

 **99.7%**  
ON PERMANENT CONTRACTS

 **92%**  
EMPLOYEES SUBJECT TO  
REGULAR PERFORMANCE  
APPRAISAL

 **3.7%**  
RECRUITMENT RATE

 **TCIR FOR 2021 OF  
0.44**



## 05

### COMMITMENTS TO THE LOCAL COMMUNITY

 **70**  
EMPLOYEES COMMITTED TO  
PROJECTS FOR THE LOCAL  
COMMUNITY

 **100K**  
PEOPLE BENEFITING FROM  
DONATIONS OR VOLUNTEER  
INITIATIVES

 **336**  
COMPANIES (SMEs/START-  
UPS) INVOLVED, OF WHICH  
**40** START-UPS SINCE 2016

 **2,505**  
JOBS WHICH THE MICHELIN  
DEVELOPMENT FOUNDATION  
HELPED CREATE

 **17**  
OPEN INNOVATION PROJECTS  
LAUNCHED

 **3.5M €**  
IN CONTRIBUTIONS TO  
COMMUNITIES SINCE 2004



## 06

### OUR COMMITMENT TO THE ENVIRONMENT

 **13K tCO<sub>2</sub>**  
SAVED THANKS TO EFFICIENCY-  
ENHANCING INTERVENTIONS  
DURING THE REFERENCE  
THREE YEARS

 **97%**  
PLANT WASTE RECOVERED

 **100%**  
OF ENERGY IN ALESSANDRIA  
AND TURIN STURA SITES  
PURCHASED FROM POWER  
GRID CERTIFIED RENEWABLE  
SOURCES

 **UNI EN ISO 14001**  
CERTIFIED ENVIRONMENTAL  
MANAGEMENT SYSTEM





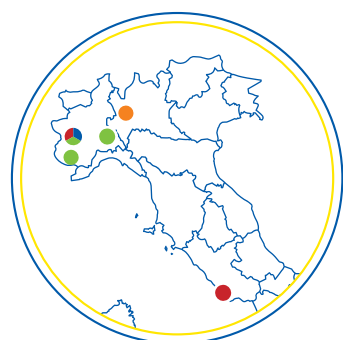
### WHO WE ARE AND WHAT WE DO

Michelin Italiana's story begins in 1906, with the construction of the first plant in Turin Dora, in addition to the sales business already launched in Milan. In the following years, the Company's success resulted in expansion through new plants in Trento (1927), Cuneo (1961), Alessandria and Fossano (1970) and Turin Stura (1971). Adapting itself to the market's new needs, the Company evolved over time, reorganising some plants and activities, while increasingly expanding its range of innovative products and services respectful of the environment and personal safety.

Today **Michelin Italiana**, a leader in the sector and major Italian industrial and commercial company, is **Italy's number-one tyre manufacturer** thanks to its installed production capacity of over 14 million tyres a year. Its Italian presence includes its headquarters in Turin, sales office in Milan, three production facilities in Piedmont and two European Distribution Centres, one in Turin and the other in Pomezia (Rome).

In 2021 the company had **over 3,700 people**, mainly spread over its three plants in Cuneo, Alessandria and Turin, dedicated to manufacturing tyres for cars, tyres for heavy transport and semi-finished goods to be used at other Italian and European plants to manufacture the finished product, respectively.

Michelin Italiana is part of the Michelin Group and has always sought to maintain a strong company identity, while ensuring perfect integration with the principles and strategic guidelines set by the Group.



- MANUFACTURING PLANTS
- EUROPEAN DISTRIBUTION CENTER
- REGISTERED OFFICE
- MARKETING OFFICE




### SUSTAINABILITY FOR MICHELIN ITALIANA

The Michelin Italiana sustainability strategy is based on the **“All Sustainable strategy”**, also known as the **“three Ps Strategy”**, which guides the Group towards striking an optimal balance between attention to people (**“People”**), safeguarding the planet (**“Planet”**) and economic development (**“Profit”**). Through this strategy, the Group expresses its desire to achieve progress at the level of all its economic, environmental and social indicators, while promoting innovation, fairness, safety and industrial best practices and aiming to reach its goals by 2030.

**In this framework, Michelin Italiana contributes to the Group's strategy by adapting its goals to its businesses, on the basis of the specific nature of its community.**

In order to ensure ever-greater transparency of its sustainability performance, in 2022 Michelin Italiana has continued, by publishing its **second Sustainability Report<sup>1</sup>** to identify priority topics (**“material topics”**), in line with the strategy of the three Ps and the related goals, on which to take action, and to review the initiatives undertaken and results achieved in the three-year period 2019, 2020 and 2021.

