



PRESS RELEASE

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Simplification and competitiveness plan for France 2021-2023

CFDT, CFE-CGC, SUD and FO trade unions sign agreement on employee support measures

- The ADAPT France 21-23 agreement, designed to support businesses and career paths in transformation, introduces support measures for Michelin employees in France during the three years of the simplification and competitiveness plan announced by the Group in January.
- In addition to voluntary early retirement and outplacement measures, the agreement includes a set of commitments to employees who are planning to continue their careers with the company. It also sets out the procedures for the co-construction process, reaffirming the key role of this process in the project's implementation.
- In order to implement the voluntary early retirement and outplacement measures, a mutually agreed severance package will be negotiated each year, in 2021, 2022 and 2023, specifying the changes in the workforce and jobs resulting from the project.

On April 27, 2021, after two months of intense negotiations, three representative unions – the CFDT, CFE-CGC and SUD – as well as the FO, signed an agreement to support the development of the Group's operations in France, based on three major shared objectives.

Anchoring the project in a co-construction process involving employees and trade unions

The agreement establishes the principle that each production plant and each office-based unit must work on the resources to be deployed to help improve its overall performance. The objective is to enable every plant/unit to come up with the best possible solutions, which can then be supported, taken up and shared by employees and management teams, to shape the future of these plants and units.

To support this process, the agreement provides for the creation of joint project monitoring bodies:

- a monitoring committee in France, whose role is to coordinate all of the projects as a whole and come up with solutions for any difficulties that arise;
- monitoring committees at each site, whose job is to ensure that the various stages of the project run smoothly at the local level.

Motivating employees who plan to continue their careers at Michelin

In today's environment, Michelin wants to remain an attractive company, capable of drawing in talent but also of offering motivating career paths to everyone. The agreement therefore pays

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particular attention to employees who will continue their careers with the company and includes several provisions to encourage their commitment and motivation.

- Boosting the compensation strategy by updating the salary policy faster and improving benefits. Michelin had already set itself the objective of shifting the median salary per level of responsibility towards the benchmark market median. The agreement calls for accelerating this shift with the following commitment: by the end of 2022, the median salary per level of responsibility will be equal to, or greater than, 100% of the benchmark market median. In addition, the agreement provides for a significant increase in the company's contribution to the PEE company savings plan and the CESU service voucher program by the end of 2023.

- Coming up with innovative programs to support employees in their career development or retraining, to enable them to learn future-facing job skills. Employees whose jobs are to be eliminated will receive personalized support to help them take a new direction and build their career path, or retrain for their new position, including access to long-term training. A team of around 20 people will be dedicated exclusively to this tailor-made support system.

In order to safeguard working conditions, and in particular to prevent excess workloads, the agreement also provides that every project leading to job cuts will be subject to an impact analysis on working conditions, with the implementation of a corresponding action plan.

Offering attractive conditions for employees who choose to leave the company

The agreement provides for a qualitative system of voluntary early retirement and outplacement measures.

- The early retirement plan is open to all employees who can prove that they are entitled to a full pension (under the basic French Social Security scheme) by no later than December 31, 2023. In particular, it includes a pre-retirement work exemption of six months for production operators, administrative employees and managers who have worked for 15 years in a team, and of three months for other administrative employees and managers, paid at 75% of their annual salary. Employees will be eligible for assistance in 'buying back' or redeeming missed quarters of employment, i.e., 100% of the amount up to four quarters bought back and 50% of the amount for the next four quarters.

- The voluntary outplacement program is open to employees according to eligibility criteria that will depend on project deployment and be defined in connection with the annual severance package negotiations. In particular, it provides for 12 to 15 months of mobility leave and financial support representing 1.8 to 2.5 years of salary, depending on seniority. It includes compensation equivalent to the statutory minimum for severance pay, additional compensation corresponding to 12 months' salary, further compensation based on seniority, as well as compensation in the event that the individual's professional project is rapidly implemented. The agreement also sets the minimum severance payment at €60,000. Lastly, it includes a safeguard measure such that: any employee who has not achieved his or her career plan during mobility leave may return to the company in an equivalent position within the same establishment.

For Jean-Paul Chiocchetti, Human Resources Director for Michelin France, *"the signing of this agreement is a decisive step forward for the simplification and competitiveness plan, which aims to improve Michelin's economic, environmental and social performance in France. Over the next three*



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years and beyond, employee commitment, social cohesion and the company's ability to support people through transformation will be decisive for the success of this large-scale project."

About Michelin

Michelin, the leading mobility company, is dedicated to enhancing its clients' mobility, sustainably; designing and distributing the most suitable tires, services and solutions for its clients' needs; providing digital services, maps and guides to help enrich trips and travels and make them unique experiences; and developing high-technology materials that serve a variety of industries. Headquartered in Clermont-Ferrand, France, Michelin is present in 170 countries, has 123,600 employees and operates 71 tire production facilities which together produced around 170 million tires in 2020 (www.michelin.com).

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