



Corporate Public Affairs Department
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Mr. Paras Benzovets
Professional Union of Belarussians in Britain
public.uk.bv@gmail.com

Boulogne-Billancourt, 27th of May 2021
By email and registered letter with acknowledgement of receipt

Dear Sir,

We are following up on our previous exchanges about serious allegations of human and labour rights violations that would have been committed against workers of the Belarussian company OJSC Byelorussian Steel Works ("BMZ"), which is a supplier of steel cords to the Michelin Group ("Michelin" or the "Group"). Without being able at this stage to comment on the reality of the facts reported, we would like to inform you that the Group takes these allegations very seriously. Please consider this letter as our official response to your email dated March 1st, 2021 serving as formal notice under the French Act 2017-399 of March 27, 2017 relating to the duty of care (the "Duty of Care Act").

We would like to first highlight that Michelin is fully committed to conducting its business responsibly as regards environmental, health, safety and human rights risks and severe impacts that can arise from the activities of its value chain. Thereby, the Group has, for the fourth year in a row, drawn up and published, in association with its stakeholders, a Duty of Care Plan (the "Plan") built on largely recognised international standards contained in, notably, the United Nations Principles on Business and Human Rights, the fundamental conventions of the International Labour Organisation and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

In compliance with the provisions of the Duty of Care Act, the Michelin Group's Plan is comprised of (i) a risk mapping meant for risks identification, analysis and prioritisation, (ii) regular evaluation procedures regarding the situation of subsidiaries, subcontractors and suppliers with whom there is an established commercial relationship, (iii) appropriate actions to mitigate risks or prevent severe impacts, (iv) an alert mechanism for the existence or materialisation of risks, and (v) a system for monitoring the measures implemented and evaluating their effectiveness.

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Société en commandite par actions

au capital de 504 000 004 d'Euros.

855 200 507 R.C.S. Clermont-Ferrand

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As part of this Plan, the main risks pertaining to Michelin's supply chain have been identified, assessed and prioritized according to the risks associated with the country of operation and identified risk sectors by the means of a specific risk map on the Corporate Social Responsibility ("CSR") challenges, established by our Purchasing Department in addition to the Group's risk map.

These risks are addressed through several mitigation actions that have been implemented to effectively prevent severe impacts to environment, human rights and health and safety of workers that could result from our supply chain.

In this respect, our supply chain management is built on the Michelin Purchasing Principles, first published in 2012 and last modified in late 2020, describing the environmental, social and ethical performance expected of all of our suppliers as well as the fundamental principles which must guide the purchasing teams in the selection and approval process of suppliers. The purchasing teams are well aware of these CSR issues as they benefit from a mandatory CSR training programme.

In order to assess compliance of suppliers with human rights, health & safety, environmental and business ethics standards required by the Group, Michelin has mandated the EcoVadis rating agency to carry out regular assessments, and may in certain particular cases carry out on-site audits in addition to the desktop reviews conducted by EcoVadis. Suppliers that happen to fall short of confirmed compliance with the above-mentioned criteria of the EcoVadis assessment are required to propose a CSR performance improvement plan. This is closely monitored by our purchasing teams and a specific indicator created to this effect.

Finally, the Group's consolidated alert mechanism is available to our employees and suppliers allowing them to report breaches of applicable laws and regulations or of any other Group principles and guidelines. Reported breaches are then carefully investigated according to Group alert procedures.

Consequently, the concerns raised by several non-governmental organisations and trade unions regarding the adverse events that would have happened at BMZ have been, and are still currently being, investigated by the Group. Since this alert has been brought to our attention, several actions have been taken by Michelin, in compliance with the French Duty of Care Act, which imposes a best efforts obligation to concerned organisations.



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Firstly, the human rights violations allegations reported to Michelin related to BMZ in the specific context of recent events in Belarus have duly been taken into account in our newly published Plan for 2020, included in our Universal Registration Document and available on our website. As a reminder,

EcoVadis has also decided to lower the score assigned to BMZ and has published a client alert accordingly.

Moreover, the allegations were taken into account by appropriate departments within the Group in order to investigate further and coordinate actions, and the top management of our Group is kept regularly informed. The Group has therefore conducted its analysis by drawing up a list of and analysing reports produced by public (including the United Nations Human Rights Council, the Organization for Security and Co-operation in Europe and the International Labour Organization's reports) and private bodies (including Amnesty International, FIDH, Human Rights Watch, ICG and RSF's reports) on this issue.

Beyond this documentary review, the Group has arranged several meetings with French or European professional organisations, such as MEDEF and ETRMA (the European association of tire makers).

It has also engaged into a dialogue with other private companies having business dealings with BMZ.

The Group has also met with French and Belarus public authorities. A meeting took place with representatives of the French Ministry for Europe and Foreign Affairs in order to obtain reliable, accurate and up to date information about the situation in Belarus. A letter was sent to, and later a meeting was arranged with the Ambassador of Belarus in France. During this meeting the Michelin Group expressed its concerns about the alleged human rights violations in connexion with BMZ. A representative of Belmet, the subsidiary of BMZ through which our commercial relationship is carried out, was actually invited by the ambassador to attend the meeting. During this meeting, the Group expressed its willingness to possibly set up an independent, third party human rights audit of BMZ, which was later on accepted by the Belarus authorities.

Willing to involve all stakeholders in its review process, in accordance with the spirit of the French Duty of Care Act, the Group has engaged in discussions with several non-governmental organisations and trade unions through numerous exchanges of letters and meetings with representatives of, besides Professional Union of Belarussians in Britain ("PUBB"), Business & Human Rights Resource Centre ("BHR"), Danish Institute for Human Rights, FIDH, International Center for Civil Initiatives ("ICCI"), IndustriALL's Global Union ("IndustriALL"), and the Norwegian Helsinki Committee.

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As regards the specific events mentioned in your email dated March 1st, 2021, the Michelin Group has also expressed its concerns and questioned BMZ's management on different occasions in writing and by videoconference, in each case through via BMZ's commercial arm Belmet which is our usual contact, and directly to BMZ's general director, who denied these allegations.

Nonetheless, given the serious nature of the allegations reported, we would like to inform you that the Michelin Group continues to investigate this matter as suggested by your organisation in the above mentioned email.

Having said that, regarding the overall situation in Belarus and your request that Michelin issues a public statement deploring the political and social situation in this country, we believe that it would be inappropriate from our Group to meddle in a foreign political crisis, for the resolution of which the French government at national level, and the European Union at regional level, have full competence.

Regarding your request that Michelin conducts interviews with the concerned BMZ's employees, we believe that our Group is not in a position to nor authorised to interfere in a company's internal management by interviewing, directly and in addition without permission, the employees of such company with whom Michelin is not linked by any contract which would allow to do so.

Instead, the Group is exploring the feasibility of having an audit carried out by an independent third party the results of which would be shared with the whole tire and rubber industry, as well as other interested stakeholders. To this aim, Michelin has requested the European Tyre & Rubber Manufacturers' Association ("ETRMA") to launch such audit.

Finally, please be assured that the Michelin Group will continue, in accordance with its obligations under the French Duty of Care Act, to closely investigate and monitor any update on humans rights violations allegations regarding BMZ, and will keep all stakeholders informed of eventual further steps taken. Our Group values the contribution of civil society organisations like yours and intends to continue to usefully interact with such important stakeholders.

Yours sincerely,

Eric Le Corre
Corporate Vice President Public Affairs

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