### THE STRATEGY OF THE THREE PS AND THE MATERIAL TOPICS FOR MICHELIN ITALIANA

Area	Michelin Group's objectives for 2030	Material topics for Michelin Italia
 <b>PEOPLE</b>	<ul style="list-style-type: none"> <li>• TCIR (Total Case Incident Rate) of less than 0.5;</li> <li>• Employee involvement rate of 85% in relation to the survey <i>Moving Forward Together: Your Voice for Action</i>;</li> <li>• Percentage of women in management positions of 35% or higher;</li> <li>• Inclusion and Diversities Management Index (IMDI) value of 80/100;</li> <li>• Achievement of a Net Promoter Score<sup>2</sup> of +10 points for partners and of +5 points for end consumers compared to the 2020 values.</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial health and safety</li> <li>• Diversity and equal opportunities</li> <li>• Local community development</li> <li>• Talent attraction and retention</li> <li>• Well-being at work</li> <li>• Employee growth and development</li> </ul>
 <b>PLANET</b>	<ul style="list-style-type: none"> <li>• 50% reduction in Scope 1 and Scope 2 CO<sub>2</sub> emissions compared to 2010, in line with the goal of carbon neutrality by 2050;</li> <li>• Increase in tyre energy efficiency during use of 10% compared to 2020;</li> <li>• Reduction of the Industrial Michelin Environmental Performance (i-MEP)<sup>3</sup> of 1/3 compared to 2019;</li> <li>• Achieving sustainable material content<sup>4</sup> of 40% in all products by 2030, in line with the target of 100% by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>• End-of-life product</li> <li>• Waste management</li> <li>• Air quality</li> <li>• Water stewardship</li> <li>• Direct contribution to climate change (Scope 1 and 2 GHG emissions)</li> <li>• Responsible sourcing of raw materials</li> </ul>
 <b>PROFIT</b>	<ul style="list-style-type: none"> <li>• Sales growth rate of 5% between 2023 and 2030;</li> <li>• Return on Capital Employed (ROCE) value of over 10.5;</li> <li>• Brand Vitality<sup>5</sup> index of +5 points compared to 2021;</li> <li>• Increase in the product/service vitality index<sup>6</sup> of 30%.</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service quality and safety</li> <li>• Business ethics</li> <li>• Responsible governance</li> <li>• Diversification and innovation towards sustainable products and services</li> </ul>

<sup>1</sup> The 2021 Sustainability Report of Michelin Italiana was prepared on the basis of the GRI (Global Reporting Initiative) Sustainability Reporting Standards in accordance with the option “GRI Standards: Comprehensive”.

<sup>2</sup> The Net Promoter Score is the difference between the brand's promoters and detractors.

<sup>3</sup> The Industrial Michelin Environmental Performance (i-MEP) was introduced in 2021 and represents an indicator of the Michelin Group's environmental performances that considers five priority areas: water withdrawal, waste production, organic solvent consumption, energy consumption and CO<sub>2</sub> emissions.

<sup>4</sup> Sustainable materials come from renewable resources such as natural rubber, various oils and plant-based resins and recycled materials.

<sup>5</sup> Indicator representative of the brand's current vitality based on five key indicators: brand purpose, innovation, communication, brand experience and a passion for the brand.

<sup>6</sup> Products and services launched over the past three years as a percentage of annual sales.

# 02

## RESPONSIBLE MANAGEMENT OF THE BUSINESS



### MICHELIN ITALIANA'S CONTRIBUTION TO THE GROUP

The Michelin Group is committed to combating all forms of corruption. Accordingly, it has recently updated its **Anti-Corruption Code of Conduct** and distributed it to all employees and external partners. Michelin Italiana contributes to spreading the principles enunciated in the Code throughout the Company through periodic **anti-corruption communication and training activities**, aimed at its employees, customers and suppliers.

In addition, the Parent Company requests that the latter comply with **the principles laid down in the Code of Ethics with regard to social and environmental matters and human rights**.

To ensure compliance with these principles, the Group has set itself the goal, also shared by Michelin Italiana, of **assessing at least 70% of its suppliers through the Ecovadis platform annually** in terms of expenditure on the basis of sustainability criteria and forming working relationships as a result with suppliers that achieve a total score of at least 45 points.

### OUR GOVERNANCE

The **Board of Directors** (Bod), composed of five male members over age 50, plays a central role in the governance system of Michelin Italia. It is supported by various advisory committees.

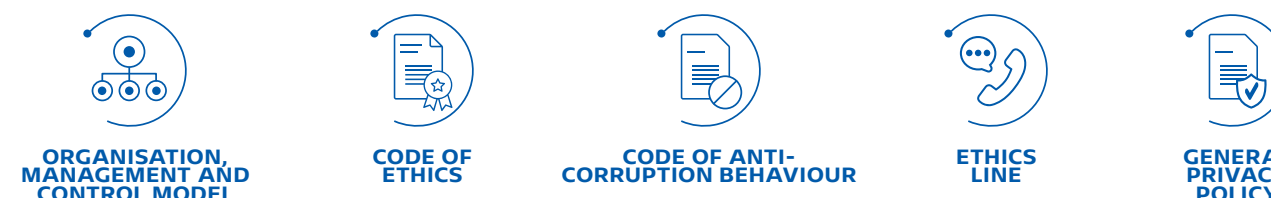
### THE MICHELIN ITALIANA COMMITTEES



composed of the Chief Executive Officer and the heads of the various functions, it is tasked with managing emergencies. Since 2020 it has coordinated, and still continues to coordinate, problems relating to the Covid-19 pandemic.

Michelin Italiana undertakes to operate in complete compliance with all local and international legislation in force, as well as according to the Group guidelines. To continue to establish relations built on trust, both within and outside the Group, the Company has adopted various codes and instruments.

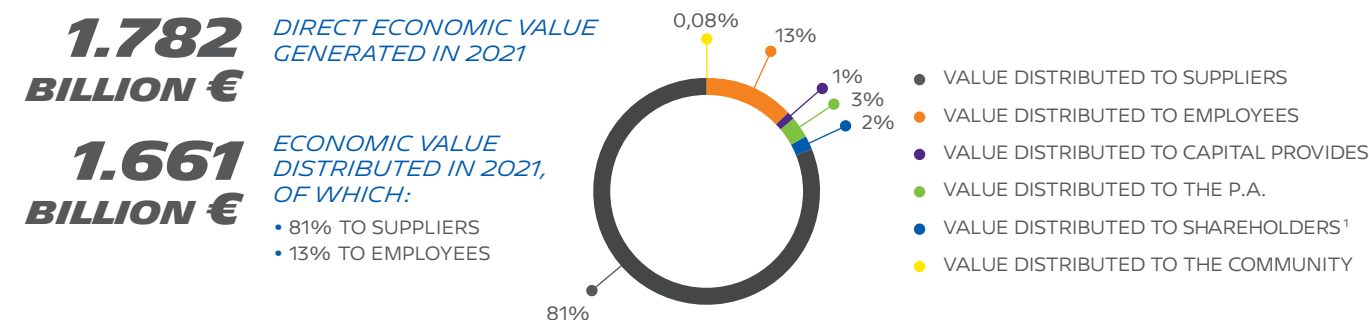
### COMPLIANCE AND ETHICS



### CREATION OF VALUE AND RESPONSIBLE SUPPLY CHAIN

Michelin Italiana plays a fundamental role in creating shared value with its stakeholders, and in particular it ensures the promotion of a responsible supply chain, supporting its partners in their development towards more sustainable approaches.

