

4 **NON-FINANCIAL STATEMENT**

INTRODUCTION	160
Scope of the report	161
Definition of content and scope of reporting	161
Reporting cycle and period	161
Indicators	161
Fair, verifiable data	166
4.1 SUSTAINABLE DEVELOPMENT REPORT	166
Introduction – Michelin sustainable development	166
The Group's main non-financial performance indicators	173
4.1.1 The Environment	175
4.1.2 Human rights and employee relations	232
4.1.3 Employee and contractor health, safety and security	259
4.1.4 Ethics and compliance	267
4.2 NON-FINANCIAL STATEMENT	291
4.2.1 Identification of the main risks	291
4.2.2 Table of Concordance – Non-Financial Statement	292
4.2.3 Table of Concordance – Other CSR Issues	296
4.2.4 Report by one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement	298
4.3 DUTY OF CARE PLAN	302
4.3.1 Methodology	302
4.3.2 Table of concordance	303
4.4 OTHER TABLES OF CONCORDANCE	309
4.4.1 Global Reporting Initiative (GRI)	309
4.4.2 Table of concordance for the SASB (Sustainability Accounting Standard Board)	317
4.4.3 Sustainable Development Goals	318

INTRODUCTION

Global awareness of the systemic nature of sustainable development issues (planet-wide challenges, social fracturing, etc.) rose considerably over the course of 2023. This is why our response is consistently guided by a commitment to striking the right balance between People, Profit and Planet, the three pillars of our All-Sustainable vision.

One of the critical drivers moving this transformation forward may be summed up in one word: **engagement**. In this respect, 2023 was a pivotal year, when the engagement of our employees strengthened our process and prepared us for the milestones ahead, in particular the new sustainability reporting standards. During this year of transition, the Michelin Group intensified programs to enable every employee to ramp up their skills in addressing sustainable development issues.

As part of this process, the new **Talent Campus for Sustainability** was opened, with job family-specific modules designed not only to give employees greater insights into the issues, but also to help them take action to meet their sustainability challenges.

The Group has undertaken powerful commitments across a full range of sustainable development issues, from environmental stewardship to social responsibility, with the following highlights during the year concerning:

- Biodiversity: the Michelin Group pledged to apply the recommendations of the Task Force on Nature-related Financial Information (TNFD) in 2026, with respect to the 2025 reporting year.

- The circular economy: in July, a Michelin car tire containing 45% renewable or recyclable materials won an award in Frankfurt, attesting to the ambitious objectives in the Group's roadmap.
- The climate strategy: the Group is still aligned with its net-zero emissions targets for 2050, which are being pursued without using any carbon credits to offset emissions from its direct or indirect activities, in accordance with SBTi standards.
- Employee relations: **Michelin earned certification for all its member companies⁽¹⁾ for ensuring that their employees are paid at least the equivalent of the Fair Wage Network's living wage benchmark.**
- Human rights: the Group rolled out its human rights policy in the operating regions during the year.

This corporate transformation is also being built as part of a holistic ecosystemic approach, supported by collaborative projects with the world's leading sustainable development institutions. In this regard, it is worth noting that in June 2023, Florent Menegaux was elected to a three-year term as President of the United Nations Global Compact France Network. The Michelin Group is deeply dedicated to playing a key role in pursuing sustainable development objectives in local communities and in supporting their economic actors, from small businesses to major corporations.

(1) 100% of Group companies, representing 100% of Group employees, except for companies either acquired in 2023 (plus the four RLU companies) or in the process of being sold.

SCOPE OF THE REPORT



SDG 12.6.

Definition of content and scope of reporting

The Michelin Group consists of Compagnie Générale des Établissements Michelin (CGEM), a French *société en commandite par actions* (partnership limited by shares) listed on the Euronext Paris stock exchange, and its subsidiaries, in which it owns at least a 50% equity interest or over which it exercises exclusive control. In every host country around the world, it applies the corporate social responsibility (CSR) reporting standards defined by French legislation.

This report therefore complies first and foremost with the provisions of the French Commercial Code, which in its Articles L. 225-102-1 and L. 22-10-36 requires every company that is publicly traded in France to include in its management report a non-financial statement disclosing how it manages the social and environmental impact of its business operations, as well as the impact of these operations with regard to upholding human rights and preventing corruption and tax evasion.

To strike the right balance between regulatory compliance, meeting stakeholder expectations (as increasingly expressed in emerging international reporting standards) and maintaining readability, the report is organized into two sections. The first, the Sustainable Development Report, offers a common core of content addressing the shared expectations of all our stakeholders. This is followed by the Non-Financial Statement (4.2) and the Duty of Care Plan (4.3), which are presented in the form of concordance tables, whose disclosure categories specifically refer to the related paragraphs in Chapter 1 above and the Sustainable Development Report below. In particular, this report has been prepared in accordance with Global Reporting Initiative (GRI)⁽¹⁾ compliance reporting, the Auto Parts standard of the Sustainability Accounting Standards Board (SASB), and the degree of impact on the 17 United Nations Sustainable Development Goals (SDGs), as expressed in the concordance tables at the end of this chapter.

The Michelin Group applies all the Recommendations of the *Task Force on Climate-related Financial Disclosures (TCFD)* issued on June 29, 2017.

Reporting cycle and period

The reporting cycle is annual, with this year's reported data covering the 12 months from January 1 to December 31, 2023.

Indicators

Based on the ambitious objectives and targets set for 2030, certain key performance indicators were defined in 2020. For comparative purposes, historical data for these new indicators are presented over the past two years.

For the other key indicators, which have not changed, performance data are still reported over the past five years.

ESG data have been reported on [michelin.com](https://www.michelin.com)⁽²⁾ since 2021.

Restatements: If calculation methods change or erroneous data are corrected, a restatement is issued, with an explanation systematically provided for each indicator.

Unless otherwise specified, when a new company joins the Group, data for years prior to the date of acquisition are not restated.

(1) In accordance with the standards specified in GRI 1: Foundation 2021, effective for reports published on or after January 1, 2023.

(2) <https://www.michelin.com/en/investor/regulatory-information>

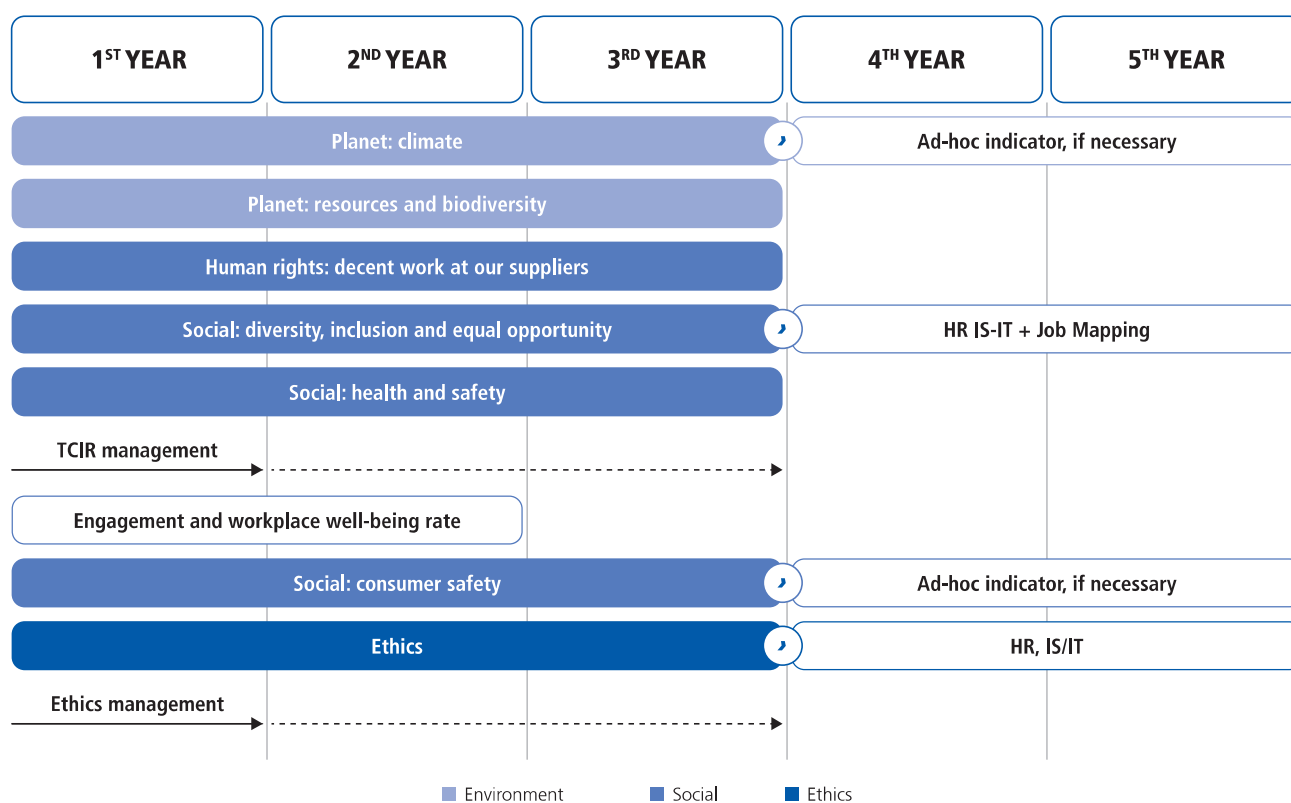
General scopes of reporting

The scope of CSR reporting is intended to be the same as the Michelin Group's accounting scope of consolidation. These scopes are regularly enlarged with new companies through the Group's acquisition-led growth strategy.

The principles for integrating new companies into the CSR reporting process were defined in 2022.

- Newly acquired companies are integrated into the CSR reporting process⁽¹⁾.
- Data coverage for the consolidated indicators depends on their relevance to the industry, the materiality of their impact and the maturity of the company.

- Most companies are integrated within three years after closing. However, for certain indicators, whose calculation and consolidation require the installation of an information system and/or an alignment with the company's business, integration can take up to five years after closing.
- Health & safety and ethics indicators are managed and tracked from the first year.



(1) Excluding joint ventures that are less than 50% owned.

Employee relations indicators

Michelin has redefined its employee information reporting process in compliance with Articles L. 225-102-1, L. 22-10-36 and R. 225-105 *et seq.* of the French Commercial Code.

Data collection tools and reporting scope

Applications

Workday personnel management software has been used to manage employee data in the main consolidated companies since 2019.

Scope of reporting

Workforce numbers are consolidated at Group level. In recent years, the Michelin Group has made significant acquisitions, whose employee data are now being seamlessly integrated into the Group's Personnel Department information systems. Most of the employee information analyzed in compliance with Article R. 225-105 of the French Commercial Code (workforce numbers, working hours, health & safety data, labor relations, training, equal opportunity) concerns all of the Group's consolidated units except for the dealership networks and companies acquired in recent years⁽¹⁾, i.e., **84.2% of all employees on payroll**, versus 82% in 2022. This corresponds to the scope of reporting in our human resources management software. **The significant increase in the percentage of the workforce covered by reported data attests to the continuous progress made in the management of employee**

information. Unless otherwise specified, these data concern employees under all types of work contracts, except interns, apprentices and work-study trainees.

The annual Moving Forward Together (MFT) employee engagement survey is conducted in all the companies in the Group's accounting scope of consolidation and all the subsidiaries⁽²⁾.

Indicator consolidation method

Data were reported by the country organizations and companies in accordance with corporate guidelines. These guidelines describe, for every Michelin host country and member company, the process for compiling the information required by Article R. 225-105 of the French Commercial Code. They also specify the implementation and outside audit procedures that ensure that the process is managed efficiently and consistently across the organization. Lastly, they define the indicators or cite the references in which they are defined. Each country organization is responsible for the fairness and accuracy of the reported data.

Certifications

ISO 45001: 2018 Occupational health and safety management systems.

- 12 certified facilities⁽³⁾.

Societal indicators

The Group's engagement with local communities through its employees is designed around three objectives: help develop the local economy, support the personal growth of people in the community, and improve road safety. The resources allocated by the Group to community outreach programs and their real-world impact are reflected in the monetary value of the financial assistance provided, the time devoted by employees, the number of people benefiting from the programs, and the number of jobs created with Michelin's support.

Environmental indicators

The environmental impact of Michelin facilities

Since 2021, the **industrial – Michelin Environmental Performance indicator (i-MEP)** has replaced the previous MEF indicator, which enabled Michelin to manage and demonstrate the steady reduction in its environmental impact from 2005 to 2020. The change was prompted by the progress made over that period. The new indicator was defined to reflect the following main factors:

- changes in certain areas, such as the increased use of renewable energies;
- the availability of resources, with the inclusion of a water stress coefficient specific to each facility;
- alignment with the Group's VOC objectives: volatile organic compound (VOC) use is now measured;

- the progress made since 2005: landfilled waste is no longer tracked.

In this way, the **i-MEP** improves tracking of the sustained progress the Group hopes to drive over the 2021-2030 period. The base year is 2019, which was deemed more representative than 2020 due to the impact of the health crisis.

This indicator is calculated based on data for each of the five components expressed in units per tonne of semi-finished (SF) and finished product (FP) output. As a result, its ratios are not comparable to the ratios used during the MEF period (2005-2020), which were based solely on finished product output. This change means that the indicator now more accurately reflects the diversity of the Group's manufacturing operations.

(1) BlackCircle, CVB, Euromaster, Fenner, Ihle, Klinge, Lehigh, Multistrada, Oliver Rubber, Teleflow, Tyreplus, Tyredating, Roadbotics, MTP, Allopnus, call for you, Log for you, PT Royal, Lestari Utama, Cemmat, Wilvic Australia, FCG and Levorin.

(2) Based on the calendar of new company acquisitions in the Group report. In 2023, the Moving Forward Together survey polled 110,613 employees. Historical data have all been restated to ensure that inter-year comparisons are meaningful.

(3) The number of certified facilities is steadily increasing, in line with customer expectations and standards.

NON-FINANCIAL STATEMENT

Scope of the report

Basic components and weighting of i-MEP:



Components	Weighting
Energy use	20
CO ₂ emissions	20
Organic solvent use	20
Water withdrawals x water stress	20
Amount of waste generated	20

Methodological note

By definition, the 2019 Group i-MEP baseline is equal to 100. The formula for calculating the indicator is as follows:



$$\begin{aligned}
 &= \frac{\text{Reporting year energy use (GJ/t of SF + FP)} \times 20}{\text{Group energy use 2019 (GJ/t of SF + FP)}} + \frac{\frac{\text{Reporting year CO}_2 \text{ emissions (t/t of SF + FP)} \times 20}{\text{Group CO}_2 \text{ emissions 2019 (t/t of SF + FP)}} + \frac{\frac{\text{Reporting year organic solvent use (kg/t of SF + FP)} \times 20}{\text{Group organic solvent use 2019 (kg/t of SF + FP)}}}{\frac{\text{Reporting year water stress x water withdrawals (cu.m/t of SF + FP)} \times 20}{\text{Group water stress x water withdrawals 2019 (cu.m/t of SF + FP)}}} + \frac{\frac{\text{Reporting year waste generated (kg/t of SF + FP)} \times 20}{\text{Group waste generated 2019 (kg/t of SF + FP)}}
 \end{aligned}$$

SF: Semi-finished products/FP: Finished products

Data collection tools and reporting scope

Applications

Data are reported in the same format by every site around the world via a networked application. The reported indicators are defined and standardized in a reference guide that is used during internal audits and independent reviews.

Scope of reporting

In 2023, the scope of i-MEP reporting covered 75 production plants, natural rubber processing facilities and Technology Centers having a material impact on the environment. Data are collected for the period from January 1 to December 31, 2023.

If a new facility is opened, it tracks i-MEP data after completing a one-year break-in period. In the case of closure, the facility is removed from scope at the end of the calendar year in which it closed, but its environmental data are included until the last month of reported production. In 2023, the Multistrada plant was included in the i-MEP and the Davydovo facility in Russia was excluded after its disposal.

Recently acquired businesses are gradually integrated into the Group indicator through a process based primarily on aligning and consolidating their data.

Using this process, data from Camso's operations were aligned and consolidated from 2021 to 2023, resulting in an impact estimated at around 3% of the Group's i-MEP components. These operations will be integrated into the i-MEP from January 1, 2024. The same process, which applies to all the Group's acquisitions, is currently underway for Fenner's business operations.

Certifications

ISO 14001: 2015 Environmental management systems.

- 93.4% of production facilities have been certified, covering 98.3% of tire output.

ISO 50001: 2018 Energy management systems.

- 4 certified facilities;
- energy performance improvement system based on lean manufacturing principles and compliant with ISO 50001;
- deployed in 88% of the production facilities in the i-MEP scope of reporting.

Environmental performance of acquisitions

The Michelin Environmental Policy stipulates that *"concerning newly created or acquired companies, the implementation plan is defined with the head of the company and submitted to the Environmental Governance body for validation."* As such, the

environmental performance of Camso, Fenner and Multistrada is now being tracked and improvement targets aligned with the 2030 and 2050 objectives are being deployed. The Multistrada plant has been tracked by the i-MEP since January 1, 2023, and the Camso facilities will be integrated as of January 1, 2024.

Environmental performance	Camso		Fenner	
	2023	Objective	2023	Objective
Water withdrawals (cu.m)	438,889	Aligned with the objectives described in section 4.1.1.4 c) to f)	600,062 ⁽¹⁾	Being defined by the teams
Waste produced (tonnes)	12,178		21,857 ⁽¹⁾	
Energy consumption (GJ millions)	1.08		0.80 ⁽¹⁾	
Scope 1 and 2 CO ₂ emissions (tonnes)	89,758		57,455 ⁽¹⁾	
VOC consumption (tonnes)	571		53 ⁽¹⁾	
Included in the 2023 i-MEP	No, integration will take effect on January 1, 2024		No	

(1) Data reliability to be improved in 2024.

The Group's carbon footprint

Since 2014, Michelin has used the CDP Climate Change questionnaire to disclose its annual CO₂ emissions in the three scopes defined in the core Greenhouse Gas Protocol (see the following documents: *"The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)"*⁽¹⁾ and its supplement *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*⁽²⁾):

- Scope 1: emissions from fixed or mobile sources that are owned or controlled by the Company;
- Scope 2: emissions from the generation of purchased electricity, heating, cooling and steam consumed by the Company;
- Scope 3: emissions that are a consequence of the activities of the Company, but occur from sources not owned or controlled by the Company. The standard defines 15 activity categories, of which 13 correspond to the Group's value chain. Of the latter, 12 have been deemed required⁽³⁾ for disclosure, with the "use of sold products" category considered as optional. This is because the CO₂ emissions from the use of a tire on a vehicle are indirect, as opposed to the emissions from the use of the vehicle itself. This accounting method is derived from GHG Protocol guidelines.

In accordance with the GHG Protocol, Scope 1, 2 and 3 inventory is calculated for an overall base corresponding to the Group's consolidated financial reporting, with the calculations for each Scope based on GHG Protocol methodologies and guidelines. The salient methodological points are as follows:

- Scopes 1 and 2: Calculations are based on primary data from the facilities' energy bills and standardized CO₂ emission

factors. The method of calculation is documented in an internal standards manual. Results are issued as part of the i-MEP indicator tracking process. Emissions excluded from inventory data account for less than 5% of Scope 1 and 2 greenhouse gas emissions.

The CO₂ emissions of the companies mentioned above in the section on the Environmental Performance of Acquisitions, were similarly calculated using primary data from the facilities' energy bills and standardized CO₂ emission factors.

- Scope 3: Calculations are based on secondary data, assumptions made in the absence of certain data, and current state-of-the-art CO₂ emission factors found in the main databases (e.g., www.ecoinvent.org). The method of calculation is documented in an internal standards manual. Because it is difficult to obtain reliable primary data outside the boundaries of operational control, the estimated uncertainty of the results ranges from ±10% to ±30%, depending on the activity category. The results for each required Scope 3 category⁽³⁾ are now updated annually⁽⁴⁾. For each one, the 2023 scope of reporting covers the Group's long-standing member companies, as well as all the categories material to Multistrada, Camso and Fenner. Work is underway to integrate emissions from the non-material categories, i.e., categories 6, 8, 12 and 14 for Multistrada, categories 5, 6, 8, 12 and 14 for Camso and categories 4, 5, 6, 8, 9, 12 and 14 for Fenner.

(1) World Business Council for Sustainable Development and World Resources Institute.

(2) World Resources Institute and World Business Council for Sustainable Development, September 2011.

(3) **Required Scope 3: material categories:** Purchased goods and services (Cat. 1); Fuel- and energy-related activities (Cat. 3); Upstream transportation and distribution (Cat. 4); and Downstream transportation and distribution (Cat. 9). **Other categories:** Capital goods (Cat. 2); Waste generated in operations (Cat. 5); Business travel (Cat. 6); Employee commuting (Cat. 7); Upstream leased assets (Cat. 8); End-of-life treatment of sold products (Cat. 12); Franchises (Cat. 14); and Investments (Cat. 15).

(4) Except for emissions from raw materials transportation (part of category 4: upstream transportation and distribution) due to a lack of annual data. An application for tracking these emissions is currently being introduced.

Fair, verifiable data

For the seventeenth consecutive year, Michelin's CSR data were reviewed by PricewaterhouseCoopers Audit, the Statutory Auditor designated as an independent third party. In 2023, for the fifth time, their review was conducted in accordance with the enabling decree of August 9, 2017, which defines guidelines for independent third parties in performing their review of the Non-Financial Statement (NFS). Following the review, PricewaterhouseCoopers Audit issued a report attesting to the presence, fairness and compliance of the required information.

4.1 SUSTAINABLE DEVELOPMENT REPORT

Introduction – Michelin sustainable development

Michelin's All Sustainable vision informs everything the Group does to fulfill its purpose of "offering everyone a better way forward." In particular, it ensures that all of the improvement objectives and targets are addressed at every stage in the definition and deployment of its strategy.

Governance

The Group's CSR governance system is based on the guidelines in the ISO 26000 (Social Responsibility), ISO 14001 (Environmental Management) and ISO 20400 (Sustainable Procurement) standards.

Participation of Group Executive Committee (GEC) members in CSR governance

The nine members of the Executive Committee assist the two Managers in their strategic decisions concerning sustainable development and other issues (see GRI 2-14/1: Governance). As of December 31, 2023, the Committee included:

- the Chief Personnel Officer;
- the Executive Vice President, High-Tech Materials Business Line – Oversees the Sustainable Materials and Circularity Operational Department;
- the Executive Vice President, Automotive, Motorsports and Two-Wheel Business Lines – Oversees the Americas Regions;
- the Executive Vice President, Mining, Beyond Road and Aviation Business Line – Oversees the Africa/India/Middle East, East Asia and Australia Regions;
- the Executive Vice President, Distribution and Services & Solutions Business Lines – Oversees the Strategy, Innovation & Partnerships and Sustainable Development and Impact Corporate Departments and the China Region;
- the Executive Vice President, Manufacturing;
- the Executive Vice President, Urban and Long-Distance Transportation Business Line – Oversees the European Regions;
- the Executive Vice President, Corporate Engagement and Brands – Oversees the Michelin Lifestyle Business Line; and
- the Executive Vice President, Research & Development.

Committee members participate in the governance bodies dedicated to the environment, human rights, health & safety, ethics (committee) and Sustainable Finance, according to their area of responsibility in the Group. The organization, responsibilities and objectives of each Governance body are presented in each section.

Oversight by the Group Management Committee (CDG)

The Group Management Committee tracks progress on sustainable development at dedicated meetings held twice a year.

The Committee includes all the members of the Executive Committee, as well as the heads of the following functions: Legal, Purchasing, Finance, Information Systems, Internal Control, Audit and Quality, Strategy, Supply Chain, Corporate and Business Services, China Region and North America Region.

Led by the Corporate Vice President, Impact and Sustainable Development, these sessions verify that steady progress is being made towards the Ambitions targets and validate the strategic objectives of the Ethics Committee and the Environment, Human Rights, Employee Health & Safety and Sustainable Finance (created in 2022) governance bodies, including the management of the Group's non-financial risks and their internal control.

A CSR Committee (CSRC) within the Supervisory Board

In 2020, the CGEM Supervisory Board set up a CSR Committee to analyze in detail the issues involved in Michelin's corporate social responsibility and to support Board deliberations and recommendations and Manager decisions in this area.

The membership, responsibilities, procedures and deliberations of the CSR Committee in 2023 are presented in section 3.2.11.3 Corporate Social Responsibility Committee (CSRC) of this Universal Registration Document.

During the four Committee meetings in 2023, presentations were generally led by the Corporate Vice President, Sustainability and Impact Department, with the participation of other unit directors or managers, mentioned where appropriate.

The Chair of the Committee reported to the Supervisory Board on the Committee's work on February 10, July 25 and December 15, 2023.

NON-FINANCIAL STATEMENT

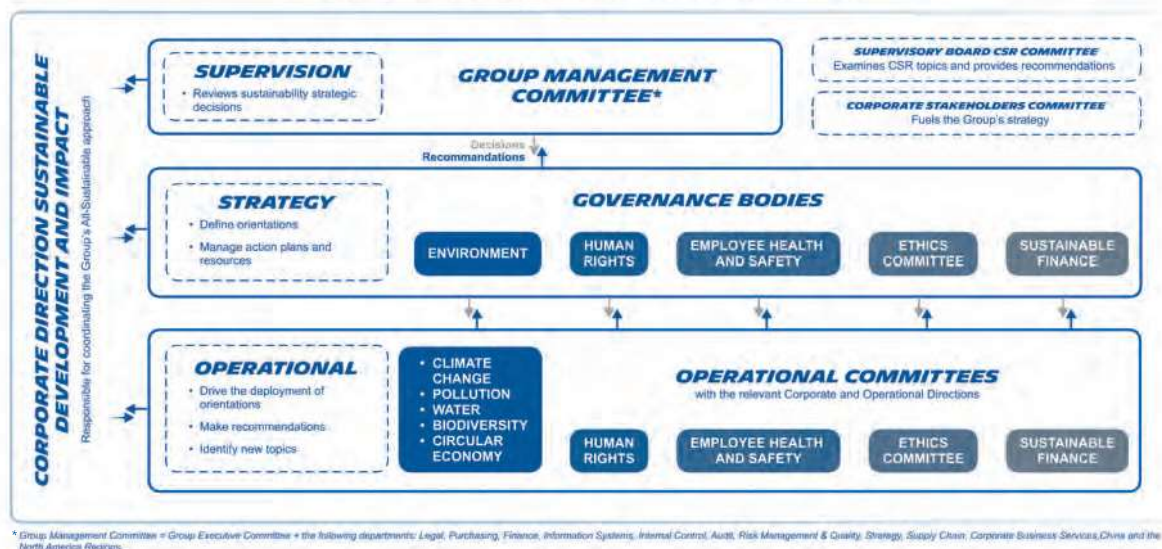
Sustainable Development Report

The Corporate Stakeholders Committee

Created in 2016, the Corporate Stakeholders Committee offers advice and support in assessing the alignment of Michelin's sustainable development strategy with outside needs and expectations.

It is made up of independent members from outside the Group who are representative of the Group's key stakeholders. They are appointed for three-year terms, renewable once. At least once a year, the Committee meets with the Executive Committee for a full day of in-person presentations. See 4.1.2.3 a) A corporate committee.

ALL-SUSTAINABLE GOVERNANCE



Transforming the Group from within

The All Sustainable vision holistically informs the Group's strategy, while structuring its deployment and performance metrics.

As part of this vision, a program was initiated in 2020 to drive six transformations⁽¹⁾, two of which are aimed at improving the Group's ability to address environmental, employee relations and social issues.

More than ever, the Michelin Group is determined to support the transition that the world needs to become more environmentally and socially responsible.

Training employees in sustainable development issues

In addition to covering environmental aspects, the Group has set up the **Talent Campus for Sustainability** to upskill every employee in the full range of environmental, social, governance and other sustainable development issues. It offers a rich, varied

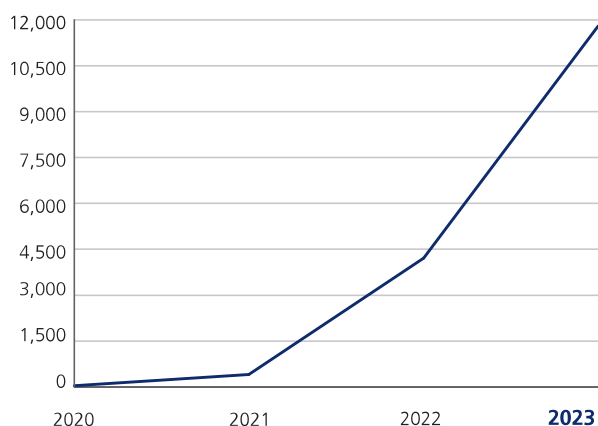
array of both classroom and online courses, from awareness-building workshops to job certification programs, covering sustainability challenges, initiatives to undertake individually or on the job, Michelin policies and tools, and job family-specific curricula.

Among the many learning opportunities, the collaborative **Climate Fresk⁽²⁾ workshop** was chosen as the preferred tool for imparting knowledge and a shared language on climate issues. These workshops leverage collective intelligence to improve understanding of the causes and consequences of climate change and empower participants to take action. **First launched in France, where more than 6,600 people have attended since 2020**, the Fresk has since been widely deployed in other host countries around the world, **where more than 5,000 people had attended by the end of 2023**. Roll-out will continue apace in 2024, supported by a network of more than **450 in-house facilitators**.

(1) The six transformations are: Capturing and mining data, Accelerating innovation, Agile Michelin, All in Action for the Environment, I am Michelin and Customer Focus. By enabling every internal stakeholder to engage in the process, the Transformation projects supplement the management of sustainable development issues by the Group's governance mechanisms.

(2) <https://fresqueduclimat.org/>

NUMBER OF CLIMATE FRESK PARTICIPANTS



Methodology/Approach

Devised in 2021, the **materiality matrix** plots the **27 core issues** for the Group and its stakeholders.

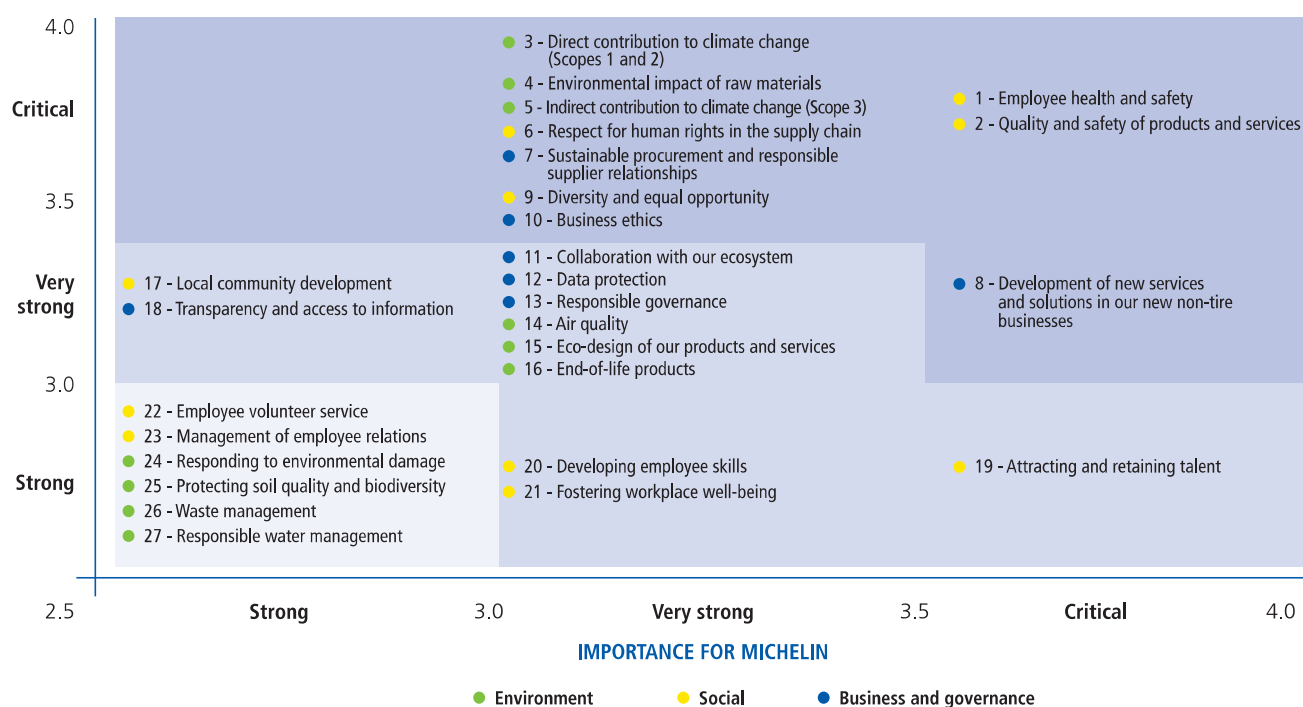
In particular, the matrix shows:

- a general convergence among outside stakeholders and Michelin Group employees concerning the relative importance of the issues;
- support for the 3P (People, Profit, Planet) approach, with both internal and external stakeholders expecting the Michelin Group to address every aspect of sustainable development.

Taking a more detailed look, the matrix highlights the importance of:

- carbon emissions, in environmental issues;
- an employee-focused approach (health, safety, diversity and inclusion, and improved talent retention), in labor relations issues;
- ethics and product quality, in business issues.

STAKEHOLDER EXPECTATIONS



In line with the latest guidance issued by the *European Securities Markets Authority* (ESMA) on the risk factors to be reviewed pursuant to the revised European prospectus directive, some of the main CSR risk factors identified by the Group are not covered in the "Risk Management" section (see section 2.1 Risk factors specific to Michelin, description and related management systems). This is because these risks, which have long been addressed by Michelin, have been effectively attenuated by the prevention systems in place across the Group. Moreover, while most of the issues raised by these risks are already considered to be among the Group priorities in its materiality matrix, they do not seem to be necessarily specific to Michelin, within the meaning of Regulation (EU) 2017/1129 of the European Parliament.

Of the 27 issues, the Group initially selected the **ten most critical** (shaded in darker blue in the matrix) and expressed them as risks, forming the core of its Non-Financial Statement. These ten risks, which are the most material to the Group, were identified on the basis of the materiality matrix exercise, which was last carried out in 2021. Each issue's management process is further detailed below, in its dedicated section.

The remaining 17 issues comprise:

- seven environmental issues addressed in this chapter, with a section discussing the climate change adaptation plan;
- six employee relations & human rights issues discussed in the Duty of Care Plan;

- four business & governance issues discussed in detail in Chapter 3, while "Data protection" issues are dealt with below and "Collaboration with our ecosystem" is addressed in Chapter 1. "Transparency and access to information" is the whole purpose of this Universal Registration Document⁽¹⁾.

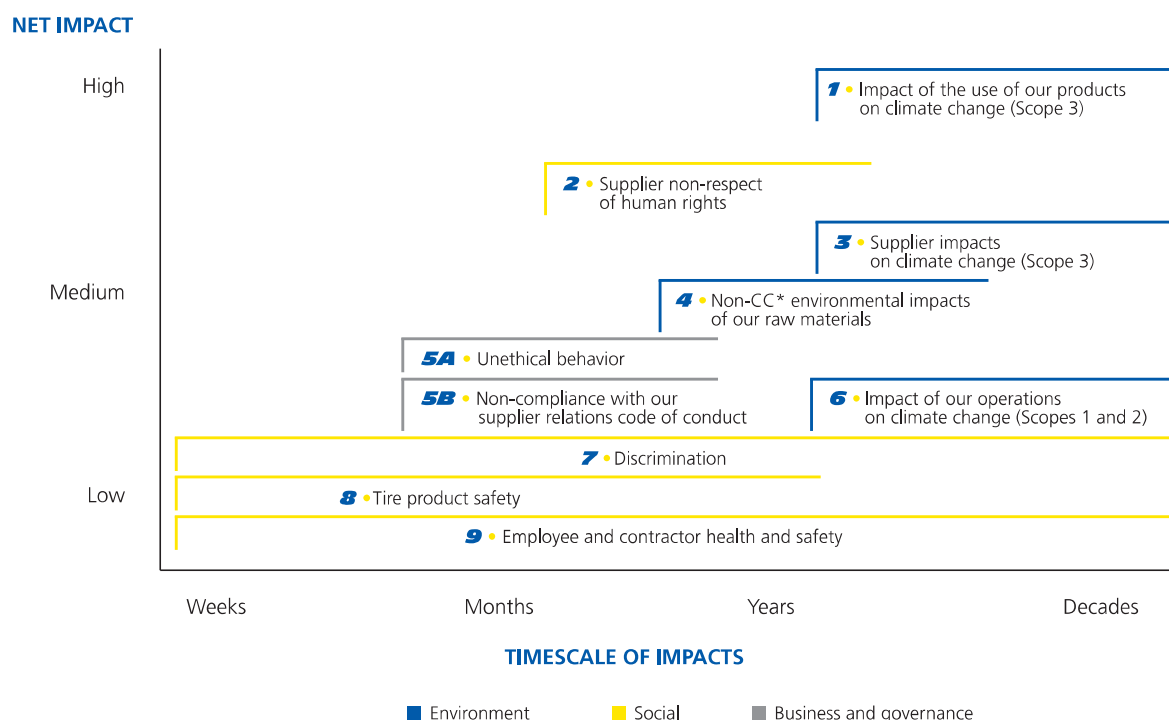
Note that the issues of "Attracting and retaining talent", "Quality and safety of products and services" and "Indirect contribution to climate change (Scope 3)" are also addressed in Chapter 2, given their specific features and the materiality of their impact on the Group, and that the issue of "Development of new services and solutions beyond tires" is discussed in Chapters 1 and 2.

The cross-reference table below illustrates the link between **the matrix's ten most critical issues and their related non-financial risks**.

Materiality matrix issue	Risks identified in the CSR map	Corresponding paragraph
1 – Employee health and safety	9 – Employee and contractor health and safety	4.1.3 Employee health and safety 4.1.2.4 Supporting employee growth and development
2 – Quality and safety of products and services	8 – Tire product safety	4.1.4.3 Guaranteeing the quality of our products and services
3 – Direct contribution to climate change (Scopes 1 & 2)	6 – Climate change impact of our Scope 1 & 2 operations	4.1.1.1 a) Transition plan: decarbonizing our operations/Scopes 1 & 2: reaching net zero emissions in the manufacturing operations by 2050
4 – Environmental impact of raw materials	4 – Non-climate change-related impact of our raw materials on the environment	4.1.1.2 Enhancing the circularity of our products
5 – Indirect contribution to climate change (Scope 3)	3 – Climate change impact of our suppliers (Scope 3) 1 – Climate change impacts from the use of our products (Scope 3)	4.1.1.1 a) Transition plan: decarbonizing our operations: Scope 3: reducing emissions from our transportation operations Scope 3: reducing emissions from purchased raw materials and components 4.1.1.1 b) Transition plan: company strategy/ Opportunities and risks/Designing ultra-energy efficient products
6 – Respect for human rights in the supply chain	2 – Supplier failure to respect human rights	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies
7 – Sustainable sourcing and responsible supplier relations	5b – Non-compliance with our Supplier Relations Code of Conduct	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies
8 – Developing products and services beyond tires	Strategic risk addressed in section 2 Chapter 1	2.1 Risk factors specific to Michelin, description and related management systems/Risk 6: M&A and major projects The Group's business growth strategy with, around and beyond tires
9 – Diversity and equal opportunity	7 – Discrimination	4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination
10 – Business ethics	5a – Ethical violations	4.1.4.1 Ensuring ethical business practices

(1) Universal Registration Document.

