MICHELIN
A BETTER WAY FORWARD

SUSTAINABLE NATURAL RUBBER PROGRESS REPORT

2015 - 2020 REPORT

CONTENTS

FOREWORD: LAYING THE GROUND FOR A TRULY SUSTAINABLE SUPPLY CHAIN

Being a major player in the natural rubber industry, Michelin Group is fully cognizant of the responsibility it has to ensure a sustainable natural rubber supply chain. It has long fostered close relationships with its natural rubber suppliers, focusing not only on ensuring quality but also pushing for environmentally sound processes.

Through 2014, intentional and open conversation with its stakeholders convinced Michelin that it was essential to garner strong commitment towards sustainable environmental and social practices throughout the whole of its natural rubber supply chain and in the broader market.

Michelin's efforts toward sustainable natural rubber were catalyzed by its partnership with WWF France, which supported Michelin to craft out a set of commitments relating to the sustainable procurement of natural rubber in 2015. These commitments where expanded on in 2016 with Michelin's Sustainable Natural Rubber Policy, the first comprehensive policy relating to sourcing of sustainable natural rubber.

Michelin has also been actively involved in promoting change throughout the industry, and has been a long time member of the IRSG Sustainable Natural Rubber initiative (SNR-i). WWF and Michelin also collectively participated in the creation and launch of the Global Platform for Sustainable Natural Rubber (GPSNR).

The past five years have been spent laying important groundwork in an industry where sustainability and assessment frameworks were novel and untested. Significant resources have been spent on championing the use of sustainability assessment tools across the industry and even on creating novel tools where they had not existed before. We have made much progress, but there is plenty of work to do to effect lasting change throughout the entire supply chain.

This year 2020 has been especially challenging for Michelin, our suppliers and the millions of smallholder farmers that produce natural rubber, as the pandemic has stifled global demand. Nevertheless, we remain, more than ever, committed, and are continuing to work hard with our partners and global network to build a truly sustainable natural rubber supply chain.

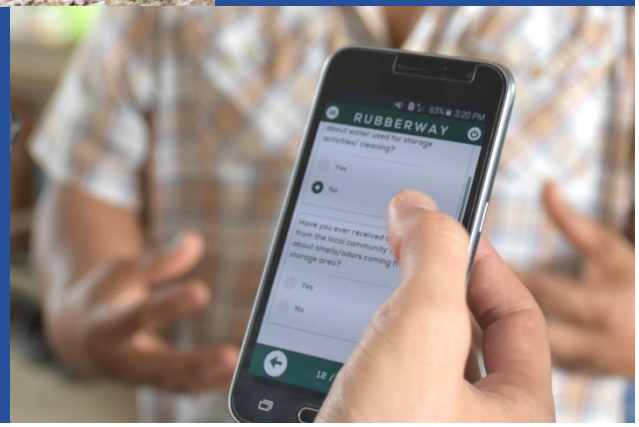
HÉLÈNE PAUL
MICHELIN GROUP CPO

HIGHLIGHTS

85%
of supply (by spend) assessed on sustainability systems and performance by EcoVadis in 2020

39,276
smallholders have completed the Rubberway® questionnaire as of end-2020

58
natural rubber factories in Michelin's supply chain deploying the Rubberway solution in their upstream supply chains



3,180 ha
area conserved and protected in the Michelin Ecological Reserve as part of Ouro Verde program in Bahia, Brazil

100,000
trees from 215 species have been planted over 270 ha of forest as part of restoration efforts in the Michelin Ecological Reserve

1.36m
high-yielding seedlings produced and supplied* to farmers by Group and joint venture operations in 2020

*including saplings sold at cost or economical prices

OUR APPROACH

Michelin's sustainable natural rubber approach is driven by our Sustainable Natural Rubber Policy, which defines its commitments and set expectations for its suppliers. A key part of our approach has been to develop a framework to assess our natural rubber value chain.

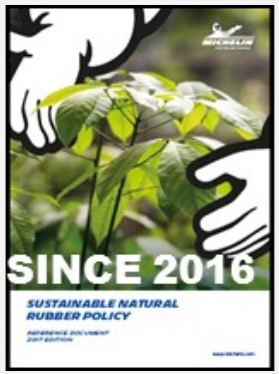
Significant resources have been spent to drive the wider industry to adopt these assessments and tools. The smallholder-dominated nature of natural rubber production has been particularly challenging, made even more complex by the fact that multiple tiers of intermediaries exist between smallholders and natural rubber processing factories. To overcome this, Michelin developed a novel solution to facilitate smallholder risk-mapping at a jurisdictional level: Rubberway®.

Complementing this top-down approach of assessments and risk mapping has been a commitment to effect change through direct action on the ground. This has been conducted through the Group's joint-ventures and partnerships, such as the Royal Lestari Utama project, an integrated natural rubber company aiming at producing climate smart, wildlife friendly and socially inclusive natural rubber.

Michelin is also working through a sector approach, believing that change needs to happen throughout the whole natural rubber industry. There should be a shared responsibility approach throughout the supply chain. To engage the whole industry and stakeholders along the value chain towards better practices, Michelin was one of the founding members of the Global Platform for Sustainable Natural Rubber (GPSNR), a truly multi-stakeholder platform that includes tire manufacturers, rubber suppliers and processors, vehicle makers, smallholders and NGOs.

OUR SUSTAINABLE NATURAL RUBBER APPROACH

COMMITMENTS
Sustainable Natural Rubber Policy



ASSESSMENTS
Natural Rubber Value Chain Assessments

WORDS IN ACTION
Action on the Ground

SECTOR APPROACH
Stakeholders and GPSNR

GPSNR

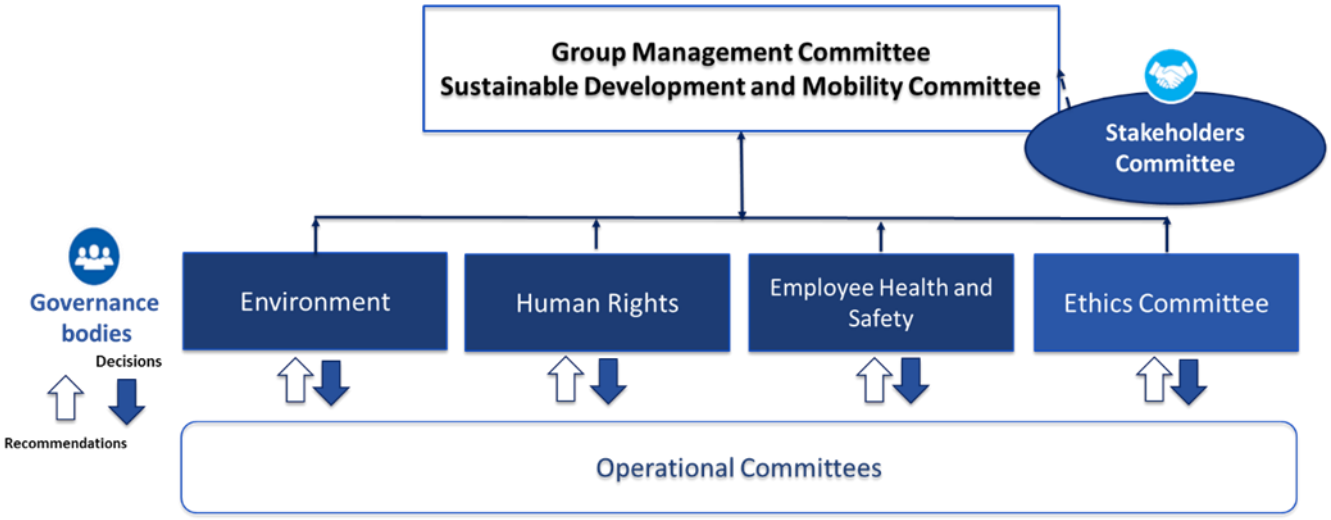
GOVERNANCE AND ORGANIZATION

SUSTAINABLE DEVELOPMENT AND MOBILITY AT MICHELIN

Michelin's sustainable development governance is driven by the Group Management Committee, which has full oversight on direction and tracks progress on sustainable development and mobility with dedicated meetings held twice a year.

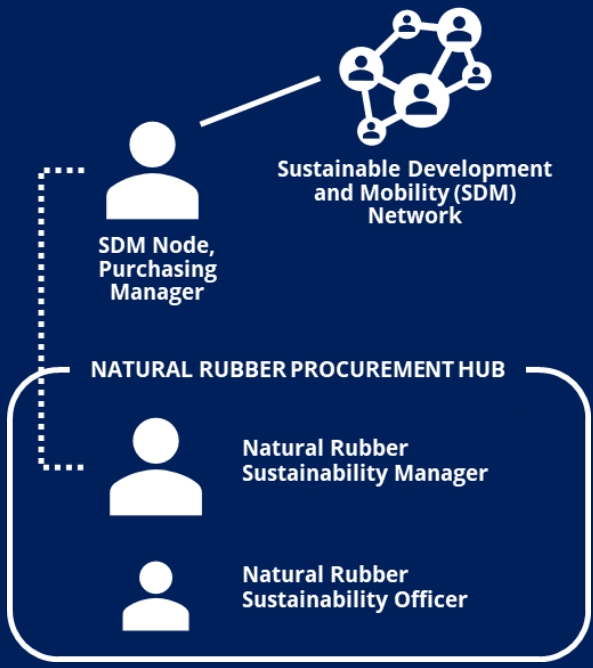
Michelin has set up governance bodies dedicated to the Environment, Human Rights, Health and Safety, and Ethics to promote the Group's culture, underpin the Group's commitments, define the Group's strategy and validate the Group's programs relevant to each subject to drive continuous improvement. Each body is supported by the work of multidisciplinary Operational Committees. The Sustainable Development and Mobility (SDM) network is made up of the Sustainable Development and Mobility team and contacts from the main regions, business, operational and corporate entities worldwide. It is responsible for ongoing local promotion of sustainable development, reporting on implementation of the objectives defined by the governance bodies, and coordination of initiatives.