### ECONOMIC VALUE GENERATED AND DISTRIBUTED



### A RESPONSIBLE SUPPLY CHAIN

Michelin Italiana has approximately **3,000 suppliers**, classified into purchasing families, which are constantly assessed using various tools:

- full compliance with the tax code and **signing of the Code of Ethics** during the tender phase;
- adoption of the **Ecovadis platform** and, every two or three years, assessment of their environmental and social performance;
- **Supplier Relationship Management** for the conduct of audits of suppliers according to criteria of quality, cost, adherence to delivery times and schedules, respect for human rights and protection of the environment.

<sup>1</sup> Distribution of extraordinary reserves from previous years approved by the Shareholders' Meeting.



# 03

## PRODUCT AND SERVICE INNOVATION, QUALITY AND SAFETY



### MICHELIN ITALIANA'S CONTRIBUTION TO THE GROUP

The Group has set ambitious goals for reducing the environmental impact of its products: these include that of guaranteeing that 100% of the materials used in tyre production are sustainable by 2050. Among its many innovation-related initiatives, Michelin Italiana meets these goals by issuing Sustainable Tyre Management Certificates to cargo vehicle fleets, designed to place concrete emphasis on actions taken to save resources, materials and CO<sub>2</sub> emissions by reconstructing and reshaping tyres.

### TECHNOLOGICAL INNOVATION

In line with the “**All Sustainable Strategy**” set at the Group level, Michelin Italiana regards **innovation** as the driver of the company's development, competitiveness and longevity, and has always considered it a concept closely related to, and interconnected with, **sustainable development**. Accordingly, through the “**Four Rs Strategy**”, all products are designed with intrinsic consideration given to sustainability goals right from the start, so as to reduce their impact on the environment throughout their life cycle.

### THE MICHELIN GROUP'S 4 RS STRATEGY



REDUCE

Where possible and without prejudice to all other types of performance, reduce tyre weight, the CO<sub>2</sub> emissions generated by their use and the number of tyres necessary to travel a given distance.



RECYCLE

Recycle tyres at the end of their lives, recovering their constituent materials for other uses, adhering to the principle of "Extended Producer's Responsibility" (EPR).



RENEW

Renew production processes, including through major partnerships, supporting the use of raw materials from renewable sources.



REUSE

Reuse tyres at the end of their lives. This is possible due to conceptual models and specific technologies that allow tyres to be reshaped and reconstituted, in many cases more than once, ensuring that the same product lasts longer on the market: this is the "multi-life" approach.

The Group's strategy extends to all of its activities, providing customers with **innovative products** that meet the market's expectations while also protecting the environment and ensuring personal safety.

In 2021 the Company developed its **Sustainable Tyre Management**

**Certificate**: recognition from Michelin Italiana designed for fleets that share the desire for more sustainable mobility when it comes to freight as well.

Innovation drives the **development of production processes** based on new technologies. Such milestones are also reached through **numerous partnerships** with universities, participation in working groups set up at the Group level and, through projects that extend to local SMEs, also with the participation of the Michelin Development Foundation.

### INNOVATION IN OUR PRODUCTS

**MICHELIN CROSSCLIMATE 2**: Michelin's new range of all-season tyres, which ensure safety in all climatic conditions, helping save fuel and extending the range of electric vehicles.

**MICHELIN PILOT SPORT 5**: a street sport tyre designed for sportscars and high-performance sedans. It ensures driving precision and responsiveness, as well as strong grip and excellent braking performance on dry and wet surfaces. Innovative materials and technologies are used in all tyre components, increasing their performance levels.

**MICHELIN PRIMACY 4+**: a mass-market product designed for those facing daily commutes and long trips in sedans and SUVs. This tyre stands out for its improved performance on wet surfaces when it is worn, offering safety from the first to the last kilometre, along with high durability.

### INNOVATION IN OUR PROCESSES

**Digital Twin**: a technology that allows the entire production process to be reproduced in a dynamic digital simulator, used to test and improve the behaviour, efficiency and efficacy of the systems and products to be created. This technology, which makes it possible to replace a part of real-world testing with a virtual simulation, is also used for sustainability purposes, to reduce the waste of energy and materials.

**Predictive control systems**: applications for real-time monitoring of conveyor belts and electrical motors that, through sophisticated control, supervision and data acquisition systems, provide information regarding the status of each plant and allow the operator to optimise its performance and know exactly where to intervene in the event of a fault.

COLLABORATING ON INNOVATION: MICHELIN JOINS FORCES WITH...	
Braskem and Amyris	... for the production of <b>renewable isoprene</b> from biomass synthesis.
Barito Pacific Group	... for the production of <b>environmentally friendly natural rubber</b> ; the project created 16,000 jobs and replanted 88,000 hectares destroyed by uncontrolled deforestation.
Axens and IFP Energies Nouvelles	... the production of tyres using <b>organic butadiene</b> rather than the petroleum derivative.
Pyrowave	... for the production of <b>styrene recycled</b> from plastic used in packaging or insulation panels for subsequent use in other production processes.
Carbios	... for the <b>recycling of PET</b> deriving from plastic waste to be reused in tyre production.
Enviro	... for the construction of the <b>first Michelin tyre recycling plant</b> in the world.
BlackCycle	... for the design of <b>new tyres based on tyres recovered at the end of their lives</b> .