Map of the most critical non-financial risks



Whether environment-, employee- or business and governance-related, the issues in the materiality matrix have all been translated into risk families based on the internal risk assessment method (specified in more detail in section 2.1. Risk factors specific to Michelin, description and related management systems). They were then assessed and plotted by the Group's experts according to:

- their net impact on outside stakeholders, i.e., their potential severity, assessed on multiple criteria, including their impact on the environment and people, and the risk mitigation measures deployed through existing mechanisms;
- their impact timeframe, i.e., how long the risks may occur.

In the case of environmental risks, the plots reflect the main risks throughout a product's life cycle.

To impel continuous improvement, the Group has also formally defined a methodology to address double materiality factors⁽¹⁾, to assess the value created by the Group in the three People, Profit and Planet bottom lines. To this end, the risks presented in 2022 have been broken down this year into two categories:

- Risks, when they could have potential repercussions on the Group;
- Impacts, when they could have potential repercussions on the Group's ecosystems.

Risks and Impacts are measured according to two impact scales:

- a financial, reputational and human impact scale for risks;
- an accountability scale for environmental, social and business & governance Impacts.

Accountability, as defined in the ISO 26000 standard, means that an organization must be answerable for its impacts on stakeholders. The divisions on the accountability scale are determined by the amount of impact and the organization's degree of influence on the impacted ecosystem.

The risks/impacts and their remediation plans are discussed below in the following sub-sections:

- The Environment;
- Human rights and employee relations;
- Employee and contractor health, safety and security;
- Ethics and compliance.

⁽¹⁾ See section 2.1 Risk factors specific to Michelin, description and related management systems.

* Climate change.

Indicators

Michelin is pursuing its 2030 commitments structured around the 3Ps (People, Profit, Planet) and announced in 2021. To drive continuous improvement in its performance, **eight objectives relate to non-financial aspects⁽¹⁾**.

Managed on an annual basis, these objectives are enabling the Group to steadily improve in all its *financial, environmental, employee and social* responsibilities, as embodied in its All Sustainable vision.

In addition to these Ambitions, Michelin has long deployed clearly defined processes and meaningful indicators capable of tracking and improving its corporate social responsibility performance. The outcomes of the most important of these processes and indicators are presented in this report.

Non-Financial Statement: Michelin, a recognized All Sustainable approach

A wide variety of indices, labels and ratings regularly assess the Group.

To assess its environmental, social and governmental (ESG) performance as objectively as possible, the Michelin Group tracks the ratings and scores assigned to it by the leading internationally recognized non-financial rating agencies.

SUSTAINALYTICS	MSCI	CDP	ECOVADIS	ISS-OEKOM	MOODY'S ESG
LOW RISK	AAA	A- and B	78/100	B-	71/100









The scores attributed by the non-financial rating agencies in 2023 attest to the Group's ESG performance:

- **SUSTAINALYTICS** (ESG RISK RATING): Improvement in the overall rating and therefore in the level of risk, from 12.2 to 11.52 with a LOW RISK profile, ranking the Group ninth in the global auto components industry;
- **MSCI**: Michelin maintained its **AAA** rating, the highest on MSCI's ESG rating scale. The rating confirms the Group's position as industry leader in addressing the full range of environmental, social and governance issues;
- **CDP**: Independent non-financial rating organization CDP has ranked Michelin among the companies demonstrating exceptional leadership in tackling the challenges of **climate change and water security**, awarding the Group, based on its questionnaire answers, scores of **A-** in Climate Change and **B** in Water Security. Michelin has also responded to the CDP Forests questionnaire since 2021 (CDP does not assign a rating for natural rubber);
- Michelin was also recognized as a leader in the **Supplier Engagement** category for the fourth year running. Since 2018, the Group has been bringing its suppliers on board its approach to measuring and reducing its carbon footprint through the CDP Supply Chain program;
- **ECOVADIS**: Michelin improved its score by one point vs. 2022, to 78/100, and retained its **Platinum Medal** rating for its CSR commitment and leadership (awarded to the top 1% of rated companies);
- **ISS ESG**: The B- rating and PRIME status have been retained, keeping Michelin ranked in the top decile across all the rated industries;
- **MOODY'S ESG** (formerly VIGEO EIRIS): With an overall score of 71/100, Michelin ranked **second among the 119 companies assessed in the Automotive sector**.

(1) See Chapter 1/The Group's balanced scorecard.

Helping to meet the United Nations Sustainable Development Goals

By measuring its actions **against the United Nations Sustainable Development Goals (SDGs)**, Michelin hopes to respond more effectively to rising stakeholder expectations for better CSR communication, and to gain greater insight into its future challenges.

In the same way as the content of this Sustainable Development Report (Chapter 4), the Growth and Value Creation Model presented in Chapter 1 correlates the Group's commitments for 2030 with the main objectives of the related SDGs.

The illustration below highlights the **Group's contribution to the UN's 2030 Agenda for Sustainable Development, integrating its interactions with leading stakeholders and its commitments to each of the SDGs.**

In 2023, the United Nations Global Compact launched the **Forward Faster** initiative, which focuses on five major areas for action: gender equality, climate action, living wage, water resilience and finance & investment. These areas are key to accelerating progress through private sector actions to deliver on the 17 SDGs. **Michelin is supporting this initiative by signing up as a Fast Mover and is stepping up its commitment to living wages and the climate.**

This approach is presented in more detail on the Group's corporate website: <https://www.michelin.com/en/sustainability/company>.
















Since 2020, Michelin has participated in a working group on the UN SDGs with the member companies of the **Tire Industry Project (TIP)**, which accounts for more than 60% of the world's tire production. In 2021, a roadmap identifying the tire industry's main impacts, along with the levers for action that member companies can activate across their value chain, was issued to align their contribution with the framework offered by the UN SDGs.

Building on the regular disclosure in recent years of its key sustainability indicators (waste, water, energy, ISO 14001), the TIP expanded the scope of reporting in 2023 to align with the SDGs and include a variety of social responsibility indicators. Available at <https://sustainabilitydriven.info/>, the 2023 report adds new KPIs tracking:

- the percentage of women in positions of responsibility;
- the percentage of members with public commitments to diversity and inclusion;
- the percentage of members with responsible sourcing policies.

Discussions are underway to introduce product KPIs in the near future.

The Group's main non-financial performance indicators

			Results						
SDGs supported ⁽¹⁾	CSR risks/issues	Key performance indicators	Baseline year	2020	2021	2022	2023	2030 Objectives	
THE ENVIRONMENT									
CLIMATE									
		Climate change impacts from the use of our products (Scope 3)	Energy efficiency of our products/tires*	2020	100	+0.5%	+1.8%	+2.9%	+10%
		Climate change impact of our suppliers	Suppliers of raw materials and components with a science-based target ⁽²⁾		13%	21%	30%	42%	70% in 2024
			Change in CO ₂ emissions from transportation activities (<i>millions of tonnes of CO₂</i>)	2018	-9.6%	+16.2%	-13.6%	-25%	-15%
		Climate change impact of our Scope 1 & 2 operations	Change in Scope 1 and 2 CO ₂ emissions from the manufacturing facilities* ⁽³⁾	2019	- ⁽⁴⁾	-4.4%	-20.5%	-28.3%	-27.5% ⁽⁵⁾
RESOURCES AND BIODIVERSITY									
		Non-climate change-related impact of our raw materials on the environment	Use of renewable or recycled materials in our tires*		28%	29%	30%	28%	40%
			Percentage of natural rubber volumes used by the Group assessed as deforestation-free ⁽⁶⁾		-	-	-	9% ⁽⁷⁾	100%
		Impact of our direct operations on the environment	i-MEP*						
			<ul style="list-style-type: none">• Energy consumption• CO₂ emissions• Amount of waste produced• Use of organic solvents• Water withdrawals weighted by water stress	2019		92.6	88.8	83.9	-1/3

(1) SDG: United Nations Sustainable Development Goals.

(2) Scope 3, category 1: Purchased goods and services, according to Greenhouse Gas Protocol terminology

(3) Group scope of reporting, including the former Multistrada, Camso and Fenner facilities. The baseline year is 2019, in line with the Group's SBTi commitments. Compared with 2010, the "gross" improvement, at current scope of reporting, stands at 44.2%.

(4) The 2020 result was not representative of a normal operating environment due to pandemic-related disruptions.













(5) Objective approved by the SBTi in January 2023. This target is consistent with the "well below 2°C" global warming scenario. The baseline year is 2019. A new target consistent with the "1.5°C" global warming scenario was submitted to the SBTi in January 2024 and is currently being validated. See section 4.1.1.1 a) Transition plan: decarbonizing our operations/Scopes 1 and 2: reaching net-zero emissions in the manufacturing operations by 2050.

(6) "Deforestation-free" status is determined by reference to the definitions and standards of the European Union Deforestation-free Regulation (EUDR). This commitment is currently being validated by act4nature international.

(7) Calculated on the basis of 2023 volumes per supplier, from which deforestation-free volumes are calculated pro rata to the number of assessed hectares. Supply chain segmentation (e.g., volumes from large plantations or smallholders) by production plant is reported based on preceding year data. In subsequent years, only fully segregated volumes will be reported as deforestation-free.

NON-FINANCIAL STATEMENT

Sustainable Development Report

			Results					
SDGs supported ⁽¹⁾	CSR risks/issues	Key performance indicators	Baseline year	2020	2021	2022	2023	2030 Objectives
EMPLOYEE RELATIONS AND HUMAN RIGHTS								
DECENT WORK AT OUR SUPPLIERS								
	Supplier failure to respect human rights	Percentage of suppliers meeting the human rights target		86%	89%	89%	91%	>95%
		Percentage of natural rubber volumes used by the Group covered by human rights assessments (RubberWay®)		30%	41%	58%	69%	80% in 2025
DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY								
    	Discrimination and harassment	IMDI ⁽¹⁾ : a composite indicator tracking diversity and inclusion*						
		• Gender balance						
		• Identity						
		• Nationality	60/100	65/100	70/100	72/100	80/100	
		• Disability						
		• Age						
		• Social background						
		Percentage of women in management and supervisory positions		28.2%	28.9%	28.9%	30.1%	35%
		Percentage of women among the Group's 600 most senior executives		15.5%	17.2%	18.7%	21.5%	35%
		Percentage of employees receiving a decent wage in each host country			95%	98.5%	100% ⁽²⁾	100% in 2025
HEALTH AND SAFETY								
	Employee and contractor health and safety	TCIR*		1.19	1.29	1.07	1.01	<0.5
		Engagement rate*		82%	80%	83%	84%	85%
		Workplace well-being indicator			76%	79%	79%	80%
CONSUMER SAFETY								
 	Product safety at our partners	Partner Net Promoter Score (NPS) ^{*(1)}	2020	40.3	38.9	41.6	42.7	+10 points
VOLUNTEER SERVICE								
 	Employee volunteer service	Number of Michelin Volunteers program initiatives ⁽³⁾			5,000	10,900	19,700	
ETHICS AND ANTI-CORRUPTION								
ETHICS								
 	Ethics violations	Number of alerts to the ethics hotline		1,226	1,740	2,233		
		Percentage of employees trained in anti-corruption practices		New	92%	98%	>98%	
		Non-compliance with our Supplier Relations Code of Conduct	Percentage of purchasing employees trained in ethical risks in supplier relations		New	84%	90.4%	

* A balanced scorecard indicator.

(1) 2020 and 2021 data have been recalculated following a change in the method of calculating certain sub-indicators.

(1) SDG: United Nations Sustainable Development Goals.

(2) Scope of the 2023 campaign = 100% of Group companies, representing 100% of Group employees, excluding companies either acquired very recently (acquired in 2023 as well as the 4 RLU companies), or in the process of being sold.

(3) Our current systems are unable to identify whether the same person has participated in several volunteering initiatives. The ultimate goal is to have 20% of employees taking part in such initiatives.

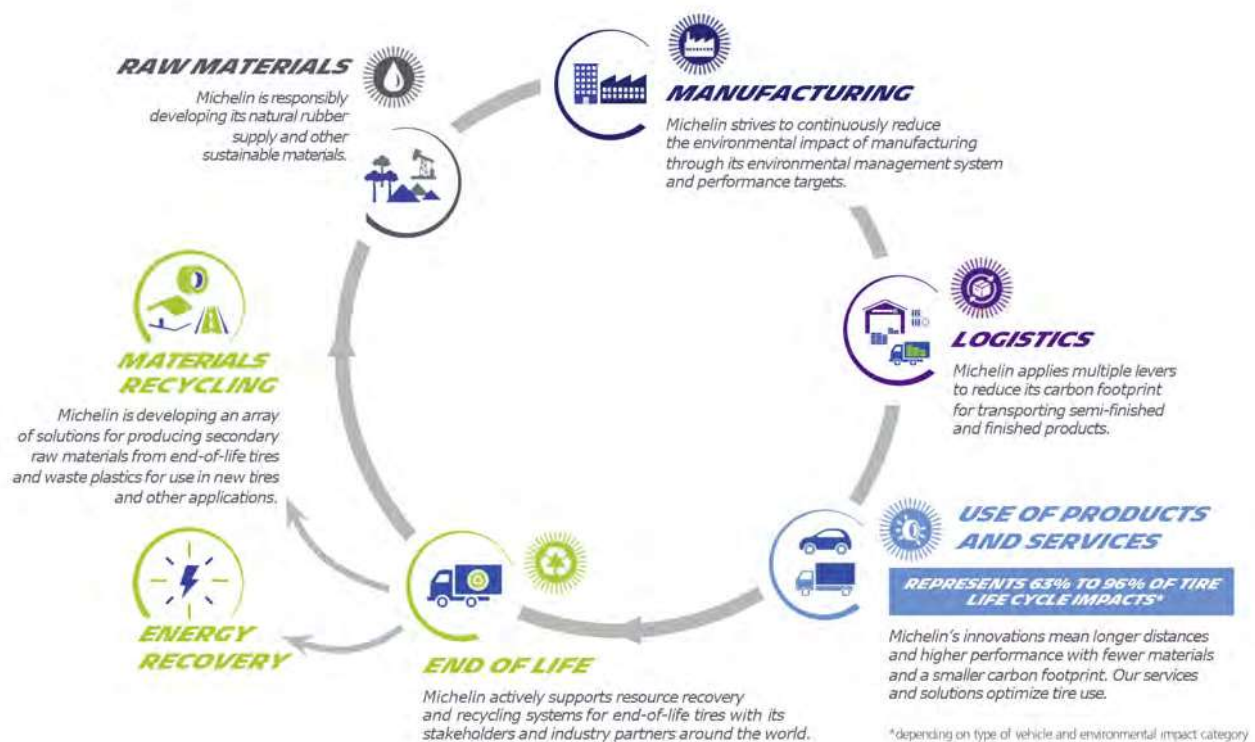
4.1.1 The Environment



In exercising its social responsibility, Michelin has in recent years assessed and addressed the environmental impact of its operations across the entire life cycle of its products, from the extraction and processing of raw materials to product use and end-of-life recycling.

Life cycle assessments have shown that production phases, from raw materials to finished product, can account for up to 30% of a tire's environmental impact, compared to up to 96% for the in-use phase, depending on the type of tire and vehicle.

THE LIFE CYCLE OF A TIRE



In response, Michelin has deployed policies to attenuate the risks associated with the environmental footprint of its products, services and business operations (purchasing, manufacturing and supply chain), to help combat climate change, protect biodiversity and ecosystems and conserve water and other resources. Targets for improvement have been set and performance indicators have been introduced in all these areas.

In 2020, the Group's commitment was expressed in the preparation and publication of the Michelin Environmental Policy⁽¹⁾, which is designed to manage pollution risks and draw down its environmental footprint to total neutrality. The levers for action have been ranked according to the following prioritizing hierarchy:

(1) <https://www.michelin.com/en/sustainability/company/planet>



The hierarchy defines the medium-term issues for action proportionally to the challenges that must be addressed throughout the product life cycle. Applicable to every Group unit, it will effectively align the initiatives underway in the different business segments with the Group's environmental goals and its 3P-based All Sustainable vision.

In addition, the Group is actively supporting the circular economy through the "Michelin 4R" strategy, which is designed to address

the challenges of resource preservation and end-of-life product management by activating four levers: Reduce, Reuse, Recycle and Renew.

The following section presents the outcomes of the application of the environmental policies now in place.

It does not cover the dealership networks, which do not have any manufacturing operations and whose environmental impact is estimated at less than 5% of the Group total.

Environmental Governance

The Environmental Governance body is chaired by the Executive Vice President of Manufacturing, and the Executive Vice President of the Research and Development, who are both members of the Group Executive Committee. Led jointly by the Group Environment Director and the Sustainable Development Director, the body also comprises nine other standing members representing the Standards and Regulations, Sustainable Development and Impact, Materials Research, Risk Management, Purchasing, Public Affairs and Industrial Strategy Departments, the Sustainable Materials Operational Department and the High-Tech Materials Business Line.

The Environmental Governance body meets at least four times a year to validate environmental policies, objectives and strategies, and to track the proper execution of the action plans deployed to meet the objectives. It ensures that environmental risk is under control and that, if necessary, effective preventive or remedial measures have been defined and implemented. It is supported by the work of five multidisciplinary Operational Committees dedicated to Climate Change, the Circular Economy, Biodiversity and, since 2023, Water and Pollution. They are tasked with coordinating initiatives, detecting weak signals, assessing emerging risks and identifying opportunities to reduce environmental impacts in their respective remits⁽¹⁾.

4.1.1.1 Implementing a climate strategy

SDG 13.1, 13.2 and 13.3.

Climate change risks

As a global manufacturer, the Michelin Group extensively interacts with the natural environment throughout the life cycle of its products and services. The **main climate change impact factors identified by the materiality analysis⁽²⁾ concern the carbon emissions from the Group's direct operations (Scopes 1 and 2)⁽³⁾ and from its transportation operations, the operations of its suppliers⁽⁴⁾ and the use of its products⁽⁵⁾ (Scope 3)⁽⁶⁾.**

In addition, the **physical consequences of climate change on its business, and the possible impacts from the inadequate management of the environmental transition, have also been identified as risk factors by the Group's risk management system⁽⁷⁾.**

The policies, objectives, levers for action and indicators in place to mitigate these risks have been integrated into the Transition Plan and the Adaptation Plan described below, in line with TCFD recommendations.

(1) See section 4.1 Sustainable Development Report/Governance/Oversight by the Group Management Committee (CDG).

(2) See section 4.1. Sustainable Development Report/Materiality matrix.

(3) See section 4.1.1.1 a) Transition plan: decarbonizing our operations/Scopes 1 and 2: reaching net-zero emissions in the manufacturing operations by 2050.

(4) See section 4.1.1.1 a) Transition plan: decarbonizing our operations/Scope 3: reducing emissions from our transportation operations/Scope 3: reducing emissions from purchased raw materials and components.

(5) See section 4.1.1.1 b) Transition plan: Company strategy/Designing highly energy efficient products.

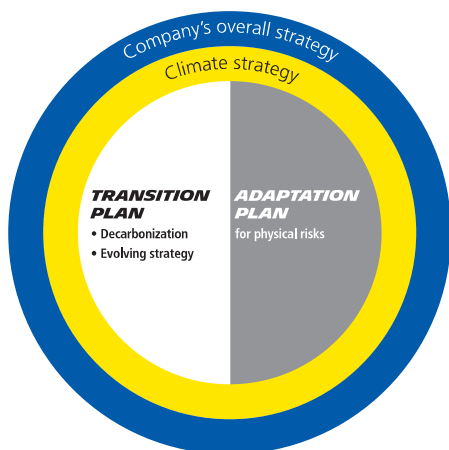
(6) See section 2.1 Risk factors specific to Michelin, description and related management systems/Impact 7 – Environmental effects of our products.

(7) See section 2.1 Risk factors specific to Michelin, description and related management systems/Risk 1 – Physical effects of climate change/Risk 3 – Environmental transition risks.

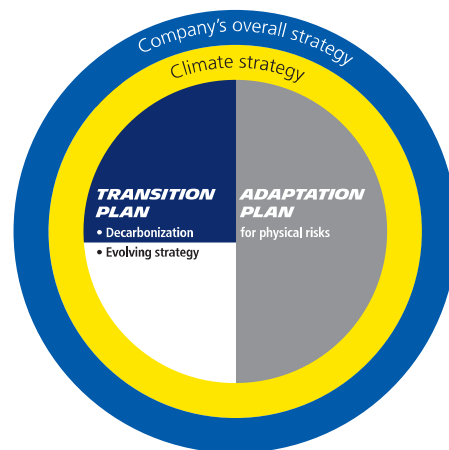
The Group's climate strategy is organized around two key components: (i) a transition plan comprising both initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 and 3) and a resilient strategic plan to move towards a low-carbon economy; and (ii) an adaptation plan to prepare for the physical effects of climate change.

The strategy is based on three principles:

- achieve net-zero emissions by 2050 by fulfilling our external emission reduction commitments by 2030;
- identify risks and opportunities based on climate change scenarios;
- transparently disclose the information expected by our external stakeholders.



4.1.1.1 a) Transition plan: decarbonizing our operations



As part of its decarbonization plan, Michelin aims to reach net-zero emissions by 2050⁽¹⁾ in Scopes 1, 2 and 3⁽²⁾, with initially a priority focus on reducing to as close to zero as possible emissions from:

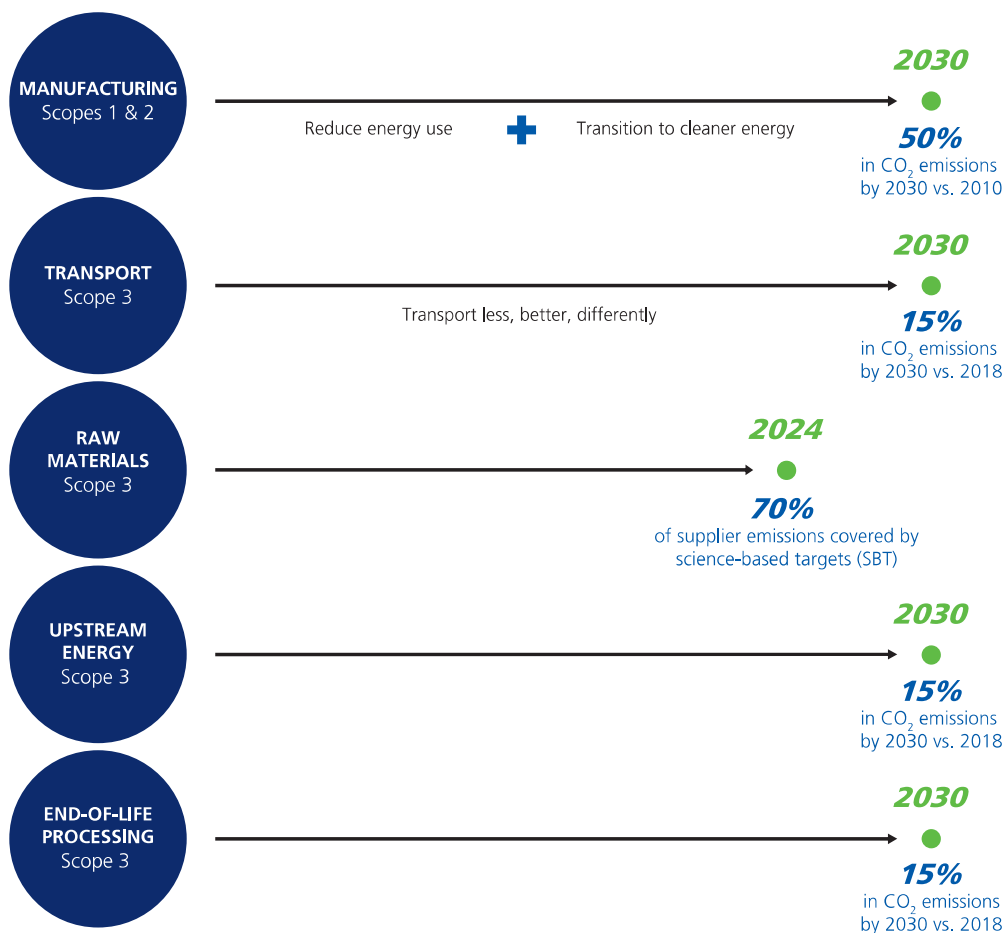
- all its production plants;
- its supply chain with its raw materials and components suppliers;
- its transportation operations.

(1) For Michelin, setting course to net zero means (i) reducing carbon emissions from its own operations and the operations of its value chain by 90% and (ii) over the longer term, preparing solutions to capture and store enough carbon to offset each year's residual emissions. This is aligned with the process defined in the SBTi's Corporate Net-Zero Standard, October 2021.

(2) Scope 3 (excluding the in-use phase): see section 4.1.1.1 a) Transition plan: decarbonizing our operations/Scope 3: reducing emissions from our transportation operations/Scope 3: reducing emissions from purchased raw materials and components/Scope 3: reducing emissions from upstream purchased energy and end-of-life treatment of sold products.

In July 2021, Michelin joined the “Race To Zero” campaign, answering the call to action by the international consortium comprising the Science Based Targets initiative (SBTi), the United Nations Global Compact and We Mean Business. Under this commitment, the Group has defined short-term (2024–2034) milestones and long-term (2035–2050) targets for reductions in

all three scopes (excluding the in-use phase) and will offset any residual emissions every year to reach net-zero by 2050. The short-term milestones presented below, which are all consistent with the “well below 2°C” global warming scenario, were approved by the SBTi⁽¹⁾ in January 2023.



In January 2024, the Group submitted to the SBTi pathway new short and long-term targets aligned with a 1.5°C scenario. They were not reflected in the 2023 reporting exercise underpinning this report.

(1) The four short-term Scope 3 milestones, which were originally set in 2019, were reapproved by the SBTi in January 2023. The Scope 1 and 2 milestone has been recalculated to reflect recent acquisitions and a more recent baseline year (see Methodology/Environmental performance of acquisitions). The recalculation, which does not invalidate the initial milestone set in 2020, was approved in 2023 but has not been factored into this report.

The Group's carbon footprint

Michelin regularly updates its inventory of CO₂ emissions from its activities in accordance with the Greenhouse Gas Protocol⁽¹⁾.

INVENTORY OF SCOPE 1, 2 AND 3 CO₂ EMISSIONS

Scope	Inventory (millions of tonnes of CO ₂)	Year	Group sources covered by the inventory	Comments
SCOPE 1	1.04 ⁽²⁾	2023	CO ₂ emissions from the heating plants at production and R&D sites	<p>Michelin controls the assets that use the energy generating CO₂ emissions.</p> <p>The change in emissions volumes in 2023 compared with the 2019 baseline is presented below (see <i>Scope 1 and Scope 2 CO₂ Emissions</i>).</p> <p>GRI 305-1: Direct (Scope 1) GHG emissions</p> <p>GRI 305-2: Direct (Scope 2) GHG emissions</p>
SCOPE 2	1.27 ⁽²⁾	2023	CO ₂ emissions from generating the electricity and steam used by the production and R&D sites	
REQUIRED SCOPE 3	13	2023	CO ₂ emissions from the relevant activity categories corresponding to the Group's value chain (see <i>Breakdown of Scope 3 CO₂ emissions by category</i>)	<p>Michelin's ability to influence activities in the value chain varies by category.</p> <p>The tonnage is an estimate, with the margin of uncertainty ranging from ±10% to ±30%, depending on the category.</p> <p>GRI 305-3: Other indirect (Scope 3) GHG emissions.</p>
OPTIONAL SCOPE 3	~130	2023	Indirect CO ₂ emissions from sold tires in use	<p>Thanks to its research and development expertise, Michelin has a significant impact on CO₂ emissions through the energy efficiency of its tires⁽³⁾. Inventoried tires include all passenger car, light truck, heavy truck and bus tires intended for on-road use, but not two-wheel tires, which account for less than 1% of emissions. The reported figure's estimated ±30% margin of uncertainty reflects the assumptions concerning the number of vehicles fitted with tires sold worldwide by the Group, whether the vehicles have internal combustion or electric powertrains, the distance traveled over the reporting year, the lifespan of the sold tires and the energy mix in the countries where the vehicles are used.</p>

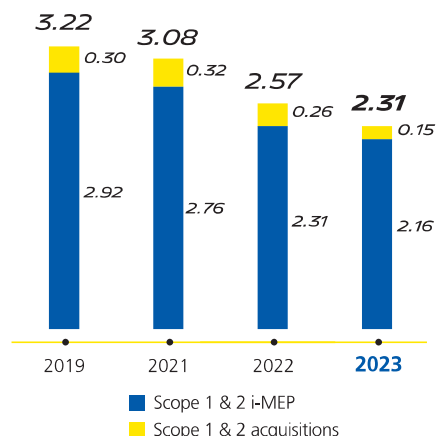
(1) See *Scope of the Report/The Group's carbon footprint*.

(2) See section 4.1.1.4 b) *Reducing the environmental footprint of the production plants/Summary table of environmental data – Group*.

(3) See section 4.1.1.1 b) *Transition plan: company strategy/Opportunities and risks/Designing ultra-energy efficient products*.

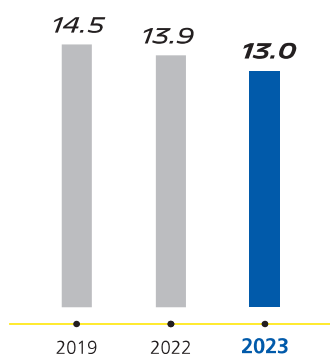
CHANGES IN SCOPE 1 AND 2 CO₂ EMISSIONS

(market-based)

(millions of tonnes of CO₂)

Note 1: In the above charts, the "acquisitions" scope of reporting includes emissions from the Multistrada, Camso and Fenner facilities from 2019 to 2022. In 2023, Multistrada was included in the i-MEP scope of reporting.

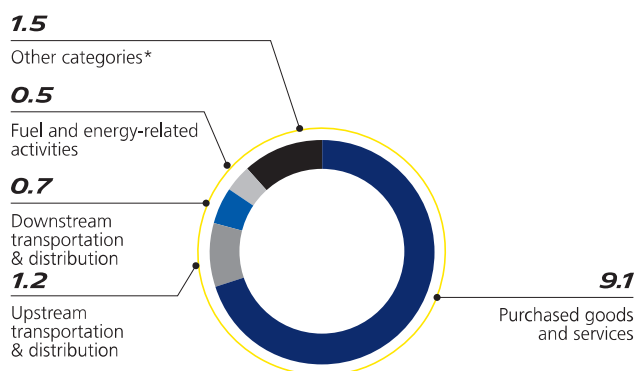
Note 2: In 2023, the baseline year for the reporting of Group's CO₂ emissions was changed to 2019, in line with the Group's SBTi commitments.

TOTAL REQUIRED SCOPE 3 CO₂ EMISSIONS⁽¹⁾(millions of tonnes of CO₂)

Total required Scope 3 emissions data for 2022 have been revised, to 13.9 million tonnes from the 16 million tonnes reported in the 2022 Universal Registration Document. The correction reflected two significant factors:

- The revision of the GHG Protocol, the benchmark for measuring the Group's emissions, which changed the method for calculating categories 5 "waste generated in operations" and 12 "end-of-life treatment of sold products." Emissions from the recovery and reuse of waste as raw materials or fuel are no longer included in these two categories, because the recovery and the resulting emissions are also measured in the emissions of companies that use this same waste as an input. (Impact: around a 3.8 Mt reduction);
- The first-time measurement of emissions from Multistrada, Camso and Fenner (Impact: a 1.1 Mt increase);
- Other impacts (a 0.5 Mt increase).

The 2019 data have been restated for the correction.

BREAKDOWN OF REQUIRED SCOPE 3 CO₂ EMISSIONS BY CATEGORYTotal 2023: 13 MtCO₂

* Other categories (MtCO ₂)	2023
Capital goods	0.50
Waste generated in operations	0.04
Business travel	0.02
Employee commuting	0.22
Upstream leased assets	0.04
End-of-life treatment of sold products	0.25
Franchises	0.25
Investments	0.19
TOTAL	1.51

(1) For each one, the 2023 scope of reporting covers the Group's long-standing member companies, as well as all the categories material to Multistrada, Camso and Fenner. Work is underway to integrate emissions from the non-material categories, i.e., categories 6, 8, 12 and 14 for Multistrada, categories 5, 6, 8, 12 and 14 for Camso and categories 4, 5, 6, 8, 9, 12 and 14 for Fenner.

Scopes 1 and 2: reaching net-zero emissions in the manufacturing operations by 2050

OUR AMBITIOUS OBJECTIVES

To help combat climate change, Michelin has been steadily measuring and reducing its CO₂ emissions since 2005. The Group aims to achieve net zero carbon emissions from its entire production base (Scopes 1 and 2) by 2050.

For 2019, the Group had set the target of reducing emissions from its production plants by 50% by 2030 compared with 2010.

Then, in January 2023, the SBTi approved the following new reduction target, which is consistent with the “well below 2°C” global warming scenario:

Michelin commits to reducing its absolute Scope 1 and 2 greenhouse gas emissions by 27.5% by 2030 from a 2019 baseline year⁽¹⁾.

In January 2024, Michelin submitted to the SBTi a new Scope 1 and 2 emissions reduction target consistent with the “1.5°C” global warming scenario. The new target is much more ambitious, aiming for an absolute reduction of 47.2% over the same 2019-2030 period. However, it is still pending approval and was therefore not reflected in the 2023 reporting exercise.

In addition, it encompasses data outside the legacy scope of reporting, described in the *Scope of the Report* section above:

- it includes recent acquisitions;
- it has been realigned with the 2019 baseline year.

In this paragraph, CO₂ emissions have calculated for the new boundary and the 2019 baseline. Trends since 2010 are occasionally cited, for information purposes, based on the current scope of reporting. However, the 2010 benchmark is gradually being phased out.

Our levers for action:

The emissions reduction program is built around two major processes:

- consuming less (energy efficiency)⁽²⁾;
- consuming better (energy transition)⁽²⁾.

Because the challenge of carbon neutrality can be met only if global energy demand is kept under control, the Group has defined a “prioritizing hierarchy of levers,” applicable to every project impacting energy use in its production plants.

THE PRIORITIZING HIERARCHY OF LEVERS APPLIED TO THE NET ZERO EMISSIONS PROGRAM



Scrutinize the need (design and size)

- Instill an “energy-efficient” culture



Energy efficiency levers

- **Reduce by doing more with less.** Use insulation, automation, more energy-efficient equipment
- **Reuse by closing** heat transfer loops
- **Recycle by capturing heat for another application**
Install dual-flow ventilation and heat pump systems



Emission factor levers

- Use of renewable energies

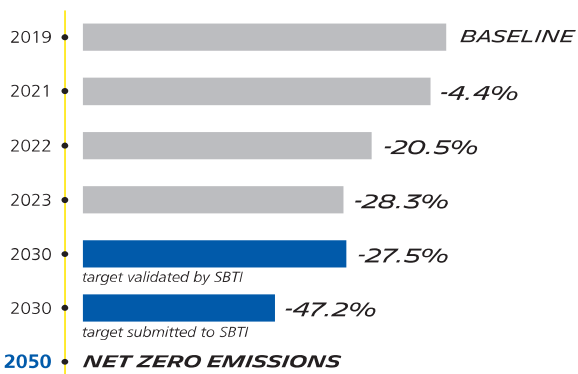
(1) The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

(2) See section 4.1.1.4 c) Reducing energy use and greenhouse gas emissions.

- **Key performance indicators** tonnes of CO₂ in absolute value and in gigajoules per tonne of semi-finished and finished product.

REDUCTION IN CO₂ EMISSIONS FROM THE MANUFACTURING FACILITIES

(millions of tonnes of CO₂)

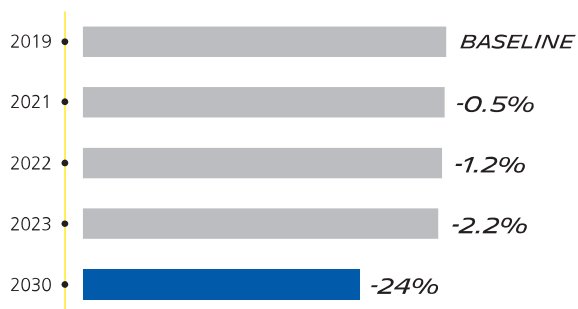


Note 1: The above chart covers the Group scope of reporting, including the former Multistrada, Camso and Fenner facilities.

Note 2: The baseline year is 2019, in line with the Group's SBTi commitments. Compared with 2010, the reduction stood at 44.2% in 2023.

IMPROVEMENT IN THE ENERGY EFFICIENCY OF THE MANUFACTURING FACILITIES⁽¹⁾

(in Gigajoules per tonne of finished and semi-finished product.)



Note 1: The above chart is based on the i-MEP scope of reporting.

Note 2: The baseline year is 2019. Compared with 2010, the improvement came to 20.2% for the year.

Michelin's carbon pricing system

Since 2016, the Group has incorporated an internal carbon price into its method of calculating return on investment for capital projects undertaken to:

- improve energy efficiency;
- increase production capacity, upgrade heating plants and improve logistics.

In 2023, the internal carbon price was increased from €100 from €200 per tonne of CO₂.

Carbon quota systems

In the European Union countries, direct CO₂ emissions from the 13 Group facilities that operated heating plants with more than 20 MW capacity in 2023 are subject to allowances issued under the EU's Emissions Trading Scheme (ETS). With the start of ETS phase 4, free allocations of allowances have fallen sharply, to just 33% of requirements in 2023 from 76% in 2020. Since 2017, the Group has gradually purchased allowances on the market, which are covering returns from the plants and smoothing the related costs.

In China, emissions trading schemes were introduced in 2013 in seven cities and provinces. The one in Shanghai, covering an initial three-year period until 2015, is still in effect while waiting for a national system to be introduced. Over the 2013-2023 period, overall emissions from the two plants concerned were covered by the allowances.

Created in 2005, the CO₂ Allowance Management Committee tracks legislation governing carbon markets and taxes in all of the countries where Group production facilities are located. Comprising specialists in greenhouse gases, energy buying, energy efficiency, finance and accounting, its role is to define CO₂ allowance management principles and guidelines, ensure their proper application and conduct the necessary forecasting studies.

⁽¹⁾ Until 2020, the energy efficiency indicator was reported per tonne of finished product. With i-MEP, as indicated in the "Scope" section at the beginning of Chapter 4, the performance ratio is expressed per tonne of total manufactured output of both finished and semi-finished products. The 2010 value of total gigajoules per tonne, which was not tracked at the time, has been recalculated and presented here for reference. The recalculation was based on the fact that the proportion of semi-finished products in total output remained relatively constant between 2010 and 2019 and that the energy efficiency programs targeted all forms of energy used in the production plants.

Scope 3: reducing emissions from our transportation operations

OUR CURRENT OBJECTIVE⁽¹⁾:

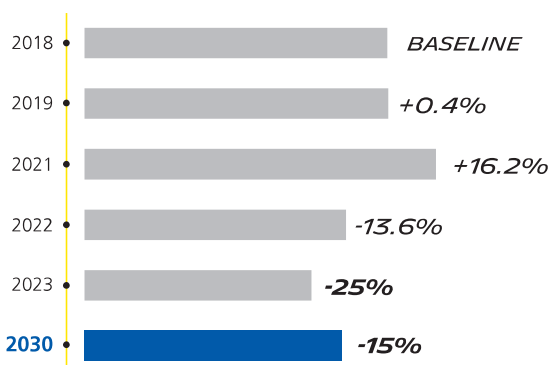
To reduce CO₂ emissions from logistics operations, in tonnes, by 15% between 2018 and 2030. This objective, which was approved by the SBTi in January 2023, covers:

- The supply of raw materials, such as natural and synthetic rubber, metal and textile reinforcements, to the production plants to manufacture semi-finished products;
- The inter-plant transportation of semi-finished products;
- The delivery of finished products to customers;
- Warehouse operations.