During consultations with stakeholders, it was recognized that natural rubber sustainability represents a highly material topic within Michelin's sustainable development outlook. It was also noted that there would be a large body of work to map out supply chain risks and to work with stakeholders to define and implement sustainability commitments throughout Michelin's natural rubber value chain. As a result of this feedback, Michelin appointed a sustainability manager in 2016 dedicated to sustainable development in natural rubber.



A FOCUS ON NATURAL RUBBER

The natural rubber sustainability manager is based out of Michelin's natural rubber technical and procurement hub in Singapore and is part of the Purchasing node of the SDM network. In 2020 in line with the scaling up of supply chain assessment and tools, as well as Michelin's increasing involvement with multi-stakeholder partnerships for sustainable natural rubber, Michelin appointed another sustainability officer for natural rubber sustainability. The natural rubber sustainability officers take part to the operational committees, directly or through the Purchasing sustainability manager



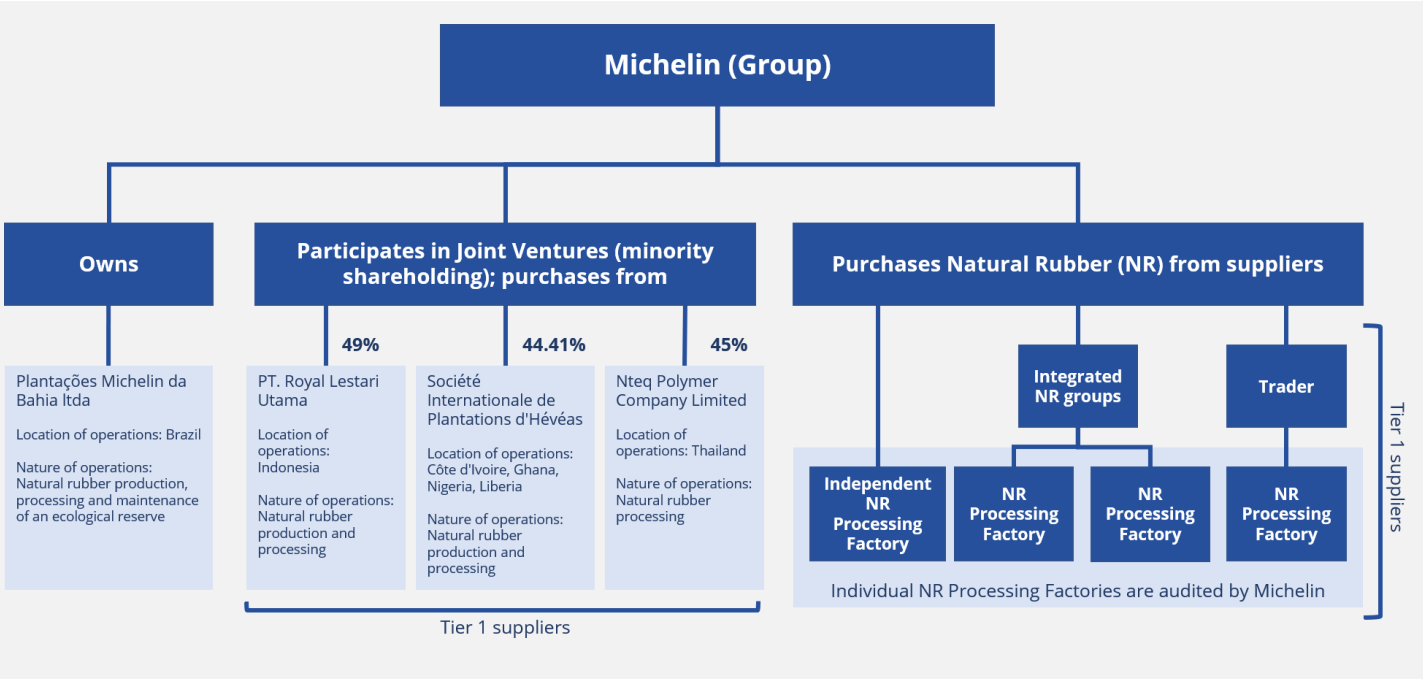
GOVERNANCE AND ORGANIZATION

ORGANIZATION OF MICHELIN'S NATURAL RUBBER SUPPLY CHAIN

Michelin sources natural rubber primarily from independent suppliers. These suppliers can be independent natural rubber processing factories, a group with multiple factories or traders (natural rubber wholesalers). In every case, Michelin conducts on-site quality audits, which through a pilot have now been expanded to include environmental and labor aspects, on individual natural rubber processing factories before they are added to an approved factory list. These audits are subsequently carried out every year (every two years for factories in West Africa). All suppliers, including groups and traders, have to abide by this list, meaning that all supply is known and traceable to the factory level. These are collectively known as 'Tier 1' suppliers.

Michelin participates in a number of natural rubber joint ventures, in which it maintains a financial interest but is a minority shareholder (or joint ventures throughout this document). These include joint venture operations in Indonesia, West Africa (Côte d'Ivoire, Ghana, Nigeria and Liberia) and Thailand. Michelin maintains a presence on the boards of these joint ventures, including on environmental and social advisory boards when applicable. Michelin also provides technical assistance to its joint ventures, particularly on agronomy, rubber processing and research and development. Michelin envisions its joint ventures to be leaders in sustainable and ethical practices, and as prime candidates for the development of new technologies that can reduce environmental impacts of natural rubber production or processing.

Michelin owns a limited number of natural rubber assets in Brazil. This includes a land bank in Bahia, Brazil that has been primarily dedicated for conservation and restoration through the 3,180 hectare (ha) Michelin Ecological Reserve, which preserves a significant remnant of the southern Bahian Atlantic rainforest. It maintains 513 ha of active natural rubber plantations, of which 208 ha is dedicated to research and development of varieties resistant to pest and disease (total plantation area including inactive areas: 1,366 ha).



POLICY AND COMMITMENTS

Michelin published its Sustainable Natural Rubber Policy in 2016, which served as a model and catalyzed the widespread adoption of similar policies throughout the industry.

In collaboration with stakeholders, Michelin developed and published its Natural Rubber Purchasing Principles in 2015, making it the first tire company to undertake commitments relating to the natural rubber supply chain. In 2016, it expanded on these commitments by publishing its Sustainable Natural Rubber Policy. The policy, written in collaboration with WWF France and arising out of learnings as part of the IRSG Sustainable Natural Rubber initiative, was the first comprehensive natural rubber policy with a zero-deforestation commitment undertaken by a tire maker.

After a process of engagement with suppliers to help them understand the implications of the policy, the policy was attached to all purchasing contracts in December 2016. Continued engagement with our suppliers on our policy requirements is carried out through our Supplier Relationship Management (SRM) exercise, which is a dedicated 1-day event with our main suppliers every year. The SRM exercise is also an opportunity to follow up on sustainability gaps identified by supplier assessments or Michelin on-site audits, especially if suppliers are at that time implementing time-bound Corrective Action Plans. For our suppliers that are not part of the SRM scheme, continued engagement is embedded in Long-Term Contract yearly meetings, where expectations are set, and the implementation of Corrective Action Plans is monitored.

Michelin has been active in encouraging its suppliers to adopt their own natural rubber policies which mirror the key pillars of Michelin's own policy with particular attention to the policy items relating to zero-deforestation and Free, Prior and Informed Consent (FPIC). It has also encouraged this at the industry level, contributing to the GPSNR-led process of developing a unified policy framework which standardizes policy requirements. This policy framework was approved at the 2nd GPSNR General Assembly in September 2020 and is to be adopted by all members. Michelin will be aligning its policy to the GPSNR policy framework and will engage suppliers to do the same.

Key Figures

Policy binding to all natural rubber purchasing contracts

100% of natural rubber contracts include the sustainable natural rubber policy

100% of suppliers have been engaged on Michelin's Sustainable Natural Rubber Policy

Contribute to unified policy framework at the GPSNR

Approved Policy component was approved at the GPSNR 2nd General Assembly and is to be adopted by all members

POLICY AND COMMITMENTS

ZERO-DEFORESTATION AND FREE-PRIOR AND INFORMED CONSENT (FPIC) IMPLEMENTATION

Two key commitments embedded in Michelin's Sustainable Natural Rubber Policy relate to zero-deforestation and FPIC. To implement these important commitments Michelin has identified priority suppliers with large natural rubber plantations for engagement towards the adoption and implementation of zero-deforestation and FPIC clauses in their company policies. Michelin has also partnered with its joint ventures to take the lead in adopting widely acknowledged frameworks to implement zero-deforestation and FPIC commitments, including High Conservation Value (HCV) assessments and the High Carbon Stock Approach (HCSA), FPIC engagements and the adoption of grievance channels.

Implementation of Zero-Deforestation and FPIC commitments in Joint Ventures

In line with its adoption of zero-deforestation and FPIC commitments, Michelin has worked closely with its joint-ventures to practically implement these commitments through internationally recognized frameworks such as HCV assessments and the High Carbon Stock Approach, integrated with selected FPIC methodologies. On top of meeting Michelin's commitments, these efforts serve to demonstrate to the wider industry that these frameworks can be practically applied at scale in the natural rubber industry.

The Royal Lestari Utama (RLU) joint venture in Indonesia has been developing its land development plan incorporating both HCS and HCV assessments at scale for rubber plantation development, with its total concession area (88,761 ha as of 2019) having been assessed in 2015 and currently being re-assessed. As a result of the 2015 HCV & HCS assessment, around 28,000 ha of protected area has been delineated in both its Sumatra and Kalimantan production sites. The joint venture is also pursuing a landscape approach, with part of its protected area contributing to expand wildlife habitat through connection of its conservation zones to others protected areas including Bukit Tigapuluh National Park in Jambi. RLU is also conducting a joint protection program with Bukit Tigapuluh National Park within the buffer zone of the national park and RLU's concessions.