The Company's desire to lead the Industry 4.0 digital transformation took concrete form in 2021, including through the **agreement** reached with **Confindustria Cuneo** and **Competence Industry Manufacturing 4.0** (CIM 4.0): through the agreement, companies based in Cuneo and its province will have access, within a high-tech space, to the Competence Centre made available by Michelin Italiana in Cuneo, for testing products, processes and plants according to an industry 4.0 approach.

### THE QUALITY GUARANTEE AND ATTENTION TO THE CUSTOMER

Michelin Italiana ensures the highest quality standards in its operations, which it also maintains through numerous certifications and have been recognised by the many awards received, while also ensuring that the expectations of its customers are met in a responsible framework.

In 2021 it developed its **New Declaration of Quality**, which sets out the commitment and principles to be applied to ensure quality and safety:

#### CUSTOMER CENTRICITY

OUR INNOVATIVE RANGE OF PRODUCTS AND SERVICES MEET THEIR NEEDS AND ENSURE THEY ARE SATISFIED

#### VALUE

THEY CAN BENEFIT FROM DEEP EXPERIENCE AND EXCELLENT QUALITY OF SERVICE

#### SUSTAINABILITY

BY CHOOSING OUR PRODUCT AND SERVICE SOLUTIONS, THEY PURSUE A MORE SUSTAINABLE PLANET

#### TRUST

THEY TRUST IN THE RELIABILITY OF OUR PRODUCTS AND SERVICES AND IN THE INTEGRITY OF OUR COMPANY

### CUSTOMER CENTRICITY

#### CUSTOMER CARE

Service available to retailers dedicated to processing any complaints made by end consumers.

#### CUSTOMER ROOM

Dedicated meetings to process customer requests or reports and respond as quickly as possible to ensure their full satisfaction.

#### MICHELIN GUIDE ITALIA

Service in support of travellers with 1,900 addresses of restaurants throughout Italy, including, since 2020, restaurants with the **Green Star**, an annual recognition that goes to restaurants with cutting-edge sustainable practices.

#### AWARDS

- PSA 2014 Quality Award (Cuneo plant);
- Volvo VQE 2017 (Cuneo plant);
- ALSTOM 2018 Quality-Trusted Supplier (Alessandria plant);
- Class A Volkswagen supplier 2018 (Cuneo plant);
- FCA EMEA Award 2019 (Cuneo plant);
- JLRQ 2020 (Cuneo plant);
- Hyundai 2021 (Cuneo plant).





# 04

## ATTENTION TO OUR PEOPLE



### MICHELIN ITALIANA'S CONTRIBUTION TO THE GROUP

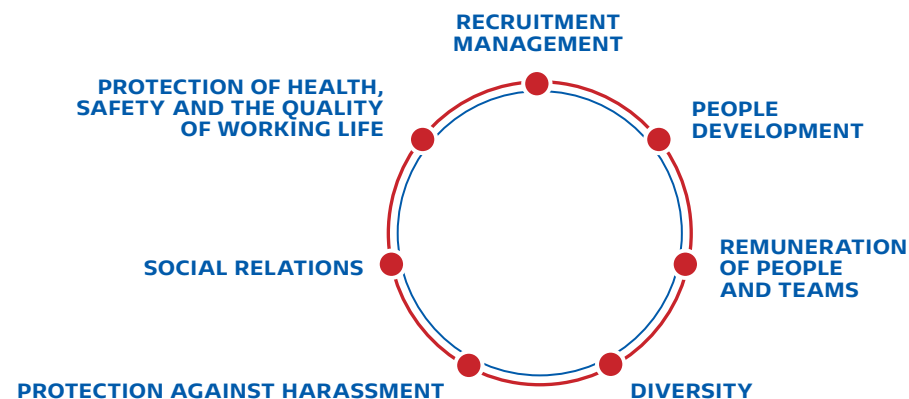
The Michelin Group pays close attention to the well-being and safety of its employees, staunchly promotes diversity and inclusion and believes firmly in getting its employees involved. The Group has therefore set challenging milestones to be reached by 2030, such as: achieving a **TCIR<sup>1</sup> < 0.5** (1.29 in 2021), reaching an inclusion and diversities index (IMDI) of 80/100 and an **employee engagement rate >85%** (80% in 2021).

In this framework, Michelin Italiana contributes to the Group's goals through a **TCIR of 0.44** in 2021, obtaining Gender Equality certification, which places Michelin Italiana among the most virtuous companies in terms of gender parity, and achieving an **employee engagement index of 85%**, already in line with the Group's future target.

### OUR TEAM

Michelin Italiana pays close attention to its people, who drive the Company's progress and improvement. In pursuing this goal, the company seeks to offer a pleasant, safe and inclusive environment for its people and a workplace that will attract the talents of tomorrow.

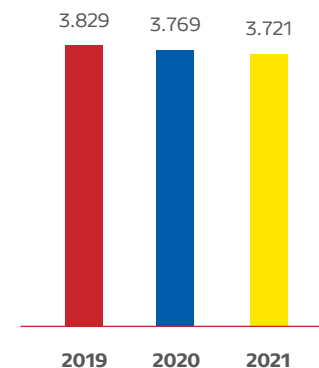
Starting out from the Group-defined guidelines, it adopts the “**7 P Policies**”, which express the Company's commitment in seven distinct areas.



<sup>1</sup>TCIR = Total Case Incident Rate, which considers not only the number of injuries occurring in the workplace and entailing absence from work, but also those entailing medical care beyond first aid, those requiring the person to be temporarily transferred to a suitable place and occupational diseases recognised for staff on the workforce, as compared with the hours worked in the same period, multiplied by 200,000.