Key performance indicator: tonnes of CO₂ in absolute value.

CO₂ EMISSIONS FROM TRANSPORTATION OPERATIONS⁽²⁾

(millions of tonnes of CO₂)



Emissions are measured using EcoTransIT World software⁽³⁾, which supports sustainable and sufficiently reliable and data-consistent calculation for driving progress in every host region.

CO₂ emissions from transportation operations stood at 1.38 million tonnes in 2018⁽⁴⁾.

In 2023, CO₂ emissions declined to 1.03 million tonnes, corresponding to a 25% reduction on 2018. This performance primarily stemmed from a reduction in intercontinental supply flows, thanks to the local-to-local strategy, as well as from the decreasing use of air freight and structural improvements in the operating regions.

These structural improvements are reflected in the "tonne of CO₂ released per tonne sold" indicator, which decreased by 16% between 2018 and 2023, attesting to the effectiveness of initiatives to transport less, transport better and transport differently.

OUR LEVERS FOR ACTION:

Transporting less, the fundamental lever

The transporting less lever involves analyzing where inventory should be ideally located to improve product availability, while reducing the need for transportation. The analytics also guide the siting of production units, with a preference for local facilities to limit the transfer of finished products between producing and consuming regions.

In 2023, intercontinental shipment tonnages declined by 15% over the year.

Transporting better, an operational lever

The second lever consists of optimizing current transportation systems, based on three avenues to improvement:

Engaging with our transportation partners

Michelin firmly believes that partnerships with logistics providers are mutually beneficial over the long term, by enabling them to invest in decarbonization solutions.

Optimizing our current transportation systems

Improved governance has helped to drive a sharp reduction in the use of air freight, to the extent that it accounted for less than 2% of CO₂ emissions from logistics activities in 2023.

In collaboration with a large number of stakeholders, a response to a call for expressions of interest was submitted in France via the France Supply Chain association. The response, which concerned the use of the 32-meter European Modular System (EMS) articulated double-trailer truck, is currently being reviewed.

Promoting and developing multimodal solutions

Michelin is continuing to develop and deploy multimodal transportation solutions. In 2023, for example, nearly 23% of the Group's intra-regional shipments in the United States were carried by rail, while in Europe, a multimodal hub was built during the year and brought on stream in early 2024. It will eventually enable the modal shift of 2,200 containers, avoiding the release of an estimated 1,100 tonnes of CO₂ per year.

(1) Objective approved by the SBTi in January 2023.

(2) This figure differs from the one reported in the 2022 Universal Registration Document due to the inclusion of Camso in 2019 and other adjustments.

(3) Accredited by the Global Logistics Emissions Council (GLEC) Framework and compliant with the EN 16258 standard and the GHG Protocol.

(4) This figure differs from the one reported in the 2022 Universal Registration Document due to the inclusion of Camso in 2019 and other adjustments.

Transporting differently, a lever for innovation

The third lever consists of implementing innovative solutions, informed by two processes:

Collaborating with outside organizations

Michelin is continuing to play a leading role in a number of organizations, such as France Supply Chain, Smart Freight Center and the New Energy Coalition. Involvement in these organizations is helping to identify actionable levers, while laying the foundations for collaborative work on innovative issues supporting decarbonized transportation.

Innovating to deploy more environmentally friendly technologies and practices

Overland shipping:

Michelin takes an active part in discussions about the future of logistics, in a commitment to promoting and deploying innovative technologies.

In Europe, electric semi-trucks are being trialed for deployment as early as 2024, when the first EVs could also come into service in Thailand and China. Three use cases for hydrogen-powered rigid and semi-truck units are currently being activated, for scheduled roll-out in 2025.

Maritime shipping: Michelin is participating in the Shippers' Coalition for Low Carbon Maritime Transport (SCLMT) to support a north transatlantic (Europe-North America) service operated by wind-powered container ships. This innovative, energy-efficient shipping solution is expected to be deployed in 2026. It will reduce by 50% the environmental impact of more than 100,000 TEUs⁽¹⁾ a year, including 8,000 for Michelin.

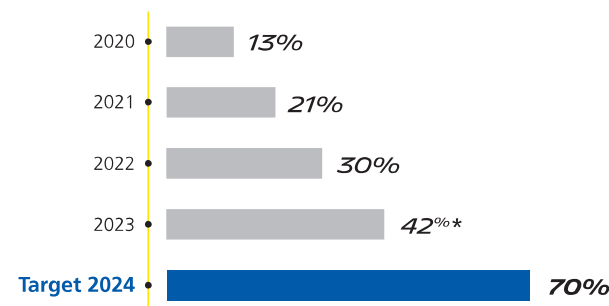
Scope 3: reducing emissions from purchased raw materials and components

OUR OBJECTIVE:

In 2020, the SBTi approved the Group's greenhouse gas emissions reduction targets, including one relating to purchased goods and services. Suppliers representing 70% of greenhouse gas emissions from purchased goods and services (Scope 3, category 1) are expected to set science-based reduction targets by 2024.

Key performance indicator: percentage of CO₂ emissions from suppliers of purchased goods and services (Scope 3, category 1) that have set science-based greenhouse gas emission reduction targets for 2024.

PERCENTAGE OF EMISSIONS FROM PURCHASED GOODS AND SERVICES SOURCED FROM SUPPLIERS WITH SCIENCE-BASED TARGETS



* The 42% figure corresponds to a Group-wide calculation. Excluding Fenner, Camso and Multistrada, to establish a comparable scope of reporting with the 2020 to 2022 period, the figure would amount to 45%.

Purchased goods and services: inventory

Emissions from purchased goods and services (Scope 3, category 1 in the Greenhouse Gas Protocol, which excludes emissions related to purchased logistics services) represent around two-thirds of all Scope 3 emissions excluding the in-use phase (category 11).

Given that raw materials account for around 85% of emissions from purchased goods and services, programs to reduce supply-chain related emissions prioritize the supply of raw materials, alongside the significant gains being made in purchased logistics services.

OUR LEVERS FOR ACTION:

The Group has taken a proactive approach to identifying the purchasing categories and raw materials suppliers that represent the largest sources of GHG emissions. These suppliers are encouraged to initiate, step up or accelerate their commitment to reducing their GHG emissions.

The CDP questionnaire provides a comprehensive system for disclosing environmental information in order to assess the strategies in place to abate climate change. In 2018, Michelin joined the CDP's Supply Chain Program and engaged its leading raw materials suppliers to participate in it, encouraging them to measure and disclose their greenhouse gas emissions and to develop strategies to reduce them.

(1) Twenty-foot equivalent units, the standard unit of container capacity.

A new campaign was conducted in 2020 and every year since then. Of the 116 raw material suppliers asked to submit data in 2023, nearly 95% responded. Together, they represented approximately 66% of the emissions from the Group's purchased goods and services. In addition, 68% of the suppliers who responded to the CDP Climate Change questionnaire scored B- or higher, indicating that their emissions abatement systems were fairly mature.



In 2023, the CDP recognized the Michelin Group's ability to engage its suppliers in reducing carbon emissions with a CDP Supplier Engagement Leader award.

Scope 3: reducing emissions from upstream purchased energy and end-of-life treatment of sold products

The Scope 3 CO₂ emission reduction targets approved by the SBTi in January 2023 include two indirect activities in the value chain, as defined by the GHG Protocol:

- **Upstream purchased energy:** the extraction, production and transportation of fuels, purchased or acquired by a company or consumed in the generation of electricity or heat;
- **the end-of-life treatment of sold products.**

The change in the method of measuring emissions from the end-of-life treatment of sold products, following the revision in the GHG Protocol, has resulted in a reduction in these emissions, to 0.3 million tonnes of CO₂ from 3.7 million tonnes previously, which makes them much less material in the Scope 3 outcomes.

This is why Michelin's initiatives in this area will now be presented only in section 4.1.1.2 *Enhancing the circularity of our products*.

The new target submitted to the SBTi in January 2024 reflected this change of scope.

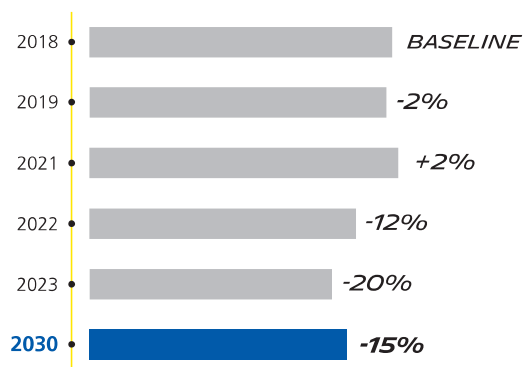
OUR OBJECTIVE:

Reduce CO₂ emissions from upstream purchased energy, in absolute value, by 15% between 2018 and 2030.

Key performance indicator: tonnes of CO₂ in absolute value from upstream purchased energy.

CO₂ EMISSIONS FROM UPSTREAM PURCHASED ENERGY

(millions of tonnes of CO₂)



OUR LEVERS FOR ACTION:

Reducing energy use and gradually phasing in renewables, which is being planned and managed to meet the Group's Scope 1 and 2 objectives. This is based on the assumption that the upstream generation and delivery of fuel from renewable sources generally releases less CO₂ than fossil fuels.

2023 OUTCOMES:

The year-on-year reduction in 2023 was led by the decline in energy use by the production plants and by the increased proportion of renewables in their energy mix⁽¹⁾.

NEW SCOPE 3 OBJECTIVE: A new, more ambitious emissions reduction target, aligned with our outcomes and "Race to Zero" commitment, was submitted to the SBTi in January 2024 and is pending validation. It covers not only Scopes 1 and 2, but also three **Scope 3 categories – purchased goods and services, upstream and downstream transportation, and upstream purchased energy – which it aims to reduce by 27.5% in absolute terms between 2019 and 2030. Over the longer term, to 2050, the target is also designed to reduce all required Scope 3 emissions by 90% in absolute terms.**

Investing in socially responsible funds

Since 2014, Michelin has invested €5.96 million in two Livelihoods Carbon Funds (LCF1 and LCF2), which support reforestation, agroforestry and low-carbon cookstove projects on three continents. Conducted in collaboration with local NGOs, its projects help to reduce GHG emissions, while improving quality of life in local communities⁽²⁾.

The Group is still aligned with its net-zero emissions targets for 2050, which are being pursued without using any carbon credits to offset CO₂ emissions from its direct or indirect activities, in accordance with SBTi standards. As a result, the carbon credits derived from Livelihoods projects are neither set off against the Group's carbon footprint nor sold.

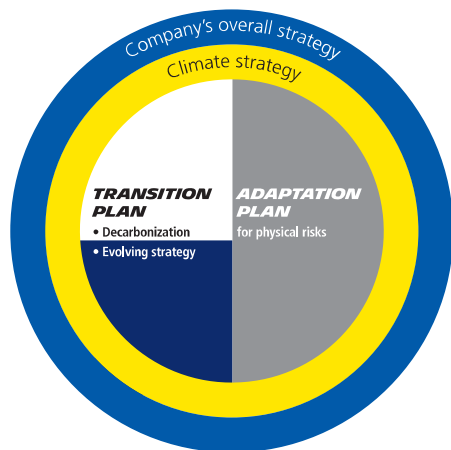
(1) See section 4.1.1.4 c) Reducing energy use and greenhouse gas emissions.

(2) Visit <https://livelihoods.eu/lcf/>.

4.1.1.1 b) Transition plan: company strategy

Offering the most efficient mobility solutions without compromising on safety is the very heart of Michelin's past, present and future positioning, as reflected in products that lead the market in energy efficiency, CO₂ emissions abatement and long-lasting performance. As part of its strategic plan, the Group is continuing to innovate to nurture the transition to low-carbon mobility for people and goods, in particular by:

- designing **products that are ultra-energy efficient throughout their life cycle**, from production and use to end-of-life recycling;
- developing **services and solutions that optimize the use and management of vehicle fleets**, while improving their fuel/energy efficiency;
- driving the emergence of new **mobility solutions**, led by ecosystem-driven innovation and, notably, the development of the hydrogen mobility industry.



Climate change opportunities and risks in light of TCFD principles are presented in section 4.1.1.1 d) *Engagement and transparency/ Applying the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*.

Designing energy-efficient products

Using a tire on a vehicle requires additional energy that entails, in an internal combustion vehicle, either the burning of fuel (and therefore the release of greenhouse gases) or the use of the car's engine battery.

OUR OBJECTIVE:

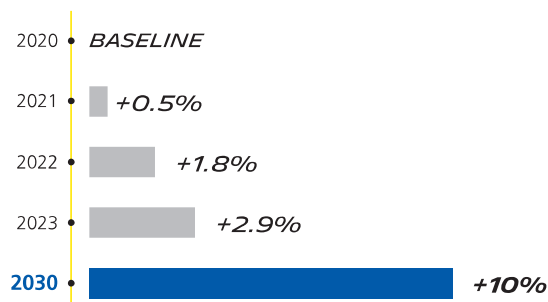
Improve the energy efficiency of tires by 10% in 2030 compared to 2020.

Key performance indicator: *improvement in tire rolling resistance compared with the 2020 baseline, weighted by sales tonnages in the reporting year.*

Scope of reporting: In 2023, the indicator's scope of reporting was broadened to include the Mining, Agricultural, Aviation and Construction tire segments, in addition to the Passenger car, Light truck and Truck tire segments in the legacy scope.

IMPROVING THE ENERGY EFFICIENCY OF PRODUCTS SOLD

(base 100)



In 2023, Michelin improved the energy efficiency of tires sold during the year by 2.9% compared with tires sold in 2020.

OUR LEVERS FOR ACTION:

Reducing a tire's rolling resistance helps to improve a vehicle's fuel efficiency, which in turn reduces both CO₂ emissions during use and ambient air pollutants, such as NO_x and SO_x. Lower rolling resistance also increases the range of electric vehicles.

Over the past 20 years or more, Michelin has improved the fuel efficiency of its tires by more than 20%, without ever compromising on safety or longevity. Between now and 2030, the Group will continue to drive progress in its tire product plan, supported and amplified by the deployment of eco-design processes in the Research and Development Department.

Reducing the rolling resistance of Passenger car and Light truck tires

Improvements in the rolling resistance of tires brought to market in 2023 were led by two lines, the MICHELIN e.Primacy and the MICHELIN Pilot Sport EV, both of which deliver a wide array of new technologies.

On average, driving on MICHELIN e.Primacy tires reduces a vehicle's fuel consumption by 0.2l/100km and its CO₂ emissions by 5g/km, which throughout the life of the tire represents 174kg in avoided CO₂ emissions. For drivers of electric vehicles, this record energy efficiency translates into 7% longer range. Additionally, the MICHELIN Pilot Sport EV, the first sport tire specifically designed for electric cars, improves range by 10% while significantly reducing CO₂ emissions.

The life cycle assessments (LCAs) of both these lines were disclosed in an Environmental Product Declaration (EPD)⁽¹⁾.

In addition to these two examples, the Michelin Group is steadily improving the rolling resistance of all its tires with each new generation. This development is aligned with the Group's All Sustainable vision, which is focused on gradually attenuating the environmental impact of its tires.

Supporting the rising demand for electric vehicles

Michelin also fully supports the development of electric vehicles, which, while not requiring special tires, run better on tires capable of meeting their more demanding needs (weight, torque, range, noise, etc.). All MICHELIN tires are EV-compatible. Their Total Performance technology offers owners the longest tread life and highest performance regardless of vehicle type, thanks to the Group's long years of innovation, investment and cooperation with the world's leading carmakers.

Reducing the rolling resistance of Truck tires

In Truck tires, a myriad of technological advances is delivering not only improvements in fuel efficiency and with them reductions in CO₂ emissions, but also the ability to run the tire down to the last millimeter of the legal wear limit thanks to remarkably long tread life. Brought to market in 2016, the MICHELIN X[®] LINE[™] ENERGY[™] tires for long-haul trucks were the first set of big rig tires to be rated A in energy efficiency, on any axle, under EU tire-labeling rules.

Since 2021, Michelin has sustained its innovation drive in this area by renewing and expanding its MICHELIN X[®] LINE[™] ENERGY[™] and MICHELIN X[®] MULTI[™] ENERGY[™] ranges to meet the challenges of CO₂ emissions standards in Europe and North America. The ENERGY[™] lines are now being deployed in the fast-growing markets of Brazil, China and India.

2021 also saw the launch of a number of new products to enable more sustainable mobility in both long-distance and urban transportation environments.

With the introduction of the MICHELIN X[®] Incity[™] EV Z tire, MICHELIN is supporting the electrification of city buses, with improved energy efficiency⁽²⁾ and load bearing capacity⁽³⁾.

To further the environmental transition in the road transportation industry⁽⁴⁾, Michelin is supporting the deployment of zero-emission vehicles by forging partnerships with its OEM customers.

Developing services and solutions that optimize the use and management of vehicle fleets

Another pathway to reducing CO₂ emissions is the product-service economy, which involves either (i) supplying both a product and a service to manage and maintain tires in ways that optimize their energy efficiency and other performance features; or (ii) providing a service alone to streamline certain cumbersome fleet processes to make driving fleet vehicles more efficient, safer and greener.

Today, Michelin's Services & Solutions business line designs, develops and prototypes new, data-enabled solutions. Michelin helps fleet customers to optimize their management, improve their safety performance and margins, and reduce their carbon footprint with a wide range of solutions, such as:

- EFFITIRES[™], which facilitates tire maintenance by using an automated inspection system to improve operating efficiency, safety, the carbon footprint and raw materials use;
- Michelin Connected Fleet, which helps to reduce empty kilometers and thereby optimize fleet operations and vehicle use. It also offers an innovative carbon dashboard that improves energy efficiency and reduces the carbon footprint;
- Michelin Connected Fleet's MoveElectric solution, which guides commercial fleets through the planning and transition process and supports EV operations once they are up and running;
- Watèa by Michelin, an all-in-one offering combining the supply of battery or hydrogen fuel cell EVs with recharging solutions, a package of services and long-term support, favoring the energy transition both operationally and financially. By helping customers shift their fleets to low-carbon operations sooner, Michelin is making a significant contribution to mitigating their impact on the environment;
- MICHELIN Consulting & Services offers mining companies advanced productivity and safety solutions that reduce the environmental impact of their operations;
- MICHELIN MEMS[®] 4, the world's leading remote tire pressure and temperature monitoring system for mining machines, reduces equipment downtime and helps increase tire life by warning of failures and avoiding premature replacement.

(1) The EPDs have been certified by an independent third party and may be found at environdec.com.

(2) Michelin calculations based on rolling resistance values.

(3) Load bearing capacity increased to a maximum of eight tonnes, or 15% more than the previous X[®] Incity[™] XZU range.

(4) The SuperTruck programs in the United States and the European Consortium.

Developing new hydrogen mobility solutions

A pioneer in hydrogen fuel cells, the Michelin Group has been working for more than 20 years to make hydrogen one of its sources of future growth.

Michelin was an early believer in hydrogen and in Symbio, which the Group acquired before turning it into a joint venture with Forvia in 2019. Since 2023, Symbio has been owned equally by Forvia, Michelin and Stellantis, with the goal of producing 100,000 StackPack fuel-cell systems a year by 2028 and accelerating the deployment of a form of clean mobility that safeguards the environment and human health.

In 2023, Symbio strengthened its technological and industrial leadership with the inauguration of the SymphonHy complex, comprising both its first gigafactory and its center of technological and industrial excellence. Located in Saint-Fons, in the Auvergne-Rhône-Alpes region in France, SymphonHy is the largest integrated fuel cell production site in Europe.

HyMotive, Symbio's strategic technological and industrial project, represents a total investment of €1 billion over seven years. The project is also developing a breakthrough technology to improve fuel-cell cost competitiveness, with the goal of bringing it in line with battery-powered electric and internal combustion powertrains by 2030.

Symbio has also operated in the United States since 2021, with a pilot plant in California initially supplied by the Group's European facilities.

From 50 employees in 2019, Symbio now employs more than 750 people, and plans to create a further 1,000 jobs with the HyMotive project. Moreover, Symbio has joined with Germany's Schaeffler Group to form Innoplate, a 50/50-owned joint venture based in Alsace that will start up production of bipolar plates (BPP), a strategic fuel cell component, in the first quarter of 2024.

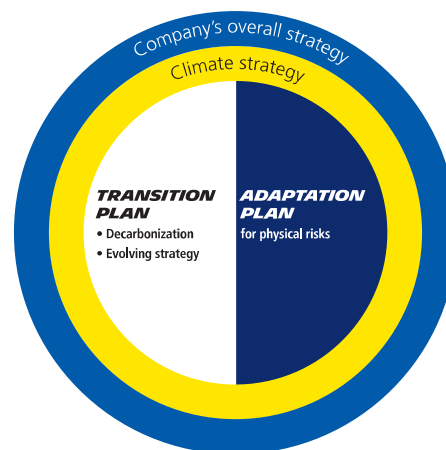
Fuel cell technology is proving to be an indispensable source of supplemental power to lengthen the range of light trucks, vans and other EVs. At the Solutrans trade show in November 2023, the Watèa by Michelin subsidiary announced the launch of a new solution offering a range of hydrogen vehicles, alongside its

battery-electric vehicles. The new service will enable Watèa customers to enjoy all the benefits of hydrogen mobility.

To spur the deployment of hydrogen-electric mobility in local French communities, since 2019, Michelin has been a shareholder in HYmpulsion, a public-private partnership, alongside the Auvergne-Rhône-Alpes regional authority, Engie, Crédit Agricole and Banque des Territoires. The goal is to open the green hydrogen mobility market in the Auvergne-Rhône-Alpes region by building and operating 20 hydrogen charging stations for light and heavy vehicles.

Lastly, Michelin is pursuing a robust R&D commitment, capitalizing on all its proven expertise and capabilities, particularly in the field of sustainable high-tech materials, which play a key role in hydrogen fuel cell and electrolyzer performance.

4.1.1.1 c) Adaptation plan: responding to the physical risks of climate change



The roadmap to define the plan to adapt to the physical risks of climate change is prepared by a dedicated climate risk team, which is actively involved in the Group's risk management process.

Since 2022, these risks have been factored into long-term decisions, such as approving raw material suppliers, building or expanding production and logistics facilities and merger/acquisition projects.

In 2023, the Group's Adapting to Physical Climate Risks Policy was posted on the Group's website⁽¹⁾.

It is designed to adapt all the relevant value chain links by:

- 2030, for risks identified as intolerable by that date.
- 2050, for risks identified as intolerable by that date.

It expresses Michelin's principles with regards to:

- influencing and collaborating with outside stakeholders, wherever the Group deems it useful, in particular to support adaptation across the value chain;
- avoiding poor or mis-adaptation.

In 2023, a study of the physical risks of climate change in 2030 and 2050 was carried out for around 100 Group facilities, including 90 that have been designated as priority, based on their number of employees and business continuity risks. The study especially underscored the need for a more granular assessment of the actual degree of vulnerability of certain facilities to heat waves and flooding.

Risks related to extreme weather events have in fact long been managed as part of the Operational Continuity Plan, a comprehensive process designed to manage all of the Group's business interruption and continuity of supply risks, whether climate-related or not. The Group's crisis management capabilities reduce the potential impact of major crises⁽²⁾.

Risks impacting natural rubber supplies. Rubber tree plants can only grow in the planet's narrow intertropical convergence zone. Although these plants are particularly resilient, they are exposed in these regions to direct and indirect climate change-related impacts and to the increasing scarcity of arable land. Michelin teams are developing and promoting highly resilient agricultural practices, in particular to preserve soil quality and vitality by maintaining a permanent plant cover. The Group tracks

and models changing climate and health conditions in the production regions, directly on the plantations it supports and in partnership with its natural rubber suppliers and the research organizations in the International Rubber Research and Development Board (IRRDB). It remains committed to shrinking the carbon footprint related to its natural rubber operations. Lastly, the Group is pursuing its research and development and eco-design programs to optimize the quantity of natural rubber used per thousand kilometers traveled by the tires. In addition to managing physical risks, the Group has opportunities to produce sustainable, responsible natural rubber⁽³⁾.

4.1.1.1 d) Engagement and transparency

CDP Climate Change

In 2023, CDP ranked Michelin among the most forward-looking companies in the areas of transparency and combating climate change, awarding it a score of **A-** in recognition of its effective strategy, its success in reducing CO₂ emissions and its long-term commitment to further shrinking its carbon footprint.

Each year, the Michelin Group responds to the CDP Climate Change⁽⁴⁾, CDP Water Security⁽⁵⁾ and since 2021, the CDP Forest questionnaires. The CDP is an independent, non-financial rating organization. Michelin's full response may be found on the CDP platform⁽⁶⁾ and on the Group's website.

Applying the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Since 2018, the Michelin Group has been gradually applying the recommended guidelines issued on June 29, 2017 by the TCFD and, in 2020, demonstrated its support for the task force as a signatory.

Embracing TCFD principles implies driving change up, down and across the entire organization as it shifts to a market strategy and operations consistent with the below 2°C global warming scenario, while addressing the impacts arising from above 2°C scenarios.

(1) <https://www.michelin.com/en/sustainability/company/planet/climate-action>.

(2) See section 2.1 Risk factors specific to Michelin, description and related management systems/Risk 1 – Physical effects of climate change.

(3) See section 4.1.4.2 c) A dedicated approach for natural rubber.

(4) <https://www.michelin.com/en/sustainability/company/planet/climate-action>.

(5) <https://www.michelin.com/en/sustainability/entreprise/planet/natural-resources-preservation>.

(6) <https://www.cdp.net/en/responses>.

Detailed information concerning the application of TCFD recommendations may be found in the public answers to the CDP Climate Change 2023 questionnaire (see <https://www.cdp.net/en/responses>). A summary of these disclosures is presented below⁽¹⁾:

GOVERNANCE

Roles,
responsibilities
and control

Climate strategy

As part of the Supervisory Board's role of exercising permanent oversight of the Group's management, its CSR Committee reviews the climate strategy, including the transition plan and the adaptation plan, and issues recommendations.

Transition plan/decarbonizing our operations and adaptation plan

The Environmental Governance body reviews climate-related and energy transition issues impacting the Group's business operations and under this remit, makes decisions on behalf of the Group Executive Committee. It ensures that targets for decarbonizing operations are met and that climate-related physical risks are identified and properly managed. The body comprises two Executive Committee members and representatives from nine departments, supported by a group of in-house experts forming the Climate Change Committee⁽²⁾. Via the Executive Committee, it may receive opinions concerning the Group's climate change strategy issued by the Corporate Stakeholders Committee⁽³⁾.

Transition plan/Company strategy

The Group Executive Committee manages the transition plan in relation to the Group's strategy, based on its analysis of the climate scenarios. Climate change-related transition issues are identified in the strategic planning process and the resulting priorities are then defined in the business line strategic plans.

STRATEGY

Time horizons
considered
when identifying,
assessing and
managing risks
and opportunities

Long-term (16 to 30 years)

Build a roadmap to lower the carbon intensity of the Group's business operations, aligned with the Paris Agreement/1.5°C scenario and the goal of reaching net zero emissions in Scopes 1, 2 and 3 by 2050; analyze physical risks with global warming scenario modeling; review climate change/societal scenarios for strategic or innovation purposes (see below).

Medium-term (6 to 15 years)

Manage strategic risks and opportunities requiring decisions related to (i) manufacturing facilities (type of energy, energy utilities, deployment of new technologies and/or processes); (ii) future CO₂ allowance costs; (iii) research and development priorities (environmental footprint of future tire generations, new powertrains and high-tech materials); (iv) the strategic foresight analysis of the economic environment and trends in the mobility of people and goods; (v) responses to forthcoming changes in standards and regulations; (vi) the review of climate change/societal scenarios for strategic or innovation purposes (see below); (vii) the building and management of decarbonization roadmaps to meet CO₂ emission reduction targets; and (viii) the analysis of physical risks with global warming scenario modeling and preparation of adaptation plans.

Short-term (0 to 5 years)

Operational management: (i) analyze exogenous factors, such as investors, customers, competitors, peers, NGOs, institutions and other stakeholders; (ii) make decisions concerning reductions in Scope 1 and 2 carbon emissions (e.g., energy efficiency projects and renewable energy purchases) and Scope 3 emissions (e.g., supply chain organization, engagement with suppliers and new partnerships); (iii) manage regulated carbon quotas; (iv) prepare strategic plans and create new solutions and partnerships; (v) implement R&D projects in low carbon/energy efficient materials, products and services; (vi) deploy a tactical strategy to address standards and regulations; (vii) manage prevention and protection measures against extreme weather events; (viii) manage media coverage of climate change-related social responsibility issues; (ix) engage with public and private sustainable mobility stakeholders to support the decarbonization of the transportation industry via the Movin'On ecosystem and the Transport Decarbonization Alliance.

(1) This information has been structured according to the framework recommended for energy and transportation companies in "Climate-related financial reporting: Operational framework for a constructive dialogue between investors and companies," issued in July 2018 by the MEDEF French business network, the French Insurance Federation and the French Asset Management Association.

(2) See section 4.1.1 The Environment/Environmental governance.

(3) See section 4.1.2.3 a) Dialogue with stakeholders.

Climate
scenarios used

Scope 1 and 2 emissions pathways

In 2019, the 2030 and 2050 reduction targets⁽¹⁾ were determined on the basis of the 1.5°C scenario: “In model pathways with no or limited overshoot of 1.5°C, global net anthropogenic CO₂ emissions decline by about 45% from 2010 levels by 2030 (40-60% interquartile range), reaching net zero around 2050 (2045-2055 interquartile range)”. IPCC Special Report: Global warming of 1.5°C.

In January 2023, the SBTi approved a revised short-term target, consistent with the “well below 2°C” global warming scenario and covering both the legacy scope of business and the most recent acquisitions.

In January 2024, the Group submitted to the SBTi a new short-term target, consistent with a “1.5°C” scenario, which is still being assessed and was therefore not reflected in the 2023 reporting exercise.

Physical risks

Two global warming scenarios were used, RCP 4.5 and RCP 8.5, over two time frames, 2030 and 2050, in developing a physical risk assessment application for direct operations (production facilities) and indirect operations (key raw material suppliers).

Strategy and innovation

Working with international transition experts and applying state-of-the-art practices, the Group has prepared four possible climate change/societal scenarios⁽²⁾ for how its business environment could evolve under the impact of climate change and the policies likely to emerge as a result⁽³⁾. The scenarios are distinct from one another and based on contrasting, yet equally plausible assumptions. Each is described by:

- a qualitative narrative built around both planetary boundaries and a range of desirable and undesirable, complex and paradoxical factors, covering political, technological, socio-economic and legal/regulatory issues;
- quantitative Kaya identity indicators (global population, GDP per capita, energy intensity and carbon footprint of consumed energy) and a set of public indicators representative of each scenario that enable us to identify their implications and assess their materiality over time;
- a global map displaying the scenario or blend of scenarios deemed most likely for each country.

Use of scenarios

In recent years, scenarios have been used by the business lines and operating units for strategic planning and/or innovation purposes. In 2021, the Executive Committee reassessed the Group's strategy in light of the four scenarios and came to the following conclusions:

1. strategic fundamentals are validated in every scenario;
2. regardless of the scenario, connectivity and outside partnerships will play an important role;
3. trends in vehicle fleets, urban mobility, micro-mobility and intermobility will have a favorable impact and environmental degradation will have a negative impact;
4. there are several innovation priorities, including the development of end-of-life tire management solutions and the adaptation of products, services and operations to higher temperatures;
5. most of the organization would benefit from continuing to develop carbon emission reduction solutions for their customers and upgrading operations across the value chain to manage physical and transitional risks more effectively;
6. climate scenarios should continue to be analyzed and the five-year strategic plan adjusted accordingly.

The Executive Committee decided to reassess the Group's strategy in light of the latest scenarios at least every three years and/or in the event of one of the following events: a regulatory requirement, a new strategy or the failure of the current strategy, or the availability of likely new scenarios. The assessment will therefore be performed again in 2024.

Summary of key assumptions and indicators

Increase in global mean surface temperature:

- four global warming pathways ranging from 1.7°C to 3.7°C by the end of the century.

Time horizons:

- 2035, with a qualitative description, a quantitative characterization based on a set of macro-indicators and a global representation of scenarios by country;
- 2050, with elaborate, situational narratives painting a vivid picture of life in each scenario.

Contextual assumptions underlying all four scenarios:

- the coexistence of four CO₂ pathways over the coming decades in the different countries of the world;
- a closer look at the key decade from 2024 to 2035;
- consideration of environmental issues other than climate change (resource depletion, collapse of biodiversity, impact of various forms of pollution).

(1) See section 4.1.1.1 a) Transition plan: decarbonizing our operations.

(2) An additional, extremely pessimistic alternative scenario was used to test the values attributed to the Group's plant and equipment. The results are presented in note 2.6 to the consolidated financial statements.

(3) See section 4.1.1.1 b) Transition plan: Company strategy.

Constant assumptions:

- UN population forecasts;
- human beings are essentially driven by their own interests and the interests of their loved ones and communities;
- a world as politically and socio-economically fragmented as today's, in which countries choose a variety of different strategies;
- an irreversibly digitalized world.

Variable assumptions:

- the landscape of environmental crises and shocks having an impact on society;
- the economic system and economic growth;
- the pace of energy decarbonization;
- the development of technological inventions and strategies, particularly those supporting the climate transition and climate change adaptation;
- predominant lifestyles and consumer spending patterns;
- the political regime and its priorities.

Main risks and opportunities and their potential financial impacts

Transition opportunities

- **Market:** develop and promote mobility products and services that are low-carbon and/or suitable for use in adverse weather conditions, in response to market trends driven by legislation (emissions standards, minimum tire performance standards), technology (growing take-up of electric vehicles) or emerging new demand from corporate customers (fleet management) and consumers.

See section 4.1.1.7 2023 report on the Michelin Group's activities in respect of the European Taxonomy Regulation, Eligible Proportion of 2023 Sales, Capital Expenditure and Operating Expenditure/activities 3.6 and 8.2).

- **Technologies:** develop and bring to market hydrogen propulsion systems supporting the energy transition on a variety of vehicles. Annual revenue over the medium term estimated at €1,500 million.

Transition risks

- **Market:** achieving net zero emissions by 2050, thereby meeting customer and investor expectations, entails higher costs to introduce or deploy new practices, technologies, processes and organizations. Over the medium term, the provisional average annual cost of reducing the Scope 1 and 2 carbon footprint is estimated at €90 million in capital expenditure.
- **Legal and regulatory compliance:** increasing CO₂ allowance costs on regulated markets. Annual operating expenses over the short term are estimated at €22 million.

Physical risks

- **Extreme weather events:** deterioration of production capacity in facilities operated by the Group and its suppliers caused by increasingly frequent and severe extreme weather events (production shutdowns, supply chain disruptions, damage to production assets). Over the short term, the maximum net impact on annual operating income is estimated at €150 million to €400 million.

METRICS AND TARGETS

Greenhouse gas emissions	CO ₂ emissions, Scopes 1, 2 and 3: see section 4.1.1.1 a) Transition plan: decarbonizing our operations/Inventory of Scope 1, 2 and 3 CO ₂ emissions.
Reduction targets	<p>Scopes 1 and 2: see section 4.1.1.1 a) Transition plan: decarbonizing our activities/Scopes 1 and 2: reaching net zero emissions in the manufacturing operations by 2050.</p> <p>Required Scope 3 (excluding the in-use phase): see section 4.1.1.1 a) Transition plan: decarbonizing our operations/Scope 3: reducing emissions from our transportation operations/Scope 3: reducing emissions from purchased raw materials and components/Scope 3: reducing emissions from upstream purchased energy and end-of-life treatment of sold products</p> <p>Optional Scope 3 (in-use phase): see section 4.1.1.1 b) Transition plan: company strategy/Designing ultra-energy efficient products.</p>
Spending	<p>Manufacturing operations: €114 million was invested in 2023 as part of the production plant decarbonization plan (Scopes 1 and 2).</p> <p>CapEx of environmentally sustainable activities (Taxonomy-aligned): €601.4 million was invested in 2023 to enable the introduction of technologies to improve the rolling resistance of our tire products and the installation of new tire lines that reduce rolling resistance compared to the previous generations. See section 4.1.1.7 2023 report on the Michelin Group's activities in respect of the European Taxonomy Regulation, activity 3.6.</p>

Taxonomy reporting: See section 4.1.1.7 2023 report on the Michelin Group's activities in respect of the European Taxonomy Regulation.

4.1.1.2 Enhancing the circularity of our products SDG 8.4, 9.4, 12.2, 12.4, 12.5, 13.2 and 17.17

Risks related to other impacts of raw materials on the environment (excluding climate change)⁽¹⁾

As the only point of contact between a vehicle and the road, tires play a vital role in road safety. It is made of around 200 different materials, such as elastomers (natural and synthetic rubber), plasticizers and chemicals, that are all essential to delivering performance.

Raw material factors, such as their natural or fossil origin, their production or extraction method and pressure from increasing demand can generate environmental impacts, including resource depletion, pollution and/or loss of biodiversity.

Inadequate management of these impacts or of the environmental transition may have repercussions for the Group⁽²⁾.

In addition, the emission of tire and road wear particles (TRWP)⁽³⁾ generated by abrasion during a tire's in-use phase can also have an impact on the environment.

Through a policy of continuous innovation, focused on sustainable mobility, Michelin is making every effort to conserve resources and attenuate the adverse environmental impact of its products throughout their life cycle.

This policy is grounded in eco-design practices, the use of life cycle assessments, and the deployment of a circular economy approach known as **Michelin 4R**.

4.1.1.2 a) Incrementing the use of renewable or recycled materials

In 2023, following the annual meeting with the External Stakeholders Committee, the Group decided, in line with the Committee's recommendation to use clearer, more precise vocabulary, to replace the term "sustainable materials" with **"renewable or recycled materials."**

Renewable materials⁽⁴⁾ are made from raw materials derived from natural resources that are naturally replenished on a human timescale, such as biomass. This excludes fossil fuels like oil, natural gas and coal, as well as minerals.

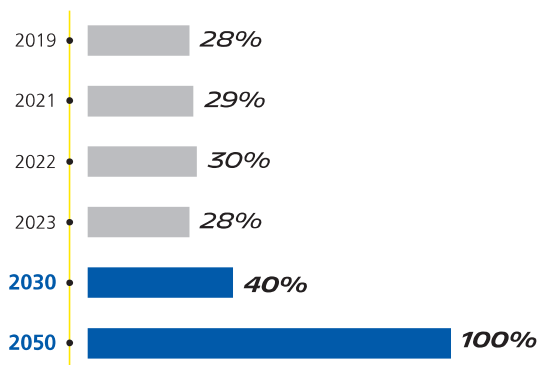
Recycled materials⁽⁵⁾ are made from raw materials or feedstocks recovered from industrial or household waste that has been reprocessed into products, materials or substances. Recycling does not include energy recovery or the reprocessing into materials that are to be used as fuels. Similarly, the reuse in a production process of its own wastage is not counted as recycling, as the material is not actually waste at this stage.