POLICY AND COMMITMENTS

In the Société Internationale de Plantations d'Hévéas (SIPH) joint venture in West Africa, four HCV/HCS assessments have been carried out since 2015, covering 7,361 ha. SIPH is committed to conducting HCV and HCS assessments, together with FPIC processes when applicable, before any new development of plantations.

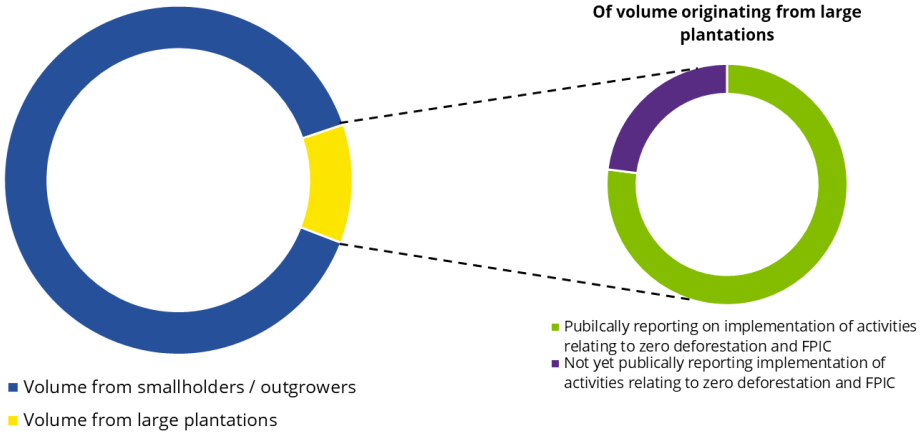
Engagement with Priority Suppliers

Michelin's natural rubber supply chain is primarily supplied by smallholders (or outgrowers). In 2019, less than 11% of natural rubber volume[1] originated from large plantations[2]. Of natural rubber volume sourced from large plantations, 76% of volume was purchased from suppliers which have publicly adopted their own comprehensive zero-deforestation and FPIC commitments and are publicly reporting evidence of applying relevant actions on the ground (e.g. policy commitments, publication of HCV/HCS reports, transparency dashboards etc.). Michelin is committed to continuous engagement with the remaining suppliers to encourage publicly assessible reporting to demonstrate their implementation of zero-deforestation and FPIC. Michelin is planning to conduct a deforestation-risk assessment of its supply chain in collaboration with WWF France in 2021.

[1] Where Michelin buys from a supplier that sources from both large plantations and smallholders/outgrowers, a proportional volume is assigned to sourced volume from large plantations vs. smallholders based on the supplier's reported raw material sourcing data when available.

[2] Plantations with individual management units exceeding 500 ha in area and thus prioritized for engagement.

Michelin Natural Rubber Supply Breakdown (2019)



Summary of Key Risks or Risk Factors Identified

Risks	Activities implemented	Achievements and planned activities
Suppliers may not understand the implications of Michelin's Sustainable Natural Rubber Policy	Engagement on commitments and requirements to fulfill policy expectations	100% of suppliers have been engaged on Michelin's Sustainable Natural Rubber Policy as of 2016
No unified industry expectations on key sustainable natural rubber policy tenets	Contribution to a unified policy framework through the GPSNR which sets expectations for sustainable natural rubber policies to be adopted by all GPSNR members.	Policy component was approved at the GPSNR 2nd General Assembly in September 2020 and is to be adopted by all GPSNR members.
Deforestation and human rights risks (including breach of FPIC) associated with the development of large-scale natural rubber plantations	Identification of supply coming from large-scale plantations. Engagement with suppliers with large-scale plantations	1. Supply originating from large plantations has been identified (11% of volume). Michelin will continue monitoring of the implementation of zero-deforestation and FPIC commitments of suppliers owning these plantations. 2. Michelin is intending to conduct a global deforestation risk analysis in collaboration with WWF France
Deforestation and human rights risks associated with sourcing other than large-scale natural rubber plantations	Jurisdictional-level risk assessment with the Rubberway tool (see pg. 15)	1. 56 jurisdictions have been risk-mapped for environmental and social themes. 2. Michelin is intending to conduct a global deforestation risk analysis in collaboration with WWF France

ENGAGING AND ASSESSING THE SUPPLY CHAIN

Supply chain assessments are an essential means to ensuring the implementation of Michelin's Sustainable Natural Rubber Policy. To that end, much resources have been spent on championing the adoption of assessment frameworks that can be scalable and able to be used by a large proportion of the industry.

TIER 1 ASSESSMENTS

For its Tier 1 suppliers, Michelin chose to leverage EcoVadis, a global business sustainability ratings provider. EcoVadis assesses the maturity of actions and systems related to sustainability. These assessments help Michelin to understand relative risk among its supply base and identify suppliers with weaker performance so that they can implement improvement plans.

Michelin initiated use of the EcoVadis assessments in the natural rubber industry in 2013 as part of a Group-level initiative for sustainable procurement. Through engagement with suppliers and championing of a common assessment framework for the industry, EcoVadis assessments have now become widely adopted in the natural rubber industry, with a number of tire makers using this tool to measure suppliers' relative sustainability performance.

EcoVadis assessments score the performance of suppliers in four themes (1) Environment (2) Labor and Human rights (3) Ethics and (4) Sustainable Procurement. According to the EcoVadis scoring methodology, a score of 45 and above indicates that a company has a 'confirmed' performance and is likely to be engaged, with a 'structured and proactive CSR approach' and 'having policies and tangible actions on major issues'.

Where suppliers have scored below 45, Michelin requires them to develop and implement a corrective action plan, with special attention paid to themes that have particularly low scores. The process often includes a meeting with the supplier. Michelin has drastically increased coverage of its supply under assessment from 50.6% to 85.2% from 2013 to 2020. In 2020, 66.9% of its supply[3] was assessed to be of 'confirmed' performance.

Key Figures

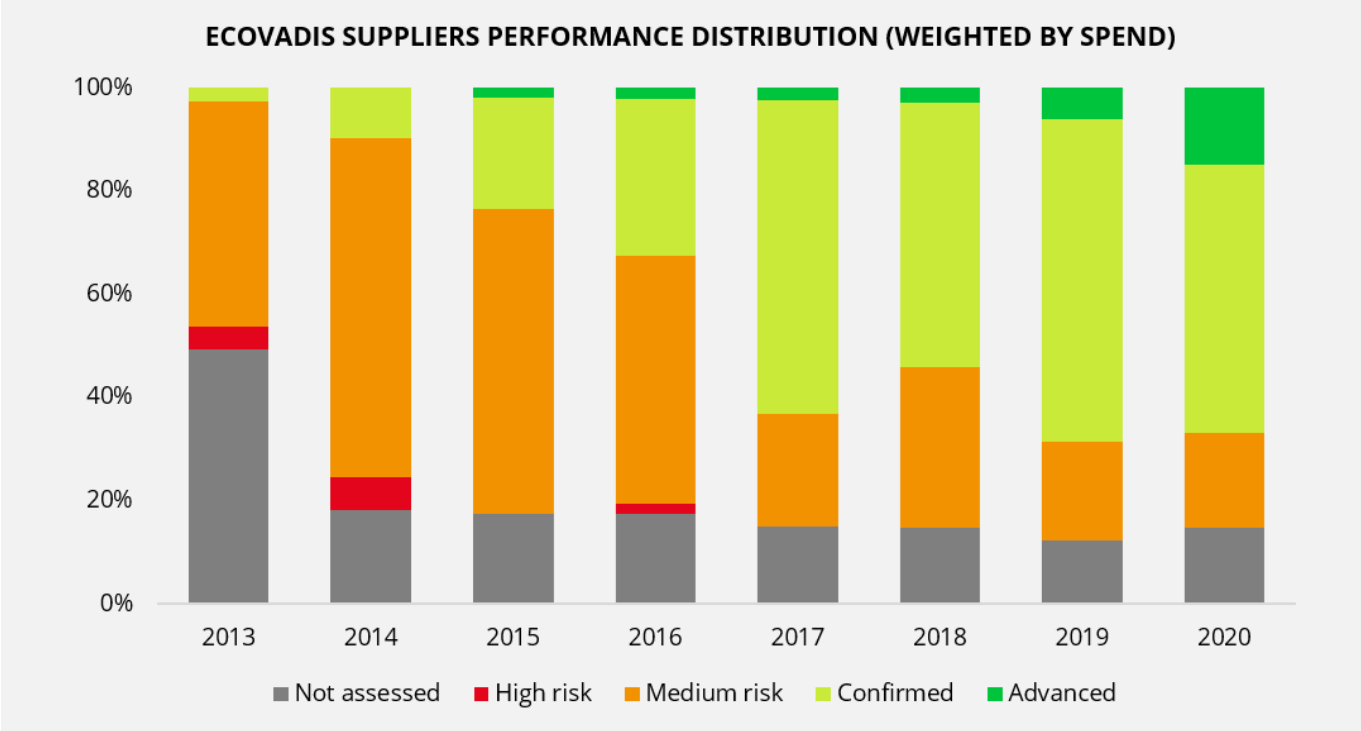
% supply[3] assessed by EcoVadis assessments

85.2% of supply[3] scored 2020

% supply[3] assessed with score ≥45 ('confirmed' performance)