### EMPLOYEES IN ITALY

#### OUR PEOPLE<sup>2</sup>



<sup>2</sup>The figures do not include interns and contractors.

#### STAFF

**99.7% PERMANENT CONTRACTS**  
**91.4% FULL-TIME**  
**11 INTERNS AND 553 CONTRACTORS**

#### DIVERSITY AND INCLUSIVITY

**16% WOMEN**  
**6.4% UNDER AGE 30**  
**59.6% BETWEEN AGE 30 AND 50**

#### TALENT ATTRACTION

**136 NEW HIRES** (+24% compared to 2020) di cui: **69 UNDER AGE 30** (+24% compared to 2020)  
**3.7% INCOMING TURNOVER**

### GENDER EQUALITY CERTIFICATION



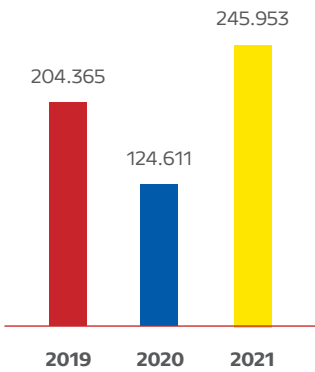
Crowning its constant commitment to diversity issues, promoted through the initiatives of the **Diversity, Equity and Inclusion Plan**, Michelin Italiana has obtained Gender Equality certification, recognition that places Michelin Italiana among the most sensitive, virtuous companies when it comes to gender parity.

### SKILL DEVELOPMENT

Each year the Company strives to offer its employees tools useful to their personal and professional growth, turning them into actors directly pursuing their growth and development.

TRAINING

TOTAL TRAINING HOURS PROVIDED  
IN 2019-2021<sup>3</sup>



<sup>3</sup> The significant reduction in 2020 compared with previous years is mainly due to the health emergency, which made it impossible to hold courses in the classroom.

PERFORMANCE APPRAISAL

- Annual assessment cycle and various frequent feedback sessions, in which employees and managers explore issues relating to goals and results achieved, career and skill development and training needs;
- Proximity Development Partners (PDPs) to support employees in charting a personalised development process, including by proposing new professional opportunities (job posting);
- Local Competency Managers (LCMs), diversified for each “field” (Security, Quality, Marketing and Sales) to support employees in developing one or more specific skills.

OUR NUMBERS

AVERAGE HOURS' TRAINING PER PERSON

**58,6** women AVERAGE HOURS' TRAINING

**67,5** men AVERAGE HOURS' TRAINING

**66** overall AVERAGE HOURS' TRAINING

TRAINING RATE BY TYPE

**96%** CRAFT TRAINING

**4%** GENERAL TRAINING

OUR NUMBERS

**92%** EMPLOYEES SUBJECT TO  
PERFORMANCE APPRAISAL (91% IN 2020)

PEOPLE ENHANCEMENT AND WELL-BEING

Good working conditions foster the complete expression and development of the talents of each individual: this is why Michelin Italiana takes concrete action to ensure a better work-life balance. In addition, it applies the **Remuneration Policy** set at the Group level, designed to ensure fairness and offer attractive, competitive remuneration compared to the market. One of the main pillars of this policy is the “**Total Reward**”, a structured plan that values and promotes employee well-being in four different areas.

AREA

ADVANTAGES

COMPENSATION

- Fixed remuneration
- Variable remuneration

WELFARE

- Company welfare plan

TALENT AND PERFORMANCE

- Training and learning opportunities
- Career plans and performance assessment

WORKPLACE

- Positive company climate
- Work-life balance
- Healthy, safe environment

HEALTH AND SAFETY AT WORK

The Michelin Group has always focused closely on assuring the health and safety of its workers, expressing this commitment in a vast set of documents, the principles of which are set forth by Michelin Italiana in black and white in the “**Health, safety and the environment policy**”.

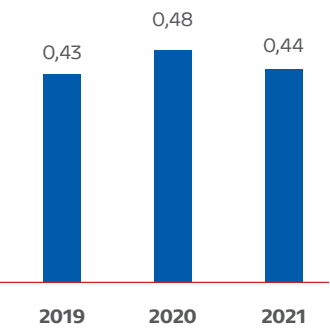
At each of its sites, the Company adopts an “**Environment Management and Risk Prevention System**”, which for the Cuneo and Alessandria plants resulted in obtaining **ISO 45001:2018** certification.

During 2020, following the onset of the pandemic, Michelin Italiana set up a “**Covid-19 Safety Committee**” at each site to manage the emergency and adopt a “shared protocol”, updating the internal measures for combating and containing the spread of the SARS-CoV-2 virus.

In 2021 the project “**La Coalition Sécurité**” was launched at the Cuneo and Alessandria sites to spread a culture of safety within the company by getting employees from various departments and levels involved in playing a guiding role in terms of the proper behaviour to be observed.

PERFORMANCE OF TCIR

THE NUMBERS IN 2021



**ISO 45001:2018**  
CERTIFIED MANAGEMENT SYSTEMS  
(Cuneo and Alessandria)

**2,2** FREQUENCY RATE<sup>4</sup>

**13** WORK-RELATED INJURIES

**5,908,627** HOURS WORKED

**0.11** SEVERITY RATE<sup>5</sup>

**0.44** TCIR<sup>6</sup>  
(Total Case Incident Rate)

<sup>4</sup> TF = Frequency rate of injuries, calculated as the ratio of the total number of injuries at work entailing more than one day's absence (excluding the date on which the event took place) and the number of hours worked during that same period, multiplied by 1,000,000.