OUR OBJECTIVE:

The Group's ambitious objective is to manufacture its tires entirely from renewable or recycled materials by 2050, backed by a commitment to incorporating an average of 40% renewable or recycled materials by 2030.

This commitment is measured by the **renewable or recycled materials ratio**.

THE RENEWABLE OR RECYCLED MATERIALS RATIO



The ratio stood at 28% in 2023, down two points on 2022.

As output declined during the year, there was a concomitant reduction in the quantity of raw material inputs, particularly natural rubber. This trend was accentuated by the steeper falloff in the production of Truck tires, which, along with specialty tires, use more of this renewable material than passenger car tires.

(1) See section 4.1 Sustainable Development Report/Challenges and performance/Materiality matrix.

(2) In respect to the policy and legal, technology, market and reputational aspects defined in the Task Force on Climate Related Financial Disclosures (TCFD) nomenclature.

(3) See section 2.1 Risk factors specific to Michelin, description and related management systems/Impact 7 – Environmental effects of our products.

(4) As defined by the OECD and the American Chemical Society in "12 Principles of Green Chemistry."

(5) As defined in European Directive 2008/98/EC on waste.

Given that natural rubber is the largest component in the renewable or recycled materials ratio, the sharp drop in purchasing volumes fed through to a reduction of around three points in the ratio compared with the prior year.

However, the Group pursued its commitment to developing new renewable and recycled materials in 2023, and in line with the roadmap, delivered a gain of around one point year-on-year that partially attenuated the adverse impact of lower natural rubber volumes.

The Group remains very confident in the robustness of its roadmap and in its ability to meet its objective of having renewable and recycled materials account for 40% of tire content by 2030.

THE EMPREINTE PROJECT

To take its All Sustainable approach to the next level, Michelin launched **the EMPREINTE project** in late 2020.

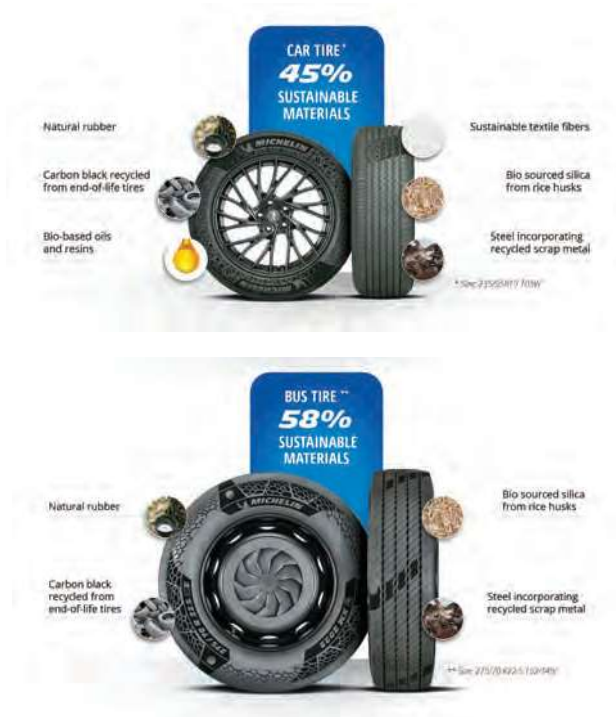
Funded by the French government as part of the *Programme d'Investissements d'Avenir* (PIA) and now included in the France 2030 program and run by ADEME, EMPREINTE is expected to deliver effective solutions for **recycling or bio-sourcing materials** and for **eco-designing products**. These solutions will improve the overall environmental footprint of tires by guaranteeing in-use performance fully aligned with expectations for new vehicles and emerging mobility needs.

By addressing the major challenges of sustainable mobility, EMPREINTE is targeting two strategic markets: personal mobility (Passenger car tires) and passenger and freight transportation (bus and truck tires).

In October 2022, Michelin unveiled two new tires designed as part of the EMPREINTE project that feature, respectively, 45% renewable or recycled materials in the passenger car tire and 58% in the bus tire. Compared with current models, this represents a 100% increase for the car tire and a 50% increase for the bus tire. The new fitments have been approved for open road use and offer the same environmental performance, as attested by life cycle assessments, and the same premium performance as the current MICHELIN benchmark tires.

Their renewable or recycled materials could be more widely deployed in some of the tires that MICHELIN will bring to market starting in 2025.

In addition, tires with even higher renewable or recycled materials ratios are already being engineered in the EMPREINTE project to prepare for the next stage in 2024-2025.



4.1.1.2 b) Deploying eco-design practices

Michelin is gradually rolling out a process to systematically assess the environmental footprint of all its new tire product and service projects based on eco-design principles.

In 2020, Michelin joined the Pôle Eco-conception association, France's leading center for eco-design and life cycle performance management, to improve its methods, make its process more robust and continue to develop its eco-design capabilities.

Introduced in 2021, an Eco-design Charter, based on guidelines in the ISO 14006: 2020 and NF X30-264: 2013, presents key eco-design principles and specifies the basic rules that all Group units are expected to apply to any project engaged in an eco-design process (e.g., involving research, products, services or business, digital and/or production processes). Moreover, to raise employee awareness of these practices, a wide-ranging training campaign for stakeholders across the design chain is now underway, with 2,200 people already attending in 2023.

4.1.1.2 c) Broadening the use of life cycle assessments (LCAs)

Since 2022, around 5,000 people have been trained in first-level LCA practices that they can then use to guide their design choices. Since 2012, Michelin has been involved with ten other international corporations in the International Research Consortium on Life Cycle Assessment and Sustainable Transition, the primary research unit of the International Reference Center for the Life Cycle of Products, Processes and Services (CIRAIG).

Michelin is also a member of SCORELCA, a French association that conducts research commissioned by its 18 active members and partners. Complementing those pursued by the International Reference Centre for the Life Cycle of Products, Processes and Services (CIRAIG), its research programs are enhancing the methodological skills of the Group's LCA expertise unit.

Similarly, Michelin has worked for several years with other tiremakers in the Tire Industry Project (TIP)⁽¹⁾ to draft world-class product category rules (PCRs) capable of supporting consistent, seamless assessments of a tire's environmental impact based on a set of industry-specific, ISO 14025-compliant guidelines.

4.1.1.2 d) The Michelin 4R circular economy process



LCAs have shown that production phases, from raw materials to finished product, can account for up to 30% of a tire's environmental impact. This poses a variety of challenges, such as reducing the impact of mobility on ecosystems, natural resources and human health, limiting its effects on climate change and securing supply. To ensure that natural resources are used more wisely, Michelin is simultaneously rolling out four initiatives under the **Michelin 4R banner, for Reduce, Reuse, Recycle and Renew.**

This 4R strategy is grounded in the following four principles:

Reduce

In addition to its initiatives to improve tire energy efficiency to reduce the CO₂ released during the in-use phase⁽²⁾, the Michelin Group is also leading research and development programs focused on reducing resource consumption and harmful pollution from the use of its products.

Reducing resource consumption

The Group's research and development is guided by a commitment to designing and manufacturing new tires with less material, but without sacrificing any other performance factors. On the contrary, Michelin is constantly lengthening the service lives of its tires and enabling them to deliver the same safe driving experience and ever-improved performance.

Michelin is also committed to delivering performance over time by extensively testing worn tires, to demonstrate that tires can and should deliver very high performance until the tread wear indicators appear. If motorists were confident that their tires would remain safe throughout their useful lives, they would be encouraged to use them until they reached the legal minimum tread depth – of 1.6 mm in Europe – which would avoid the unnecessary use of 400 million tires a year worldwide and reduce both raw materials consumption and cut CO₂ emissions by up to 35 million tonnes a year (estimates based on calculations for Europe).

In 2019, the European Union approved the introduction of wet grip performance standards for worn tires, which will come into force in July 2024 for new tire product approvals and in July 2026 for all tires.

(1) *Tire Industry Project*: Launched in 2005, the Tire Industry Project is a voluntary initiative dedicated to addressing the tire industry's sustainability challenges and issues. It currently comprises 10 of the world's leading tiremakers: Bridgestone Corporation, Continental AG, The Goodyear Tire & Rubber Company, Hankook Tire Company, Kumho Tire Company, Inc., Michelin Group, Pirelli Tyre SpA, Sumitomo Rubber Industries, Ltd., Toyo Tire & Rubber Company Ltd., and Yokohama Rubber Co., Ltd. The TIP operates under the auspices of the World Business Council for Sustainable Development (WBCSD).

(2) See section 4.1.1.1 b) Transition plan: Company strategy/Designing ultra-energy efficient products.

Reducing harmful pollution from the use of our products: tire and road wear particles (TRWPs)

Factoring in the environmental impact of its business activities is a major concern at Michelin⁽¹⁾. That's why the Group is proactively engaged with the tire industry in analyzing the potential impacts from tire and road wear particles (TRWPs), the mixture of tire tread and road surface debris generated by the friction between tires and the road.

Michelin carefully tracks the research being conducted worldwide that could serve to enhance scientific knowledge. Since 2006, with other tiremakers, the Tire Industry Project (TIP) has undertaken research programs to collect, characterize and understand both the composition and flow of these particles, as well as to assess their potential impact on the environment and human health. Its research findings may be found on the <https://tireparticles.info/website>.

A wide variety of studies commissioned by the TIP or conducted by other research organizations are providing converging signals that TRWPs account for a small percentage of total urban air pollution particles. According to a geospatial model of the Seine watershed, for example, only 2% to 5% of TRWPs released into the environment reach estuaries and potentially the marine environment.

In November 2023, the Chief Executive Officers of the ten TIP member tire manufacturers approved a new work plan for 2024 and 2025, focused on:

- a new research cycle for deepening current understanding of how tires generate particles, sampling TRWP presence in different environmental compartments (air, soil, rivers and estuaries), modeling TRWP fate in the environment, analyzing their degradation and investigating their potential environmental and health impacts;
- an increasingly solution-oriented approach to generate data and methods to guide mitigation actions and the launch of TRWP-mitigation pilot projects.

In addition to these studies, Michelin is conducting its own research. For example, BioDLab, a joint laboratory created in December 2023 by Michelin, the French national research institute CNRS and the University of Clermont Auvergne, is dedicated to the study of tire rubber degradation and biodegradation. It is seeking to better understand the tire degradation process stemming from their use, as well as to develop technological solutions for the environmental issues associated with the wear particles resulting from contact between road and tire.

Similar research is being pursued in Europe by the European Tyre and Rubber Manufacturers Association (ETRMA), which in

July 2018 launched the Tyre and Roadwear Platform, a multi-stakeholder platform dedicated to sharing scientific knowledge and co-designing mitigation options to reduce the environmental impact of TRWPs. Working with representatives from governments, academia, non-governmental organizations and industries, it seeks to foster open, inclusive dialogue among all stakeholders, in order to holistically explore the TRWP challenge.

In the United States, the U.S. Tire Manufacturers Association (USTMA) has actively and voluntarily engaged with the California Department of Toxic Substances Control (DSTC) to advance the assessment of 6PPD in tires as a Priority Product under the Safer Consumer Product Regulations (SCPR). In December 2020, a scientific paper published by researchers at the University of Washington and the Washington Stormwater Center (Tian et al.) identified a transformation product of 6PPD they called 6PPD-Quinone and alleged that it was toxic to coho salmon and could cause problems in urban watersheds. 6PPD-Quinone had not been reported in previous studies on 6PPD transformation products. Research on this subject is dynamic and continues to evolve.

Lastly, it is already possible to start making a contribution to reducing TRWP releases, both collectively and individually.

Collectively, by defining a standardized test and using it to remove the worst performing tires from the market by enforcing tire abrasion thresholds. To support regulation that would limit acceptable levels of particle releases from all tires worldwide, Michelin and other ETRMA members are helping to define a standardized TRWP emissions testing method.

In December 2023, the European Parliament and Council reached a provisional agreement on the Euro VII standards, which are designed to reduce gaseous and solid particulate pollutant emissions. Compared with current Euro VI standards, Euro VII is extended to wear particle emissions from brakes and tires. It contains an article addressing the reduction of particle emissions from tires through compliance thresholds, which could be based on the abrasion test method defined by the UNECE.⁽²⁾

Michelin supports this approach, which will help to reduce the quantity of particles released into the environment.

Individually, by developing innovations that enable the Group to design tires that help to further reduce TRWP emissions. Michelin has always led the way in using materials more efficiently. This process has driven a steady reduction in TRWP emissions from its tires. **The Group is committed to further reducing overall particulate emissions from its new tire families.**

(1) See section 2.1 Risk factors specific to Michelin, description and related management systems/Impact 7 – Environmental effects of our products.

(2) The United Nations Economic Commission for Europe.

PARTICULATE EMISSIONS ARE BEING REDUCED WITH EACH NEW RANGE

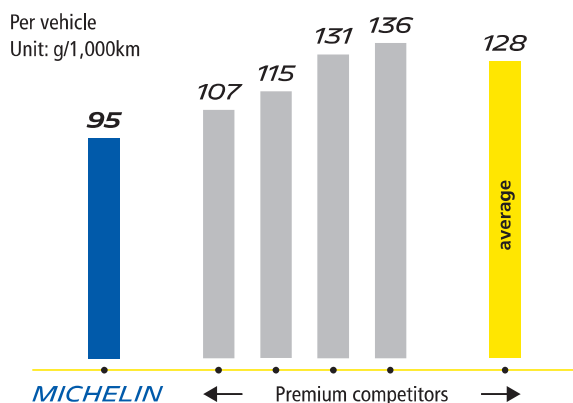


DEKRA studies in 2020 (MARK20B, MARK20E) and 2021 (MARK21E).

In 2022, the Allgemeiner Deutscher Automobil-Club (ADAC) updated its comprehensive study on determining whether tires with lower TRWP emissions are less safe, by measuring tire abrasion from around 100 tire models of different sizes and comparing the releases to the results of braking distance tests on dry, wet and, for winter tires, snowy roads.

Analysis of the ADAC results shows that MICHELIN often ranked first as the brand releasing the fewest particles per kilometer, on average, among all the tires tested, while still delivering excellent performance in the safety-relevant categories.

TRWP EMISSIONS: MICHELIN VS. OTHER PREMIUM TIREMAKERS



Source: ADAC Tyre test: Tyre abrasion – On road tests, April 2022

To coordinate its TRWP initiatives more effectively, both internally and with such outside ecosystems as the tire industry and regulatory agencies, and to drive further progress in significantly reducing these emissions and improving their bio-assimilability, in

2023 Michelin rolled out a specific TRWP program, with dedicated resources and a management team reporting to the Environmental Governance body.

In conclusion, Michelin remains highly engaged, both internally and with its ecosystems, in reducing TRWP emissions by:

- leading or monitoring research to improve our knowledge of the fate of TRWPs through biodegradation, their pathways in the various environmental compartments and their potential impacts;
- helping to pass new legislation to raise the standards for tires brought to market;
- innovating in performance tradeoffs by developing new technologies to reduce tire abrasion and incorporate bio-assimilable materials;
- leading results-oriented initiatives with the tire industry and the ecosystems to abate TRWP dispersal.

Reuse

Solutions such as repairing, regrooving and retreading tires help to conserve raw materials because they extend a casing's useful life and use less raw material compared to manufacturing a new tire. The Group is extending these solutions to Truck, Aircraft and Earthmover tires.

MICHELIN Truck tires can be regrooved when the tread is worn, then mold-cure retreaded using the Remix process or pre-cure retreaded and regrooved a second time before the components are reused in end-of-life tire recovery solutions. For example, assuming the tire has a theoretical lifespan of 100,000 km, regrooving can add 25,000 km without any additional material. Retreading can then add a further 100,000 km using four times less raw material than it takes to make a new tire. Lastly, the final regrooving increases total tread life by another 25,000 km.

In all, with one retreading and two regroovings, a MICHELIN Truck tire can last 2.5 times longer than a new MICHELIN tire, with only around 30% additional material.

This offers three benefits compared with a non-retreadable, non-regroovable tire, whether premium or budget:

- a financial benefit from the lower cost per kilometer;
- environmental benefits, by considerably reducing raw materials use;
- social benefits, by creating more jobs. Everywhere that retreading/regrooving is practiced, the logistics operations and related services (collection, inspection, maintenance, retailing, etc.) help to stimulate the local economy.

Recycle

The deployment of technically and economically viable ecosystems to recycle and treat end-of-life tires is a major challenge that Michelin is determined to address, in every country, in cooperation with all of the stakeholders concerned. Indeed, for many years, the Group has been encouraging the introduction of effective solutions and continues to play a leading role.

A 2019 TIP study showed that between 57% and 88% of all end-of-life tires, regardless of brand, sold in the 45 countries under review were collected. The study also found that 42% of end-of-life tires were reused to make new materials and 15% were burned as fuel to recover heat and power⁽¹⁾.

In 2023, Michelin deepened its engagement with the creation of a new operating unit, in charge of supporting the circular economy with renewable and recycled materials. It is tasked with orchestrating the transition to circularity with other Group units across the organization, as well as with outside ecosystems through partnerships forged in every value chain. In this way, it will help to develop new recycling channels, in particular for end-of-life tires, and to secure the supply of primary inputs and new renewable and recycled materials, while minimizing carbon emissions, water, biodiversity and other environmental impacts, and the amount of energy used in tire production.

The unit will enable the Group to accelerate the take-up of end-of-life tire recovery and reuse technologies that it has been developing:

Lehigh Technologies, a US company acquired in 2017, which designs and manufactures micronized rubber powders derived from recycled end-of-life tires and other rubber-based industrial products. In 2022, the Group began building a Lehigh Technologies workshop at its Olsztyn plant in Poland, where production got underway in 2023.

Enviro, a Swedish company that partnered with the Group in 2020 to develop and mass produce a highly innovative pyrolysis technology that recovers high-quality products like recycled carbon black, pyrolysis oil, steel and gas, which can then be re-incorporated into the production cycle of various industries. In 2023, Enviro formed a joint venture with the Antin Infrastructure Partners investment fund that will use Enviro's patented technology to build several end-of-life tire recycling plants in Europe with the combined capacity of one million tonnes of recycled end-of-life tires by 2030. The new venture has signed a multi-year supply agreement with Michelin.

Michelin is also involved in other recycling ventures, such as the partnership formed

Carbios has developed a recycling process using an enzyme capable of specifically depolymerizing the PET contained in bottles, food trays, polyester clothing and other plastic and textile products. The innovation enables infinite recycling of all types of PET waste and the production of 100% recycled and 100% recyclable PET products of quality equivalent to virgin PET, such as the polyester yarn used in tire manufacturing that Michelin successfully tested in 2021. The Carbios technology is currently in the process engineering phase.



⁽¹⁾ Estimated figures. Collecting worldwide end-of-life tire data is difficult, making them incomplete and sometimes highly uncertain.

The Group's commitment to increasing materials circularity is also supported by its ability to work in cooperation with competitors. Known as coopeition, this new form of collaboration is built around a shared objective: to speed the construction of new ecosystems. In 2021, for example, **Michelin and Bridgestone** jointly issued a call to action during the Smithers rCB 2021 conference to enrich the recycling ecosystem for end-of-life tires and promote circularity in the rubber industry. The two main global tire leaders hope to enable and increase the use of recovered carbon black (rCB) from recycled tires. Following the call, Bridgestone and Michelin jointly published "Recovered Carbon Black Guidelines"⁽¹⁾, a technical white paper sharing the results of their initiative with stakeholders in the rCB community to develop a proposed global standard to increase the utilization of recovered carbon black material in tires. The shift from a linear value chain to a circular ecosystem presents a major challenge requiring a change in mindset and greater adaptability. The coopeition between Bridgestone and Michelin serves as a prime illustration of this transition.

To further spur the emergence of new circular economy ecosystems, Michelin has also launched a number of projects as part of the European Union's **Horizon 2020** research and innovation programs. These include:

- **BlackCycle:** Launched in April 2020, Michelin's first European project is focused on recycling all forms of rubber-based raw materials from end-of-life tires. It brings together 13 organizations⁽²⁾ in a European public-private partnership that is creating, developing and optimizing an end-to-end value chain, from ELT feedstock to secondary raw materials (SRMs), with no waste of resources at any stage and a careful focus on environmental impacts. The SRMs will be used to develop new ranges of passenger car and truck tires, which will be sold commercially in European and global markets. The consortium is based in five European countries (France, Spain, Germany, Greece and Switzerland) and includes seven industrial partners, five research & technological organizations (RTOs) and an innovation cluster. By 2023, the project had already demonstrated that it was possible to produce several tonnes of sustainable carbon black (s-CB) by replacing fossil feedstock with distilled end-of life tire pyrolysis oil. Also during the year, BlackCycle won the Recircle Award in the "Best Tyre Recycling Research Project" category⁽³⁾.
- **WhiteCycle**⁽⁴⁾: The second European project, launched in July 2022 and coordinated by Michelin, is building on **BlackCycle's**

advances by focusing on the reuse in new tires of extensively reprocessed polyethylene terephthalate (PET) fibers derived from end-of-life tires. Its primary objective is to develop a circular solution to convert complex, multi-material, textile-based plastic waste from items such as rubber products (tires), composites (hoses) and multilayer textiles (clothing) into products with high added value. WhiteCycle is a four-year European public-private partnership comprising 16 member organizations. It envisions that by 2030 the uptake and deployment of its circular solution will lead to the annual recycling of more than two million tonnes of PET, the third most widely used plastic in the world. It is also expected to prevent the landfilling or incineration of more than 1.8 million tonnes of PET a year, while avoiding the release of around two million tonnes of CO₂.

In 2023, the Group continued to participate in end-of-life tire recycling programs through its active membership in a variety of industry associations, including in particular:

- The TIP: to build on the knowledge acquired in recent years on volumes and recovery methods, since 2021 the TIP has organized discussions in Europe, the United States, China and India to bring together value chain stakeholders, gain greater insight into local management and recycling issues and identify pathways to improvement. In 2023, the TIP prepared proposals for revising two international guidelines, the Harmonized System of Customs Codes and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes, to encourage the development of circular models for marketing secondary raw materials derived from end-of-life tires.
- Industry associations, including the European Tyre and Rubber Manufacturers Association (ETRMA), the United States Tire Manufacturers Association (USTMA) and the Japan Automobile Tyre Manufacturers Association (JATMA). In its joint programs with these associations, Michelin is making every effort to ensure that end-of-life tires are properly collected and processed. As part of this commitment, it supports the concept of extended producer responsibility and is exercising its influence to encourage materials recovery, which optimizes the reuse of tire components as secondary raw materials and generally offers a smaller carbon footprint than energy recovery.

For more than ten years, the Group has pursued a policy of recovering and reusing all its tire manufacturing waste⁽⁵⁾.

(1) <https://rcbrubber.com/>.

(2) Michelin, Orion Engineered Carbons, Pyrum Innovations, Quantis, CSIC-Instituto de Carboquímica (ICB), CPER/CERTH, Sisener Ingenieros SL, Aliapur, Estado Umweltservice GmbH, HERA Holding, AXELERA, Ineris and Fundación ICAMCYL. (<https://blackcycle-project.eu/>).

(3) <https://recircleawards.com/categories/best-tyre-recycling-research-project-2023/>.

(4) <https://www.whitecycle-project.eu/>.

(5) See section 4.1.1.4 e) Reducing and managing waste.

Renew

Michelin is committed to ensuring that by 2050, all the materials used to make its tires are renewable or recycled. To meet this major challenge, the Group is encouraging the use of recycled and/or bio-based materials such as natural rubber and certain plant-based oils and resins. In the case of bio-based materials, large-scale projects have been launched to transform supply chains or improve the sustainability of natural materials.

- **Project BioButterfly**, in partnership with Axens and IFPEN, is expected to enable the development of a butadiene production process using ethanol, a bio-based feedstock. The resulting butadiene will be used to produce innovative synthetic rubbers that are more environmentally responsible. Following the development phase launched in 2015, an

industrial demonstrator was commissioned in early 2023, and several tonnes of butadiene have already been produced. In 2024, the demonstrator will be used to optimize the process and build the process book for the first full-scale production plant.

- **BioImpulse**, a collaborative public/private research project that is helping to create a new, fully bio-based adhesive resin that is safer for human health. The consortium is coordinated by Michelin subsidiary ResiCare.
- Michelin is also a member of **BioSpeed**, a consortium of companies committed to accelerating the market uptake of next generation bio-based materials.

Lastly, Michelin is sustainably and responsibly developing its natural rubber supply chain⁽¹⁾.

4.1.1.3 Supporting biodiversity SDG 8.4 and 15.9

Like every company, Michelin relies on biodiversity and ecosystem services to ensure the supply of raw materials and water, regulate the climate and create conditions for conducting its business sustainably. This is why the Group is stepping up its commitments and initiatives to combat climate change, conserve resources and safeguard biodiversity.

4.1.1.3 a) The Biodiversity Operational Committee

Created in 2018 and led by the Sustainability and Impact Department, the multidisciplinary Biodiversity Committee brings together experts from two other Departments, Research and Development and Purchasing, and a team of agronomists in charge of natural rubber production on Michelin rubber tree

farms. It prepares the Group's biodiversity strategy and submits it to the Environmental Governance body. It is tasked with detecting even the most latent issues, assessing emerging risks and defining targets for reducing the biodiversity impact of the Group's operations. It leads the preparation of roadmaps for the operating units and oversees the deployment network.

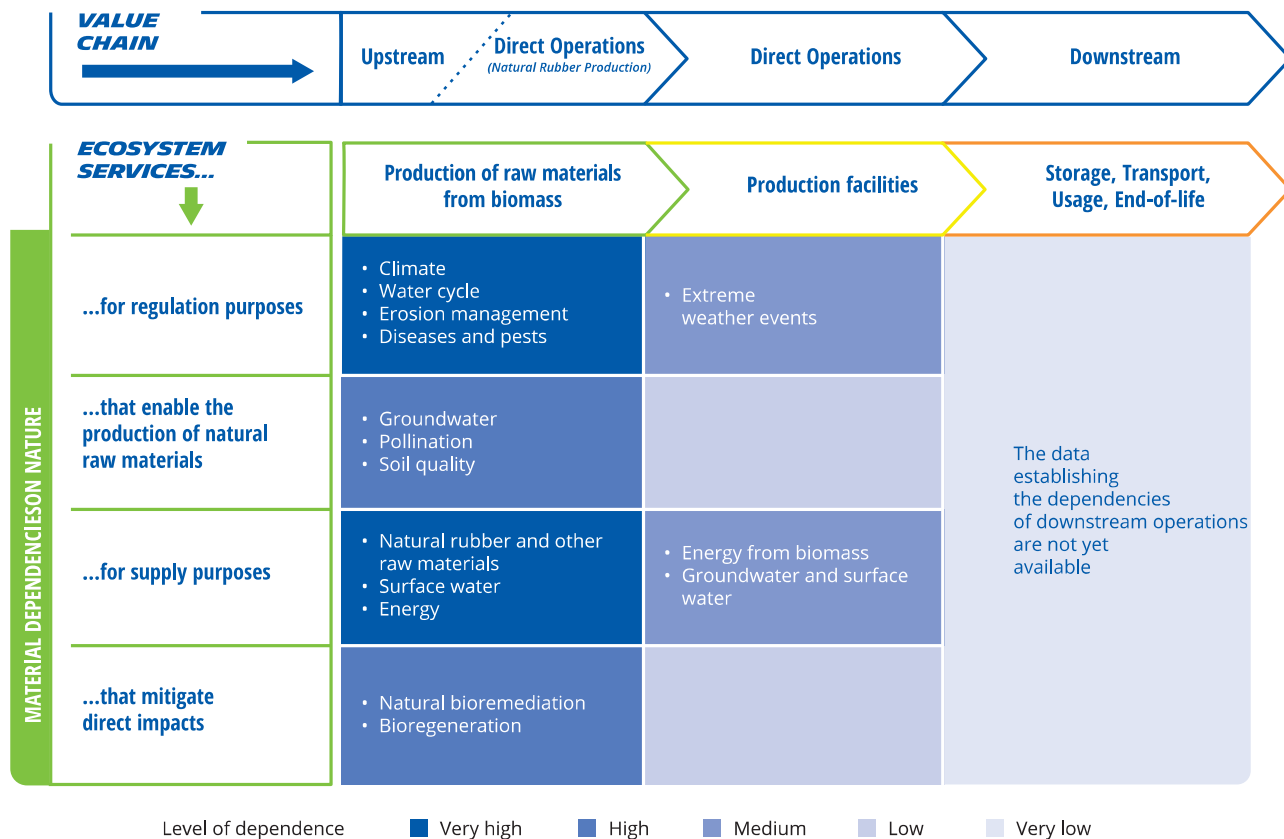
4.1.1.3 b) Dependencies and impacts of Michelin's operations on nature

Dependencies

Of the 200 or so materials used to make a tire, natural rubber accounts for around 21%⁽²⁾ of the Group's purchased raw materials inputs. This means that Michelin is highly dependent on natural rubber to manufacture its products and, in turn, that its income depends on maintaining proper environments for biodiversity and ecosystems.

(1) See section 4.1.4.2 c) A dedicated approach for natural rubber.

(2) See section 5.1.3 c) Other income statement items.

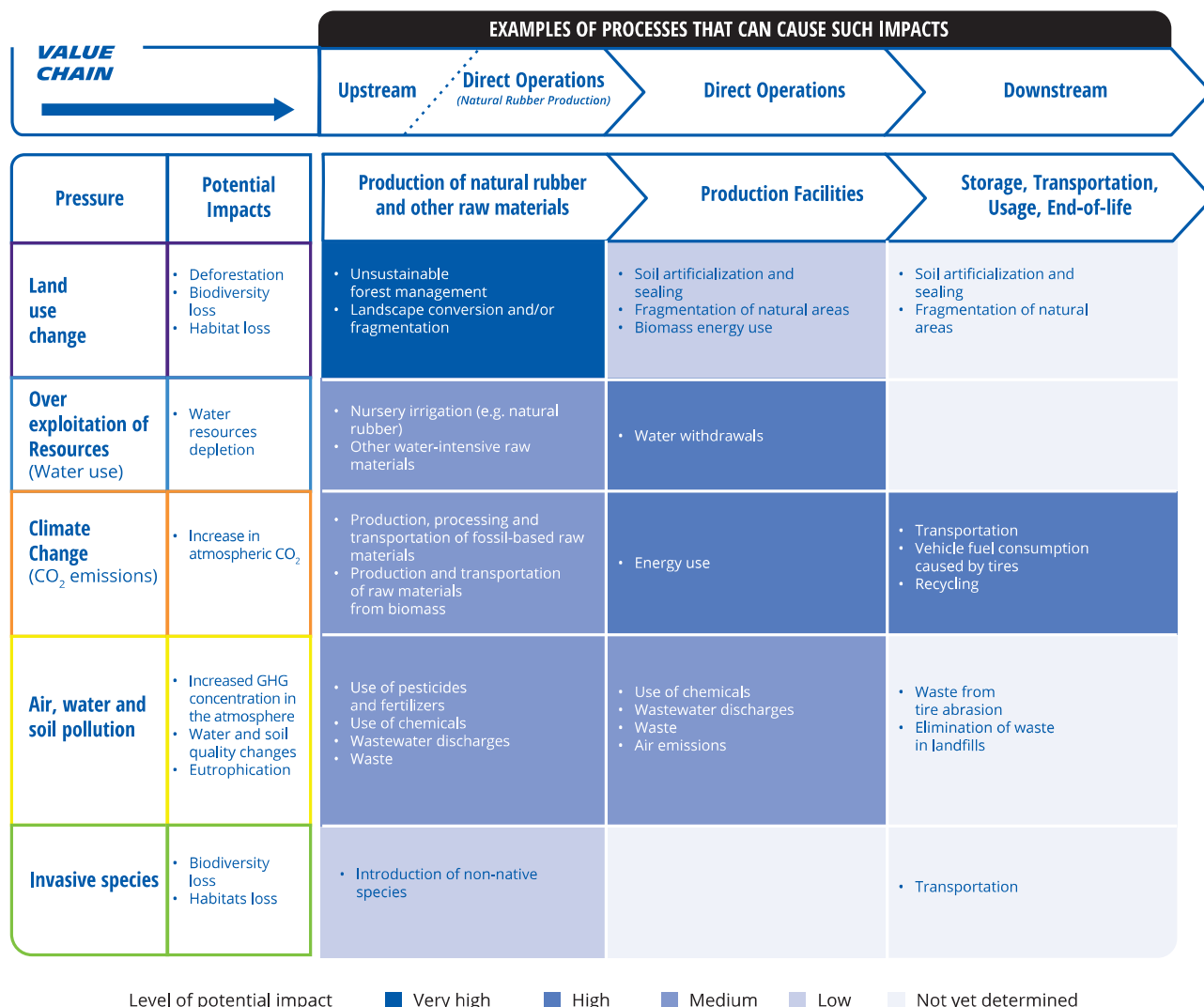


The table above is a non-exhaustive illustration that does not reflect weak dependencies.

Potential impacts

According to in-house studies conducted on the basis of raw materials life cycle assessments, confirmed by the use of Encore© and other external analytical tools and the findings of the first two steps in the Sciences-Based Targets for Nature (SBTN) method, the main potential impacts of the Group's operations, illustrated in the table below, stem from:

- rubber-tree farming (land use); and
- manufacturing operations (climate change, water withdrawals and waste production).



Source: internal analyses, Encore® and SBTN Steps 1&2 test results.

Active in rubber tree farming and natural rubber procurement for many years, the Michelin Group has deployed a Sustainable Natural Rubber Policy⁽¹⁾ and a dedicated process with its suppliers to safeguard this resource and manage the impact of its production on the environment and local communities.

With regard to manufacturing operations, the Group's Environmental Policy⁽²⁾ addresses the management of pollution risks and the reduction of the environmental impact of the production facilities. Impacts related to climate change, water

withdrawals and waste are covered by dedicated programs and reduction targets for 2030⁽³⁾.

In 2018, Michelin expanded on these policies with specific commitments to safeguarding biodiversity and ecosystems, undertaken with the act4nature international initiative. These commitments were strengthened in 2021, when targets for 2030 were defined for research and development, raw materials and manufacturing and research facilities.

(1) <https://natural-rubber.michelin.com/fr/commitments-and-transparency/overall-approach>.

(2) <https://www.michelin.com/en/sustainability/company/planet>.

(3) See section 4.1.14 Reducing the environmental footprint of our manufacturing operations.

4.1.1.3 c) Michelin's commitment to biodiversity

The Michelin Group is aware of its nature dependencies and the need to preserve natural resources and restore biodiversity and ecosystems in order to conduct its business sustainably. As such, it is bringing its vision and initiatives in line with the **Kunming-Montreal Global Biodiversity Framework** with a focus on the following targets:




- **7** Reduce pollution risks from excess nutrients lost to the environment, pesticides and highly hazardous chemicals by at least half.
- **10** Sustainably manage land areas allocated to agriculture, aquaculture and fisheries.
- **15** Encourage companies to regularly assess and disclose their risks, dependencies and impacts on biodiversity across their

operations, supply and value chains and portfolios; provide information needed for consumers to promote sustainable consumption patterns.

As part of this process, in 2023, Michelin further strengthened its act4nature international commitments by adding two new targets for its natural rubber value chain (see section 4.1.1.3 d) below).

Moreover, at the World Economic Forum in Davos in January 2024, Michelin expressed its intention to apply the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) in its 2025 non-financial reporting exercise, as part of TNFD's inaugural cohort of Early Adopters⁽¹⁾.

MICHELIN'S 2030 COMMITMENTS TO BIODIVERSITY AND 2023 OUTCOMES

 RESEARCH & DEVELOPMENT			
	2023	2025	2030
Life Cycle Analysis incl. biodiversity criteria from best methods	100% of new products	products: 100% services: Pilot	100% of new ranges marketed
 RAW MATERIALS			
	2023	2025	2030
Natural rubber used by the Group assessed "deforestation-free" ⁽¹⁾ Direct operations and suppliers <small>N.B. Under validation by act4nature international</small>	9% ⁽²⁾	50% of the volume used	100% of the volume used
Reducing pesticide use in rubber cultivation ⁽³⁾ Direct operations and joint ventures <small>N.B. Under validation by act4nature international</small>	-58%	-50%	-70% vs. 2019
Evaluation of raw material supplier policies & practices ⁽⁴⁾	Approach under definition	Pilot	80% of suppliers
 MANUFACTURING AND RESEARCH FACILITIES			
	2023	2025	2030
Biodiversity plan adapted to local issues	16 sites	at least 15 sites	100% of sites
No phytosanitary products to maintain outdoor spaces ⁽⁵⁾	22 sites	at least 30 sites	100% of sites

(1) "Deforestation-free" evaluation reference criteria: in accordance with the definitions and requirements of the EUDR regulation (European Union Deforestation-free Regulation).

(2) Figure calculated based on 2023 volumes per supplier; from which deforestation-free volumes are proportionally calculated in accordance with the hectares assessed. Supply chain segmentation (e.g., volume from large plantations versus smallholders) per factory is declared on a year-1 basis. Subsequent reporting will adopt a segregation approach, i.e., only fully segregated volumes will be declared as deforestation-free in subsequent years of reporting.

(3) Per hectare. Base year 2019. Michelin is a minority shareholder of the JV.

(4) Other than natural rubber. The impacts of raw materials are identified through Life Cycle Analysis. The purpose of this assessment is to know the practices of our suppliers, relating to the preservation of biodiversity and ecosystems in the exercise of their activities and thus to assess the presence of potential risks and the possible need for remedial actions.

(5) Replacement of pesticides and fertilizers by mechanical methods combined with other alternative solutions.

act4nature
international

(1) https://tnfd.global/engage/inaugural-tnfd-early-adopters/?_sfm_adoption_year=2025.

4.1.1.3 d) Preserving biodiversity and ecosystems in rubber tree farming

Combating deforestation⁽¹⁾

Natural rubber production entails a risk of deforestation, which is why in 2016 Michelin included a “zero deforestation” commitment among the environmental criteria in its Sustainable Natural Rubber Policy.

To exercise its duty of care in its sourcing countries⁽²⁾ and ensure that its natural rubber inputs do not come from deforested land, Michelin has in recent years been deploying both the RubberWay[®]⁽³⁾ application, which maps at-risk jurisdictions, and a deforestation risk analysis tool developed with the WWF. Based on this risk analysis, prevention and mitigation measures were introduced to reach a significant portion of the farmers in the jurisdictions concerned⁽⁴⁾.

In 2023, Michelin expressed this commitment as a measurable target for 2030 and replaced its former act4nature commitment (*In 2030, 80% of the natural rubber volumes used by the Group will be assessed for compliance with the environmental criteria in its Sustainable Natural Rubber Policy*), with a more ambitious commitment that is clearer for external stakeholders:

In 2030, 100% of natural rubber volumes used by the Group will be assessed as deforestation-free⁽⁵⁾. This commitment is currently being validated by act4nature international.

Reducing pesticide use

While natural rubber production does not require the intensive use of pesticides, their judicious use at various stages in the production cycle may help to improve efficiency, for example by treating certain plant diseases.

In addition to banning pesticides and herbicides in production plant groundskeeping by 2023, Michelin has defined a new commitment to reducing the use of pesticides in the production of natural rubber:

Reduce the amount of pesticide used per hectare on rubber tree farms operated by the Michelin Group and its joint ventures⁽⁶⁾ by 70% in 2030⁽⁷⁾. This commitment is also currently being validated by act4nature international.

Michelin also promotes best practices across the industry to scale back the use of pesticides and herbicides.