66.9% of supply[3] with 'confirmed' performance in 2020

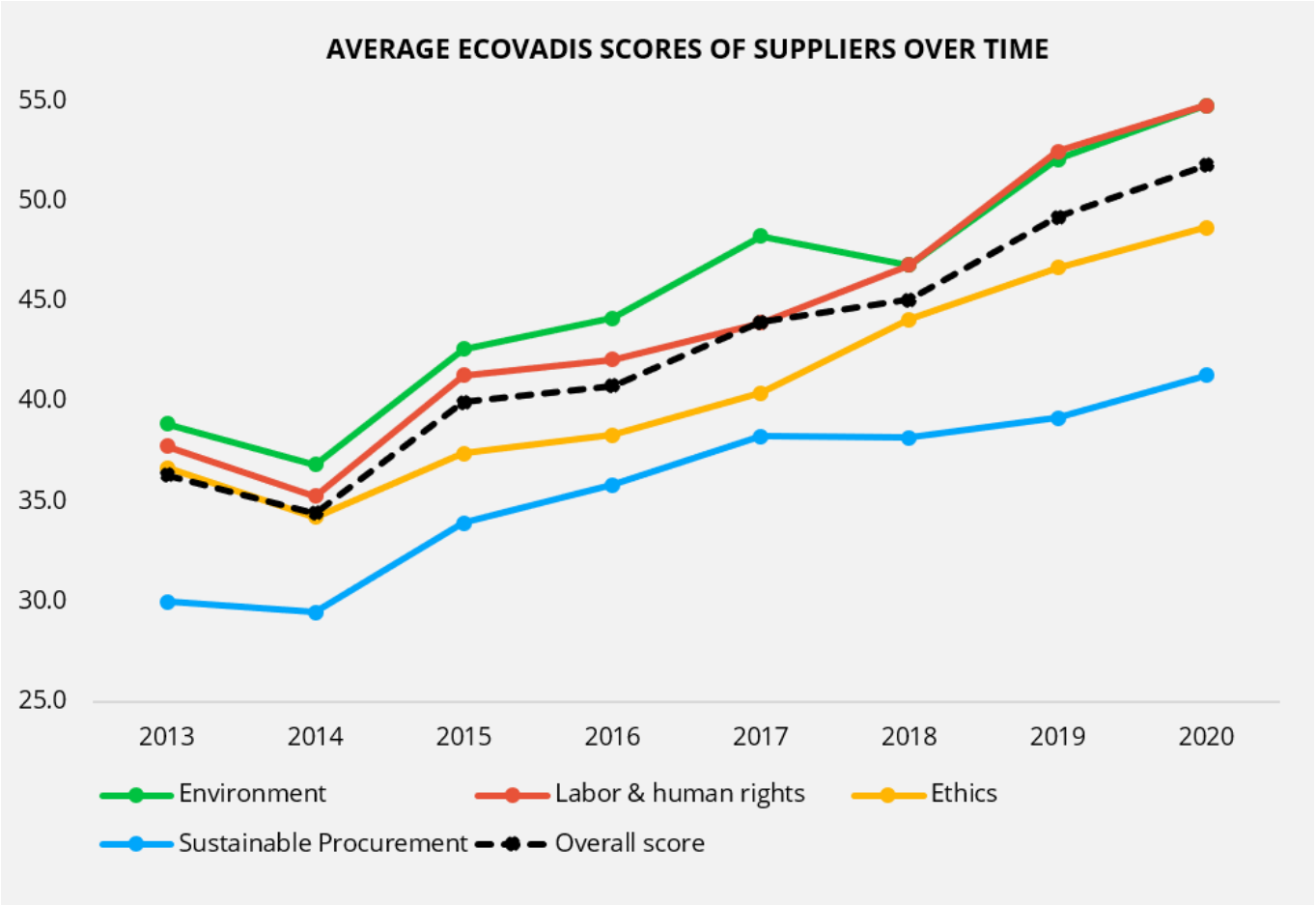
[3] % of supply is measured as % spend (% of spend closely approximates % of supply volume, used for EcoVadis-related indicator as EcoVadis assessments are used across all purchasing domains and % spend is used to measure coverage). Calculated using current year EcoVadis score and weighted by spend data from previous year (n – 1).



ENGAGING AND ASSESSING THE SUPPLY CHAIN

The EcoVadis platform is able to provide a high-level overview of supplier performance and allows us to identify priority suppliers for engagement quickly. At the same time, the platform also affords a high level of detail, and allows for a range of analysis which we utilize. Scores can be broken down by theme to identify the ones that require additional work. For example, in early rounds of EcoVadis assessments, it was noted that 'Sustainable Procurement' scores were low, a reflection of the complex supply chains inherent to natural rubber production.

This helped to spur the development of the Rubberway® solution as a tool that would be helpful not only to Michelin but also to its suppliers; supplier adoption of the tool has since been reflected in the comparatively higher scores from those actively deploying Rubberway in their supply chains. Other trends, such as the inconsistent level of maturity in Environment and Labor and Human Rights pillars, have spurred us to implement not only responsive actions such as corrective action plans, but other systems-based approaches to improve performance. One significant activity has been a pilot to expand the Michelin on-site supplier quality audits, which assess all supplier natural rubber processing factories every year (or every two years for factories in West Africa) to include environment and social aspects, such as wastewater treatment performance benchmarked against national or regional standards and a health and safety checklist. The pilot was launched in 2018 and in 2021 will be formalized and expanded to include additional environmental and social/labor aspects.



ENGAGING AND ASSESSING THE SUPPLY CHAIN

Summary of Key Risks or Risk Factors Identified Through EcoVadis and On-site Quality Audits

Risks	Activities implemented	Achievements and planned activities
Inconsistent level of maturity in environmental management systems (e.g. reporting of wastewater treatment results against national or regional standards).	-Engagement with suppliers on best practices on environmental management systems and reporting -Inclusion of wastewater treatment performance against national/regional standards as part of a pilot launched in 2018 to expand the Michelin supplier audit; time-bound corrective action plans required when underperformance is found.	-Average supplier score for environment pillar as assessed by EcoVadis improved from 42.6 points in 2015 to 54.8 points in 2020. -Inclusion of wastewater treatment performance in Michelin supplier audit, additional environmental aspects to be added and formalized as part of assessment criteria from 2021.
Inconsistent level of maturity in health and safety management systems (e.g. lack of reporting on the implementation of risk assessments and mitigation measures).	-Engagement with suppliers on best practices on health and safety management systems and reporting -Inclusion of health and safety standards as part of a pilot to expand the Michelin supplier audit; time-bound corrective action plans required when underperformance is found.	-Average supplier score for labor and human rights pillar as assessed by EcoVadis improved from 41.3 points in 2015 to 54.3 points in 2020. -Inclusion of health and safety checklist in Michelin supplier audit, additional labor and human rights aspects to be added and formalized as part of assessment criteria from 2021.
Low 'Sustainable Procurement' scores due to a poor understanding of supply chain, particularly in countries where supply is dominated by smallholders selling through intermediaries (i.e. Thailand and Indonesia)	Completed: -Development of Rubberway® tool to help suppliers map their supply chains, including networks of intermediaries and smallholders Ongoing: -Expanding adoption and deployment of Rubberway tool, embarking on risk mitigation projects to address risks from Rubberway findings	-Rubberway® developed in 2016 and deployed by 55% of supply at 2020 (see pg. 15). -Average supplier score in EcoVadis assessment pillar 'Sustainable Procurement' improved from 33.9 points in 2015 to 40.4 points in 2020. Average score of suppliers deploying Rubberway is comparatively higher
Additional risks and complaints made against suppliers as identified by EcoVadis 360 watch report.	-Engagement with suppliers to submit follow-up reports when their scores have been impacted by EcoVadis 360 Watch Reports	-Odor related to natural rubber processing has been identified as a material topic due to the incidence of complaints from a community in Thailand found in an EcoVadis 360 Watch Report. As part of its capacity building efforts, Michelin is planning to publish a guidance document relating to odor control in 2022. This guide is for application by factories likely to have an impact on surrounding communities.