<sup>5</sup> TG = Severity rate of injuries, calculated as the ratio of the total number of days lost through injury and the hours worked in the same period, multiplied by 1,000.

<sup>6</sup> TCIR = Total Case Incident Rate, which considers not only the number of injuries occurring in the workplace and entailing absence from work, but also those entailing medical care beyond first aid, those requiring the person to be temporarily transferred to a suitable place and occupational diseases recognised for staff on the workforce, as compared with the hours worked in the same period, multiplied by 200,000.



# 05

## COMMITMENTS TO THE LOCAL COMMUNITY



### MICHELIN ITALIANA'S CONTRIBUTION TO THE GROUP

In each of the most industrialised nations, the Michelin Group is present with companies or foundations charged with fostering the economic development of the communities in which Michelin's production facilities are located. Over the last 30 years, this process has helped create more than **39,500 jobs in France, Spain, Italy, the United Kingdom, Canada and the United States.**

By setting up the Michelin Development Foundation (Fondazione Michelin Sviluppo, "FMS"), created in Turin in 2004, Michelin Italiana has been integrated in the network of foreign sister companies founded by the Group starting in 1990, with the aim of fostering job-creation in the communities where Michelin's production facilities are based. Since its foundation FMS has contributed to creating **2,505 jobs** in Italy.

### MICHELIN ITALIANA'S COMMITMENTS

Michelin Italiana plays an active part in the life of the territory in which it operates, spreading awareness of its values through the organisation of various different sustainability and innovation support initiatives. A structured set of measures is adapted to the characteristics and ages of the beneficiaries, leaders of Italy's social life today, tomorrow and the day after tomorrow. Michelin Italiana's engagement in local life also involves providing loans and economic investments for the performance of activities in the community in question, in terms of both donations given in various capacities and hours dedicated by Michelin employees, on a professional or voluntary basis, in a total amount of 1.1 million euro since 2004, in addition to the 2.4 million euro disbursed by the Michelin Development Foundation, for a total of approximately 3.5 million euro donated to the community.



### OUR INITIATIVES

Initiative	Description
<b>Michelin Italiana's support for the AIRC Foundation</b>	The <b>AIRC Foundation</b> emphasises the fundamental contribution of women to progress in scientific research into cancer, telling the tale of the efforts of female researchers and the stories of those who place their faith in research in confronting illness. In 2021 Michelin Italiana contributed through multiple donations.
<b>Michelin Italiana's support for Terra Mia</b>	The <b>Terra Mia Social Cooperative</b> manages the parent/child educational community <b>Frida</b> , designed to host mothers and children in need of assistance, protection and support. In 2021 the Company decided to support the community by helping them set up their Italian offices and decorate their family homes, donating desks, chairs and various office materials.
<b>Michelin Italiana's support for Save the Children</b>	Michelin Italiana decided to support <b>Save the Children</b> , the non-governmental organisation (NGO) that strives to promote and protect the rights of children and adolescents, auctioning the famous Michelin Man and a chef's jacket signed by Michelin three-stars. A total of 7,000 euro was raised and donated to the organisation through this initiative.
<b>Michelin Italiana's support for the Guaranteed Mobility project</b>	The <b>Guaranteed Mobility</b> project is designed to provide fitted-out vehicles suited to use for mobility services for the neediest citizens, free of charge. As part of the project, two vehicles for transporting the most fragile citizens, the tyres for which were donated by Michelin Italiana, were delivered to <b>A.I.S.M.</b> and <b>ANTEAS</b> of Alessandria.
<b>Michelin Italiana's support to the campaign Restaurants Against Hunger 2021</b>	As part of <b>No More Hunger</b> , the communications and fun-raising campaign that stresses the main structural causes of hunger, the project was supported by Michelin Italiana through sponsorship, at its restaurants, of the initiative and the application of donations to some items on the menu.
<b>Initiatives with schools</b>	In 2021 a <b>webcast</b> was held at the high school <b>Istituto Volta Alessandria</b> , involving approximately 320 students. During the session, students were presented the local Michelin plant and provided with all information needed for a work-study period or direct placement at the Company. At <b>Istituto Marconi in Tortona</b> the Company held an initiative during the presentation of the new technical course of study Transport and Logistics.
<b>Summer camps at the Michelin Sports Clubs</b>	<b>Michelin Sport Clubs</b> are facilities annexed to the Cuneo and Alessandria plants, open to all members: employees, family members, retirees and contractors. Each summer, these facilities organise the <b>Kids' Summer</b> for children of employees and contractors who are members of Michelin Sport Clubs: a very important initiative that gets children ages 6 to 14 involved in games, sport and educational activities from July to September.



MICHELIN DEVELOPMENT FOUNDATION

The Michelin Development Foundation (Fondazione Michelin Sviluppo, “FMS”) was created in Turin in 2004 with the aim of promoting the socio-economic development of the community through support, in particular, for small and medium enterprises, including start-ups, which may benefit from concrete support for creating and consolidating new jobs.

THE FMS'S GOALS



Spreading and awareness raising of the industrial culture and entrepreneurial spirit, particularly amongst the younger generation.



Promotion of initiatives aimed at increasing professional skills.



Disbursement of grants for the pursuit of entrepreneurial projects entailing the creation of jobs.

SOME OF THE FOUNDATION'S PARTNERS

Turin Polytechnic Incubator (I3P)	Turin University Incubator (2I3T)	Piedmont Confindustria Associations of Turin, Cuneo and Alessandria	Reseau Entreprendre Piedmont (of which the FMS is a founding member)	Confartigianato (Crafts association)
-----------------------------------	-----------------------------------	---	--	--------------------------------------

Since 2004 the Foundation has involved 336 companies, including SMEs and start-ups (since 2016 90 companies have benefited from the initiative, of which 40 start-ups). Files have been opened for the creation of over 2,500 jobs, of which approximately 1,800 have been finalised, and 2.4 million euro in outright grants have been allocated.