Helping to transform the supply chain

To help move the supply chain towards more sustainable practices, the Group is mapping social and environmental risks using the RubberWay[®] application. When at-risk jurisdictions are identified, Michelin works with its partners to offer training programs for village farmers and their families.

From 2021 to 2023, a total of 1,437 farmers were trained in biodiversity and agroecological practices⁽⁸⁾. The Group is committed to training 30,000 farmers by 2030.

In addition, the Group is sharing identified best practices with stakeholders across the industry through the Global Platform for Sustainable Natural Rubber (GPSNR)⁽⁹⁾.

Restoration and conservation initiatives

The Michelin Ecological Reserve in Bahia, Brazil

The 3,350-hectare Michelin Ecological Reserve (REM) in Bahia, Brazil, was created in 2005 to safeguard areas of the Atlantic Forest, one of the world's most species-rich biomes, in a region suffering from widespread deforestation and environmental degradation. In 2021, the reserve was expanded by 550 hectares and now covers a total 3,900 hectares.

To protect the Reserve from hunters, forest rangers were hired to conduct regular day and night patrols, which have reduced hunting by 91%, allowing wildlife abundances to increase to 117% since the Reserve's creation. Certain species critically threatened with extinction, such as the yellow-breasted capuchin monkey (*Sapajus xanthosternos*) and the red-billed curassow (*Crax blumenbachii*), are once again flourishing in the Reserve, which has become essential for their long-term survival.

Every year, more than 100 scientists are supported by the REM research program, which has funded 134 ecological studies over the past 17 years, resulting in the publication of 163 scientific papers, including some on the forty previously unknown species found since the Reserve was opened.

As part of the program launched in 2005 to restore deforested areas, REM has planted 110,000 trees spanning 275 species, enabling the forest to regain 300 hectares. The Reserve also protects the 61-meter high Pandaca Grande waterfalls, which are visited by more than 80,000 tourists a year.

(1) See section 4.1.4.2 c) A dedicated approach for natural rubber/Supply chain risk assessments.

(2) <https://purchasing.michelin.com/en/we-care-about-the-environment/>.

(3) <https://rubberway.tech/>.

(4) See section 4.1.4.2 c) A dedicated approach for natural rubber/Supply chain risk assessments.

(5) “Deforestation-free” status is determined by reference to the definitions and standards of the European Union Deforestation-free Regulation (EUDR).

(6) Joint ventures in which Michelin holds a minority stake.

(7) Compared with the 2019 baseline year.

(8) See section 4.1.4.2 c) A dedicated approach for natural rubber/Frontline initiatives.

(9) See section 4.1.4.2 c) A dedicated approach for natural rubber/The Global Platform for Sustainable Natural Rubber (GPSNR).

The REM educational outreach program helps young people in neighboring communities increase their awareness of environmental issues and encourages them to seek sustainable solutions for their communities.

Today, REM is one of the best-protected areas of the Atlantic Forest.

RLU, Indonesia

A wholly owned Michelin Group subsidiary since 2022, RLU is committed to fostering sustainable natural rubber production on a vast 70,000 hectare site in the province of Jambi (Sumatra), as well as on an 18,000 hectare site in the province of East Kalimantan (Borneo). Both areas had been severely degraded and deforested prior to Michelin's involvement in 2015, and are currently home to some 50,000 people.

RLU is part of a long-term sustainable development strategy with a strong environmental focus:

- "zero deforestation" commitments;
- programs to safeguard and restore tropical forests, the natural habitat of the Sumatran elephants and tigers, hornbills and Bornean orangutans that live in and around RLU concessions.

Of the total land area across three concessions, almost 30% is planted in rubber trees, 17% is virgin or restored rainforest and around 50% is used by the local communities for agroforestry production and food crops. In a spirit of outreach and transparency, RLU works with local and international biodiversity experts and ensures that all its operations comply with its sustainability commitments.

The Group actively seeks out constructive opinions that could help it to secure a sustainable supply of natural rubber, while protecting the environment and supporting local communities.

As of year-end 2023:

- An 11,764-hectare wildlife conservation area was protecting forests and providing critical habitats where elephants, tigers, orangutans, gibbons and tapirs have returned to live.
- A team of 28 forest rangers had patrolled a distance of 116,088 kilometers, in a commitment to preserving biodiversity and preventing poaching.
- Camera traps had documented 42 mammal species, some of which are critically endangered, and 238 bird species had been directly observed.
- 13,760 native trees had been planted over 88 hectares since 2018, with more than 80 species collected locally.
- Natural forest regeneration was underway on 334 hectares.

4.1.1.3 e) Preserving biodiversity around Group manufacturing and research facilities

A commitment to pesticide-free groundskeeping

As of end-2023, 22 Group facilities were maintaining their grounds without using any pesticides or herbicides, versus 12 the year before, while two others had phased out all but one product, under a maximum three-year waiver.

Biodiversity management plans

Biodiversity management plans are designed to explicitly embed biodiversity into each facility's environmental management system.

In 2023, the Group issued a standard template, based on the pilot project carried out in 2022 at the Technology Center in Ladoux, France, in partnership with the Auvergne Regional Nature Conservancy (CENA). These standardized plans call for a three-pronged action program aimed at:

- Improving knowledge, with studies, inventories and mapping;
- Leading and facilitating initiatives;
- Preserving and restoring biodiversity.

To deliver outcomes and create synergies more quickly, two collaborative workshops were organized in 2023 at the plants in Greenville SC, United States in May and in Campo Grande, Brazil in December. The week-long events, which began with a Biodiversity Collage workshop, were attended by a number of environmental managers, who shared resources and worked together on management plans for ten facilities.

Several other facilities completed their management plans during the year, under the supervision of their region's Biodiversity Officer. **By year-end, a total of 16 production or research facilities had prepared a management plan.**

Two new workshops are currently being organized in Asia and Europe.

The initiatives undertaken by the facilities to address biodiversity exceed the scope of the act4nature objectives:

- For the past ten years, nearby areas classified as protected have been covered by each facility's environmental management system.
- For the past two years, a network of Biodiversity Champion Sites has been developed to drive faster progress.
- An employee awareness campaign has been launched, with even more ambitious programs undertaken at facilities with high biodiversity potential.

Systematically identifying nearby protected areas

Every five years since 2013, the Group's production plants and research facilities have conducted **surveys to identify areas classified as protected** under supranational, national or local legislation and located within a five-kilometer radius of their site. **In 2023, the five-year update inventoried 240 nearby protected areas.** When the updated data was analyzed with regard to the GRI 101-5-b-i indicator, it showed that **28 facilities in seven countries, representing a total surface area of 6,100 hectares, are located less than a kilometer from one or more protected areas.**

In addition to the facilities covered by prior-year inventories, almost half of the former Camso facilities⁽¹⁾ performed inventories in 2023 and are included in the above results.

The findings of these inventories are integrated into each facility's environmental risk analysis, as well as in the biodiversity management plans mentioned above.

A network of Biodiversity Champion Sites

A network of Biodiversity Champion Sites was set up in 2022, with seven facilities volunteering for initial participation. Another seven sites joined in 2023, when the network met five times to share best practices, discuss difficulties and prepare a handbook for implementing a biodiversity program, based on their experience. These facilities are leading the way in fulfilling the Group's act4nature objectives for the implementation of management plans and the switchover to pesticide and herbicide-free groundskeeping.

Raising employee awareness

In the same way as the Climate Fresk⁽²⁾, the Biodiversity Collage has been chosen as the preferred tool for giving employees greater insight and a shared language with regard to the causes and consequences of the collapse of biodiversity. **In 2023, a network of 25 facilitators were trained and organized and 27 Collage workshops involving 212 people were conducted.**

Ladoux, France: a high biodiversity potential facility in action.

CENA – In 2023, the agreement between the Michelin facility and the Auvergne Regional Nature Conservancy was renewed for at least another five years. It ensures the protection of a 5.2-hectare area containing continental salt meadows, which are extremely rare in Europe and have been designated as a priority for conservation. They are home to protected maritime species in the Auvergne region, such as sea plantain and Juncus Gerardii black grass.

NATURA'LADOUX – The Natura'Ladoux association has been leading local preservation programs and organizing activities to raise employee awareness since 2016. In 2023, it helped to deploy the biodiversity management plan at Ladoux by leading three teambuilding exercises that involved planting 180 shrubs in hedges to help protect water and soil resources, preserve biodiversity and improve the quality of life.

Cropland – In 2020, for the first time, the cropland used as testing grounds for agricultural tires was rehabilitated using only farm machinery, without any pesticides. In 2023, no insecticides were used in the wheat and barley fields. Buckwheat, whose extensive plant cover smothers weeds, was grown without using any pesticides or herbicides. The possibility of planting other pesticide-free crops, such as lavender, hemp and alfalfa, are now being reviewed.

Rif – A project to restore the Rif canal was undertaken in 2021 to revitalize around one hundred meters of the waterway and limit bank erosion with a variety of vegetation engineering techniques (combs, aquatic plant weirs, vegetated berms). A new permit application was submitted to the Loire-Bretagne Water Agency in 2023.

(1) Camso facilities will be fully integrated into the Group's environmental reporting system in 2024 (see the Scope of the Report section above).

(2) See section 4.1 Sustainable Development Report/Transforming the Group from within.

4.1.1.4 Reducing the environmental footprint of our manufacturing operations

SDG 6.3, 6.4, 7.2, 7.3, 8.4, 9.4, 11.6, 12.2, 12.4, 12.5 and 14.1.

Risks related to manufacturing operations

The main environmental impacts arising from the tire manufacturing process are caused by the use of energy, water and raw materials resources, the release of pollutants into the air, water and soil, the production of waste and the release of greenhouse gas emissions.

The Group is exposed to the risk of legal or financial consequences if its operations cause soil, water or air pollution or if it fails to comply with the applicable local, national or international environmental regulations and standards⁽¹⁾. These risks are effectively controlled through the Environmental Management System⁽²⁾.

The Group's environmental policy is aligned with the 3P Vision (*People, Profit, Planet*). Since 2020, the Environmental Policy has affirmed, in its general policy section, both the fundamental principles for addressing environmental issues and the Group's ambitious objectives in the area. A section dedicated to the production plants and offices defines how these principles should be applied to enable each one to manage its operations sustainably. This process is impelled by three main drivers:

- improving environmental performance and reducing impacts;
- identifying and managing environmental opportunities and risks;
- complying with applicable legislation and Group guidelines.

Improvements in environmental performance are being led by four programs⁽³⁾ (Energy/CO₂, Volatile Organic Compounds, Waste and Water), each with two objectives:

- ensure that the Group's 2030 targets are met by defining a roadmap and the technical levers to be deployed;
- prepare for the future by defining ambitious improvement targets for 2050, as well as effective intermediate milestones.

Each program is managed by a program leader, with the support of a multidisciplinary team of experts who perform medium and long-term opportunity and feasibility studies. They are all overseen by the Environmental Governance body⁽⁴⁾. Each program's policies and outcomes are described in detail in this section.

The pace of progress in the four programs is tracked consistently across every production plant and manufacturing unit by a shared composite indicator, **i-MEP**, which is described in the methodological note. However, while perfectly suited to tire operations, the i-MEP can be more difficult to interpret in the

Group's new businesses. In response, a review was initiated in 2023 to revise the metric.

At the same time, the Group has developed an Environmental Management System to prevent the risks of soil contamination and to protect sensitive ecosystems around its facilities.

4.1.1.4 a) An Environmental Management System backed by a network of experts

The Group's EMS is designed to enable each plant to manage its impact on the environment, on both a day-to-day and long-term basis. It comprises a process to track compliance with legislation and Michelin standards, the obligation to define and meet, every year, improvement targets aligned with local issues and Group commitments, and procedures to attenuate the risks of accidental pollution. It is structured into processes, so as to ensure compliance with ISO 14001-2015 standards. Since 2018, all of the production plants subject to certification have been certified to these standards.

Group guidelines dictate that every new production facility must earn **ISO 14001** certification within five years of start-up. **In 2023, 93.4% of all facilities were certified⁽⁵⁾. ISO 14001-certified facilities accounted for 98.3% of the products produced during the year.**

To ensure the effectiveness of both the system's operating procedures and the implemented solutions, a networked organization is in place, comprising around 100 specialists based in every plant, in all host countries and in the Operating and Corporate Departments.

Dedicated training courses to support EMS deployment have raised environmental awareness among all of the nearly 80,000 employees working on certified sites, along with a varying number of subcontractors and temporary workers.

(1) See section 2.1 Risk factors specific to Michelin, description and related management systems/Risk 3: Environmental transition risks.

(2) See section 4.1.1.4 a) An Environmental Management System backed by a network of experts.

(3) See Methodology.

(4) See section 4.1.1 The Environment/Environmental Governance.

(5) Including the production plants, natural rubber processing facilities and Technology Centers having a material impact on the environment.

In 2023, €117 million, or 100% more than in 2022, was committed to projects to enhance the environmental performance of the production facilities.

These budget amounts are based on the definition recommended by the French Accounting Board (CNC recommendation 2003-R02 of October 21, 2003), which covers

Budget allocation is analyzed in the following table.

Group (in € thousands)	Total expenditure		
	2023	2022	2021
Air pollution prevention	13,025	3,953	9,750
Surface water pollution prevention	2,691	2,963	2,200
Soil and subsurface water pollution prevention	3,419	4,703	3,147
Waste reduction and recycling	2,265	2,539	3,264
Sustainable use of water resources	5,988	4,140	2,259
Sustainable use of energy resources	41,232	27,498	16,479
Reduction of greenhouse gas emissions	46,467	10,855	2,402
Preserving biodiversity ⁽¹⁾	205	668	-
Other	1,466	1,299	623
TOTAL	116,758	58,618	40,124

As of December 31, 2023, total consolidated provisions for environmental risk amounted to €27.1 million.

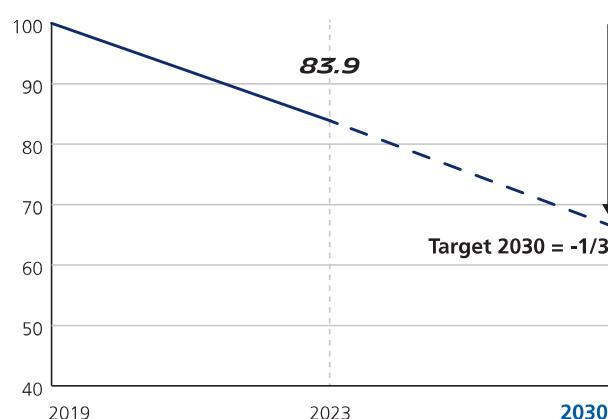
4.1.1.4 b) Reducing the environmental footprint of the production plants

Since 2005, Michelin has measured the key impacts from its manufacturing operations. Improvements driven by the four environmental programs are tracked at every level, from the sites to the Group Executive Committee, through the **i-MEP⁽²⁾** composite performance indicator, which measures five variables: energy consumption and water withdrawals, CO₂ emissions, volatile organic compound (VOC) consumption and the amount of waste generated. The i-MEP is displayed in the Group's balanced scorecard and is one of the strategic indicators that every plant must track to measure its operational excellence.

In 2020, each program defined its 2030 roadmaps. **Based on the identified technical levers, the i-MEP indicator is expected to decline by one-third over the period to 2030.** The objectives of the four programs are described in more detail below.

The 2023 performance is analyzed in the following tables.

Improvement in the industrial – Michelin Environmental Performance (i-MEP) Indicator



Improvement in the industrial – Michelin Environmental Performance (i-MEP) Indicator

Ambitions for 2030	2030 ambition compared with 2019	2019	2023	2024 target	% change 2023/2019
i-MEP (in points)	-1/3	100	83.9	80	-16.1

(1) In 2020 and 2021, outlays for "preserving biodiversity" were recognized in "Other".

(2) The i-MEP was introduced in 2021 to replace the MEF indicator used from 2005 to 2020.

NON-FINANCIAL STATEMENT

Sustainable Development Report

Summary table of Group environmental data, i-MEP scope of reporting⁽¹⁾

i-MEP component	Ratios			Absolute values by i-MEP component – Group				GRI and SASB indicators ⁽¹⁾
	2023	2019	% change 2023 vs. 2019	2023	2019	Unit	% change 2023 vs. 2019	
Energy consumption (GJ/t of SF+FP)	4.28	4.40	-2.7%	37,503	40,302	x 10 ³ GJ	-6.9%	GRI 302-1 TR-AP-130a.1
Michelin point sources	1.82	2.24	-18.8%					GRI 302-3
Steam purchased, net	0.59	0.36	63.9%					GRI 302-4
Electricity purchased, net	1.87	1.80	3.9%					
CO₂ emissions⁽²⁾ (t/t of SF+FP)	0.25	0.32	-21.9%	2,164	2,919	x 10 ³ t	-25.9%	GRI 305-1
Direct emissions from Michelin point sources (Scope 1)	0.11	0.15	-26.7%	999	1,401	x 10 ³ t	-28.7%	GRI 305-2
Indirect emissions, steam generation (Scope 2)	0.04	0.02	100%	346	162	x 10 ³ t	113.6%	GRI 305-4
Indirect emissions, electricity generation (Scope 2)	0.09	0.15	-40%	819	1,356	x 10 ³ t	-39.6%	GRI 305-5
Water withdrawals (cu.m/t of SF+FP weighted by water stress)	2.90	3.36	-13.7%	23,434	28,227	x 10 ³ cu.m	-17.1%	GRI 303-1
Organic solvent consumption (kg/t of SF+FP)	0.60	0.83	-27.7%	5,275	7,634	t	-31%	GRI 305-7
Waste generated (kg/t of SF+FP)	31.2	36.10	-13.6%	273,129	330,836	t	-17.4%	GRI 306-2 TR-AP-150a.1
I-MEP INDICATOR PERFORMANCE (IN POINTS)	83.9	100	-16.1%					
Other environmental indicators								
Total Michelin direct and indirect emissions avoided (tonnes of CO ₂)				57,100	33,000 ⁽⁴⁾			GRI 305-5
Sulfur dioxide emissions (kg/t of SF+FP)	0.09	0.15	-40%					GRI 305-7
Nitrogen dioxide emissions (kg/t of SF+FP)	0.13	0.17	-23%					GRI 305-7 GRI 306-2
Hazardous waste generated (kg/t of SF+FP)	2.98	3.05	-2.9%	26,069	28,852	t		TR-AP-150a.1
Number and total surface area of facilities located less than one kilometer from a protected area				28 facilities ⁽³⁾ totaling 6,100ha				GRI 101-5-b-i

In 2023, the Michelin Group did not incur any significant fines or non-monetary sanctions for non-compliance with environmental legislation and/or regulations.

GRI 307-1

(1) GRI = Global Reporting Initiative Standards, 2016; SASB = Sustainability Accounting Standard Board, Auto parts, 2018.

(2) "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition", World Business Council for Sustainable Development and World Resources Institute.

(3) Inventoried in 2023. The inventory is updated every five years.

(4) The 2019 figure has been revised following the detection of an emissions factor error.

(1) The CO₂ emissions data shown in the table below concern the i-MEP scope of reporting, i.e. excluding the former Camso and Fenner facilities, whose emissions are reported in sections 4.1.1.1 Implementing a climate strategy and 4.1.1.4 c) Reducing energy use and greenhouse gas emissions.

4.1.1.4 c) Reducing energy use and greenhouse gas emissions

OUR AMBITIOUS OBJECTIVES

The Group's overarching goal is to achieve net zero carbon emissions⁽¹⁾ across its entire production base by 2050.

In 2019, the Group set the following ambitious objectives for 2030:

- **improve production plant energy efficiency by 37%** versus 2010 (**indicator:** MWh used per tonne produced);
- **eliminate the use of coal** to generate own or purchased heat (**indicator:** % of coal in our heat sources);
- **reduce emissions from Group production facilities by 50%** versus 2010 in absolute terms (**indicator:** tonnes of Scope 1 and 2 CO₂ released).

In 2023, this objective was updated to align it with an SBTi target consistent with the "well below 2°C" global warming scenario, as follows:

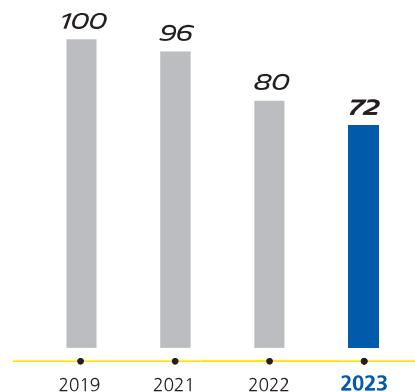
Michelin commits to reducing its absolute Scope 1 and 2 greenhouse gas emissions 27.5% by 2030 from a 2019 baseline year⁽²⁾.

The new objective also encompasses emissions from Camso and Fenner and has entailed a change in the baseline to 2019 from 2010.

In this section, the CO₂ emission figures are presented for both the new boundary and 2019 baseline and for the i-MEP scope of reporting. The figures for the other i-MEP components – energy consumption, water withdrawals, VOC consumption and amount of waste generated – do not yet include data from the former Camso and Fenner facilities.

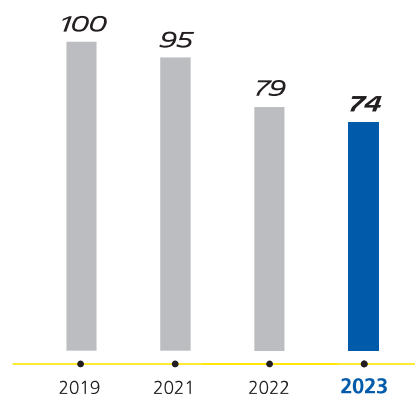
In January 2024, Michelin submitted to the SBTi a new Scope 1 and 2 emissions reduction target consistent with the "1.5°C" global warming scenario. The new target is much more ambitious, aiming for an absolute reduction of 47.2% over the same 2019-2030 period. Submitted in early 2024, it was not reflected in the 2023 reporting exercise.

CHANGE IN CO₂ EMISSIONS* (total scope of reporting⁽³⁾) (base 100)



* Absolute value in Scopes 1 and 2

CO₂ EMISSIONS* (i-MEP scope of reporting)



* Absolute value in Scopes 1 and 2

In 2023, total CO₂ emissions from the Group's production plants, including the Camso and Fenner facilities, declined by 10% year-on-year and by 28.3% versus 2019.

In the i-MEP scope of reporting, the decline was 25.9%, or 44.2% compared with 2010. The ratio of CO₂ emissions per tonne of output stood at 0.25, versus 0.32 in 2019.

(1) Net emissions = Scope 1 and 2 emissions less absorptions from the atmosphere.

(2) The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

(3) Total scope of reporting = i-MEP plus Camso and Fenner.

These improvements were driven by a two-pronged strategy designed to:

1. **reduce energy use;**
2. **shift to a less carbon-intensive energy mix.**

The first objective is being pursued through an energy efficiency process in the production plants, while the second is being met by activating both structural levers, to upgrade energy supply infrastructure to use less carbon-intensive energy solutions, such as electric steam boilers, and market levers to purchase less carbon-intensive energies.

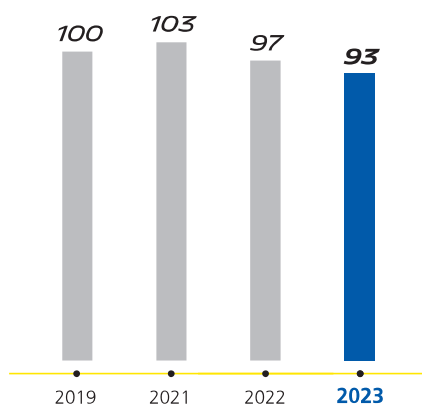
In 2023, CO₂ emissions in the i-MEP scope of reporting decreased by 6.1% year-on-year, despite the inclusion of MultiStrada emissions (110,000 tonnes of CO₂). The decline was attributable to:

- the 4.8% decrease in output⁽¹⁾;
- a 1.56% improvement in energy efficiency, led by such factors as the implementation of net-zero roadmaps reviewed by each facility, the application of best practices in curing, compounding and building air management, and process electrification; and
- an increase in the proportion of electricity from guaranteed renewable sources in the power mix, to 54% from 52%.

Improving energy efficiency

ENERGY USE, 2019-2023* (i-MEP scope of reporting)

(base 100)



* Absolute value.

2030 Roadmap

Since 2020, the technical levers to be activated over the current decade have been identified and organized into three families:

1. Applications of best technical practices.
2. Process electrification.
3. Heating plant and utility decarbonization projects.

Together, these projects are expected to improve energy efficiency by 37% in 2030 compared to 2010, including a 24% improvement between 2019 and 2030.

2023 Outcomes

Energy efficiency improved by 1.56% year-on-year in 2023. The performance, which fell short of the targeted 3% a year, stemmed from fixed energy use.

In response to the energy crisis in Europe, in 2022 the Group launched an energy conservation plan based on the disciplined application of best practices:

- recommended thermostat settings by building and by season;
- tighter fluid leakage control;
- management of production shutdowns and restarts.

In all, 361 projects were completed in 2023, requiring €114 million in capital expenditure, committed as follows:

- **Application of best practices: 39%;**
- **Process electrification: 42%;**
- **Heating plant and utility decarbonization projects: 19%.**

2024-2028 plan

The 2024-2028 strategic plan is built on a forecast gain in energy performance of around 3% a year. The capital budget to meet our objectives will remain around an average €90 million a year.

Driving the Group's energy transition

2030 Roadmap

As part of its commitment to achieving net zero carbon emissions across its entire production base by 2050, the Group has set an intermediate target of reducing its emissions by 27.5% by 2030 compared to 2019. In addition to improving energy efficiency, the Group is exploring a wide array of sustainable solutions to use renewable sources to generate not only electricity but also heat by burning biomass and biogas as fuel. The latter is a more difficult challenge, as the commercial supply of sustainably produced biogas and biomass is not growing as fast as the supply of electricity from guaranteed renewable sources.

At the end of 2023, 69 plants prepared their 2030 roadmap, based on a combination of the most fit-for-purpose projects to drive energy efficiency (consuming less) and the energy transition (consuming better).

2023 Outcomes

Increasing the use of renewable energies

In a commitment to sustainably reducing the Group's carbon footprint, strategies have been in place since 2008 to increase the use of renewable energies.

(1) Of finished and semi-finished products.

Today, 22 Group facilities are equipped with renewable energy installations:

- Photovoltaic panels on four facilities in Thailand, six in Germany, three in China, two in Spain and one each in India and France;
- Biomass-fired boilers at two plants in France;
- Purchase of heat generated by a household waste incinerator at two facilities in France;
- Purchase of heat from biomass-fired facilities at one plant in France.

Compared with the emissions from previously used energy sources, **these on-site renewable energy installations avoided the release of almost 57,100 tonnes of CO₂ in 2023**, of which 47,000 tonnes directly reduced the Group's total CO₂ emissions (versus 33,000 in 2019).

In 2023, the plant in Shenyang, China brought into service a 19.8 MWp photovoltaic panel array, adding to the 6 MWp of installed capacity.

The plant in Almería, Spain was equipped with a new 3 MWp photovoltaic system, which came on stream in January 2024 after successful trials in late 2023.

The plant in Nyiregyhaza, Hungary commissioned its first electric boiler in 2023, with a second unit undergoing final trials at year-end. At the same time, heat pumps entered service to heat on-site buildings and warehouses.

In France, the Golbey plant is currently commissioning two heat pumps, which are scheduled to go fully operational in first-quarter 2024. These new utilities are powered by electricity from guaranteed renewable sources.

A number of other projects were under review at year-end 2023, including the installation of a biomass-fired boiler and photovoltaic panels in Cuneo, Italy and the installation of biomass-fired boilers at the Campo Grande plant in Brazil and the Montceau-les-Mines facility in France.

Lastly, three photovoltaic projects are currently the subject of in-depth reviews in Germany, Indonesia and the United States.

Eliminating coal

Today, four of the Group's manufacturing facilities are still equipped with coal-fired boilers, Olsztyn (Poland), Louisville KY (United States), Bassens (France) and Pirot (Serbia), while another, in Shenyang, China, purchases steam from a coal-fired plant. In 2018, the Environmental Governance body⁽¹⁾ approved the goal of eliminating coal as an energy source in the production plants by 2030. Studies are underway at each of the five plants to replace coal with another primary energy source, such as natural gas or biomass from sustainably managed sources.

In 2023, the percentage of coal in total energy use declined versus 2019 at three of the above plants: in Bassens, France (to 28% from 46%), in Olsztyn, Poland (to 40% from 95%), and at Louisville KY, United States (to 41% from 74%).

During the year, the Olsztyn plant delivered two important improvements:

- a second coal-fired boiler was replaced by a gas-fired unit (the first was replaced in 2019);
- a contract was signed for the supply of supplementary heating, which will enable the facility to decommission its third coal-fired boiler in 2025. The supplemental heat will be generated by fuels comprising at least 50% biomass and no more than 50% coal. As a result, in 2025, coal will account for just 5% of the facility's energy use, with even these residual coal-fired sources scheduled to be eliminated by 2030.

Replacing fossil heavy fuel oil with fuel oil derived from biomass waste

In late 2023, the Waterville, Canada plant completed combustion trials with a new low-carbon fuel oil (LCFO) made from sawdust and forest residues. The two-week trial was sponsored by the Nova Scotia government, Atlantic Canada Opportunities Agency and Nova Scotia Innovation Hub. As part of the trial, one of Waterville's boilers was retrofitted for the use of LCFO fuel. A white paper assessing the results is currently being prepared by an independent laboratory.

Purchasing electricity from guaranteed renewable sources

Since 2017, all of the Group's production plants in the European Union use electricity from renewable sources, mainly through direct purchases of electricity with guarantees of origin as defined by Directive (EU) 2018/2001⁽²⁾ but also, to a lesser extent, through the purchase of unbundled guarantees of origin. Electricity with renewable energy certificates has been purchased in Brazil, Serbia and China since 2021, and in Thailand since 2022.

In 2023, this represented over 2,389,000 MWh, for which the corresponding I-RECs were duly canceled in the registry. In all, they covered more than 52% of consumed electric power and avoided the release of 727,000 tonnes of CO₂ during the year. Without these purchases, the Group's emissions would have been 34% higher for the year.

In 2023, the Group continued its strategy of purchasing renewable electricity in the United States and Mexico, with contracts to be deployed in 2024.

On-site power generation

In Asia, eight plants use electricity generated on-site from renewable sources under on-site power purchase agreements, which account for 1% of Group consumption.

In all, 23.9% of the heat and power used by the Group in 2023 came from renewable sources [SASB TR-AP-130a.1].

(1) See section 4.1.1 The Environment/Environmental Governance.

(2) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG.

4.1.1.4 d) Reducing harmful air emissions

Reducing volatile organic compound (VOC) emissions

OUR AMBITIOUS OBJECTIVES

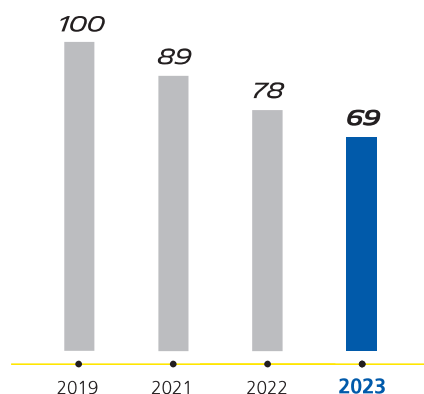
The Group's strategy to lower its VOC emissions is based on reducing the use of organic solvents in production processes. **The objective for 2050 is to phase out all VOC-generating organic solvents completely from the tire manufacturing processes. The 2030 milestone is to reduce VOC use by 50% compared to 2019.** Some sites, such as Nyiregyhaza in Hungary and Shenyang in China, have set the challenge of going VOC-free well before 2050 and possibly by 2030.

To meet these targets, levers have been defined by a VOC program underway since 2017. Since the vast majority of VOC-generating organic solvents are used in the assembly plants, the program is managed by tracking the quantity of solvents used, in kilograms per tonne of finished product (tires). This calculation method is different from the one used to track the VOCs in the i-MEP, but it enables more efficient management of the VOC program by focusing only on tire production, which uses VOC-generating solvents.

Achieving this objective means activating the three levers for action described below and launching innovative research projects to overcome the main technical obstacles.

CHANGE IN VOC EMISSIONS*

(base 100)



* Absolute value.

2023 Outcomes

In 2023, VOCs used per tonne of finished product decreased by 7.4% year-on-year, pursuing the long-term downward trend in line with the 2030 target, despite the decline in output over the year.

The Group's VOC strategy is based on activating three key levers:

1. **Deploying good manufacturing practices to optimize solvent use, in particular by tracking quantities used, precisely selecting and adjusting the solvent applicators, using just the right amount of solvent and maintaining production and product performance over time. In some cases, this also means undertaking studies to improve our understanding of the interactions between the various production parameters and VOC consumption.**

The following examples illustrate a few of these practices:



- a large number of plants have been equipped with portable flowmeters that measure solvent use in real time. Analyzing the data enables us to compare solvent application by machine, by size and by product, so that practices can be aligned. The plants are continuing to apply best practices, with a primary focus on reducing use to just the right amount and rethinking solvent consumption points;
- the plant in Chennai, India reduced its VOC use by around 30% in 2023. Most of this improvement was led by the day-to-day management of VOC use, to collect data and analyze variances, implement cross-functional action plans and empower teams. Programs are underway to share these practices with other plants. The Nongkhai plant in Thailand saw a 15% reduction in use following the deployment of a digital VOC consumption tracking system, whose real-time data access supports contextual data analysis and the ability to make the right decisions at the right time;
- a solution to partially refresh product interfaces, which has been shown to reduce solvent use by 20%, was installed at the Homburg, Germany and Alessandria, Italy plants in 2023.
- **Organic solvent use reduction criteria** have been incorporated into every project from the research and development phases, so as to minimize VOC emissions from the production of new products.

2. **The introduction of new process, materials and product solutions designed to reduce or remove organic solvents at certain interfaces. For example:**



- The industrial robustness of a VOC-free water-based solution was demonstrated at two plants, one in Italy and the other in France. The latter's advanced understanding of the solution's implementation process is likely to facilitate its large-scale deployment in 2024.
- A large number of plants continued to replace solvents with a thin rubber film on an interface between two products. In Asia, this solution reduced VOC use in Passenger car tire production by 19%.



3. **An exploratory project launched in 2022 is being pursued to examine the complete elimination of VOCs on the most solvent-intensive interface.**

These three pathways are being shared and documented by the VOC program, which comprises a network of experts who meet twice a year to discuss the take-up of best practices, the development of new process, material and product solutions and the progress on innovative research projects. Similar networks are in place for groups of plants with identical processes and/or identical solutions. This ability to work together will undoubtedly make it possible to meet the 2030 target.

Nitrogen oxide (NOx) and sulfur oxide (SOx) emissions

In general, reported data concern nitrogen oxide and sulfur oxide emissions from the Group's heating plants that can vary widely from year to year, because they are calculated based on the periodic (often quarterly) measurement of emission concentrations. In addition, given that purchased steam is not included in the calculation, reported data depend on the mix between generated and purchased steam.

In 2023, specific NOx emissions amounted to 0.13 kg per tonne of output, versus a calculated 0.17 kg in 2019. SOx emissions came to 0.09kg per tonne of output, versus a calculated 0.15 kg in 2019.

In 2015 and 2016, four upgrades helped to significantly reduce NOx and SOx emissions by: (i) replacing the use of fuel oil with

natural gas at three production facilities in Canada; (ii) closing the former Shenyang plant in China, which used a coal-fired boiler; (iii) replacing the on-site coal-fired steam generation facility at the Shanghai plant with the purchase of steam from a gas-fired CHP power station; and (iv) fitting a DeSOx/DeNOx scrubber on the coal-fired boiler at the Bassens plant in France. In 2020, a coal-fired boiler was replaced by a gas-fired installation at the Olsztyn plant in Poland. The progress made in 2023 in phasing out coal use also contributed to the decline over the year. The total elimination of coal-fired boilers in all of the Group's production facilities by 2030 will drive a significant reduction in these emissions⁽¹⁾.

Other pollutants

The production plants all track their releases into the air, water and soil, in full compliance with their legal obligations in each host community. Installations are designed to limit such releases during normal operation, but to prepare for any accidents, plant teams have defined emergency response scenarios that are regularly stress-tested to minimize any potential impacts. In 2023, discussions were initiated to determine which releases would be the most relevant to track Group-wide, with respect to our business activities, so that policies could be defined to manage and abate them. These discussions are being led by the Pollution Operational Committee created in 2023, which will submit its recommendations to the Environmental Governance body.

4.1.1.4 e) Reducing and managing waste

OUR AMBITIOUS OBJECTIVES

By 2050, the Group hopes to reduce the amount of waste produced per tonne of total output by 50% compared to 2019 (indicator: kilogram of waste per tonne of semi-finished and finished product). To support progress towards this ambitious goal, **an intermediate milestone of a 25% decrease versus 2019 has been set for 2030.**

To meet all these reduction targets, the waste program is capitalizing on the digitization of waste data and the Group's 4R strategy:



Eliminate waste at the source. Examples of levers include:

- avoiding single-use products;
- encouraging suppliers to re-use returnable packaging;
- reducing boiler ash by phasing out coal as an energy source.

⁽¹⁾ See section 4.1.1.4 c) Reducing energy use and greenhouse gas emissions/Eliminating coal.



Reduce the amount of waste. Examples of levers include:

- improving process management (higher compliance rates);
- developing technological upgrades (less materials wastage);
- applying good manufacturing practices and raising employee awareness.



Reduce the amount of waste by instilling a reuse culture. Examples of levers include:

- fixing what can be fixed;
- reusing industrial equipment among plants;
- reusing non-compliant materials across the Group by creating synergies among the business lines or with acquisitions.



When waste cannot be avoided, prefer materials recovery and reuse solutions to recovering energy through incineration. In this way, waste can be reused to manufacture new products. Examples include recycling unvulcanized rubber waste to make gaskets, wheels and a variety of other non-tire rubber products, regenerating solvents and reusing process sludge to make outdoor flooring tiles.

In addition to reducing waste, the Group is committed to recovering and reusing all the waste it does produce. As a result, its Waste Management Policy prohibits landfilling, unless it can be shown that there is no technically and environmentally viable treatment option for the waste in question. However, this is only to be used as a stopgap while waiting for a recovery and reuse solution.

2023 Outcomes

In 2023, the Group's waste expert network, which was restructured by geography (Asia, Europe and the United States) in 2022, and the updated guidelines helped to impel a stronger 4R dynamic in every production plant. In addition, the decline in production volumes had a positive impact on the Group's waste production in 2023, as did the heightened awareness of plant

employees, lifted by local work sessions focused on identifying waste sources and corrective actions.

In all, the waste performance ratio improved by 5.7% year-on-year and the amount of waste produced declined by 8% over the period, to 273 kt.

During the year, 95.2% of this waste was recovered and reused as fuel or as new materials, which represented a slight decline from the 2022 rate [SASB TR-AP-150a.1].

By focusing on materials recovery instead of other waste treatment channels, 72.7% of all waste was recovered as reusable materials in 2023, and this figure continues to grow.

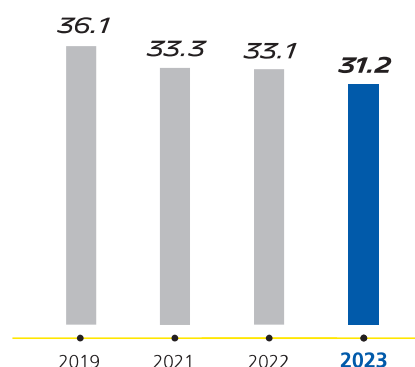
Lastly, 9.5% of total waste generated in 2023 was classified as hazardous under each country's legislation. [SASB TR-AP-150a.1].