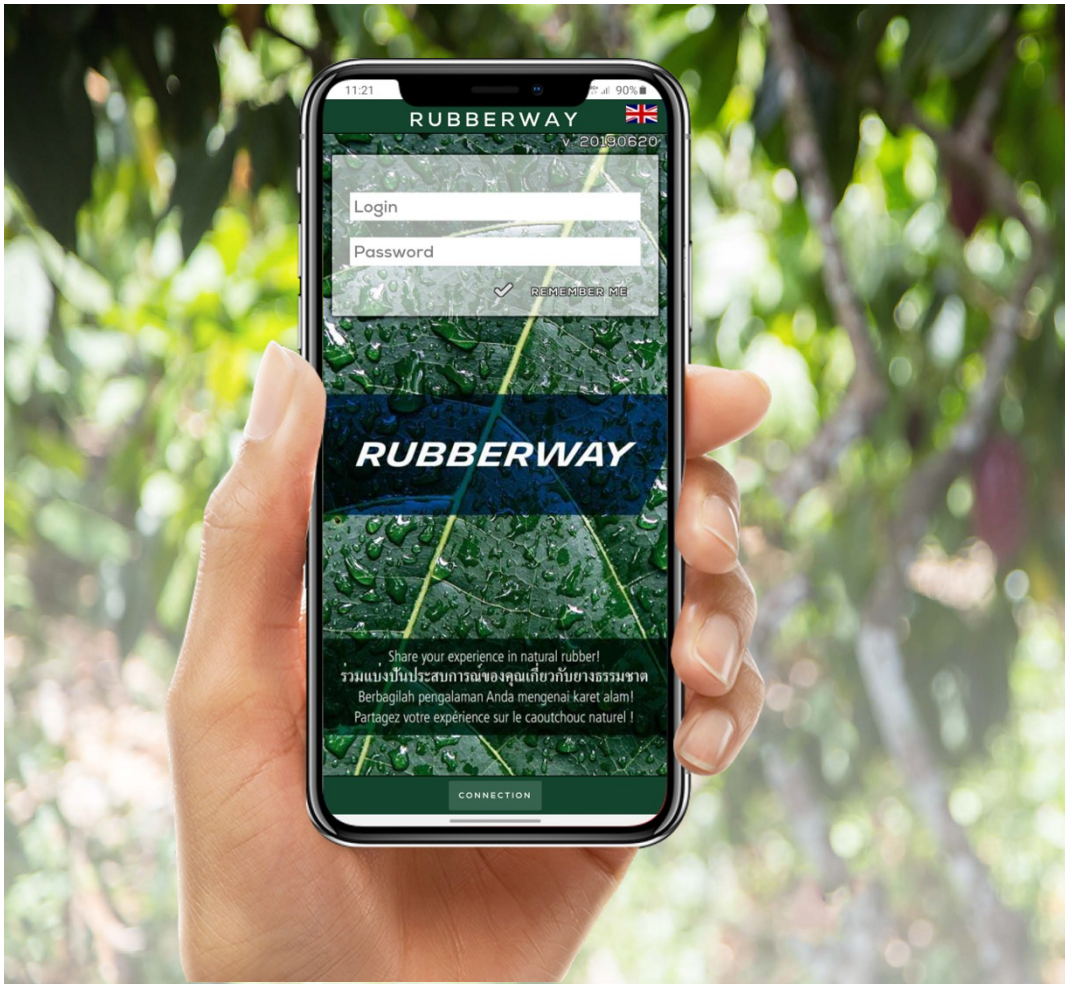
ENGAGING AND ASSESSING THE SUPPLY CHAIN

INCREASING TRANSPARENCY OF THE UPSTREAM NATURAL RUBBER SUPPLY CHAIN

One of the biggest challenges facing the natural rubber industry on its journey toward sustainability is the highly fragmented natural rubber supply chain. The challenge arises not only in that fact that 85% of the global natural rubber supply originates from smallholder farms, but also through the multiple tiers of intermediates that buy and sell natural rubber. In Indonesia and Thailand, it is common for natural rubber processing factories to source raw material through intermediary dealers three or more layers deep. This results in a very complex supply chain, with a single natural rubber processing factory having thousands (and sometime tens of thousands) of smallholder farmers in their supply shed, most of whom they have little to no direct interaction with.

Developed to help tackle this challenge, Michelin developed Rubberway®, a digital solution to assess and map social and environmental risks throughout the natural rubber supply chain. Central to the solution is the Rubberway web-based mobile application, which leverages a device readily available to most factory staff and many farmers: a mobile phone. Using any web-capable mobile device, rubber suppliers and farmers can answer a structured questionnaire that surveys them on environmental, social and agricultural practices. This is typically facilitated by a natural rubber processing factory, who can either survey farmers directly, or through engagement with intermediary dealers.

From there, data points are then aggregated on a web-based dashboard, which generates risk scores from groups of data for statistical analysis. Data can be visualized at multiple scales, from a single factory's supply shed, to an interactive world map that can identify risks at jurisdictional levels. This data can be used by individual natural rubber processing factories, or downstream actors like tire makers to better understand risks within their supply chain. The outcome is that stakeholders (tire makers, natural rubber processors, etc.) are equipped with the information they need to identify and mitigate risks with specific interventions.



ENGAGING AND ASSESSING THE SUPPLY CHAIN

Key Figures

Rubberway® deployment

58	Number of NR processing factories that are deploying Rubberway
56 in six countries	jurisdictions where Rubberway questionnaire have been completed (≥50 respondents)
39,276	smallholder questionnaires completed (cumulative)
55%	of supply deploying Rubberway solution[4]
30%	of supply where source has been risk-assessed at a jurisdictional level (Rubberway)[5]

Rubberway has been operational since 2017 and is already used in the main rubber producing countries (including Thailand, Indonesia, Côte d'Ivoire, Nigeria, Ghana, Liberia and Brazil). More recently in 2019, amidst an industry-wider push for greater transparency in the natural rubber supply chain, Michelin, Continental AG, and Smag, a leading software developer for agriculture, have announced the creation of a joint venture to further develop this solution. This aims to create an independent solution that can be widely applied across the natural rubber supply chain and hopes to engage more actors to participate in the platform.

Rubberway collects data from all actors in the supply chain, including natural rubber processing factories, large plantation operations, intermediaries and smallholder farmers. Michelin has been working with individual natural rubber processing factories to deploy Rubberway throughout their upstream supply chains, and provides training on raw material supplier and smallholder engagement.

As of 2020, 55% of Michelin's natural rubber volume is sourced from factories that are deploying Rubberway[4]. Michelin's target to deploy Rubberway to cover 80% of its natural rubber volume by 2020 has been postponed to 2021 as travel restrictions due to the Covid-19 pandemic have disrupted training of supplier factories, as well as limited the ability of suppliers to effectively reach intermediaries and farmers at scale due to intra-country movement restrictions in many countries.

Using the mobile application, factories are enabled pursue an on-the-ground risk-mapping of their smallholder supply base. They can do this directly with farmers, or with the help of intermediaries. Rubberway uses a statistical methodology that aggregates data at a jurisdictional level, and factories will have to reach a defined proportion of their theoretical smallholder supply shed (calculated based on delivery volumes, average yields and average farm size in the country). Upon completion, factories are provided with a risk assessment report with mitigation recommendations.

As of 2020, 30% of Michelin's natural rubber volume is sourced from factories that have had their smallholder supply chains risk-assessed at a jurisdictional level[5]. In spite of difficulties in 2020, Michelin believes that it now has sufficient data to begin preliminary identification of priority areas for intervention and as of end-2020, is embarking on its first risk-mitigation project, which is targeting selected jurisdictions in Central Sumatra, Indonesia.

Rubberway's use-case as a tool for smallholders is particularly compelling due to the ease of its deployment in the field, and is a focus for Michelin. Today, Rubberway has generated 1.8 million datapoints, and has collected data from almost 40,000 smallholders, meaning that it hosts the most comprehensive dataset relating to natural rubber smallholders.

[4] suppliers are considered to be deploying Rubberway when they have implemented a number of Rubberway questionnaires equal to 80% of the number of their direct suppliers.

[5] suppliers are considered to have their source risk-assessed at a jurisdictional level when they have implemented Rubberway questionnaires with at least 5% of their theoretical smallholder supply shed. Full definitions for [4] and [5] can be found in the Sustainable Natural Rubber Roadmap 2020-2025

MICHELIN

ENGAGING AND ASSESSING THE SUPPLY CHAIN

Rubberway® Risk Mapping Themes

Rubberway® assesses smallholders based on a questionnaire that covers four themes (15 including sub-themes). Based on the farmers aggregated responses by jurisdiction, risk scores can be assigned to the themes. Higher risk scores do not necessarily indicate poor practices but are an indication of the relative potential for negative environmental or social outcomes. For example, a jurisdiction with a high proportion of farmers hiring workers have a higher risk of labor issues compares with a jurisdiction with farmers that do not hire workers, although the score does not directly communicate malpractice.

Theme (subtheme)	Theme description
Respecting people	Consolidation of subthemes on labor and human rights aspects
(Employment status)	Regarding the labor structure of the farm. (e.g. presence of workers, job scope of workers, availability of formal contracts)
(Decent and minimum wage)	Revenue generated by rubber production. Does the farm owner and his/her workers earn the minimum wage from their production?
(Working hours)	Duration of workday for farmers and workers. Duration of rest.
(Workers entitlement to rest)	Workers entitlement to rest days and leave.
(Migrant workers)	Employment and practices relating to migrant worker management (e.g. equal salary, documentation)
(Child labor)	Involvement of children in farm work. Type and duration of work (e.g. outside school hours, seasonal).
(Health and safety)	Health and safety training and experience. Use of personal protective equipment.
(Grievance systems)	Mechanism for labor-related feedback between workers and farm owners.
Protecting the Environment	Consolidation of subthemes on environmental management and land use.
(Environmental Management)	Queries farmer on negative feedback received on pollution and odor from the surrounding community.
(Biodiversity and Deforestation)	Biodiversity risks correlated with chemical pesticide and herbicide use, deforestation risk correlated with farm age and farm expansion.
(Land Ownership)	Availability of official or other forms of land titles.
Agricultural Training	Sources of training received on agricultural techniques, frequency of training and use of productive varieties.
Commercial Transparency	Knowledge of market value of produce, price, invoice and business transparency provided by buyers (e.g. receipts).

ENGAGING AND ASSESSING THE SUPPLY CHAIN

Rubberway Jurisdictional Level Summary of Smallholder Risk Mapping Scores

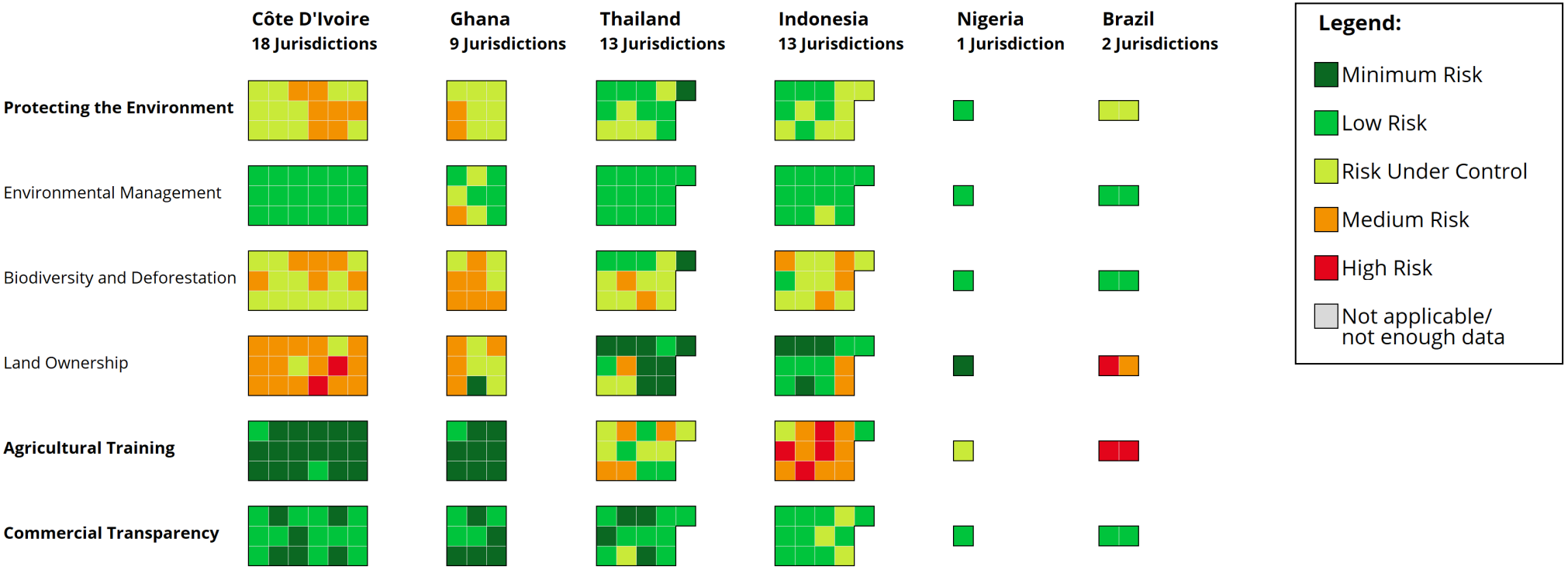
Within Michelin's supply chain, smallholder risks have been mapped across 56 jurisdictions (where respondents number 50 or more) over six countries. The results[6] are presented below and summarized by country, where each grid-square indicates the risk scores of a single jurisdiction. Jurisdictions are administrative divisions in each country that in general correspond to a 100km by 100km square.