THE MICHELIN DEVELOPMENT FOUNDATION'S CONTRIBUTION

FMS for Agribusiness Innovation Lab 2.0

The project launched by REP (Réseau Entreprendre Piemonte) Agribusiness Innovation Lab 2.0 continued in 2021 with two sites active in Cuneo and Alba, for free support of start-ups operating in the sectors agrifood/agritech, food and wine, environmental impact and local green tourism/tourism promotion.

Start Cup Piedmont and Valle d'Aosta

The initiative consists of a regional competition among entrepreneurial projects with a considerable amount of knowledge and competence, designed to foster the creation of innovative businesses benefiting the territory. As a supporter of Start Cup 2021 and innovation, FMS contributed financially to defraying some of the initiative's costs, and operationally, to the phase of examining and selecting business projects, relying on its internal skills and those of several technicians from Michelin Italiana.

In 2021 the Foundation also continued numerous initiatives aimed at supporting the **circular economy**. FMS is in contact with the CORIPET consortium, which collects, processes and enables the reuse of PET obtained from discarded bottles. In particular, in order to a partnership contract in which the Alessandria plant is involved in recycling such products, an agreement has been reached with Euromaster Italia. This agreement calls for the distribution of economic incentives (such as coupons, vouchers and discount codes) at ERM centres throughout Italy to users of the bottle collection service.





# 06

## OUR COMMITMENT TO THE ENVIRONMENT



### MICHELIN ITALIANA'S CONTRIBUTION TO THE GROUP

To contribute to mitigating climate change, by 2050 the Group aims to achieve carbon neutrality, meaning zero net carbon emissions for the entire production phase (Scope 1 and 2) and logistics operations (Scope 3). For 2030 the Group has set an intermediate target corresponding to a linear process of improvement, i.e. a reduction in emissions of 50% by its production facilities between 2010 and 2030 (in 2021 it achieved -29%) and of 15% by its logistics operations between 2018 and 2030 (-13%<sup>1</sup> in 2021).

Michelin Italiana takes active part in these ambitious goals. In fact, since 2019, thanks to energy efficiency initiatives at its production facilities, it has avoided 13,000 tCO<sub>2</sub> of emissions, achieving a 20% reduction in CO<sub>2</sub> emissions at its facilities in 2021 compared to 2010. This encouraging result is in line with the plan of action prepared to achieve the CO<sub>2</sub> targets planned for 2030 to 2050. In addition, the Alessandria and Turin Stura facilities procure 100% of their energy from certified renewable sources.

In terms of reduction of Scope 3 emissions, by optimising filling rates and reorganising logistics flows, in 2021 the Company contributed to a decrease in emissions of 275 tCO<sub>2</sub>.

### ENERGY CONSUMPTION

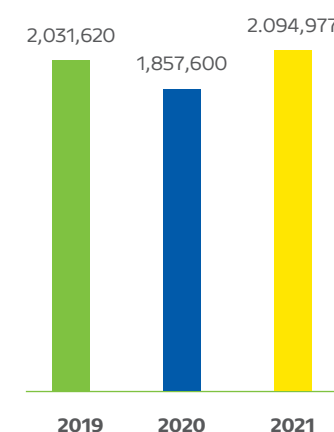
Michelin Italiana's energy consumption can be divided into two broad families: "direct" consumption involving the use of fuel and "indirect" consumption resulting from the need for electricity and steam purchased from external sources.

<sup>1</sup>Not including exceptional air transport related to logistics problems in 2021.



### MICHELIN ITALIANA'S ENERGY CONSUMPTION

#### TOTAL GJ CONSUMED



#### OUR NUMBERS IN 2021

##### DIRECT ENERGY CONSUMPTION FROM FUEL (2021)

**621,025 GJ** (30% of the total, up by 14% on 2020), of which:

- 230 GJ** from the use of diesel
- 620,092 GJ** from the use of natural gas
- 703 GJ** from the use of diesel and petrol for the fleet

##### INDIRECT ENERGY CONSUMPTION (2021)

**1,437,952 GJ** (up by 12% on 2020), of which:

- 51%** due to the use of electricity
- 10%** from certified renewable sources
- 49%** from the purchase of steam

#### RESULTS

- The action taken to increase energy efficiency in 2021 have reduced our total energy consumption, on a like-for-like scope, of approximately **52,070 GJ**.

The search for an increasingly contained, smart use of energy is a key element of Michelin Italiana's strategy. In view of this goal, the Company adopts cutting-edge energy-generation technologies.

### SMART AND RESPONSIBLE USE OF ENERGY

**Cuneo:** purchase of steam (100% of its needs) and electricity (more than 90% of its needs) produced by a natural gas **cogeneration** plant installed on site.

**Alessandria:** natural gas **cogeneration** plant that in 2021 generated approximately 118,000 GJ, equal to 73% of the plant's total consumption.

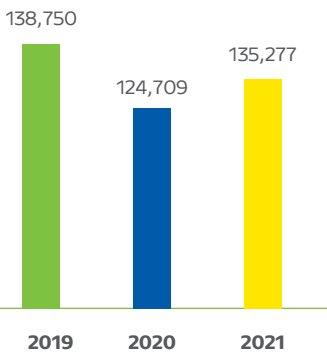
**Alessandria and Turin Stura:** 100% of electricity purchased is certified as coming from **renewable sources**.

### EMISSIONS

Michelin Italiana's GHG (greenhouse gases) emissions derive primarily from direct consumption of fuels and refrigerant gases used in refrigeration and air-conditioning systems (direct Scope 1 emissions) and indirect consumption relating to electricity and steam purchased (indirect Scope 2 emissions).