In 2023, a study was conducted at seven pilot facilities to select a digital solution capable of improving the collection and traceability of all the Group's waste data. Scheduled for widespread deployment in 2024, the new solution will enable the Group to strengthen its roadmap by:

- Automatically centralizing the collection and traceability of waste management data, in particular to maintain compliance with forthcoming EU legislation (e.g., the Corporate Sustainability Reporting Directive, applicable from 2025);
- Facilitating the work of on-site waste coordinators by optimizing their administrative tasks;
- Precisely identifying process waste flows in order to implement new waste reduction projects, followed by new waste recovery and reuse solutions.

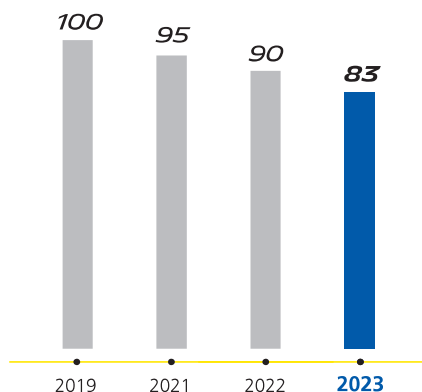
WASTE PERFORMANCE

(Ratio in kilograms of waste per tonne of finished and semi-finished product)



WASTE PRODUCED*

(base 100)



* Absolute value.

WASTE GENERATED

(kt)

2019	330.8
2021	315.4
2022	296.9
2023	273.1

4.1.1.4 f) Reducing water withdrawals and effluent discharge

OUR AMBITIOUS OBJECTIVES

The Group is committed to eliminating all of its impact on water availability in local communities by 2050.

It is well aware of the growing scarcity of this vital resource and is pursuing its strategy of steadily reducing withdrawals. **Its 2030 objective is to reduce these withdrawals, weighted for each facility's specific water stress coefficient, by 33% compared to 2019 (indicator: water stress x cu.m per tonne of semi-finished and finished product).**

To meet this 2030 target, the Group is activating levers aimed at:



- reducing and eliminating leaks;
- reducing steam consumption;
- reducing evaporation;
- using water-saving systems;
- measuring and controlling water use;
- raising people's awareness of water issues;



- optimizing recycling and/or reuse.

Organization in place to meet the objective

Introduced in 2017, the Water Program is structured around the Water Expert Team (WET), a network of water stakeholders who meet quarterly to:

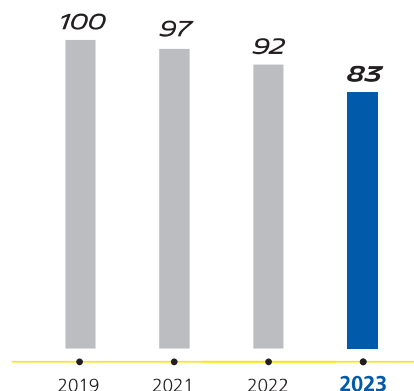
- identify levers to reduce water withdrawals;
- find and share best practices;
- identify possible synergies with energy-related initiatives and stakeholders;
- organize the deployment of these levers and practices.

In 2020, a Group-level water roadmap was defined for 2020-2030, based on the potential gains from each lever. In 2021 and 2022, the production facilities prepared their own water roadmaps to 2030, using the Group levers, shared best practices and site-specific diagnostics or workshops.

2022 saw the launch of the Lean Water process, which lays down a methodological foundation for meeting the 2030 water objectives more effectively. Following the phases in the Define, Measure, Analyze, Implement and Control (DMAIC) process, all the tools and methods needed to meet and document progress on a production site were listed and a three-year plan was defined to finalize their creation.

WATER WITHDRAWALS*

(base 100)



* Absolute value.

2023 Outcomes

In 2023, the water performance ratio of withdrawals per tonne of semi-finished and finished product improved significantly, decreasing by 8.1% year-on-year despite the 4.8% decline in output at constant scope over the period and the surge in cooling water use during the summer heatwaves in Europe and the United States. In absolute terms, water withdrawals declined by 10.2% over the year.

This remarkable improvement was driven by gains from projects to further reduce water withdrawals and by initiatives reflecting a changing attitude to water resources and a greater awareness of ways to conserve them.

The following examples illustrate how the levers are being activated in support of the Group's strategy to reduce its water withdrawals:

- Resende, Brazil: a heat pump fitted to the cold water production system has reduced the plant's steam consumption, saving 7,000 cu.m of water a year, or 1.6% of the plant's annual withdrawals.
- Manaus, Brazil: seal water from certain vacuum pumps is now reused in the plant's boilers, reducing withdrawals by 15,500 cu.m a year.
- Laem-Chabang, Thailand: the facility has successfully reduced the amount of cooling tower blowdown water. Optimizing biocide dosing and flow rate management has increased the cycles of concentration by a factor of 1.75, thereby reducing tower makeup water by 1,660 cu.m a month.
- Nongkhai, Thailand: condensate from air handling units is now recovered and reused in the cooling towers, reducing withdrawals by 700 cu.m a month.
- Vitoria, Spain: cooling tower blowdown water is now reused as backup water in the metal reinforcement manufacturing process, after reverse osmosis treatment. This has reduced the plant's water withdrawals by 20,000 cu.m a year.

In parallel with these projects, three water audits were performed at the plants in Victoria, Romania, Laem Chabang, Thailand and Resende, Brazil. They identified additional levers that have now been incorporated into the plant's action plans.

EFFLUENT DISCHARGE

Michelin is in the process of defining a strategy to improve the quality of process effluent discharged by its production facilities. At present, all these facilities comply with the regulatory limits stipulated in their operating permits. The degree of regulatory compliance is an indicator tracked by each facility as part of its Environmental Management System (EMS), which is regularly audited.

Aware of the need to exceed the requirements of local legislation, in 2023 the Michelin Group launched a plan to improve its understanding of the potential impact of effluent discharged into the receiving environments.

Two methodologies are being tested on three pilot sites, one inspired by the Science-Based Targets for Nature step 3: Freshwater, and another inspired by the French Ministry of the Environment on the compatibility of effluent with the receiving environment. The Group hopes that this improved knowledge will

support the definition of an appropriate target for effluent quality, which is intrinsically linked to each facility's local conditions.

Water use disclosures

Since 2016, Michelin has responded to the **CDP Water Security** questionnaire to disclose its water withdrawals by source and by water stressed area (in line with GRI-303-3). **The Group received a score of B in 2023⁽¹⁾.**

4.1.1.4 g) Preventing releases to soil and groundwater

The Group's Environmental Management System includes a dedicated process to prevent the risk of chronic or accidental spills based on three fundamentals: (i) clearly defined operating procedures, (ii) environmental impact awareness building; and (iii) results-oriented actions.

In addition to the pollution risk prevention measures, all the production plants are expected to follow the contaminated sites and soil (CSS) procedures designed to mitigate any risks to human health and/or the environment from the Group's operations, thereby enabling further business development. These procedures call for:

- applying a step-by-step methodology in accordance with international CSS study standards (desktop reviews, on-site inspections, choice of remediation strategy, remediation and monitoring);
- seeking support from expert CSS service providers;
- factoring in current and future uses;
- addressing, if needed, the potential off-site impacts downstream from a spill in addition to the impacts within the physical perimeter of the Group's property.

These procedures do not replace compliance with prevailing local legislation, particularly if the latter is inadequate to protect human health, the environment and the Group's reputation. They apply at every stage in the Group's business life cycle (acquisitions, mergers, integration, soil displacement on sites in operation, leasing, disposal).

4.1.1.4 h) Abating noise pollution and odors

Although entirely innocuous, odors are nonetheless an issue for Michelin plants, some of which are located in built-up areas. These odors may be generated by the process used to produce certain types of natural rubber components used in tire manufacturing.

The standard solution, based on the thermal oxidation of effluents, has been retrofitted at several European facilities and at the plant in Shenyang, China. New technologies are also being explored.

(1) <https://www.michelin.com/en/sustainability/entreprise/planet/natural-resources-preservation>.

In the case of noise pollution, manufacturing operations whose noise levels are not particularly significant consistently comply with local legislation in every host community. When designing new facilities or extensions, guidelines are followed to ensure that noise-generating equipment, such as fans and other auxiliary systems, are installed far from the property boundaries.

More generally, the on-site teams work with Group experts to abate the odors, noise and other potential environmental nuisances that manufacturing operations may cause local residents.

4.1.1.5 Measuring and reducing the environmental impact of digital technology

An integral part of the Group's All Sustainable vision, the Digital Sustainability initiative is one of the key levers for attenuating impacts and reaching our decarbonization targets by 2050.

It is also helping to build the right balance between People, Planet and Profit from three perspectives:

Green IT: minimizing the environmental impact of digital technology

The Group's digital activities represent the equivalent of 2.3% of its Scope 1 and 2 emissions, or 50 ktCO₂e per year as of end-2023.

With half of these emissions coming from user equipment, a plan has been deployed to reduce the impact by recovering unused hardware, with around 9,300 computers and 7,550 fixed-line telephones already collected.

On the IT services side, applications and servers have been decommissioned and an annual campaign to replace obsolete network hardware is also underway.

IT for Green: leveraging digital technology to meet our Planet ambitions more quickly

In 2023, the IT for Green program was structured around a portfolio of more than eighty initiatives, including around 20 with a strong IT contribution.

A project to digitalize non-financial reporting has been deployed to prepare Group units to comply more efficiently with the European Corporate Sustainability Reporting Directive (CSRD).

The Digital Manufacturing transformation project has avoided the release of 11.6 ktCO₂e, while saving 27,960 MWh of power and €4,194,000 in costs.

4.1.1.6 Valuing environmental externalities

In 2020, Michelin initiated an exercise to place a monetary value on its environmental impacts, starting with the ones addressed by commitments to the planet.

Undertaken as part of the All Sustainable strategy, the exercise is designed to facilitate the representation of environmental issues, enhance transparency with stakeholders and provide a valuation method for use in assessing the performance of Group units or during acquisitions.

These volumes are as follows:

- total tonnes of Scopes 1 and 2 CO₂ emissions, as described in section 4.1.1.4 b) /Summary table of environmental data - Group;
- total tonnes of CO₂ emissions in part of Scope 3, covering the upstream and downstream transportation and distribution of natural rubber, semi-finished products and finished products (see section 4.1.1.1 a));
- total tonnes used of organic solvents generating volatile organic compounds (VOCs) (see section 4.1.1.4 d));
- total cubic meters of water withdrawn, both used and discharged (see section 4.1.1.4 f)).

The initial valuation, whose methodology is described below, was performed on the basis of volumes in 2019, which was chosen as a baseline because it was the last year before the health crisis.

The production facilities covered by the valuation are the same as in the scope of reporting for the environmental indicators, as described in the *Scope of the Report* section above. For the 2024 forecast, the scope also included the Camso, Fenner and Multistrada acquisitions.

The valuation method used is based on the OECD definition of valuing “avoidance costs”, with input from ISO 14007: Environmental management – Guidelines for determining environmental costs and benefits and ISO 14008: Monetary valuation of environmental impacts and related environmental aspects.

It is based on determining the euro cost, per tonne or cubic meter of reduction, of the solutions implemented or scheduled to be implemented to reduce emissions, use or withdrawals of the selected externalities. The value of these externalities is then calculated by applying the unit cost to the total volume of current emissions, use or withdrawals.

The cost calculations for the solution always include the necessary capital expenditure. They also include operating expenses when (i) additional consumables must be purchased after VOC-generating organic solvents have been replaced by aqueous solutions; and (ii) additional treatment products must be purchased when wastewater or effluent is reused.

This valuation method is limited by the fact that it is based on the cost of eliminating volumes that are reducible using known solutions. There remains the unknown potential cost of disposing of the residual volumes, whose disposal generally costs the most or requires technologies that do not yet exist and whose cost is unknown (and which could cost more or less than existing technologies).

To offset this limitation, which could cause us to underestimate the cost of negative externalities, the following conservative approaches have been factored into the calculation method:

- The assumption is that the solutions implemented or scheduled to be implemented would reduce the amounts emitted, used or withdrawn over the depreciation period for the corresponding purchased equipment, i.e. 12 years;

- We increased the cost of certain capital expenditure outlays (e.g., by 20% when valuing water withdrawals).
- The calculations are cross-checked against outside benchmarks to confirm that the unit externality costs determined by our generic method rank at the top of the range calculated according to these outside methods.

In the end, the unit costs used to value the three externalities are:

- for water, €2.40 per cu.m, as determined by the method;
- for VOCs: €2,100 per tonne, based on the outside benchmark, which was higher than the calculation from the method;
- For CO₂: updating the avoidance cost calculation resulted in a cost of €120 per tonne for 2023, the same as the prior year.

The outside benchmarks used for cross-checking were as follows:

- CO₂: (i) the prices applied by leading corporations in their internal carbon fees; (ii) the price indicated in Delft University's Environmental Prices Handbook 2017 (*Environmental prices for average atmospheric emissions in the Netherlands – “central” carbon dioxide price*); and (iii) carbon quota prices on the European market;
- VOCs: the price indicated in Delft University's Environmental Prices Handbook 2017 (*Environmental prices for average atmospheric emissions in the Netherlands – “central” volatile organic compounds price*);
- Water: the initially calculated cost was compared to what it would have been had we applied the three methods used by 19 companies that answered yes to the question “Does your company use an internal price on water?” on the CDP 2020 Water Security questionnaire and were attributed an A (18 companies) or A- (1 company) score.

To take the monetary measurement of its externalities to the next level, in March 2021, Michelin joined the Value Balancing Alliance (VBA), an organization of multinational companies from a variety of industries that is developing and testing a methodology capable of translating environmental, social and economic impacts into comparable financial data.

In 2023, the total cost of valued externalities excluding recent acquisitions (€451 million including Multistrada) was down 11.5% year-on-year and down 23.6% from the 2019 baseline.

COST OF TARGETED NEGATIVE EXTERNALITIES

		2019 Actual	2022 Actual	2023 Actual	2024 Forecast	
		Excluding acquisitions	Excluding acquisitions	with Multistrada	with Multistrada	with Camso, Fenner* and Multistrada
Scope 1 and 2 CO₂ emissions	<i>Thousands of tonnes</i>	2,919	2,304	2,164	1,897	2,037
Unit cost	€/t	120	120	120	120	120
Fair value	In € millions	350	276	260	228	244
Scope 3 CO₂ emissions: from upstream and downstream transportation and distribution **/***	<i>Thousands of tonnes</i>	1,302	1,182	1,032	1,047	1,047
Unit cost	€/t	120	120	120	120	120
Fair value	In € millions	156	142	124	126	126
VOC consumption	<i>t</i>	7,634	5,917	5,275	4,853	5,408
Unit cost	€/t	2,100	2,100	2,100	2,100	2,100
Fair value	In € millions	16	12	11	10	11
Water withdrawals	<i>Thousands of cu.m</i>	28,227	26,101	23,434	22,379	23,380
Unit cost	€/cu.m	2.4	2.4	2.4	2.4	2.4
Fair value	In € millions	68	63	56	53	56
TOTAL COST	<i>In € millions</i>	590	493	451	417	438
Change from 2019				-23.6%	-29.3%	

* Except for Fenner's Scope 3 emissions.

** Proportion of Scope 3 upstream and downstream transport and distribution corresponding to our SBTi commitments.

*** Camso and Multistrada Scope 3 emissions included from 2022.

The 2023 performance was attributable to the following factors:

● **Scope 1 and 2 CO₂ emissions:**

- The more than 4% decline in production over the year.
- The continued improvement in the ratio of emissions per tonne of output, led by the take-up of best practices and the capital expenditure committed under the production plant decarbonization plan, which have driven around a 5% improvement every year.

● **Scope 3 emissions from upstream and downstream transportation and distribution:**

- The 4.7% decline in sales.
- The structural improvement in the "tonne of CO₂ released per tonne sold" indicator, as a result of initiatives around the three strategic levers of transport less, transport better and transport differently, which have driven around a 7% decline per tonne sold every year.

● **VOC consumption:**

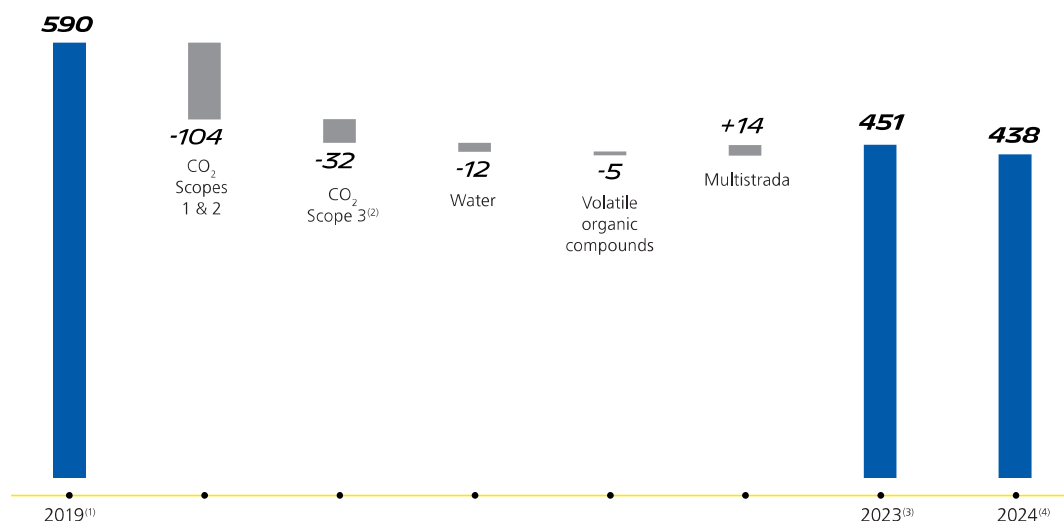
- The more than 4% decline in production over the year.
- The ongoing activation of the three levers of the Group's VOC strategy, which has driven a decline of around 7% per tonne produced every year.
- Deploying and sharing good manufacturing practices to optimize solvent use.
- Introducing new process, materials and product solutions designed to reduce or remove organic solvents.
- Including organic solvent use reduction criteria in every project from the research and development phases.

● **Water withdrawals:**

- The more than 4% decline in production over the year.
- The positive impact from the completion of a range of projects to reduce water withdrawals, despite the summer heatwaves in Europe and North America, which increased the cooling water needs in the manufacturing process. In all, these projects have driven a decline of around 5.5% per tonne produce every year.

ANALYSIS OF EXTERNALITY COSTS

(in € millions)

(1) Based on a CO₂ cost of €120/tonne over the whole period.

(2) Inbound and outbound transportation and distribution of natural rubber, semi-finished and finished product.

(3) 2023 with Multistrada.

(4) 2024 with Camso, Fenner (except for Scope 3 emissions) and Multistrada.

4.1.1.7 2023 report on the Michelin Group's activities in respect of the European Taxonomy Regulation

Introduction

Regulation (EU) No. 2020/852 of June 18, 2020 (the "Taxonomy Regulation") establishes a framework to encourage investment in sustainable economic activities by requiring companies to disclose the proportion of their sales, capital expenditure and operating expenditure that contributes substantially to the environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

This information must be disclosed every year in the Non-Financial Statement, which in France is included in the management report for the year.

2023 scope of reporting

As in 2022, companies had to disclose in the 2023 reporting exercise the proportion of their economic activities aligned with the climate objectives (climate change mitigation and climate change adaptation). Following publication of the new European Commission texts in June 2023, companies must now also disclose the proportion of their economic activities identified as eligible with regard to the environmental objectives (water, circular economy, pollution and biodiversity).

The sales, capital expenditure and operating expenses reviewed for the purpose of this report concern all of the Michelin Group's worldwide operations, corresponding to the scope of consolidated financial reporting for the year, in accordance with the provisions of the Delegated Act.

Reporting cycle

As with the Non-Financial Statement, the reporting cycle is annual, with the data used for this year's report covering the 12 months from January 1 to December 31, 2023.

Joint ventures and associates

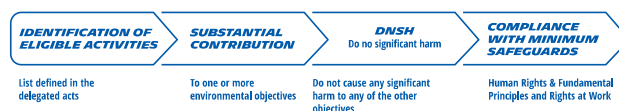
Because disclosures must be aligned with IFRS financial ratios, companies in which the Group exercises joint control or significant influence are excluded from the calculation of the KPIs defined by the Delegated Act of the Taxonomy Regulation. As a result, only fully consolidated subsidiaries of the Michelin Group are included in the calculation of the sales, capital expenditure and operating expense indicators. On the other hand, the Delegated Act provides for the possibility of reporting additional ratios that would include joint ventures and associates.

Partnerships with joint ventures are an integral part of the Group's All Sustainable growth strategy with, around and beyond tires. As such, their relationship with taxonomy-eligible activities is discussed even though their activity is excluded from the disclosed indicators. For example, Symbio, a joint venture owned

equally by Michelin and Forvia, is dedicated to designing, manufacturing and marketing hydrogen fuel cell systems for all types of electric vehicles. Its business therefore falls within the scope of activity 3.2 "Manufacture of equipment for the production and use of hydrogen" and contributes to the environmental objective of mitigating climate risk.

Methodology for assessing eligible and aligned activities.

To assess the contribution of its activities to the environmental objectives, the Group has followed a four-step process:



4.1.1.7 a) Identifying eligible activities

The following table shows all of the Michelin Group's activities identified as eligible (excluding the activities of joint ventures and associates):

European Taxonomy		Corresponding Michelin Group activity	Substantial contribution to one of the environmental objectives			Reported KPIs		
Economic activity	Description	Michelin activity	Mitigation	Adaptation	Circular economy	Net sales	CapEx	OpEx
3.6 Manufacture of other low-carbon technologies	Manufacture of technologies aimed at substantial GHG emission reductions	Passenger car, Light truck and Truck tire manufacturing	X			X	X	X
8.2 Data-driven solutions for GHG emission reductions	Development or use of ICT solutions that are aimed at collecting, transmitting and storing data and at its modeling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions	Development of fleet management telematics solutions to improve fleet fuel efficiency	X			X	X	X
5.1 Repair, refurbishment and remanufacturing	Repair, refurbishment and remanufacturing of goods that have been used for their intended purpose before by a customer	Truck tire retreading (replacing worn tread with new tread)			X	X	X	X

The Group has assessed the climate change adaptation objective in relation to activity 3.6, as part of a multi-objective reporting exercise. The Group was unable to assess with sufficient robustness the proportion of CapEx specifically allocated to climate change adaptation in 2023. In addition, because this proportion was estimated to be immaterial over the year, its eligibility with regard to the objective has not been reported (see, however, the analysis below concerning the climate change adaptation objective). This outcome did not have any impact on the key performance indicators.

The detailed tables of these indicators, which comply with Delegated Act (EU) 2021/2178 rules concerning the content and presentation of Taxonomy-related disclosures, are presented at the end of the methodology section (4.1.1.7 e below).

In respect to the climate change mitigation objective, the following activities have been identified:

- **Activity 3.6:** corresponds to the manufacturing of Passenger car, Light truck and Truck tires. In 2023, as in 2022, the activity excludes the manufacturing of tires with class E rolling resistance⁽¹⁾ (see “Activity 3.6 – rolling resistance as a technical screening criterion” below for further explanation of the assessment methodology).
- **Activity 8.2:** corresponds to the fleet management services and solutions activities, which include the Masternaut, Sascar and Nextraq businesses conducted under the Michelin Connected Fleet brand. The fleet management business, which relies heavily on the collection, processing and reporting of requisite data, focuses on lowering customer fuel consumption, for example by offering solutions to optimize routes or driving practices.

With respect to the transition to a circular economy objective:

- **Activity 5.1:** corresponds to Truck tire retreading services and other activities, excluding retreading activities licensed (e.g., Recamic) or franchised (e.g., Michelin Retread Technologies) by the Group, where Michelin is not the seller of the retreaded tires.

Treatment of activity 3.6 – rolling resistance as a technical screening criterion

As noted in 2021 and 2022, the “manufacture of rubber tyres and tubes, retreading and rebuilding of rubber tyres” (NACE Code C2211) is not one of the economic activities listed in the Taxonomy with specific screening criteria, even though the tire industry could contribute substantially to meeting the trucking industry’s greenhouse gas emission reduction targets.

Pending recognition of this economic activity with specific criteria, the Michelin Group has identified, for reporting purposes, economic activity “3.6 Manufacture of other low-carbon technologies,” as corresponding to its tire manufacturing activities, in as much as it comprises the “manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy. The economic activities in this category could be associated with several NACE codes, in particular from C22 (...) in accordance with the statistical classification of economic activities established by Regulation (EC) No. 1893/2006.”

As in 2022, and pending clarification from the European Commission, the Group is using tire **rolling resistance** as the technical screening criterion for activity 3.6. This is because tires play an important role in a vehicle’s energy efficiency (see pages 201-202 of the 2022 Universal Registration Document). An extensive amount of external research has demonstrated the close correlation between rolling resistance and carbon emissions⁽²⁾. This means that using tires with lower or higher rolling resistance feeds through to a more or less substantial reduction in a vehicle’s carbon footprint.

European tire-labeling regulation EU 2020/740 provides for the objective measurement of tire rolling resistance using an EU-validated process, comprising calculation methods, EU-approved reference laboratories and the alignment of measuring machines. Measurement results are registered in the European Commission’s EPREL energy labeling database. Michelin uses the EU ecolabel regulation to define the eligible and aligned proportion of Taxonomy activity 3.6 and considers that all the above factors enable the Group to meet the requirement for verification by an independent third party. The vast majority of tires sold outside Europe are also measured for rolling resistance, which means that the proportion of these sales meeting the screening criteria can be included in the totals.

(1) See p. 201 of the 2022 Universal Registration Document for an explanation of the rolling resistance labeling scale.

(2) See, for example, “Influence of Rolling Resistance on CO₂,” International Council on Clean Transportation (ICCT), Working Paper 2012-6, November 9, 2012; “Reducing Tire Rolling Resistance to Save Fuel and Lower Emissions,” Barrand & Bokar, SAE, Technical Paper 2008-01-0154.

Change in reported Taxonomy-eligible activities, 2022-2023⁽¹⁾

Sales KPI

At the **2022 scope of taxonomy reporting** (activities 3.6 and 8.2 contributing to climate change objectives), 53% of Michelin Group sales were Taxonomy-eligible in 2023 (53% in 2022).

At the 2023 **enlarged scope of eligible activities reporting** (adding activity 5.1 contributing to the transition to a circular economy objective), 54% of Michelin Group sales were Taxonomy-eligible.

CapEx and OpEx KPIs:

At the **2022 scope of taxonomy reporting** (activities 3.6 and 8.2 contributing to the climate change objectives), 58% of Michelin Group CapEx and 53% of its OpEx was Taxonomy-eligible in 2023 (64% and 53% respectively in 2022).

At the 2023 **enlarged scope of eligible activities reporting** (adding activity 5.1 contributing to the transition to a circular economy objective), 59% of Michelin Group CapEx and 54% of its OpEx was Taxonomy-eligible.

In 2023, the **proportions aligned** with the substantial contribution criteria stood at 16% of sales, 22% of capital expenditure and 16% of operating expenditure.

Analysis of Taxonomy-non-eligible Group activities

Under the current Regulation, some of the Group's activities do not meet the eligibility screening criteria even though they have a potentially positive impact on the environment:

- *Process electrification capital projects to support the Group's decarbonization plan:*

These projects are delivering substantial gains in energy efficiency and a smaller carbon footprint, but they are not yet recognized in the European Taxonomy. In December 2023, the Group submitted a request concerning this issue to the AMF Platform on Sustainable Finance created by the European Commission;

- *Agricultural, mining, aircraft and two-wheel tires:*

These types of tires are not covered by a labeling regulation and therefore cannot be reported in the Taxonomy, even though they provide an array of customer benefits, including improved energy efficiency and with it, lower carbon emissions;

- *Tire-as-a-service activities:*

The Group is developing fleet management and other services and solutions that optimize the use and management of vehicle fleets, while improving their fuel/energy efficiency. This activity is not deemed Taxonomy-eligible under activity 5.5 because it does not meet the criterion of the service provider retaining ownership of the product.

The Group will continue to assess the eligibility of activities in 2024 in consultation with the Platform on Sustainable Finance and the European Commission.

Michelin has not identified any activities eligible for the water, pollution prevention and control and biodiversity objectives. For the climate change adaptation objective, see above.

4.1.1.7 b) Substantial contribution screening criteria

As in 2022, the Michelin Group has assessed the substantial contribution of activities 3.6 and 8.2 to the climate change mitigation objective. In accordance with the Delegated Act published in June 2023, the aligned proportion of activities 5.1 will be assessed in 2024 for disclosure in 2025.

- In the case of **activity 3.6**, as in 2022, the Group considers that the "substantial contribution to climate change mitigation" criterion is met by tires in the two highest populated rolling resistance classes [A and B], as defined by European tire energy efficiency labeling rules. The criterion of verification by an independent third party is met insofar as the calculation method is defined by European regulations and the testing machines are approved by the European Union (Regulation (EU) [2020/740, Annex V], which defines the concept of reference laboratory and the alignment procedure for rolling resistance measuring machines);
- In the case of **activity 8.2**, as in 2022, the Group has not disclosed the aligned proportion because (i) the activity is not deemed sufficiently material (less than 3% of sales); and (ii) there is a lack of data to demonstrate alignment with the criterion defined by the European Taxonomy⁽²⁾. The Group plans to perform additional assessments at a future date.

4.1.1.7 c) Do no significant harm (DNSH) screening criteria

In 2023, as in 2022, the Group assessed compliance with the criteria of doing no significant harm to the other five environmental objectives in connection with activity 3.6 "Manufacture of other low-carbon technologies".

Objective 1: Climate change adaptation

The Taxonomy Regulation requires us to:

Identify the materiality of a list of chronic and acute climate phenomena with respect to the Group's activities:

After review, retain all the relevant climate phenomena to support assessments. Select the 90 priority sites for assessment on the basis of their materiality:

- Sites with the most employees;
- Sites critical to business continuity.

(1) For the principles used to calculate the sales, CapEx and OpEx KPIs, see section 4.1.1.7 e) below.

(2) Communication on Commission Work Programme 2024, October 17, 2023, p. 5: "no assessment is needed from undertakings for activities that are not material to their business and where they lack evidence or data to prove compliance with the technical screening criteria of the EU Taxonomy".

Assess their potential impacts:

The first assessments of the physical risks of climate change were undertaken in 2021 at a small number of pilot sites, to define the working method. In 2022, they were extended to:

- new facility projects;
- supplier sites during the new supplier approval process;
- sites involved in mergers and acquisitions.

In 2023, the physical risks of climate change were assessed at the 90 priority sites.

Assessments of all the Group's existing sites are scheduled for 2024 and 2025.

Define adaptation solutions capable of attenuating the most significant impacts:

Solutions have already been identified as part of the supply and business continuity risk management process. Examples include:

- building strategic stocks of finished products or raw materials;
- creating a storage area at a different facility for a production plant's output; finding a second supplier;
- process engineering a Group product for back-up production in a different plant;
- approving another raw material as a substitute.

Where necessary, additional adaptation solutions will be identified starting from 2024.

Define an implementation plan for these solutions:

Solutions have already been implemented as part of the supply and business continuity risk management process (see above).

An initial comprehensive costing of requirements for additional adaptation solutions will be carried out in 2024.

Objective 3: Sustainable use and protection of water and marine resources

The Taxonomy Regulation requires us to:

Identify material risks related to preserving water quality or avoiding water stress caused by our activity:

These risks have been identified and are regularly reviewed:

- Materiality of a water stress risk: Nine sites are located in high water stress areas according to the WRI Aqueduct Water Risk Atlas (baseline water stress index) or the WWF Water Risk Filter (water depletion aspect). Two of these sites are in Europe;
- Materiality of a water quality risk: Our manufacturing facilities are classified as installations whose activity may pose a risk or disadvantage to people and the environment (ICPE classification in France or the equivalent in other European countries).

If the risk is material:

Perform environmental impact assessments in line with Directive 2011/92/EU and manage the risks to achieve "good water status" and "good ecological potential".

Impact studies are required under national legislation for every project likely to have a significant impact on the environment.

• Water stress:

In the past, the Michelin Group has demonstrated the ability to meet its targets for reducing water withdrawals by its facilities, including both use and discharges. In 2019, for example, it had already reduced the volume of water withdrawals by 28% compared to 2010.

The 2030 objective is to reduce water withdrawals, including both use and discharges, weighted by each plant's water stress coefficient, by 33% compared to 2019.

The Group is committed to eliminating all of its impact on water availability in local communities by 2050.

• Water quality:

We operate in full compliance with local legislation in every host country, particularly in Europe where each member state is responsible for transposing the provisions of the Water Framework Directive 2000/60/EU into local law.

Impact studies are performed in compliance with national legislation for every project likely to have a significant impact on the environment.

In 2023, a plan was launched to improve our understanding of the discharges and effluent from our facilities, exceeding the requirements of local legislation, and of the capacity of the receiving environments. The study was still underway on three pilot sites in early 2024.

Michelin has responded to the CDP Water Security questionnaire since 2016 and was attributed a B score in 2023.

The condition⁽¹⁾ that the activity does not hamper the achievement of good environmental status for marine waters or does not deteriorate marine waters that already have good environmental status, as defined in item 5 of Article 3 of Directive 2008/56/EC, does not apply to Michelin, whose operations do not discharge water directly into the sea.

Objective 4: Transition to a circular economy, waste prevention and recycling

The Taxonomy Regulation requires that the activity assess the availability and, whenever possible, the deployment of techniques that support:

Reusing and using secondary raw materials and recovered components in fabricated products:

Michelin is deeply engaged in making better use of resources and is leveraging its 4R (Reduce, Reuse, Recycle, Renew) circular economy approach to incorporate a growing percentage of renewable and recycled materials into its products (see section 4.1.1.2). This approach is grounded in eco-design practices and the use of life cycle assessments. Michelin is also fast tracking its innovations and has formed a new Operational Department to orchestrate the circularity of renewable and recycled materials. To explore this technological frontier, Michelin is continuing to invest in R&D, technologies and materials. Even more important for circularity, the Group is forging an increasingly number of partnerships with a variety of public and private sector stakeholders to support the creation of new ecosystems enabling the emergence of new value chains for these renewable and

(1) Added by Delegated Regulation (EU) 2023/2485 of June 27, 2023.

recycled materials. The Group is committed to achieving full circularity in its tires by 2050. Already by 2030, its tires will be 40% made of renewable and recycled materials.

Designing fabricated products for high durability, recyclability, easy disassembly and adaptability:

Michelin is activating a number of levers to reduce the environmental impact of its activities, products and services.

● Life cycle assessments:

Michelin has long used life cycle assessments (LCAs) and is steadily improving its expertise in measuring the lifetime environmental impact of its products via 16 indicators, including climate change, the use of fossil resources, particulate matter emissions, land use and biodiversity impacts. This approach, which is based on ISO 14040-14044 guidelines, provides greater insight into these impacts that then informs the design choices made to reduce them.

● Eco-design:

Eco-design provides a framework for innovation that helps to reduce the environmental footprint of new solutions by improving our knowledge of life cycle impacts and our ability to manage them, while supporting even closer collaboration among people in the Group's different job families.

● Improving a tire's mass efficiency:

Improving mass efficiency means using less product to travel the same distance, which can be achieved in two main ways:

- Reducing mass and delivering the same performance: reducing mass by optimizing tire design so that the same distance can be traveled using less raw material.
- Increasing a tire's service life (in kilometers), using the same mass and delivering the same performance: a tire's service life can be lengthened by optimizing the design or by changing usage patterns.

● End-of-life treatment of sold products.

Managing process waste with a focus on recycling rather than disposal:

Between 2005 and 2020, the quantity of process waste generated per tonne of tire has decreased by around 32%, and the quantity of waste landfilled has fallen by more than 92%.

By 2050, the goal is to reduce the amount of waste produced per tonne of total output by 50% compared to 2020 (in kilograms per tonne of semi-finished and finished product).

A 2030 milestone has been set at a 25% reduction versus 2020 in the quantity of waste produced per tonne of total output (in kilograms per tonne of semi-finished and finished product).

Information and traceability of substances of very high concern (SVHC) throughout a fabricated product's life cycle:

SVHCs are fully traceable, in compliance with legislation.

Objective 5: Pollution prevention and control

The Michelin Group has addressed the changes introduced in the June 2023 Delegated Regulation concerning screening criteria for "do no significant harm" to pollution prevention and control (removal of the reference to the concept of use essential for society, introduction of thresholds or performance levels, the concepts of suitable alternative substances and use under controlled conditions).

Under the Taxonomy Regulation:

An activity must not lead to the manufacture, placing on the market or use of the following chemicals regulated by European legislation:

- (a) Persistent organic pollutants (POPs Regulation);
- (b) Chemicals containing mercury or mercury compounds;
- (c) Ozone-depleting substances;
- (d) Hazardous chemical substances in electrical and electronic equipment, unless they comply with Article 4 of the Waste Electrical and Electronic Equipment (WEEE) Directive;
- (e) Substances restricted by the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation, unless they meet the conditions in Annex XVII.

In its tire manufacturing activities, Michelin complies with these European regulations and meets the criteria defined by the European Taxonomy in paragraphs a) to e) of Appendix C hereafter.

In compliance with paragraph (f), raw materials, semi-finished and finished products must not contain more than 0.1% substances of very high concern (SVHC) on the REACH candidate list, unless the absence of suitable alternatives and use under controlled conditions can be demonstrated.

Chemicals play a core role both in our tire manufacturing process and in delivering key performance attributes such as safety, endurance and a small environmental footprint. Michelin applies a chemical risk management policy designed to protect human health and the environment from the harmful effects of chemical use. In particular, prioritized action plans are defined and deployed to restrict the use of the highest-risk chemicals or replace them whenever technically feasible. The policy also addresses substances of very high concern (SVHC) on the REACH candidate list.

In 2023, Michelin performed a diagnostic review of the 800 raw materials used in its tires, excluding special-purpose products used by the production plants such as maintenance products and detergents. Only one SVHC was identified with a concentration of more than 0.1% in the raw materials, and a suitable alternative was identified as a replacement. The SVHC is not quantifiable in the finished product and has been replaced in 80% of production capacity. In 2023, it was used in less than 1% of total output, in full compliance with local health and environmental regulations. It is being tracked through our process of prioritizing the most at-risk substances, with a view to replacing it entirely. Subject to these reservations, Michelin meets the criteria of paragraph f) of the European Taxonomy.

Michelin will review compliance with criterion f) of the Taxonomy in 2024, taking into account the extended scope of the candidate list.

Objective 6: Protection and restoration of biodiversity and ecosystems

The Taxonomy Regulation requires:

An Environmental Impact Assessment (EIA) or screening to be completed in accordance with Directive 2011/92/EU. Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment have been implemented.

For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and, based on its conclusions, the necessary mitigation measures have been implemented.

- Each site's environmental risk assessment addresses biodiversity through two criteria:
 - the presence of protected natural areas;
 - the presence of plant or animal species classified by the International Union for the Conservation of Nature (IUCN).

Each new project on a site is also subject to an environmental risk assessment using the process defined in the Environmental and Risk Prevention Management System (SMEP), before being factored into the site's environmental risk assessment during its regular update in compliance with the 14001 standard.