[6] Results presented in this figure are as of 30 November 2020

ENGAGING AND ASSESSING THE SUPPLY CHAIN

Rubberway Jurisdictional Level Summary of Smallholder Risk Mapping Scores

Within Michelin's supply chain, smallholder risks have been mapped across 56 jurisdictions (where respondents number 50 or more) over six countries. The results[6] are presented below and summarized by country, where each grid-square indicates the risk scores of a single jurisdiction. Jurisdictions are administrative divisions in each country that in general correspond to a 100km by 100km square.



[6] Results presented in this figure are as of 30 November 2020

ENGAGING AND ASSESSING THE SUPPLY CHAIN

Risks or Risk Factors Identified by the Rubberway Solution Summarized by Country

Country	Findings	Activities/Planned activities

Côte d'Ivoire	• Employing workers is a common practice in most jurisdictions. While there is low risk regarding working hours and entitlement to rest, there seems to be a lack of formal grievance platforms for workers.
	• A number of jurisdictions have medium risk scores for the 'Biodiversity and Deforestation' environment subtheme. This is in part due to relatively young (< 10 years and <25 years old) farms, which warrants further study on land cover prior to farms establishments. Indications of chemical use also contribute to the medium risk scores, due to the use of paraquat and glysophate as herbicides.
	• Moderate risk scores are common among jurisdictions for the land ownership sub-theme. Structurally, access to official land titles remains a practical challenge for smallholders across the country, and therefore community or equivalent titles are more common.
		• Buyer-farmer relationships are in general, well established in the West Africa region. Training on agriculture practice and health and safety is commonplace. Michelin is seeking to work with the SIPH joint venture operating in West Africa to expand training to include aspects relating to labor management and labor rights.
		• Detailed analysis was conducted on the 'Biodiversity and Deforestation' subtheme, and the data indicated low risk scores for land cover prior to development for most jurisdictions (i.e. respondents indicated that previous land cover was open land, brownfield or other crops).
		  • Michelin will work with the SIPH joint venture to conduct further on-the-ground surveys on the two jurisdictions with medium risk scores relating to land cover prior to establishment.
		  • Trials on drastically reducing pesticide use are ongoing in a joint venture plantation operation in West Africa. Practices will be disseminated to farmers to reduce the use of pesticides based on these learnings, through well-established agricultural training bodies and frameworks.
		• Michelin is engaged as part of a discussion with a group of local partners in West Africa and government agencies to explore pragmatic solutions to help farmers improve security regarding land tenure, input includes learnings from the SIPH joint venture's similar project in Ghana.

Ghana	• Employing workers is a common practice in most jurisdictions. While there is low risk involved regarding working hours and entitlement to rest, there seems to be a lack of formal grievance platforms for workers • A number of jurisdictions have medium risk scores for the 'Biodiversity and Deforestation' environment subtheme. This is in large part contributed by data showing relatively young (<10 and <25 years old) farms throughout all jurisdictions. This finding is not surprising as the rubber industry is relatively young in Ghana. Forest protection laws are relatively strong in Ghana, but further study on land cover prior to farm establishment is warranted. Chemical use, including herbicides such as paraquat and glysophate, also contribute to the medium risk scores in this subtheme . • Only four districts have medium risk scores for the 'land ownership' subtheme. The relatively low risk scores are explained in part by an on-going program organized by the SIPH joint venture in Ghana that works with farmers (outgrowers) to secure official land titles in collaboration with the government. New farmers continue to be enrolled in the program .	• Buyer-farmer relationships are in general, well established in the West Africa region. Training on agriculture practice ad health and safety is commonplace. Michelin will seek to work with the SIPH joint venture operating in West Africa to expand training to include aspects relating to labor management and labor rights . • Detailed analysis was conducted on the 'Biodiversity and Deforestation' subtheme, and the data indicated low risk scores for land cover prior to development across all jurisdictions . • Trials on drastically reducing pesticide use are ongoing in a joint venture plantation operation in West Africa. Practices will be disseminated to farmers to reduce the use of pesticides based on these learnings, through well-established agricultural training bodies and frameworks. • Program with outgrower farmers to secure official land titles by the SIPH joint venture will continue to enroll new farmers.

ENGAGING AND ASSESSING THE SUPPLY CHAIN

Risks or Risk Factors Identified by the Rubberway Solution Summarized by Country

Country	Findings	Activities/Planned activities
Thailand	• Relatively low risk scores across jurisdictions likely reflect a long tradition of smallholder rubber farming and strong support by the government and agricultural agencies. Farmers generally have small farms and a not many employ workers or employ few workers. • There are a number of jurisdictions showing high risk scores for the 'grievance systems' subtheme, however, data may not be representative as there are a low number of respondents; few farmers hire workers to begin with. It was noted during on-the-ground interviews that individual farm management structures are relatively hierarchical and may not promote feedback between workers and farm owners, and this warrants further study. • Two jurisdictions show medium risk scores relating to the 'Deforestation and biodiversity' subtheme. Farms in these two jurisdictions are relatively younger compared to other jurisdictions and warrant further study.	• We plan to engage with Thailand's rubber governmental agency to share Rubberway findings, especially those relating to labor subthemes (e.g. grievance mechanisms), and discuss potential action plans that can be collaboratively implemented. • Further study on farm establishment and prior land cover is warranted for the two jurisdictions with medium risk scores in the 'deforestation and biodiversity' subtheme. Michelin plans to conduct a follow-up study on these two districts in collaboration with Rubberway on the circumstances of farm establishment in these two jurisdictions.
Indonesia	• A number of jurisdictions show medium risk scores for 'minimum and decent wage', 'health and safety' and 'grievance systems'. • Agricultural practices show medium and high-risk scores across a large number of jurisdictions, which arise from infrequent or lack of training and the use of less productive varieties. The low scores here seem to correlate with, and possibly have an impact on, the performance in other subthemes (e.g. agricultural training often includes health and safety aspects and crop productivity leads to higher income).	• Noting a cluster of jurisdictions located in central Sumatra with relatively low scores across a few themes, Michelin, with its partners, has decided to develop a project targeting smallholder farmers in the central Sumatra region. Named Project CASCADE (Committed Actions for Smallholders Capacity Development), the project aims to control sustainability risks linked to natural rubber production in the target communities, through a holistic capacity building program that empowers farmers to adopt good practices. The project aims to address income generation, worker's rights, health and safety, and environmental practices. It also aims to create opportunities for livelihood diversification through intercropping and agroforestry models.

*Nigeria and Brazil have been excluded from this table pending further deployment and as more jurisdictions are risk mapped.

WORDS IN ACTION

In addition to supplier engagement with its policy and assessment tools, Michelin is also committed to concrete actions on the ground. In the last five years, it has sought to apply the knowledge gained from its own operations and its long-standing partnerships to an ambitious project in Indonesia to demonstrate the sustainable production of natural rubber which contributes to environmental and social outcomes in the landscape context. Michelin remains committed to promoting and facilitating the transfer of learnings from these projects across the industry and in application to smallholder farmers.

A STRONG FOUNDATION: OURO VERDE BAHIA PROJECT AND THE MICHELIN ECOLOGICAL RESERVE

Michelin believes that rubber cultivation can be done in a way that balances environmental, social and economical outcomes. It has pursued this in Brazil, as part of its Ouro Verde Bahia project, which was set up in 2005. With this project, a large part of the land previously owned by Michelin in the region was transferred over to a cooperative that pursued an agroforestry approach, to plant rubber and cocoa, retaining jobs for thousands of jobs in the region. Michelin retained a small plantation area, primarily dedicated to the research and development of new varieties resistant to pest and disease. In addition, a large block was set aside as the Michelin Ecological Reserve, in order to preserve a significant remnant of the southern Bahian Atlantic rainforest. In 2017, the reserve was extended to include an additional 350 hectares, making the Pachanga River valley the only one in the region with no economic or agricultural activity and bringing the total area conserved to 3,180 hectares.

On top of protecting existing forest cover, the reserve also undertook an ambitious restoration program that incorporated land previously occupied by rubber groves, so as to expand available habitat. A comprehensive ranger patrol program has allowed wildlife to flourish and remain protected. As a result of a broad range of partnership with scientist and research institutions, 16 new species of flora and fauna have been discovered at the site.