MICHELIN ITALIANA'S GHG EMISSIONS

TOTAL CO<sub>2</sub> EMISSIONS (SCOPE 1 + SCOPE 2 LOCATION BASED)



OUR NUMBERS IN 2021

EMISSIONI SCOPE 1

**35,271 tCO<sub>2</sub>eq** (+13% on 2020), of which:

- 16 tCO<sub>2</sub>eq** due to the use of diesel
- 34,973 tCO<sub>2</sub>eq** due to the use of natural gas
- 233 tCO<sub>2</sub>eq** due to the release of refrigerant gases into the atmosphere
- 49 tCO<sub>2</sub>eq** due to the use of diesel and petrol by the company fleet

EMISSIONI SCOPE 2 – LOCATION BASED

**100,006 tCO<sub>2</sub>eq** of which:

- 66%** due to the use of electricity
- 34%** due to the purchase of steam

Pollutant emissions declined constantly in terms of COV in 2021 compared to 2020 (-12%) and 2019 (-33%). This was the result of the measures taken by the Company, which in 2018 launched its Wedge Project in Cuneo. The results thus far have been particularly positive, and already in 2021 the Company succeeded in exceeding the goal set for 2022 (30% reduction).

WATER RESOURCES

Michelin Italiana's water consumption is mainly to be attributed to heat exchange processes that occur throughout the production chain. The water used is primarily drawn from wells on plant grounds (99%), whereas the remaining 1% is drawn from the public water grid.

RESULTS

- 12,990 tonnes of CO<sub>2</sub>eq** avoided in 2019-2021 thanks to the numerous initiatives promoted by Michelin Italiana, above all in the area of energy efficiency
- 50 tonnes of CO<sub>2</sub>/year** avoided due to the introduction of six automatic shuttles for internal product handling

OBJECTIVES

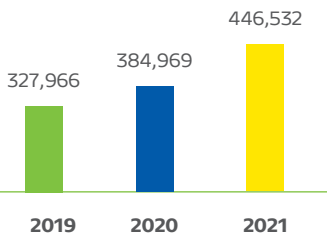
- 50%** GHG emissions in 2030 compared to 2010 values

Michelin Italiana's commitments are to reducing GHG emissions along the value chain. In 2021 the Company optimised the filling rate for lorries and containers used to ship finished products, increasing DFS (direct factory service, from the production facility directly to the customer) deliveries and reducing deliveries to 3/5 days. In 2021 these strategies made it possible to avoid:



WATER CONSUMPTION IN m<sup>3</sup>

OUR NUMBERS IN 2021



WATER WITHDRAWAL

**5,666,135 m<sup>3</sup>** of which:

- 5,602,651 m<sup>3</sup>** from wells
- 63,484 m<sup>3</sup>** from aqueduct

WATER DISCHARGE

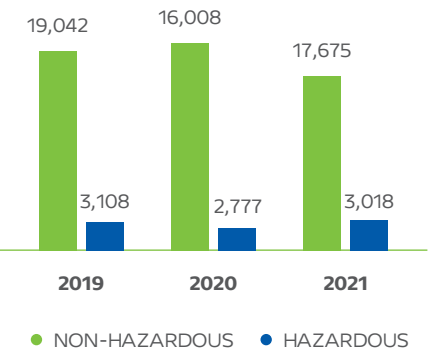
**5,219,603 m<sup>3</sup>** (+10% compared to 2020)

WASTE MANAGEMENT: A CIRCULAR APPROACH

Michelin Italiana is committed to reducing waste production as much as possible and limiting its impacts. This commitment extends throughout the work process and also involves responsible management at the end of the tyre life cycle. The Company is a member of **Ecopneus**, a non-profit company established to assure the **tracing, collection, treatment** and **recovery** of end-of-life tyres (ELTs).



WASTE BY TYPE



OUR NUMBERS IN 2021

**20,693** tonnes of waste:  
**85%** non-hazardous  
**97%** sent for recovery

OBJECTIVES

Michelin Italiana is committed to achieving the following goals by 2030:

- reducing waste production by **25%**, compared to 2020;
- recovering **75%** of waste generated (including hazardous waste) in the form of material;
- **zero waste** sent to dumps.

In accordance with its sustainability policy, Michelin Italiana applies the **strategy of the 4 Rs** (Reduce, Recycle, Renew and Reuse), adapting it to its activities daily. Development of a circular approach is not limited to the product area, but also extends to the management of scrap material and waste produced in plants, previously handled by generic and/or specific disposal companies by product type. Emphasis should be placed on the contribution from the Michelin Development Foundation (Fondazione Michelin Sviluppo, “FMS”), which, facilitated by the network formed with its institutional stakeholders, is in touch with SMEs and innovative start-ups that develop **circular economy** projects with positive consequences for the community in terms of both environment and jobs.

THE CIRCULAR ECONOMY INITIATIVES

PET bottles	Full bottle recovery through a bottle-to-bottle approach.
Organic waste	Transformation of organic waste produced by the company canteen into compost and use as fertilizer in internal landscaping.
Polyethylene film for packaging	Sorting and processing of packaging polyethylene to repurchase the same recycled material of identical amount.
Other “light” plastic material	Use of 100% recycled material bags.
Wood	Transformation of wood no longer suited for use into pellets and reuse as fuel in cogeneration plants and/or compost stabilizer.
Paper and cardboard	Transformation of waste paper and cardboard into sheets of paperboard that can be used as canteen trays or for alternative uses.
Polyurethane	Recovery of polyurethane and subsequent reuse in various industrial sectors.







Società per Azioni Michelin Italiana S.A.M.I.  
Corso Giulio Cesare 424/95/C, 10156 Turin – Italy

Contact person: Marco Do  
e-mail: [marco.do@michelin.com](mailto:marco.do@michelin.com)