- These assessments are part of the following process:
 - In 2021, Michelin renewed its commitment to easing the pressure on biodiversity from its operations across the value chain, by setting 2030 objectives for research and development, raw materials and the manufacturing facilities as part of its All Sustainable strategy.
 - ISO 14001 certification of the manufacturing facilities and the continuous upgrades in Group standards ensure that the Group's environmental policy is properly applied.

For the other Taxonomy-eligible activities, the Group plans to assess compliance with the DNSH criteria in 2024, according to their materiality.

4.1.1.7 d) Compliance with minimum social safeguards (MSS)

The 2020 Taxonomy Regulation specifies in Article 18 that:

"The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights."

The Group has assessed its compliance with minimum social safeguards and affirms that it upholds the highest international human rights standards both in conducting its business and in its value chain.

It has been a signatory of the UN Global Compact since 2010. The Group's approach is rooted in recognized international standards, in particular the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the fundamental conventions of the International Labour Organization (ILO), in particular as concerns child labor, forced labor, non-discrimination, freedom of association and collective bargaining, and workplace health and safety.

Since 2014, the approach has been coordinated by a multidisciplinary Operational Committee, overseen at the highest level of the Company by a Human Rights Governance Body chaired by the Executive Vice President & Chief Personnel Officer with input from the Executive Vice President, Engagement and Brands, both of whom are members of the Group Executive Committee.

Every year since 2017, Michelin has published a Duty of Care Plan, which describes the main human rights risks incurred in Group and supply chain operations, along with the measures in place to prevent such risks.

Since 2017, Michelin has been a member of Businesses for Human Rights (EDH), a French association that supports companies in their human rights commitment.

By commissioning sustainability rating agency EcoVadis to conduct desktop supplier reviews, Michelin is tracking the performance of its main suppliers in 21 CSR metrics in four areas: the environment, labor relations & human rights, business ethics and responsible procurement. In this way, the Group is addressing minimum social safeguard criteria across its value chain. Each year, a growing number of Michelin suppliers are assessed by EcoVadis. In 2022, for example, 87% of assessed suppliers were confirmed as compliant with Group CSR standards and assessed suppliers accounted for 66% of Group purchases (92% of natural rubber inputs and 93% of other raw materials purchases). In October 2023, for the sixth year in a row, Michelin itself was awarded a EcoVadis score of 80/100 in Responsible Purchasing, ranking it in the top 1% of companies

rated in the "Manufacture of Rubber Products" category. As regards compliance with minimum safeguards and the Group's value chain, see section [4.1.4.2 "Demonstrating our CSR commitments through responsible procurement policies"] below.

The Michelin Duty of Care Plan and the Master Policy on Human Rights may be found on the Michelin website:

<https://www.michelin.com/en/investor/regulatory-information>

<https://www.michelin.com/en/sustainability/company/people>

In addition, section [4.1.4.1] below describes Michelin's commitment to ethical business practices, including:

- the global ethical framework;
- preventing corruption;
- protecting employee privacy and personal data;
- combating tax evasion;
- upholding competition law.

4.1.1.7 e) Calculation principles, tables and conclusion

The following paragraphs present in detail the principles used to calculate the three key performance indicators required by the European Taxonomy Regulations.

1. Sales KPI

For activity 3.6, alignment is assessed for sales of Passenger car, Light truck and Truck tires with class A and B rolling resistance.

To calculate the percentage of eligible and aligned sales, the amount of the above sales are divided by the Group's total consolidated sales, as reported in the consolidated financial statements (see the consolidated income statement in chapter 5 below).

2. CapEx KPI

The European Taxonomy defines the methods for calculating alignment ratios. By analogy, the Group reports its eligible capital expenditure, which may be:

- associated with the activity's eligible sales;
- associated with a capital plan to expand eligible activities or to transform eligible activities into aligned activities within five years, or up to ten years if warranted by the features of the activity in question;
- individual capital outlays that are not associated with an activity intended to be marketed by the Group.

Some of the Group's capital expenditure is directly committed to each activity. For other capital expenditure (in infrastructure shared by several activities, for example, or in semi-finished

goods production units serving several activities), the Group uses an allocation method based on each activity's proportion of use of the assets concerned. The capital expenditure reported for a given activity is therefore all of the capital expenditure directly committed to it plus the indirect capital expenditure allocated to it, less capital expenditure on corporate projects.

In the case where some capital expenditure is associated with an activity that is not marketed by the Group, these outlays are reported separately to avoid double counting.

To assess aligned capital expenditure, the following criteria were used:

For activity 3.6:

- capital expenditure committed to introduce technologies designed to improve the rolling resistance of our tire products;
- capital expenditure related to the molds for the new tire lines that reduce rolling resistance compared to the previous generations;
- indirect capital outlays enabling the production of the aligned proportion of sales.

In accordance with Article 8 of the Delegated Act, the capital expenditure denominator used to calculate eligible and aligned portions includes additions to (i) tangible and intangible assets; (ii) right-of-use assets recognized under IFRS 16; and (iii) tangible and intangible assets resulting from business combinations (see notes 13 and 14 to the consolidated financial statements presented in chapter 5 below). As a result, it differs from the amount of capital expenditure usually reported by the Group.

3. OpEx KPI

In accordance with the European Taxonomy, the only operating expenses disclosed in this report are direct non-capitalized costs relating to research and development, building renovations, maintenance and repair, short-term leases and any other direct expenses related to the day-to-day servicing of the property, plant and equipment assets. These expenses, which constitute the denominator by which the eligible and aligned expenses will be divided to determine the KPI, are recorded in the Group's information systems at the level of the consolidated financial statements. They are not recorded on a more granular level, however, making it impossible to calculate the total amount included in the numerator to determine the proportion of eligible and aligned operating expenses without performing complex estimates, which would in any case be too approximate to be meaningful. Eligible/aligned operating expenses are therefore calculated proportionally to the percentage of eligible/aligned sales.

Detailed presentation of the eligible and aligned proportions of 2023 sales, capital expenditure and operating expenditure in compliance with Delegated Act (EU) 2021/2178 on the content and presentation of Taxonomy-related disclosures.

TABLE 1 – SALES

Proportion of sales from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023.

(in € millions)	Year 2023			Substantial contribution criteria							Do no significant harm criteria							Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover Year 2022	Category enabling activity	Category transitional activity		
	Code	Absolute turnover (€)	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity								
Economic activities																							
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
Manufacture of other low-carbon technologies	3.6	4,531	16%	YES	N/A	N/A	N/A	N/A	N/A	N/A	YES	YES	YES	YES	YES	YES	YES	0%	E				
Sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4,531	16%	16%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	YES	YES	YES	0%					
Of which enabling			16%	16%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	YES	YES	YES	0%	E				
Of which transitional			0%	N/A						N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		T			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																							
Manufacture of other low-carbon technologies	3.6	10,097	36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									52%					
Data-driven solutions for GHG emission reductions	8.2	234	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1%					
Repair, refurbishment and remanufacturing	5.1	381	1%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%					
Sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		10,712	38%	37%	0%	0%	0%	1%	0%									53%					
A. SALES OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		15,243	54%	53%	0%	0%	0%	1%	0%											53%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
Sales of Taxonomy-non-eligible activities (B)		13,099	46%																				
TOTAL		28,342	100%																				

NON-FINANCIAL STATEMENT

Sustainable Development Report

TABLE 2 – CAPITAL EXPENDITURE

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023.

(in € millions)	Year 2023			Substantial contribution criteria							Does not significantly harm criteria							Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of CapEx Year 2022	Category enabling activity	Category transitional activity		
	Code	CapEx (€)	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity								
Economic activities																							
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																							
Manufacture of other low-carbon technologies	3.6	601	22%	YES	N/A	N/A	N/A	N/A	N/A	N/A	YES	YES	YES	YES	YES	YES	YES	0%	E				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		601	22%	22%	N/A	N/A	N/A	N/A	N/A	N/A	YES	YES	YES	YES	YES	YES	YES	0%					
Of which enabling			0%	22%	N/A	N/A	N/A	N/A	N/A	N/A	YES	YES	YES	YES	YES	YES	YES	0%	E				
Of which transitional			0%	N/A						N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		T			
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)																							
Manufacture of other low-carbon technologies	3.6	990	36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									60%					
Data-driven solutions for GHG emission reductions	8.2	36	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									4%					
Repair, refurbishment and remanufacturing	5.1	24	1%	N/EL	N/EL	N/EL	N/EL		EL	N/EL								0%					
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,050	38%	37%	0%	0%	0%	1%	0%									64%					
A. CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		1,651	59%	59%	0%	0%	0%	1%	0%											64%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
CapEx of Taxonomy-non-eligible activities		1,134	41%																				
TOTAL		2,785	100%																				

NON-FINANCIAL STATEMENT

Sustainable Development Report

TABLE 3 – OPERATING EXPENSES

Proportion of operating expenses from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023.

(in € millions)	Year 2023			Substantial contribution criteria							Does not significantly harm criteria							Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of OpEx Year 2022	Category enabling activity	Category transitional activity																
	Code	OpEx (€)	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity																						
Economic activities																																					
A. TAXONOMY-ELIGIBLE ACTIVITIES																																					
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																																					
Manufacture of other low-carbon technologies	3.6	283	16%	YES	N/A	N/A	N/A	N/A	N/A	N/A	YES	YES	YES	YES	YES	YES	YES	0%	E																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		283	16%	16%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	YES	YES	YES	0%																			
Of which enabling			16%	16%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	YES	YES	YES	0%	E																		
Of which transitional			0%	0%						N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		T																	
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)																																					
Manufacture of other low-carbon technologies	3.6	639	36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									52%																			
Data-driven solutions for GHG emission reductions	8.2	18	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1%																			
Repair, refurbishment and remanufacturing	5.1	18	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									0%																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		675	38%	37%	0%	0%	0%	1%	0%									53%																			
A. OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)																					958	54%	53%	0%	0%	0%	1%	0%	53%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																																					
OpEx of Taxonomy-non-eligible activities		816	46%																																		
TOTAL																					1,774	100%															

TABLES 4 - MULTI-OBJECTIVES

	Proportion of OpEx/ Total OpEx			Proportion of CapEx/ Total CapEx			Proportion of turnover/ Total turnover	
	Taxonomy aligned per objective	Taxonomy eligible per objective		Taxonomy aligned per objective	Taxonomy eligible per objective		Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	16%	53%	CCM	22%	59%	CCM	16%	53%
CCA	0%	0%	CCA	0%	0%	CCA	0%	0%
WTR	0%	0%	WTR	0%	0%	WTR	0%	0%
CE	0%	1%	CE	0%	1%	CE	0%	1%
PPC	0%	0%	PPC	0%	0%	PPC	0%	0%
BIO	0%	0%	BIO	0%	0%	BIO	0%	0%

4.1.2 Human rights and employee relations



4.1.2.1 Ensuring respect for human rights SDG 8.7, 17 and 16

4.1.2.1 a) Employee relations standards and responsibilities

Michelin makes every effort to uphold human rights in all its businesses and in every host community. The Group embraces the universal principles of human rights and the leading international labor conventions.

A process grounded in international principles

The Michelin Group:

- has been a member of the United Nations Global Compact since 2010 and supports its ten fundamental principles;
- upholds the OECD Guidelines for Multinational Enterprises;
- supports the UN Guiding Principles on Business and Human Rights;
- embraces the International Labour Organization's fundamental Conventions, particularly in relation to:
 - freedom of association and protection of the right to organize,
 - the elimination of discrimination in employment and occupation,
 - the abolition of forced labor,
 - the effective abolition of child labor, and
 - the right to a safe and healthy work environment.

These principles have also inspired the Group's internal reference documents, including:

- the Code of Ethics;
- the Anti-Corruption Code of Practice;
- the Michelin Purchasing Principles;
- a Master Policy on Human Rights.

In 2022, for the first time, **a Master Policy on Human Rights was issued and distributed across the Group**. Widely promoted among employees worldwide, the above documents have been translated into French and English and are available for consultation at any time on each country organization's intranet site. They may also be found on the corporate website: <https://www.michelin.com/publications/politique-des-droits-humains/>

To enhance its expertise and capitalize on best practices, in 2017, Michelin also joined the EDH association⁽¹⁾, which comprises around 20 French companies engaging with these issues. In addition, the Group is a member of the Global Deal initiative, which promotes social dialogue and decent work around the world, and of the Business 4 Inclusive Growth initiative in cooperation with the OECD. After chairing the Human Rights Club of the Global Compact France in 2021 and 2022, Michelin now sits on the Club's steering committee.

4.1.2.1 b) Organization and ambitions

A governance body led by senior management

The Group's human rights policies, objectives and strategy are validated twice a year by the **Human Rights Governance Body**, which is chaired by the Executive Vice President & Chief Personnel Officer (a member of the Executive Committee) and co-chaired by the Executive Vice President, Engagement and Brands. Other governance members include: the Executive Vice Presidents of Manufacturing and of Engagement and Brands (both members of the Executive Committee), the Chief Procurement Officer, the General Counsel and the Vice Presidents of Public Affairs, Corporate Sustainable Development and Impact, Internal Control and Safety & the Environment.

Note that health and safety issues are managed by a separate organization, the Employee Health and Safety Governance Body. The Human Rights Governance Body is supported by input from a multidisciplinary **Operational Committee** comprising representatives from the corporate departments in charge of Sustainable Development and Impact, Purchasing, Personnel, Internal Control, Risk Management, Employee Relations, Public Affairs, Diversity & Inclusion, Legal Affairs/Compliance, and Manufacturing. It prepares an annual action plan engaging Michelin in a continuous improvement process.

(1) Entreprises pour les droits de l'homme (Businesses for Human Rights).

A Master Policy on Human Rights

In 2022, a Master Policy on Human Rights was prepared, distributed across the whole Group and posted on the corporate website⁽¹⁾. It expresses Michelin's principles concerning nine issues:

- discrimination;
- harassment;
- health & safety;
- decent wage and social protection;
- freedom of association and collective bargaining;
- privacy and personal data;
- child labor;
- forced labor;
- impact on local communities.

The Master Policy defines the scope of application, supplier compliance guidelines, recommended duty of care procedures and the principles of application in each operating region. For most issues, this umbrella policy refers back to the more detailed policies already in effect across the organization.

In 2023, the Master Policy was widely rolled out to Regional Presidents and regional Personnel managers, who appointed Human Rights Correspondents in every geographic unit. Training based on 90-minute webinars was organized across the Group for these correspondents, as well as for Sustainable Development and Impact Correspondents, Ethics Correspondents and Regional General Counsels. The issue was also addressed at a two-hour in-person session during the annual meeting of the Group's purchasing management teams. Lastly, the corporate officers sitting on the boards of companies in which Michelin owns a minority stake were also directly offered these courses so that as directors, they can exercise due diligence in human rights issues. The courses were introduced by a video from the Group's Managing Chairman, emphasizing the importance of the issue.

To support this acculturation and prevention measure, a human rights **risk self-assessment questionnaire** was devised and deployed, while a human rights **e-learning** module was developed for the first time. The latter is available to any employee worldwide and mandatory for the Group's senior executives.

(1) <https://www.michelin.com/en/sustainability/company/people>

2030 ambitions and their performance indicators

Policy implementation is being supported by the ambitions defined for 2030, with performance tracked by measurable targets and indicators. **The six ambitions are as follows⁽¹⁾:**

Objective	Indicator	2019	2020	2021	2022	2023	2030 Objective
1 – A company where everyone feels physically safe at work	TCIR ⁽²⁾	1.43	1.19	1.29	1.07	1.01	<0.5
2 – A company offering a decent wage and supportive employee benefits	Percentage of employees receiving a decent wage in each host country	-	-	95%	98.5%	100%	100% in 2025
	Percentage of employees with social protection floor of health insurance, life insurance and parental leave for birth/adoption	-	-	New in 2021	-	-	75% in 2025 and 100% in 2030
	Percentage of suppliers assessed that comply with the Group's human rights standards	85%	86%	89%	89%	91%	≥95%
3 – A company whose supply chain ensures decent work for every employee	Percentage of natural rubber volumes used by the Group covered by human rights assessments of a representative sample of farmers (via the RubberWay® application)	20%	30%	41%	58%	69%	80% from 2025
	Number of village smallholders whose working conditions and/or livelihoods have improved as a result of remediation projects	-	-	New in 2021	467	1,855	30,000
	IMDI, a composite indicator tracking inclusion and diversity (see section 4.1.2.2 b)	-	60	65	70	72	80/100 points
5 – A company that listens to the opinions of internal stakeholders	Percentage of employees who respond positively to the Moving Forward Together survey question: "I feel like my opinion matters and my ideas are taken into account in my company."	-	-	69%	71%	72%	80%
6 – A company that blends harmoniously into its environment and is beneficial for its local host communities	Number of volunteering initiatives ⁽³⁾	-	-	5,000	10,900	19,700	

Note that some of the newly defined indicators do not yet have any prior-year comparatives.

Human rights risks identified and factored into the Group's risk management process

In 2022, the Risk Management Department defined a human rights risk category that addresses the following policy points:

- harassment and discrimination (see section 4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination);
- employee health and safety (see section 4.1.3 Employee health and safety);
- decent wage and social protection (see section 4.1.2.3 h) Offering fair compensation and benefits);
- freedom of association (see section 4.1.2.3 Promoting responsible social dialogue);

(1) The three ambitions expressed in the 2021 Universal Registration Document – to be (i) a company where employees develop their employability; (ii) a company in which everyone feels like an owner/stakeholder; and (iii) a company where employees are motivated/engaged – have been maintained, but are no longer being led by the Human Rights Governance body.

(2) Total Case Incident Rate.

(3) Our current systems are unable to identify whether the same person has participated in several volunteering initiatives. The ultimate goal is to have 20% of employees taking part in such initiatives.

- product safety (see section 4.1.4.3 Guaranteeing the quality of our products and services); protecting employee privacy and personal data (see section 4.1.4.1 Ensuring ethical business practices);
- child labor (see below: decent work-related risks now being assessed);
- forced labor (see below: decent work-related risks now being assessed);
- potentially negative impacts on local communities (see section 4.1.2.5 d) Addressing the risk of potentially negative impacts of our business on local communities).

The management of risks relating to discrimination, harassment, employee relations, health & safety, psychosocial issues, forced labor, child labor and personal data is continuously tracked by the Internal Control department using self-assessments and test audits, whose results are followed up with the implementation of action plans.

A deeper understanding of several issues in 2023

Based on the findings of the 2021 audit, a human rights action plan for the 2022-2025 period was prepared, supported by 16 task sheets, each assigned to an implementation leader with dedicated objectives and milestones. Scheduled actions include drafting a policy (completed in 2022), implementing programs to address possible shortfalls in the areas of discrimination and forced labor, and strengthening the human rights clauses in acquisition contracts.

In 2023, a network of managers from each of the Group's leading manufacturing host countries was formed to lead initiatives to prevent human rights risks across the Group.

As part of this process, a dedicated review analyzed possible forced labor concerning most at-risk suppliers.

After launching a living wage initiative, **all Group companies have been certified by the Fair Wage Network as a Living Wage Global Employer, guaranteeing that every employee is paid at least the equivalent of the living wage benchmark.**

In 2022, a new milestone was reached with the launch of the **Michelin One Care Program, designed to provide every employee with social protection covering parenthood, death and access to healthcare.**

Harassment risks have been managed as part of normal business operations since 2022.

A harassment prevention program is currently underway, based on the initiatives developed during the Integrity project and the various compliance programs already in place across the Group.

In 2023, the Group updated existing internal controls concerning harassment issues, formed a working group on support for people contacted as part of an investigation and pursued its awareness-raising initiatives.

By year-end, the e-learning module on harassment had been completed by more than 39,000 Group employees, representing 98% of the target⁽¹⁾.

These various harassment information initiatives at Group level and in the operating regions continued to encourage people to speak up, causing harassment complaints to increase to 23% of all reports to the ethics hotline in 2023.

Assessing human rights risks in the contracting chain

The **mapping exercise for supplier human rights risks** was completely overhauled in 2020 and updated in 2022, which enabled purchasing categories to be ranked according to their human rights risks. When cross-referenced with the analysis based on sourcing countries posing human rights risks, this category analysis enabled us to prioritize supplier assessments and deployment of preventive actions (see section 4.1.4.2 b). Suppliers are generally assessed with desktop reviews, which assign them an overall score and separate scores by issue, including a dedicated score in "labor and human rights" performance. More rarely, they may be asked to respond to self-assessment questionnaires (see section 4.1.4.3). In 2021, an indicator was introduced to track supplier human rights compliance, with the 2030 objective that 95% of assessed active suppliers earn the expected score. The Group's whistleblowing system is also open to suppliers.

To address human rights risks in the natural rubber supply chain, the **RubberWay^{®(2)} mobile application** deployed by the Group in seven countries since 2017 has gathered **information from 239,583 village smallholders** on such topics as income, working hours, working conditions and child labor. Following a more in-depth analysis by district to identify the highest risk regions, a number of projects to improve farmers' living and working conditions have been launched since 2020 (see section 4.1.4.2.c).

(1) The 2023 target was set on December 31, 2022, based on companies with Intouch capabilities at that date, i.e., for categories 1 to 4 employees, 40,152 people. It will be updated in 2024 based on the progress in Intouch deployment and the Intouch categorization of people in the 2023 workforce.

(2) 4.1.4.2 c) A dedicated approach for natural rubber/The RubberWay[®] application.

4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination

SDG 4.3, 4.4, 4.5, 5.1, 5.5, 8.5, 8.6, 10.2 and 10.3.

Discrimination risks

Every person is unique and contributes to diversity. Respecting individuals in all their uniqueness is the basis of the Group's Diversities & Inclusion Policy. **Diversity comes in many forms**, including gender, age, culture, religion, social background, disability, sexual orientation, union membership, family situation, political opinion and physical appearance.

Michelin's approach to diversity and inclusion is guided by three intentions: (i) **that its teams be representative of all the diversity found in their local host communities**; (ii) **that each person be treated fairly and feel free to express their authentic self and uniqueness**; and (iii) **that diversity be experienced in a spirit of inclusion and tolerance, so that it can also help to drive collective performance**.

Reflecting and supporting these intentions, **Michelin does not tolerate any form of discrimination** anywhere in the Group, with respect to anyone or for any reason whatsoever, including in cases allowed by local practice or custom. Employees have access to recourse in every country.

4.1.2.2 a) A comprehensive, worldwide commitment

Policies and objectives

First deployed in 2005, the Group's diversity process was formally described in a Diversity & Inclusion Policy that sets out guidelines for the entire Group, as well as an objective for 2030. Progress towards the objective is being measured by the Diversity & Inclusion Management Index (IMDI), a composite indicator comprising 12 sub-indicators in five metrics: gender diversity, identity, multi-national management, disability and equal opportunity in promotions. Each of the five metrics is weighted equally in calculating the Index.

In addition, the Code of Ethics emphasizes Michelin's commitment to combating all forms of discrimination, specifies a number of sensitive situations (hiring, promotions, training, various employee benefits, etc.), cites 12 discrimination criteria as examples and describes real-world situations demonstrating conduct to be encouraged or avoided.

Governance and organization

Diversity management is built on a multi-level global organization. Led by the Corporate Vice President, Sustainable Development and Mobility, the process is managed by a Steering Committee comprising the Executive Vice President, Personnel and the heads of Training, Hiring, Employee Relations and Sustainable Development. The guiding objectives are approved by the **Human Rights Governance body**.

An international Diversity & Inclusion network bringing together D&I managers from each geographic region meets every

two months. It is led by the Group so that each region can work on every aspect of diversity and help to drive improvements in the IMDI indicator. In 2023, for example, each operating region defined measurable targets for several diversity issues.

Team initiatives around the world

Impelled by the Group, a wide range of programs and initiatives have been undertaken in the country organizations, including:

- local Diversity & Inclusion Councils tasked with organizing and fostering diversity in North America, Brazil, Mexico and North Europe;
- Diversity charters or company agreements, such as the one signed in France in November 2023 that includes a section addressing end-of-career issues;
- In-house diversity events, such as the Cultural Diversity Festival in the Africa/India/Middle East region, Diversity and Inclusion Day in Mexico and the Live Event in Brazil;
- Local networks formed in the United States (11 community-based business resource groups), Europe (Better Together), Hungary (Seniors' Club) and Brazil (Women in Sales);
- Diversity and Inclusion pages on country and regional intranets, and video messages from leading regional executives addressing the issue, in France, the United States, Mexico, Brazil and other countries;
- Outside partnerships with local associations in the United States, Brazil, India, Poland and other countries. A highlight of 2023 was Michelin France's engagement with the FACE Foundation, which advocates against domestic violence.

Training to encourage inclusion and attenuate the risk of discrimination

A variety of training and sensitivity programs are being led to instill a culture of diversity and inclusion and to encourage everyone to treat people solely on the basis of their skills, avoiding any bias based on prejudice or discriminatory

stereotypes. In particular, a half-day class-based **bias and stereotype awareness seminar** has been offered for all Group managers since 2020. In 2023, more than 4,000 new participants were trained, particularly in Europe and the United States, bringing the number of employees having completed the program over the past three years to more than 28,000.

4.1.2.2 b) Targeted initiatives in the five areas of diversity

To track and improve diversity across the organization, Michelin has introduced a composite indicator reflecting five diversity metrics, each with a target for 2030.

2030 IMDI objective	IMDI 2023	IMDI 2022	IMDI 2021	IMDI 2020
80/100 points	72	70	65	60

The five IMDI metrics	2023 score	2022 score	2021 score	2020 score
Gender equality in the workplace	73.9	69.2	56.2	48.2
Identity (age, religion, sexual orientation, etc.)	77.7	72.3	73	69.7
Multi-national management	73.6	76.2	76.6	69.4
Disability	66.6	66.7	56.2	50.8
Equal opportunity	68.1	66.6	64.1	64.1

The IMDI composite indicator continued to improve in 2023, rising by two points to 72/100 from 70/100 the year before. The strongest gains were in (i) the **percentage of women in management positions** (30.1%, from 29.4% in 2022) and in the 600 most senior management positions (21.5%, from 18.8% in 2022) and (ii) the perceived acceptance of diversity (the “identity”

metric). On the other hand, the percentage of country organizations with more than 1,000 employees with at least 2% of the workforce recognized as disabled declined slightly over the year, to 35.3% from 35.7% in 2022, following the inclusion of three new countries (Sri Lanka, Indonesia and Canada) in the scope of reporting.

GENDER EQUALITY IN THE WORKPLACE

Group objective: “Aim to set the gender balance benchmark in our industry” and achieve gender balance among Group senior executives and managers by 2030.

Issue	Indicator	2023	2022	2021	2020	Ambition 2030
Gender equality in the workplace	% of women in positions of responsibility at least equivalent to supervisors	30.1%	29.4%	28.9%	28.2%	35%
	% of women in the Group's 600 most senior management positions	21.5%	18.7%	17.2%	15.5%	35%
	Compa gap ratio, men/women, excluding production operators	2.5%	2.6%	3.4%	3.6%	<2.2

Women accounted for 19.9% of the consolidated workforce as of year-end 2023. After declining somewhat last year due to the inclusion of Sri Lanka in the scope of reporting, this new improvement was led by the long-standing commitment to hiring more women and upgrading factory workstation ergonomics. Although, much like in the automotive industry as a whole, women accounted for just 13.9% of production operators in

2023 (excluding the dealership networks). They were better represented among technical staff (27.9%) and, to a lesser extent, in management and supervisory positions (30.1%). In 2023, **about 39% of new hires were women in the administrative employees, technicians, supervisors and managers categories.**

WOMEN AS A PERCENTAGE OF EMPLOYEES AT DECEMBER 31, 2023

% of women by employee category and region	Production operators	Administrative employees and technicians	Managers and supervisors ⁽¹⁾	Total	GRI Indicator
North America	16.5%	29.8%	26.9%	20.1%	GRI 102-08
South America	16.1%	27.1%	32.5%	20.2%	GRI 102-08
Europe	14.7%	27.6%	30.8%	21.4%	GRI 102-08
Africa/India/Middle East	1.7%	22.6%	27.5%	11.9%	GRI 102-08
Asia (excluding India)	12.3%	30.9%	33.7%	19.2%	GRI 102-08
GROUP TOTAL	13.9%	27.9%	30.1%	19.9%	GRI 102-08

(1) Employees with a level of individual responsibility of A to N, according to the Hay method used by the Group.

Supported by a multi-year improvement plan, three Executive Committee members are leading the Group's progress in hiring and promoting women in Marketing & Sales, R&D and Manufacturing. Every year, the Regional Presidents set measurable annual targets, backed by action plans.

Making Group jobs more appealing to women

To enhance manufacturing's appeal to women, Michelin is pursuing initiatives in schools and universities around the world in view of presenting the diversity of industrial jobs and their interest to women in the surrounding communities. Plant tours for students and meetings with women employees in a variety of inspiring roles enable girls to see themselves meeting challenges in the manufacturing industry. To support this process, women employees can now volunteer to act as ambassadors for their jobs, not only in manufacturing but also in other job families with a low percentage of women, **such as marketing and sales, R&D, IS/IT and digital technology**. At the "Trucks Are For Girls" event in the United States, marketing and sales employees raised young women's awareness of careers in the trucking industry.

With the same objective of attracting more women to the shopfloor, the production plants are deploying a variety of programs to **improve workstation ergonomics**. At workshops in every host country, workstations are being individually analyzed to identify those accessible to women and to upgrade others to improve accessibility. In 2023, for example, 12 workstations were upgraded for this purpose in Poland. These studies are supporting the hiring of a growing number of women in the production plants, including in operator positions.

In 2023, a plan to improve sales force gender diversity was rolled out in all the operating regions. It comprises a method for analyzing pathways to progress, a brochure with dozens of recommendations and the introduction of a dedicated governance structure in each region.

Michelin is also committed to facilitating **work-life balance** with a variety of supportive benefits, including flextime arrangements,

working from home (see section 4.1.3.4 a), daycare facilities and nursing rooms, financial aid for childcare, service centers, and maternity support in particular.

Increasing the percentage of women in management and on executive bodies

A dedicated action plan is being pursued in every region to increase the number of women in management. The percentage of management and supervisory positions held by women has risen steadily since 2013, from 22.5% to **30.1% in 2023**. To maintain this momentum and break the glass ceiling, the objective is now to reach 35% by 2030, along with a second target of having women account for 35% of so-called "Group Manager" positions by 2030 versus 21.5% in 2023.

At January 1, 2023, the Executive Committee was made up of nine members (four of which were women), whose role is to assist the Group's two Managers. In 2023, five of the 11 members of the CGEM Supervisory Board and two of the four members on each of the three Board Committees (Audit, Compensation and Appointments, and CSR) were women⁽¹⁾. The Supervisory Board and its CSR Committee are both chaired by women.

Ensuring wage equality worldwide

Every year, country Personnel Department managers analyze the compensation of men and women employees and define action plans to close any gaps. For many years, the Group has used the compa ratio gap indicator to measure the difference between men and women's compensation, based on the market rate for a similar position. Applying this method to **a sample of 37,500 employees**, the overall gender gap was **-2.54% in 2023, versus -2.61% in 2022**. In France, an independent study by researchers at the French National Institute of Demographic Research (INED) found that once again in 2023, the residual value of the like-for-like gender pay gap was less than 1% in every employee category. Lastly, since early 2019, MFPM has calculated and disclosed its Gender Equality Index, **which again stood at 99/100 in 2023**.

(1) See also section 3.1.3.3 Diverse profiles and experiences represented on the Board – gender balance on management bodies (categories 1 to 4).

IDENTITY (THE SUM OF AN INDIVIDUAL'S PERSONAL CHARACTERISTICS, SUCH AS AGE, SEXUAL ORIENTATION, ETHNICITY OR RELIGION):

Group objective: "Enable every person to be who they really are and to bring their authentic selves to work."

	2023	2022	2021	2020	Ambition 2030
MFT question ⁽¹⁾ : "In my workplace, I am treated with respect, regardless of who I am or what my position is."	85%	85%	84%	83%	>80%
MFT question: "In my workplace, I believe that people are treated fairly (for job assignments, promotions, etc.) regardless of their background, personal characteristics or other differences."	68%	67%	65%	61%	>80%
Difference between the highest score in an age category and the lowest score in an age category on the MFT survey question: "I can fulfill my career objectives at Michelin."	4 points ⁽²⁾	7 points	3 points		No difference among the age categories

Michelin seeks to encourage people to express their differences so that they can feel at ease in the corporate community. To enhance everyone's ability to embrace a multitude of differences, the Group organizes bias and stereotype sensitivity training (see section 4.1.2.2 a).

In 2022, a project was undertaken to ensure that the Group's communication to employees and outside stakeholders speaks to everyone, regardless of their gender identity. Following presentations to regional Ethics Committees, these practices were adopted in 2023 in certain regions, such as North America, where HR systems were reviewed to enable the identification of people regardless of their gender identity. In Brazil, a brochure on inclusive communication was published.

In June 2023, country organizations in the United States, Canada, Mexico, Brazil, Thailand, the United Kingdom and Germany celebrated **Pride Month** with employee parades and other festive events, as well as with webinars on LGBTQ issues. Also during the year, Michelin Mexico was certified as a "Best Place to Work for LGBTQ+ Equality" by the Human Rights Campaign Foundation.

A wide range of initiatives were undertaken to address age-related issues, such as the agreement signed with the unions in **France** specifying a variety of measures for people nearing retirement. In addition, Michelin Brazil rolled out the "Generational Forum" corporate initiative during the year and organized training courses to prepare employees for retirement.

Aware that people's physical appearance is also subject to stereotyping, **Michelin Brazil** created a working group on dress codes to ensure that employees enjoy a safe space.

In the Group's most diverse region, **Africa/India/Middle East**, more than 1,000 employees in nine countries took part in a cultural diversity festival, sharing their customs, foodways and traditional dress in the workplace.

In **Australia**, the five local Michelin companies have embarked on a Reconciliation Action Plan to support Aboriginal and Torres Strait Islander peoples. The Plan comprises 13 actions to ensure that these communities benefit from the opportunities created by the industries Michelin serves and that the workplace is a safe space for them.

MULTI-NATIONAL MANAGEMENT:

Group objective: "All of the Group's host country nationalities and cultures are represented in all the corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business. In each country and region, more than 80% of management positions are held by locals."

	2023	2022	2021	2020	Ambition 2030
Percentage of employees with a level of responsibility from A to I working in a growth region who signed their first employment contract in that growth region	86.1%	85.8%	83.2%	78.8%	80%
Percentage of non-French nationals among the Group's 100 most senior executives	30.6%	33.3%	35%	30%	50%

Particular attention is paid to fostering the emergence of local managers in the growth regions of South and Central America, Southeast Asia, China and Africa/India/Middle East, **where 86.1% of managers were locals in 2023**. In addition, Michelin is aiming

for half of its 100 most senior executives to be non-French nationals by 2030. In 2023, the percentage declined slightly to 30.6%.

(1) Moving Forward Together survey.

(2) Based on a new methodology in 2023 following the addition of a new age category.

DISABILITY:

Group objective: "Michelin offers career paths to people of all abilities, in accordance with its talent development policy".

	2023	2022	2021	2020	2030 Objective
Percentage of country organizations with more than 1,000 employees with at least 2% of the workforce recognized as disabled	35.3%	35.7%	26.6%	33.3%	100%
Percentage of country organizations that have appointed an Ambassador with expertise in workplace disability issues	97.9%	97.6%	85.8%	68.2%	100%

Michelin has long pursued a commitment to hiring people with disabilities and retaining employees who become disabled at some point in their careers. The Group's objective that people recognized as disabled should account for at least 2% of the workforce in every country organization with more than 1,000 employees has inspired new units to plot a course to progress and to share best practices. After deploying a roadmap, Mexico commissioned a specialist firm to hire autistic individuals in 2023. Mental disabilities were also the subject of training and adaptation programs in Hungary, Mexico, Poland and other

countries. In 2023, extending the IMDI¹ scope of reporting to three new country organizations, in Canada, Sri Lanka and Indonesia, slightly reduced the percentage of organizations reaching the 2% target.

Disabled employees made up 6.49% of MFPM's French workforce in 2023, once again exceeding the legally mandated quota of 6%. In Brazil, hearing-impaired people have long been hired in workshops, with training and support provided to the departments concerned.

EQUAL OPPORTUNITY

Group objective: "Every employee can develop their talents in the company, regardless of where they started at Michelin. As a manufacturing company, Michelin pays particular attention to promoting production operators (category 5)".

	2023	2022	2021	2020	2030 target
Percentage of managers who began their careers as production operators (category 5)	15.5%	14.8%	13.8%	13.4%	20%
Percentage of managers ⁽¹⁾ promoted from within	68.4%	69.8%	72.7%	73.9%	80%

Promoting from within is one of the Group's core values, which is why the new IMDI indicator includes targets for the career development of people hired as production operators and for the percentage of managers promoted from within.

In addition to these two targets, Michelin strives to support the social inclusion of disadvantaged people in its host neighborhoods.

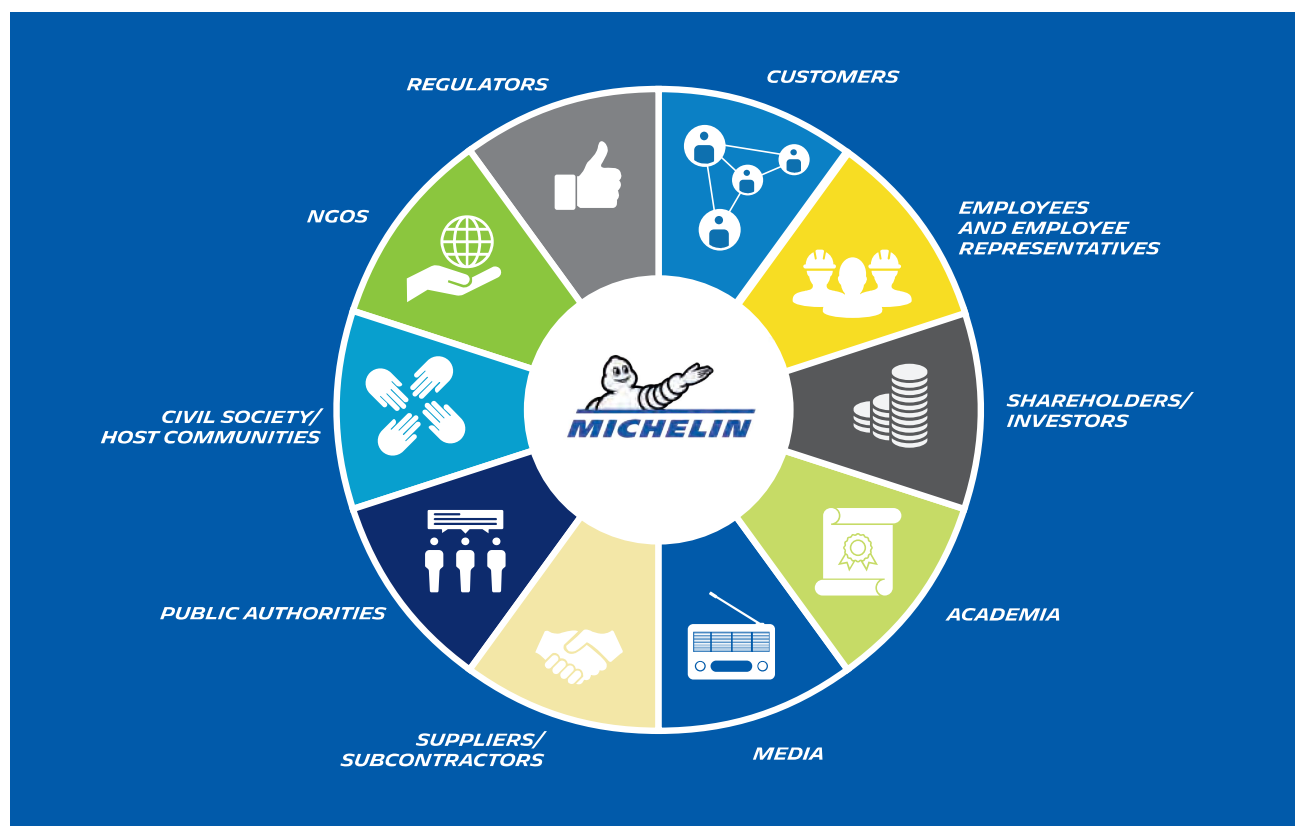
In France, for example, three maintenance skills training and job opportunity programs offered to refugees in collaboration with the Hope association resulted in the hiring of more than 30 people under vocational training contracts, of which 14 were converted into permanent and fixed-term contracts.