Agro-foresty

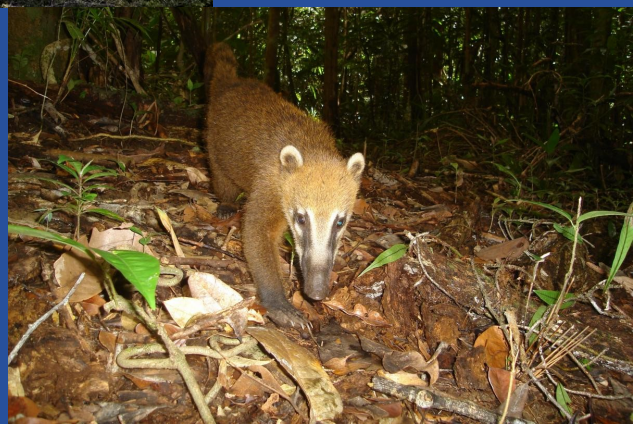
approaches to diversify income and enable cooperatives to retain thousands jobs

100,000

trees from 215 species have been planted over 270 ha of forest program

80%

reduction in hunting pressure since 2011 through ranger patrol programme



WORDS IN ACTION

A key goal of the Michelin Ecological Reserve is to allow for further scientific study to inform conservation management especially in areas where there exist a mix of rubber plantations and natural forest. In the past five years, methodological monitoring of activities (e.g. ranger patrols and restoration activities) and of biodiversity have led to an increased understanding of the role industrial rubber plantations can play in a landscape matrix alongside natural forest blocks, some key findings from the team are summarized here:

- Guard patrols are essential for the recuperation of the fauna and for understanding wildlife adaptability to industrial rubber landscapes outside large forest blocks. We have seen a continued recuperation of the fauna over these past five years that has changed our understanding of which species of animals can adapt to a mosaic of rubber plantation with narrow riparian corridors of pioneer vegetation. Animal species that we previously believed were not capable of inhabiting these impoverished forests and rubber groves have expanded their ranges into this part of the landscape due to the significant reduction of hunting pressure resulting from the guard patrols.

- A protected fauna facilitates regeneration of more complex forest structures in the degraded pioneer forests typical of small forest remnants and riparian forests on industrial rubber plantations. Over these past five years, we have been actively restoring native forest trees and at the same time monitoring fruiting phenology in the large forest blocks, productive rubber groves and in the pioneer vegetation in the rubber groves. We have seen increasing evidence that the protected fauna is actively dispersing seeds into these habitats far from the large forest block, helping to regenerate forest structure seen in primary forest remnants.

- Studies continue to increase our understanding of the role rubber plantations can play in the preservation of biodiversity if properly managed. The results indicate that this role can be significant, and while plantations will never take the place of state and federal reserves, they can supplement the reserve networks in a critical and significant manner, especially in biodiversity hotspots were these ecosystems are acutely threatened.

Over the past five years, the ecological research program has continued at full steam with 8-12 new projects each year and 5-7 sponsored field courses. In addition to our own research programs, we continue to provide scientists in conducting research in the reserve with an excellent and well-maintained infrastructure, food and lodging, security, all free of charge. We continue accepting research projects of any organism as long as the study is well designed. Studies over the past five years have looked at: bird habitat use, bird evolution, social spiders behavior and evolution, dragonflies, mayflies, amphibian reproductive behavior and diet, snakes, snails, fungi, botany, bromeliad taxonomy and fruiting/flowering phenologies, pollination network studies with hummingbirds and bees and soil carbon sequestration among others.

WORDS IN ACTION

EMPOWERING SMALLHOLDERS AND IMPLEMENTING COMMITMENTS IN THE WEST AFRICA REGION

At the Société Internationale de Plantations d'Hévéas (SIPH) joint venture, Michelin contributes actively to the ongoing programs empowering smallholders in the West Africa region (Côte d'Ivoire, Ghana, Nigeria and Liberia) and building their capacity through the relaying of agricultural expertise through its technical agricultural teams.

SIPH was one of the first natural rubber companies to deploy the Rubberway tool at scale, aided by the fact that they have long forged close relationships with their smallholder suppliers as part of outgrower programs. The outgrower programs include agricultural training as well as health and safety training and aspects of environmental management. In Ghana, in coordination with the government, the outgrower program also aims to assist farmers in securing official land titles. SIPH also supplies over one million saplings of high-yielding varieties to smallholders a year, helping to ensure good yields and promoting sustainable livelihoods for the long term. These are sold either at cost price, or at reasonable prices that are economical for farmers, and financing is available in some countries to ease farmers' cash flows.

The SIPH joint venture has also readily committed to zero deforestation and FPIC commitments, launching its own sustainability policy in 2016. Since 2015, four HCV/HCS assessments have been carried out, covering 7,361 ha. In total, SIPH sets aside 3,840 ha for conservation.

In addition, its commitment to protect the environment, SIPH also aims to showcase the positive impacts businesses can have on the communities around them and has built or renovated 47 schools and 37 clinics, facilitating access to education, and healthcare for local communities. Today, these contribute to the education of 12,000 students and the health centers provide 120,000 consultations per year. In 2019, community development project included scholarship awards for local students, medical assistance and equipment sponsor initiatives, support for construction of community infrastructure including townhalls and direct assistance to schools including subsidies for vacation classes .

WORDS IN ACTION

ROYAL LESTARI UTAMA: LEADING THE WAY FORWARD IN SUSTAINABLE, NATURAL RUBBER PRODUCTION

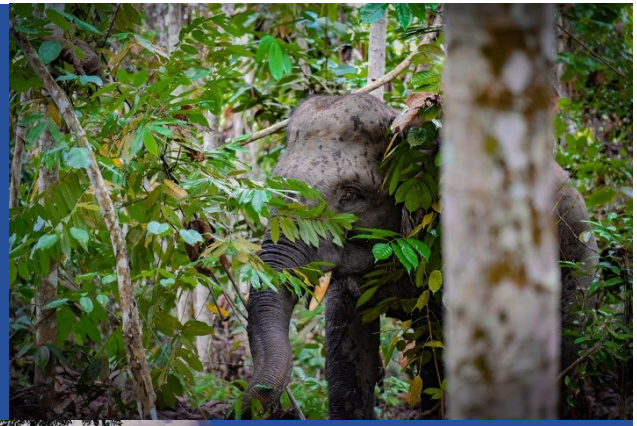
The Royal Lestari Utama (RLU) partnership offered Michelin a unique opportunity to participate in a joint venture that could demonstrate the application of its commitments to sustainable natural rubber production at scale. Established in 2015 in Indonesia through a joint venture between Barito Pacific Group and Michelin Group, RLU has the vision of building "Integrated Sustainable Natural Rubber Plantations in Sumatra and East Kalimantan".

These would promote ecosystem friendly rubber plantation practices in a landscape that had been highly deforested and degraded in the past in the region of Sumatra especially. The project also sought to address social challenges including illegal logging, high encroachment, agricultural conversion and as well as managing increased conflicts between humans and wildlife. The project was a culmination of the experiences Michelin has so far gained in biodiversity and conservation management in its Ouro Verde project and agricultural experience and farmer empowerment in the West Africa region.

Adopting a landscape approach in its operating area in Jambi, RLU's has a significant amount of its area set aside as part of a network of protected areas to ensure that wildlife, including the Sumatran elephant are protected and can flourish. A 9,700 ha of Wildlife Conservation Area (WCA)[7], together with concession blocks managed by other actors in the area, serves as a conservation buffer zone to help protect the Bukit Tigapuluh National Park and expand available habitat for wildlife. Following HCV and HCS assessments in 2015, 28,353 ha has been set aside for conservation and biodiversity[7]. This constitutes 25% of the concessions in Jambi and 50% of the concession blocks in Kalimantan. In Kalimantan, large set-aside forest blocks maintain critical wildlife habitat for orangutans, and RLU has partnered with the Ecology and Conservation Center for Tropical Studies (Ecositrop) to conduct an orangutan and wildlife study to inform conservation management efforts.

[7] Figures as reported in RLU's 2019 Sustainability Report and 2019 Annual ESG Report

9,700 ha
Wildlife Conservation Area which expands available habitat for wildlife like the Sumatran elephant[7]



28,353 ha
total area set-aside for conservation and biodiversity[7]

50,000
Target number of local livelihoods improved through the creation of direct and indirect jobs

WORDS IN ACTION

The project also includes social aspects including a goal to enhance the livelihoods of 50,000 locals through the creation of direct employment, indirect employment, and the training of farmers including rubber and diversified crops under the integrated farming program.

Social conflicts relating to land use remain a major challenge in the region, and a key learning from the RLU partnership is that FPIC is a long term and continual process. In 2017, in line with findings and recommendations by the Environmental and Social Due Diligence study (ESDD) and another study by Wana Aksara Institute on potential conflict mapping, RLU has started to initiate a Community Partnership Program (CPP). The program aims to develop a forestry partnership scheme with smallholders cultivating land inside RLU's concessions in line with government regulations.

Further land tenure study was also conducted by independent experts from Rimba Bungaron Indonesia (RBI) to map communities including Orang Rimba (indigenous group) in RLU's Wildlife Conservation Area (WCA). As a result, an Indigenous People Engagement Framework and Community-based Framework Action Plan was developed as part of the findings to reach agreement with communities for the long-term protection of this conservation area. As of October 2020, >80% of community land claimants have been approached through dialogues and engagement activities within the Wildlife Conservation Area. Progress reports on the CPP and WCA are made available at the RLU transparency platform.

[8] as of 2020

Key Figures

Area of environmentally and biologically important areas conserved and protected in own operations

3,180 ha through the Michelin Ecological Reserve as part of the Ouro Verde Bahia project in Brazil[8]

Area of environmentally and biologically important areas conserved in partnership with joint ventures

28,353 ha in partnership with Royal Lestari Utama[7]

3,840 ha in partnership with Société Internationale de Plantations d'Hévéas[8]

High-yielding certified saplings produced and supplied to farmers by Group and joint ventures

1.36m In 2020; including saplings sold at cost or economical prices

SECTOR AND STAKEHOLDER ENGAGEMENT

SECTOR APPROACH, MULTI-STAKEHOLDER PLATFORMS

Michelin has been actively involved in promoting change throughout the industry and has been a long-time member of the Tire Industry Project (TIP) and was instrumental in the formation of the IRSG Sustainable Natural Rubber initiative (SNR-i). Michelin and WWF collectively participated in the creation and launch of the Global Platform for Sustainable Natural Rubber (GPSNR) in October 2018. Michelin was elected as the first co-chair of GPSNR executive committee (re-elected for a second year term in September 2020) and has keenly contributed through active involvement in four of the five working groups.

STAKEHOLDER ENGAGEMENT

Michelin maintains an active engagement approach with its stakeholders. To canvass feedback and facilitate exchange on Michelin's activities relating to natural rubber, it holds biennial stakeholder dialogs involving civil society. In the 2020 stakeholder dialog, 15 organizations were represented, and the dialog was led by an independent facilitator. The feedback received helped further define priorities and were especially useful in further developing the 2020 – 2025 Roadmap. The key takeaways were summarized and have influenced and continue to influence Michelin's activities (see table on pg. 27). On top of the biennial stakeholder dialogs, Michelin regularly engages with NGOs, research and government bodies on topic relating to natural rubber sustainability. Such engagement was done during the update of our Sustainable Natural Rubber Policy as well as for the 2020 – 2025 Roadmap.

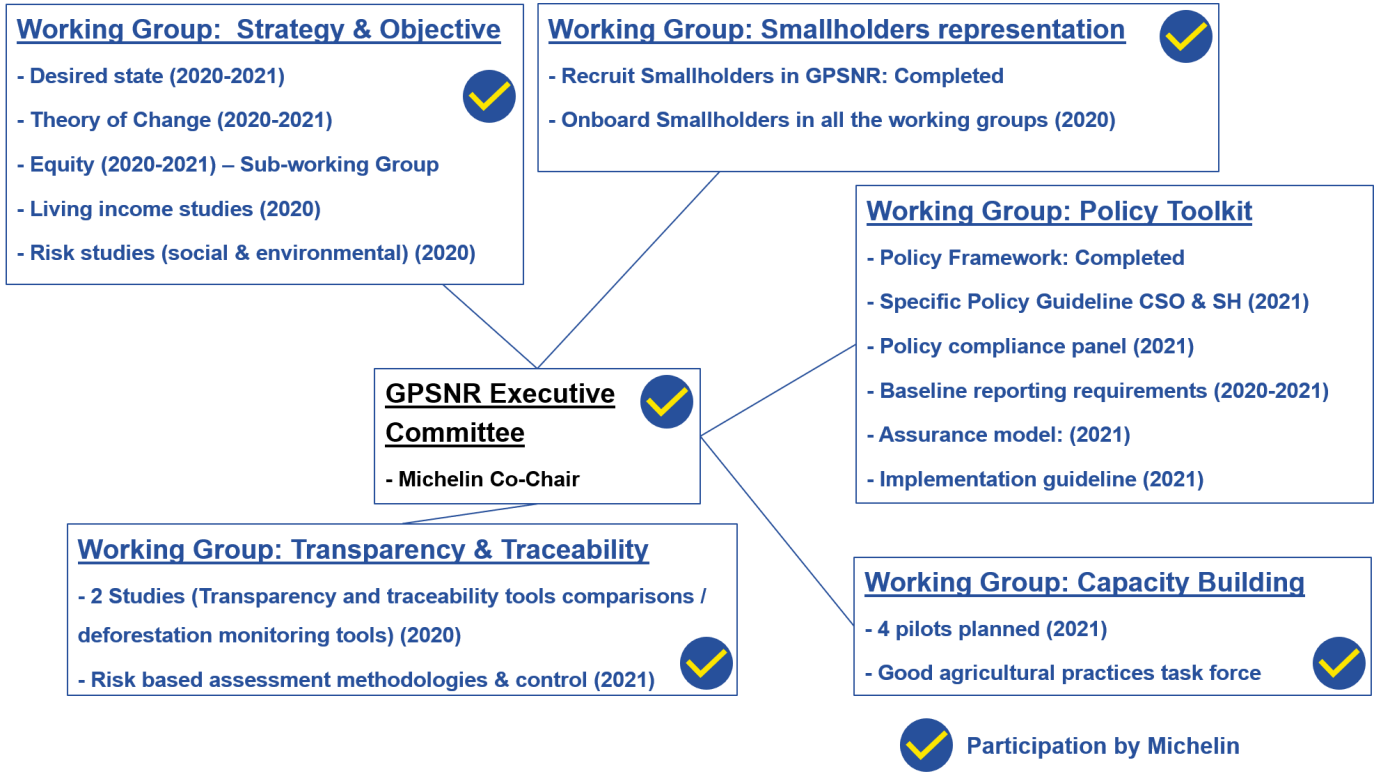
Key Figures

Stakeholder dialog regarding sustainable natural rubber

2 during the period of 2015 - 2020

Participation in GPSNR working groups

4 working groups in which Michelin is actively participating as of end-2020



SECTOR AND STAKEHOLDER ENGAGEMENT

Michelin continues to report on progress of EcoVadis assessment and Rubberway risk scores on the purchasing website. In 2021, Michelin will expand on reporting relating to the implementation of its sustainable natural rubber policy through a natural rubber dashboard on the Michelin purchasing website. It will include a jurisdictional level summary of the Rubberway upstream (smallholder) supply chain risk mapping and various metrics (KPIs).

For avenues relating to stakeholder and community feedback, Michelin is working with its joint ventures, especially through its position on supervisory board, to encourage the development of grievance mechanisms. Michelin currently has a Group wide ethics reporting hotline available, and in 2021 will embark on a review to determine how best to supplement it to achieve an accessible grievance mechanism consistent with UNGP effectiveness criteria and OECD guidelines.

Feedback Received During 2020 Stakeholder Dialog and Response

Feedback	Response/Actions
General: Today's main challenge is deforestation, and tackling deforestation can only be done through collective action, based on landscape approaches	Michelin has continued to seek opportunities for cross-organization and landscape-level collaboration. The pilot project through its joint venture in RLU is pursuing a landscape approach for protection of forest and wildlife in public-private partnerships. To scale up the adoption of risk mapping for the complex smallholder supply chain, Rubberway, originally developed by Michelin, is now an independent start-up with the purpose of scaling up wider adoption and further development of
Rubberway: Michelin should develop a detailed impact assessment methodology to better evaluate its actions.	Michelin has launched an intervention project in the island of Sumatra relating to smallholder farmer practices as a result of findings related to Rubberway. A key part of the project will be to develop structured impact assessment methodologies to measure the impact of the interventions over time. Michelin is working with a partner that specializes in environmental and social impact projects to develop and implement these methodologies.
Rubberway: Link with other existing tools: Michelin should further explore opportunities to link Rubberway® with other existing tools especially in order to better identify deforestation risks.	Rubberway is now an independent start-up aiming to scale up its adoption throughout the natural rubber supply chain. It is engaged in a number of collaborations, including with academic institutions and research centres, to explore how the data collected can be further leveraged on, including deeper analysis of the raw data and cross analysis with other datasets. Michelin is intending to conduct a global deforestation risk analysis and will seek synergies to link Rubberway results with that analysis.
Rubberway: Action plan in case of identified high risk areas / non-compliant stakeholders should build a strong action plan to deal with high risk areas / non-compliant stakeholders	Michelin has launched an intervention project in the island of Sumatra relating to smallholder farmer practices as a result of findings related to Rubberway. Michelin, together with its partners, intends to communicate on the specific interventions on the project, as well as to develop impact indicators for reporting.
Due diligence: Risk mapping is key to nurture an efficient strategy. Participants highly suggested that Michelin explores solutions for sophisticated risks mapping.	Michelin is deploying Rubberway on an increasing proportion of its upstream supply chain, in tandem with direct supplier assessments through EcoVadis. This is part of our due diligence strategy, as a powerful and pragmatic way to identify risk at a jurisdictional level.
Sustainable Natural Rubber Roadmap 2020-2025: establish clearer linkage between actions, the roadmap and Michelin's commitments	Feedback received resulted in Michelin significantly revamping the Roadmap, including to disaggregate our roadmap pillars according to our policy sections so that progress toward policy items could be better tracked and monitored.

CONCLUSION

The past five years have been an exciting, yet challenging journey of generating momentum throughout the natural rubber industry. Michelin has focused its efforts on establishing frameworks and creating tools to understand gaps and risks. These efforts have extended not only to our suppliers, but also to their own upstream supply chains. The on-boarding of our suppliers in this journey was especially challenging, as concepts relating to sustainable sourcing (especially relating to sourcing from smallholder farmers) were not typically understood to be within the scope of many natural rubber processing companies.

To address this, capacity building and continued engagement was essential, as was the development of tools such as Rubberway®, so that our suppliers could practically undertake sustainability commitments. More recently, industry-wide shifts towards the adoption of strong sourcing commitments, together with multi-stakeholder platforms like GPSNR, have undoubtedly help start a greater shift in perspectives across the supply chain.

In light of the highly fragmented and dynamic nature of the natural rubber supply chain, Michelin believes that an impact-driven model, that uses a risk-based approach, is key to result in large scale change. Such a model should also promote continuous improvement in order to leave no one behind. Through Rubberway, four years of canvassing smallholder farmers on-the-ground, in partnership with our suppliers, has resulted in the richest dataset relating to risks in the upstream segment of the supply chain. The dataset is not only allowing us to prioritize interventions tailored to specific jurisdictions, but is also being utilized by academic institutions and researchers to better understand the natural rubber supply chain.

We are excited to extend our work on the ground with smallholders, and plan that our newly launched CASCADE project will be a useful model to channel resources where they are needed most.

To help guide the next five years of our work, we are launching our Sustainable Natural Rubber Roadmap for 2020 – 2025, which charts our course toward continued transformation of the natural rubber supply chain.

Our constant efforts to pave the way towards a truly sustainable natural rubber supply chain demonstrate that Michelin cares about offering everyone a better way forward.

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