(1) Categories 1 to 4 or A to N.

4.1.2.3 Dialogue with stakeholders SDG 8.5, 8.8 and 10.4.

By “stakeholders”, Michelin means the people or groups of people who are impacted by its business or who may impact it in return, so that corporate strategy reflects their needs and expectations.

Building trust-based relationships with stakeholders is an opportunity for the Group to improve its ability to foresee and purposefully challenge its social responsibility commitments.



Michelin has long nurtured continuous dialogue with all its stakeholders, including *customers, investors, employee representatives, suppliers, public authorities, local communities, international organizations and NGOs*. For example, the associated Group departments organize specific meetings every year with each category of stakeholders, led by one or several engagement managers.

Within the Group, the Sales, Marketing, Investor Relations, Purchasing, NGO Relations, Public Affairs, Employee Relations and Personnel Management departments, as well as plant communication managers, are responsible for taking into account and responding constructively to the expectations of their stakeholders. To this end, the departments regularly contact and meet with Group stakeholders throughout the year, at both the corporate and local levels.

4.1.2.3 a) The Corporate Stakeholder Committee

The Corporate Stakeholder Committee is made up of independent members from outside the Group who are representative of the Group's key stakeholders. They are selected by a Steering Committee, which is also tasked with organizing meetings and events. Its members include one of the two Managers of the Group, the Executive Vice Presidents of Engagement and Brands and Urban and Long-Distance Transportation and the Presidents of the European Regions, all of whom are members of the Group Executive Committee.

Members of the Corporate Stakeholder Committee are chosen for their ability to represent the Group's various stakeholders, as well as for their expertise, geographic origin and interest in sustainable development issues. They are appointed for three-year terms, renewable once.

The Committee offers advice and support in assessing the alignment of Michelin's sustainable development strategy with outside needs and expectations. It meets with the Group Executive Committee once a year.

In 2023, the Committee comprised 12 members from Europe, Asia, North America, Africa and other regions who were all representative of the Group's key stakeholders, i.e., a supplier, two customers, a trade union, two NGOs, an investor, an international organization, a philosopher, a leading urban mobility transformation researcher, a representative of the new economy and a young person.

Held in person at the Blanzay plant (France) on October 4 and 5, 2023, the Committee's eighth annual meeting with members of the Group Executive Committee focused on three main issues. First, the meeting offered an opportunity to act on the Corporate Stakeholder Committee's 2022 comments concerning the new definition of the term "sustainable materials." The new term **"renewable or recycled materials" was approved and a "committed to sustainable tires" approach was defined.** Then, two working sessions were organized on **how renewable energies are allocated to customers** and on **how the Michelin Group exercises its duty of care with non-Tier 1 suppliers.** The recommendations report was shared with the teams for input into the action plans.

4.1.2.3 b) Dialogue with civil society organizations

Michelin nurtures ongoing dialogue with civil society organizations involved in both environmental and social responsibility issues.

A corporate Relations with Civil Society Organizations unit, in place since 2014, is supported by a network of 29 correspondents around the world. Trained both internally and externally, the correspondents can draw upon both a handbook (A Practical Guide to NGO Relations) and a methodology. They are subject to an internal quality control audit every two years on average. The correspondents are tasked with identifying at-risk issues in their country, identifying and initiating dialogue with NGOs on targeted issues, and addressing their expectations and questions.

They regularly engage with such social and human rights NGOs as Amnesty International, Global Witness, the International Federation for Human Rights (FIDH), Human Rights Watch and Reporters Without Borders. In 2020 and 2021, for example, Michelin addressed a controversy concerning a Belarusian supplier (with which it has since suspended all business relations) by working closely with the Belarus Helsinki Committee, the Danish Institute for Human Rights, the FIDH, Free our Belarus, the International Center for Civil Initiative – Our House (ICCI), and the Business and Human Rights Resource Center (BHR, Kiev), as well as with the Professional Union of Belarusians in Britain (PUBB), the IndustriALL Global Union and the International Labour Organization. In 2022 and 2023, the Group engaged in sustained dialogue with several NGOs concerning the war in Ukraine and Michelin's withdrawal from Russia.

In 2015, Michelin set up a special stakeholder committee⁽¹⁾ dedicated to sustainable natural rubber issues. Meetings were held in 2016, 2018, 2020 and, most recently, in November 2022.

The Group reviewed its progress over the past two years and presented its action objectives and performance metrics for the next five years. Discussions focused on two issues in particular: initiatives to support local communities involved in rubber farming and improvements in traceability in rubber farming. In addition, in November 2023, the Group engaged with other NGOs, including the WWF, Transport & Environment and the European Climate Foundation, on technical issues in the plan to decarbonize its manufacturing operations.

(1) The committee brings together around 20 social and environmental NGOs, as well as representatives of producers, manufacturers and academia.

4.1.2.3 c) Working with sustainable development institutions

Michelin also addresses sustainable development issues by working closely with its extended ecosystem, comprised of a wide range of both national and international institutions, associations and NGOs. These collaborations are designed to drive

continuous improvement in every aspect of sustainability, including business models, climate, biodiversity and human rights, by acquiring expertise and sharing best practices. As regards lobbying, the positions taken by Michelin's public affairs teams are seamlessly aligned with its climate strategy and consistent with the Paris Agreements.

Organization	Category	Major issues
UN Global Compact	International institution	Deploying the Sustainable Development Goals
World Business Council for Sustainable Development (WBCSD)	International association	Climate, nature, labor relations, transportation, training
Tire Industry Project (TIP), part of the WBCSD	International association	Tire industry, ESG
Business for Inclusive Growth (B4IG), part of the WBCSD	International association	Diversity and inclusion, human rights, living wage, just transition
GreenBiz	European association	Sustainability news and events
<i>Entreprises pour l'Environnement</i> (EpE)	French association	Climate, biodiversity, finance, public affairs
Orée	French association	Biodiversity, circular economy, ESG
<i>Entreprises pour les droits de l'homme</i> (Businesses for Human Rights)	French association	Human rights, duty of care plan
French Sustainable Development Executives Association (C3D)	French association	CSR business model
Common Stake	French association	Intersectional civil society and CSR
Center for Life Cycle Assessment and Sustainable Transition (CIRAIG)	Think tank	Life cycle assessment (LCA) methods
Ellen McArthur Foundation	Think tank	Circular economy
Institute for Sustainable Development and International Relations (IDDRI)	Think tank	Academia - climate, biodiversity, transportation, analysis of international negotiations
WWF	NGO/think tank	Strategic cooperation - climate, nature, bio-based materials
International Transport Forum (ITF)	International institution	Mobility and sustainable development research
Sustainable Mobility for All (SUM4ALL)	International institution	Sustainable mobility concepts and guidelines

4.1.2.3 d) Fostering closer relations with environmental protection associations

Whenever appropriate, Michelin nurtures close ties with environmental protection associations and organizations. These initiatives concern not only the production facilities or the Technology Center, but also office facilities. Partnerships have also been formed with local, national and international associations, in particular to support biodiversity⁽¹⁾.

In 2022, Michelin pursued the cooperation agreement with the World Wildlife Fund (WWF) signed in 2015 and renewed in 2018 to promote sustainable natural rubber around the world. The Group is a founding member and active supporter of the Global Platform for Sustainable Natural Rubber (GPSNR), a multi-stakeholder platform that encourages best practices across the natural rubber value chain. In addition to the WWF, several other NGOs are actively participating in the platform's activities, including Birdlife International, the International Federation of

Human Rights Leagues, the Forest Stewardship Council, Global Witness, Mighty Earth, the Rainforest Alliance and EarthWorm. Lastly, the Group nurtures attentive dialogue with a wide variety of national and local NGOs to help protect the environment and encourage the development of good practices.

4.1.2.3 e) Dialogue with investors

In 2023, the corporate Investor Relations team, accompanied by the Managing Chairman and/or the General Manager and Chief Financial Officer, engaged with institutional shareholders in a variety of ways, including leading in-person and digital roadshows, participating in automotive, ESG and general-interest conferences and organizing various shareholder events.

In early October 2023, for the second year in a row, a roadshow dedicated to governance issues was organized by the Investor Relations team and the Group's General Counsel, accompanied by the Chair of the Supervisory Board.

(1) See section 4.1.1.3 Supporting biodiversity.

During the year, the Investor Relations team met with or responded to questionnaires from rating agencies, credit rating agencies and proxy advisors.

In 2023, the Group posted its third ESG data report for 2022 online in a single spreadsheet to facilitate stakeholder access.

Lastly, the Investor Relations team supports ongoing communication and dialogue with individual shareholders through a variety of channels, including regularly published newsletters, invitations to the Annual Shareholders Meeting, participation in specialized conferences (such as the Investir Day event in 2023) and the deliberations of the Michelin Shareholders Committee.

4.1.2.3 f) Dialogue with customers

The Group pays particular attention to customers, who play a central role in realizing its strategic vision and meeting its objectives.

Customer satisfaction has been steadily improving since 2020, with an NPS⁽¹⁾ of 42.7 in 2023, exceeding the target for the year.

The Group is leading a number of initiatives to constantly enhance customer intimacy and satisfaction. For example, the Customer Centricity Board brings together the chief executives of the Group's leading business units once a quarter, and regularly meets with customers or companies to improve our ability to satisfy increasingly demanding customers, in particular as regards sustainable development.

4.1.2.3 g) An assertive social dialogue process

Michelin's identity and philosophy have always impelled the Group to engage in an assertive social dialogue process, which it sees as a driver of sustainable performance. The Duty of Care Plan and the risk mapping exercise cover the quality of social dialogue as an issue, with the risks to the Group primarily concerning employer attractiveness, skills and employee engagement (see section 4.1.2.4 Supporting employee growth and development).

Its Group Policy recognizes the positive contribution of freedom of association, collective bargaining and staff representation independent of management, which are a source of proposals, and ensures that employees' fundamental needs are taken into account in every host community. Its application is overseen by a Group Director of Social Development, who is also tasked with improving social dialogue where it falls short of Group standards. This initiative is helping to drive steady progress, especially for production operators. In addition, managers receive training in the legal aspects of labor relations.

Compliance with Policy commitments is also verified by an internal control process.

In a commitment to enhancing the effectiveness of the social dialogue process in all its host communities, in line with their particular features and characteristics, Michelin has been a member of the Global Deal since 2017.

It was in this same spirit that Michelin set up a Global Works Council (MWC), where it hopes to encourage, in the form of an economic, social and environmental observatory, a social dialogue process commensurate with its image and capable of driving its overall performance. Michelin is partnering with the IndustriALL Global Union, which participates in the Council.

In 2023, the Global Works Council began its second three-year term (2023-2026) with a broader membership, after welcoming new representatives from India, Sri Lanka, Indonesia and Australia. The Council now comprises 49 employee representatives from 19 countries.

It held its first meeting in the new term on September 27 and 28, 2023 at the Ladoux Technology Center in France, where representatives were able to see and test the latest product innovations on the testing grounds. The participants, including two Group Executive Committee members, reviewed in detail Michelin's All Sustainable strategy focused on the People, Profit, Planet (3P) bottom lines, as well as its application in the production plants and the B2B business. Employee relations issues were addressed, particularly during question and answer sessions.

In compliance with European legislation, the Group also has a European Works Council whose 32 employee representatives from 16 EU countries meet twice a year.

Demonstrating the intentions of the new policy

The notion of social dialogue, which implies, in particular, sharing key issues more broadly and deeply so as to encourage the entire workforce to participate in defining strategy, is gradually informing all of the Group's management practices. The Group provides all the information stakeholders need to form an objective, reasoned opinion and express it with confidence as part of the social dialogue process. The structure and content of this information are negotiated with employee representatives and comply with legal obligations in each country. The Michelin European Works Council (CEEM) and Global Works Council (MWC) are also widely used as sharing platforms.

Restructuring is a fact of business life, an exceptional, yet in certain circumstances unavoidable, event that must be undertaken to maintain the Company's viability. It therefore has to be managed responsibly, aligned with the three pillars of the Group's All Sustainable vision. In this regard, should restructuring be necessary, the Group takes care to ensure that all of the affected employees are accompanied in finding a new job, if they so wish, while easing the impact on local communities with, in particular, revitalization initiatives. In addition, Group policy specifies that any project must be announced as soon as possible and carried out in accordance with the procedures negotiated with employee representatives.

(1) Net Promoter Score.

In every country represented in the European and Global Works Councils, meetings are periodically organized to share financial and employee relations information with employee representatives. Transparently explaining the issues so that they are understood by all parties creates conditions conducive to responsible dialogue during negotiations.

In Germany, reviews of plant performance and market trends led to the decision to close certain facilities and wind down operations. Implementation of the related projects, which have been discussed in detail with employee representatives, will continue in 2024 and 2025 with support plans for each of the employees concerned. Particular attention is also being paid to revitalizing the impacted sites⁽¹⁾.

In the United States, the phase-out of tire manufacturing operations at the Ardmore Oklahoma plant due to the technological obsolescence of the production equipment is being accompanied by in-depth interviews with each impacted employee so that personalized support plans can be defined for each one. Particular attention is also being paid, with local partners, to site rehabilitation⁽¹⁾.

An increasingly mature social dialogue process and workplace sentiment in every operating region

In Western Europe, while conditions in the Passenger car and Truck tire markets have forced the Group to continue reconfiguring its manufacturing footprint, responsible social dialogue has been constantly maintained with employee representatives, so that everyone can work together to jointly define the most effective procedures for implementing the restructuring process.

The quality of social dialogue generally improved around the world, and particularly in Europe, as seen in the findings of the 2023 engagement survey.

Moreover, the health crisis and the geopolitical instability that impacted every region of the world revealed a very deep social cohesion across all our geographies, by strengthening ties between local management and employee representatives.

Led by the Group Director of Social Development, a network of labor relations managers from the Group's 15 leading manufacturing host countries meet regularly to share the latest information on employee sentiment and labor relations in their units, as well as best practices and local experience.

A social dialogue indicator

Internationally, employees are represented by the European Works Council (CEEM) and the Global Works Council (MWC).

74% of host country organizations with more than 100 employees have an employee representative body⁽²⁾.

- Total number of countries where the Michelin Group has more than 100 employees: 31.
- Total number of countries represented on the European and Global Works Councils: 23.

91% of employees are represented by an employee representative body⁽²⁾.

- Total number of Michelin Group employees: 126,628.
- Total number of Michelin Group employees in the countries represented on the European and Global Works Councils: 115,492

Listening to employees via the annual engagement survey

Employee engagement is an important driver of operational excellence and the ability to meet the Group's performance objectives. Michelin has set the particularly ambitious objective of becoming a **world-class leader** in this area by reaching and maintaining an 85% employee engagement rate. Every year, the Moving Forward Together: Your Voice for Action survey measures the engagement rate and employee feelings about their jobs.

In 2023, the survey was conducted Group-wide for the eleventh year running, with a **91% response rate** that was two points higher than the year before. Employee confidence in the survey illustrates how managers are increasingly using it to support dialogue in their teams and drive continuous improvement. The credibility of the findings was also raised by the high response rate, with more than 110,000 employees participating.

In 2023, the overall employee engagement rate rose by one point, to 84%, with rates showing significant gains among administrative employees and managers and holding steady among production operators. The improvement was achieved in a highly tense environment, roiled by inflation and supply chain disruptions.

The survey also showed that the priority issues remained largely the same as in 2022, i.e., **(i) preparing employees for new challenges; (ii) simplifying procedures and resolving dysfunctions; and (iii) enhancing well-being in the workplace.**

⁽¹⁾ See section 4.1.2.3 i) Transparency: information concerning redundancy plans, job retention initiatives and retraining, placement and support programs during the year.

⁽²⁾ Based on the consolidated workforce at April 30, 2023, when the Councils were set up.

Encouraging employees to submit Progress Ideas

First introduced in 1927, Michelin's pioneering participatory innovation process, known as Progress Ideas, offers every employee the opportunity, spontaneously and at any time, to act as an agent of continuous improvement across the Group by suggesting solutions to improve a situation or solve a problem, thereby contributing to the innovation dynamic. Managers are expected to encourage their team members to submit these ideas and then make them a reality.

The results attest to the success of the Progress Idea system in the Group, with more than **19,000 employees** submitting at least one idea in 2023, or 27% of the workforce that had access to the process.

Of the total **38,116 ideas received in 2023, more than 16,145 were implemented during the year**, delivering improvements in areas of special interest to the Group, such as safety, quality, working conditions, cost savings, diversity and the environment.

4.1.2.3 h) Offering fair compensation and benefits

Compensation, payroll taxes and other employee benefits

Employee benefits expense amounted to €7,401 million in 2023.

	Total employee benefits expense in 2023 (in € millions)	Production operators	Administrative employees and technicians	Management staff	Provisions and provision reversals for pension obligations	Taxes and provisions
Group	7,401	2,850	2,656	1,449	16	428

For the entire Group, the allocation of employee benefit costs by function (wages and salaries, payroll taxes, etc.) is presented in note 7 "Employee benefit costs" in section 5.2 Consolidated financial statements for the year ended December 31, 2023.

Ensuring that compensation reflects each employee's performance and level of responsibility

Michelin is committed to offering every employee compensation that is personalized, fair and market-competitive, and that reflects their individual performance and level of responsibility. Compensation policies are implemented with a long-term view, taking into account each person's professional development, so as to enable people to advance according to their aspirations and abilities and the needs of the Group. Compensation is also carefully aligned with evolving market conditions and local practices.

In every host country, compensation is competitively set and raised with a constant eye on achieving the right balance between employee satisfaction and financial performance. The Group's variable compensation policy is designed to:

- enhance its ability to attract and retain talented employees in every host country;
- empower and incentivize everyone to meet our growth challenges;

Encouraging intrapreneurship

In the Innovation and Partnerships Department, the **Michelin Innovation Lab** incubator offers a supportive **environment, open** to the outside world, to any Group employee seeking to **explore** new businesses around and beyond tires that could **make a lasting contribution** to society in the **future**.

Launched in 2014, the **intrapreneurial program** is now open to all employees in Europe, North America, China and India.

In 2023, it **supported more than 100 ideas submitted from across the organization**. Over 20 are currently in the incubation stage, with objectives and a budget, with a view to becoming new business activities.

The MIL also supports employee skills development through coaching programs that encourage personal empowerment, risk-taking (and therefore the possibility of failure), innovative thinking and unlimited curiosity.

- encourage collaborative working methods;
- give everyone a stake in the Group's earnings and share created value more equitably.

Variable compensation comprises three bonuses:

- a Group Bonus tied to how well the Group meets its People, Profit and Planet objectives, which is granted to every Group employee regardless of job position, business line, level of responsibility or country;
- a Team Bonus, based on shared objectives and indexed to the Group's financial results, which rewards collaborative work practices and the alignment of everyone's job performance with Group priorities (does not apply to sales forces and production operators);
- a Special Bonus for sales forces and production operators.

Integrating CSR performance criteria into the compensation of the Group's 100 most senior executives

Tasked with helping to define Group strategy and its execution, the Strategic Operations Group (GOS) comprises the Group's 100 most senior executives, including the Managers, the members of the Group Executive Committee (CEG) and the members of the Group Management Committee (CDG).

A significant portion of their annual compensation involves a long-term incentive in the form of performance share rights, 40% of whose vesting criteria are based on the Group's CSR performance. The number of rights granted to each member depends on his or her:

- level of responsibility;
- country of posting (or of origin in the case of expatriates);
- individual performance against objectives, including managerial performance (I CARE model).

The performance condition is based on three closely related criteria reflecting different aspects of Michelin's People, Profit and Planet strategy, which are presented in detail in Chapter 6 of the Universal Registration Document, Investor relations (see section 6.5.4-Share grants and performance shares).

If all the performance criteria were fully met, these rights, when granted, would represent no less than 20% of the fixed compensation of these employees.

The GOS members' short-term incentive, or Michelin Bonus, comprises two components:

- the Group Bonus, 20% of which is based on CSR criteria (TCIR and Scopes 1 and 2 carbon emissions);
- the Team Bonus, which depends on each member's choice of shared objectives. At least 20% of the amount depends on a CSR criterion, since every member has the objective of increasing the proportion of women in senior management to 20%.

Compensation for the Managers is described in section 3.3.2 Compensation policy: the Managers.

Guaranteeing a living wage for all employees

In 2020, Michelin worked with independent expert Fair Wage Network to develop a methodology to analyze employee compensation in the Group. Since 2021, it has been committed to guaranteeing that all employees are paid a living wage, i.e., compensation that is high enough to support a decent standard of living by enabling employees and their families to pay for food, housing, education, healthcare and other basic needs.

The system is based on the living wage benchmarks defined by the Fair Wage Network for a family of four, comprising two adults and two children.

In 2023, a review of Group compensation⁽¹⁾ found that **all employees are paid at least the equivalent of the living wage benchmarks** defined by the Fair Wage Network.

Also during the year, the process of earning Fair Wage Network certification was undertaken, **resulting in the award of Living Wage Global Employer certification for all Group companies⁽¹⁾ around the world.**

Offering a variety of supplementary compensation

Depending on the country and local labor market practices, employees may be offered various forms of supplementary compensation. In France, for example, the 2023-2024 discretionary profit-sharing agreement renegotiated with the trade unions is structured in two tiers:

- the first defines the profit-sharing framework applicable by each company;
- the second defines specific profit-sharing criteria for each plant or office, such as achieving production targets, reducing energy consumption and ensuring product quality. These profit-shares, which are paid in the first quarter of the following year, can amount to up to 8% of an employee's salary.

Employee benefit policies reflecting Michelin's social responsibility

Employee benefit policies are designed to support all employees and their families at important moments in their lives.

In 2021, Michelin defined the Michelin One Care Program, a package of basic social protection benefits to which every employee is entitled. Roll-out of this program began in 2022, for scheduled completion in 2025. Michelin One Care reflects the Group's commitment to supplementing national systems to:

- give every employee time to welcome a new child into the family;
- protect employees' families financially in the event of death;
- facilitate healthcare for employees and their families.

This universal floor is supplemented by the enhanced, diverse array of tailored employee benefit policies offered by each Group company, which are regularly updated in response to social changes, local legislation and the economic environment.

(1) The 2023 campaign surveyed 100% of Group companies, representing 100% of Group employees, except for companies either acquired in 2023 (plus the four RLU companies) or in the process of being sold.

Protecting employees from the financial consequences of an accident or illness

Michelin is continuing to deploy and upgrade systems to safeguard employees, as well as their spouses and children, against the potentially significant financial consequences of an illness or an accident. In most countries, healthcare plans cover medical expenses and insurance coverage guarantees an income in the case of disability leave or death.

A wide range of proactive workplace health and safety initiatives are being assertively deployed (see section 4.1.3.2 a), regularly informing all employees, systematically monitoring employee health, preventing and managing occupational illnesses and conducting public health campaigns on such topics as nutrition and vaccinations on-site.

Supplementing national pension systems

With life expectancy on the rise, national pension systems in a growing number of countries may no longer be sufficient to meet employees' expectations. In response, in certain countries, Michelin has implemented systems that support employees in building up retirement savings.

For more details concerning Michelin pension plans, please refer to Note 27 "Employee benefit obligations" in section 5.2 Consolidated financial statements for the year ended December 31, 2023.

Enabling every employee to become a shareholder on preferential terms

For the Group, increasing the percentage of capital held by employees is a core process, which helps to strengthen the unique, business-critical role that everyone plays in realizing Michelin's strategic vision.

By becoming shareholders, employees can directly contribute to and share in the value created by their Company, which is committed to ensuring the fair distribution of the value-added generated by its operations.

For more than 20 years, the Group has regularly offered employees the opportunity, during a defined period, to invest in Company stock on preferential terms.

Share ownership is a strong indicator of employee confidence in the Group's future and strategic vision, as well as a real-world illustration of the "I am Michelin" transformation program.

As of year-end 2023, some **72,000 active employees, or more than half the global workforce**, were Michelin shareholders. This represents an aggregate 2.10% of the Group's issued capital and offers a compelling demonstration of employee engagement in the Company.

4.1.2.3 i) Transparency: information concerning redundancy plans, job retention initiatives and retraining, placement and support programs during the year

France

The La Roche-sur-Yon plant

On October 10, 2019, MFPM announced its plan to close the La Roche-sur-Yon plant in France before the end of 2020, which would also have a direct impact on the semi-finished products workshop at the Cholet plant.

An agreement on job retention initiatives was signed with a majority of trade union representatives on January 23, 2020 and implemented on April 1, 2020. At that time, 613 jobs were eliminated at the La Roche-sur-Yon plant and 68 in the semi-finished products workshop at the Cholet plant.

As of December 31, 2023, 94 employees had opted for early retirement, 126 had accepted a transfer within the Group and 482 had been outplaced. Of the employees who took retraining leave with the support of an outplacement firm, 71% have found a job or started their own business and 1% are still being assisted by the firm in finding a job or starting their own business.

A three-year revitalization agreement signed with the French government on June 30, 2020 will help to create 613 new jobs. By year-end 2023, authorities had approved applications to support 685 jobs, of which 502 had been created.

Separately, Michelin began working with leading public-sector stakeholders in the region to transform the site into a multi-purpose center of excellence, combining manufacturing, research and training activities focused on future-facing technologies.

In 2023, Michelin acquired a founding 45% interest in ATINEA SAS, which was set up to lead the transformation of the former truck tire production site closed in late 2020. The €50 million project is fully aligned with the Vendée region's economic development strategy. The new ecosystem is structured around sustainable mobility and the energies of the future. Already, for example, a green multi-energy station is up and running on the site, and in December 2023, Paris transit authority RATP announced it would be home to a new national training center dedicated to hydrogen-powered bus maintenance.

Three-year project to transition the manufacturing and corporate and administrative operations

On January 6, 2021, Michelin announced the roll-out of a strategic project to transition its operations in France over the 2021-2023 period, specifying that it would not entail any layoffs.

On April 27, 2021, Michelin and the unions signed the ADAPT France 21-23 framework agreement defining the support measures for all impacted employees, whether they wished to remain with the Group or preferred to pursue their careers elsewhere.

The agreement called for the negotiation of mutually agreed annual severance packages (RCCs), which were to be used to support the changes in the workforce and jobs over the following three years.

For employees who volunteered to leave the Group, support measures included early retirement opportunities open to all eligible employees and an outplacement program.

Under the 2021, 2022 and 2023 RCC agreements, 1,157 employees requested early retirement and 428 opted for outplacement.

Transfer of unit assembly operations from the Poitiers plant to the Bourges plant

On May 17, 2022, MFPM announced a project to transfer its unit assembly operations from the Poitiers plant to Bourges in 2023, without any loss of jobs.

The impacted employees were offered the opportunity to transfer to the Bourges plant to pursue the same job under the same employment contract. Of these employees, 13 refused to amend their contracts, leading MFPM to consider dismissing them for economic reasons.

An agreement on job retention initiatives was signed with a majority of trade union representatives on January 27, 2023 and implemented on February 11, 2023.

As of December 31, 2023, three employees had opted for early retirement and ten had been outplaced. Of the employees who took retraining leave with the support of an outplacement firm, 30% have found a job or started their own business and 70% are still being assisted by the firm in finding a job or starting their own business.

Italy

In Italy, as part of the Group's initiatives for the 2021-2023 period, organizational changes in the services business and the production plants were supported by collective early retirement agreements concerning 102 people.

Germany: Karlsruhe/Trier/Homburg plant

On November 28, 2023, Michelin announced that it would phase out production at its plants in Karlsruhe and Trier, Germany, as well as the manufacture of new tires and semi-finished products in Homburg. In addition, the Customer Contact Center will be transferred from Karlsruhe to Poland. A total of 1,532 employees will be impacted by these operations, which should be completed by the end of 2025.

The decision was prompted by the growing competition from low-cost truck tires and the German operations' lack of competitiveness in European and export markets.

Michelin's priority is to offer a comprehensive range of measures to individually support each of the impacted employees as they seek new career opportunities. Discussions are still underway with the works councils and the IG BCE union concerning deployment of the shopfloor changes and the future use of the former sites.

Michelin is engaging with its partner communities to explore every option for converting the impacted sites to support the creation of new jobs.

By the end of 2023, 94 jobs had been created on site, including 14 at CTIP, the company managing the innovation park. Rehabilitation work is underway, particularly on the innovation hub, which in coming months will welcome a large number of companies, employees and researchers.

United Kingdom: Marfleet/Hull plant

On December 13, 2022, Fenner Dunlop Engineered Conveyor Solutions announced the closure of its Marfleet/Hull plant in 2023, which affected 70 jobs.

A significant proportion of the plant's business involved sales to Russia, which have since been halted by the war in Ukraine. An employee support plan, including financial compensation and access to outside retraining and recruitment services, was negotiated and accepted by the employees.

After ceasing production in September 2023, the Marfleet site will be transferred to new owners in 2024.

A full 80% of employees had access to a comprehensive training program, and 85% of them changed jobs or retired.

United States: Ardmore, Oklahoma plant

On October 26, 2023, Michelin North America announced that it would wind down tire production at its plant in Ardmore, Oklahoma, which will impact around 1,400 people. Rubber-mixing operations are, however, expected to continue.

This decision was informed by shifting markets and the profound transformations in the North American market, as well as by the inability of the plant to deliver tires at competitive costs to meet evolving demand. The phase out should be completed by the end of 2025.

In line with its values, Michelin is committed to supporting employees, the community and its partners throughout the

transition. Specific details were discussed directly with employees. Going forward, Michelin will offer retention bonuses and outplacement services to achieve a smooth transition for employees and customers. When staffing reductions begin in 2024, employees will be offered a combination of early retirement, separation benefits and financial incentives for relocation support. The Company will work closely with public and private sector partners to explore new uses for the site, in the best interests of the community and our employees.

Michelin will support the creation of local jobs in the Ardmore community.

4.1.2.4 Supporting employee growth and development SDG 4.3, 4.4 and 4.5.

As part of its All Sustainable strategy, the Group has to attract and retain new talent to protect its independence and continue to innovate.

In response, the Corporate Personnel Department (DCP) strives to foster an environment in which employee growth and development are embedded in the heart of the Michelin saga (via the Manufacture des Talents, for example).

It is tasked with ensuring that:

- the requisite skills and talents are available to the Company in the right place at the right time,
- employees have access to a full range of resources to grow professionally (a skills management system, development solutions, etc.) and boost their employability,
- the employee development process is focused on acquiring leadership and behavioral skills,
- social dialogue is consistently high-quality.

The Department upholds the values of respect, diversity and inclusion and the equal treatment of all employees, in particular by ensuring compliance with the seven personnel policies: Hiring,

Employee Development, Employee and Team Compensation, Diversities & Inclusion, Employee Relations, Health, Safety and Quality of Worklife, and Anti-Harassment.

The front-line outcomes of these policies are primarily measured by the annual employee engagement rate, as determined by the findings of the global "Moving Forward Together" survey. With a survey response rate of 91%, the engagement rate stood at 84% in 2023, a one-point year-on-year gain that attests to the trust that has been forged between the Group and its employees over the years. The target engagement rate is 85% in 2030.

Every unit has a Development Partner reporting to the Corporate Personnel Department and supported by the unit's line managers and Competency Managers. Employee support and development processes are based on the Group-wide Workday HR information system.

Workforce overview

The number of employees was virtually unchanged in 2023, ending the year at **132,496 people⁽¹⁾**.

(1) Including the dealership networks and recently acquired companies.

NUMBER OF EMPLOYEES AT DECEMBER 31, 2023⁽¹⁾

	Africa, India, Middle East	North America	South America	Asia (excluding India)	Europe	Group total
EMPLOYEES ON PAYROLL, consolidated companies, under any form of work contract, excluding temp agency workers						
2023	8,295	26,082	8,363	23,213	66,543	132,496
2022	8,258	24,870	8,290	23,550	67,245	132,213
FULL-TIME EQUIVALENT EMPLOYEES OF CONSOLIDATED COMPANIES, excluding interns, work-study trainees, apprentices and temp agency workers						
2023	8,211	24,810	7,464	22,501	62,008	124,994
2022	8,216	23,797	7,474	22,656	62,774	124,918

Employees by gender at December 31 ⁽¹⁾	2022	2023
Men	80.4%	80.1%
Women	19.6%	19.9%

(1) In the consolidated companies, under any form of work contract, excluding interns, work-study trainees, apprentices and temp agency workers.

Employees by category at December 31 ⁽¹⁾	2022	2023
Production operators	62.3%	61.9%
Administrative and technical staff and supervisors	7.1%	7%
Management staff	30.5%	31.1%

(1) In the consolidated companies, under any form of work contract, excluding interns, work-study trainees, apprentices and temp agency workers.

4.1.2.4 a) Human resources planning and development

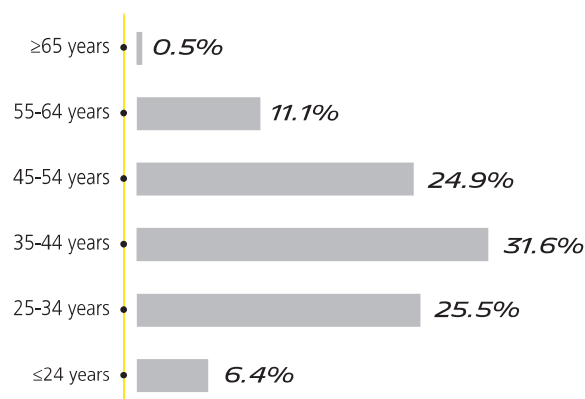
For the new skills development process to work, units and employees should be informed and advised about the talents and skills needed both immediately and over the next three to five years. This means accurately foreseeing both the emergence of new professions, jobs and skill-sets and the ways in which they will inevitably evolve in response to the ever-faster transformation of our ecosystem.

The ultimate goal of the Strategic Workforce Planning (SWP) process is to have the right number of skills in the right place at the right time and at the right cost, so that Michelin can realize its ambitions in current and future markets.

Aware of these challenges, Michelin implements a SWP process that consists of identifying the Group's skills and workforce needs over a five-year period and recommending action plans to address them with hiring, reskilling and upskilling solutions.

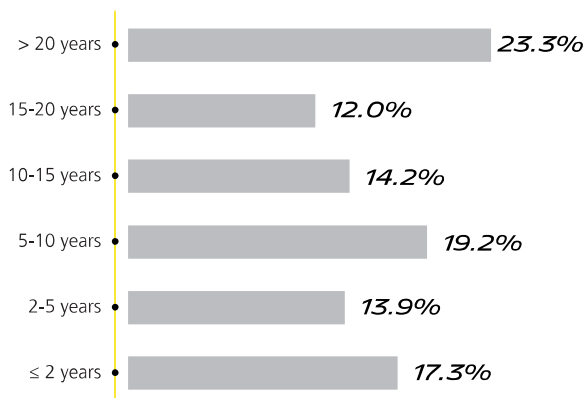
Led by the Competency Managers, the process is carried out in the form of a project in response to a specific problem posed, for example, by a new organization, significant changes in a job family or skill needs, or a strategic issue raised by the Group Executive Committee.

AGE PYRAMID⁽²⁾



(1) The sum of the figures rounded up or down to the nearest whole number generates a one-FTE difference.

(2) Concerns all employees except Group managers and senior managers, InTouch classification.

SENIORITY⁽¹⁾

Contract employees

The number of contract employees declined in 2023, to 2.5% of full-time equivalent employees, compared with 3.9% in 2022 and 4.1% in 2021.

Temp agency workers

The number of temp agency workers declined in 2023, to 1.09% of employees on payroll.

4.1.2.4 b) Employer appeal, promoting from within, team succession plans

The new hiring policy introduced in 2018 reaffirmed the following vision: "The MICHELIN Employer Brand is a factor of differentiation in hiring the people the Group needs, in addition to promotions and transfers from within the organization."

In 2023, each of the **nearly 10,643 people hired under permanent contracts** during the year attended an induction program that guided them through their first days on the job and gave them first-hand insights into Michelin's culture and history.

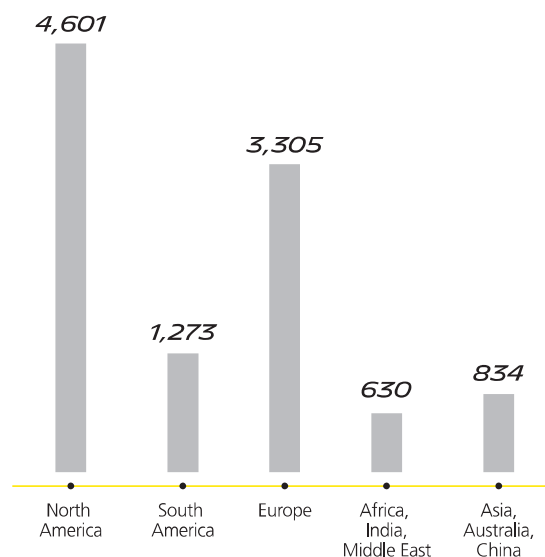
After two years of intense recruitment, in 2021 and 2022, hiring declined in 2023, primarily among production operators and in regions (North America, Central Europe and Asia) that had experienced periods of high turnover and/or ramp-up.

Michelin consistently prefers to promote from within. As of 2023, 68% of people in management have come up through the ranks and have been promoted one or more times after their induction period. In addition, potential reviews serve as a basis for effectively managing the people most likely to progress within the organization.

Employee movements as of December 31, 2023

NEW HIRES

New hires under permanent work contracts.



In all, **10,643** people were hired over the year, of whom **more than 29% were women**.

SEPARATIONS BY REASON

Separations in 2023	Resignation	Dismissal/ termination by mutual agreement	Retirement	Death	Total
Group	3,188	5,565	1,324	128	10,205

Scope: Employees under permanent work contracts, excluding the dealership networks and recently acquired companies.

The three main reasons for separation are dismissals and terminations, resignations and retirement.

In all, the Group's **attrition rate stood at 9.8%** for the year.

(1) Concerns all employees except Group managers and senior managers, InTouch classification.

4.1.2.4 c) Employee growth and development

A core component of the employee development policy, job mobility is now defined as a *"differentiating factor needed to fulfill the Group's strategic vision. It is an indispensable lever for developing people, enriching their experience and improving their ability to take on broader responsibilities, for their own benefit and for the benefit of the Group."* Offers of job mobility are based on potential reviews that assess behavior, results and skills.

The system deployed since 2018 ensures that employees are fully and transparently informed of the performance standards, development aspects and mobility opportunities for a given posting or job, *in alignment with the needs of the Group's organizations and business lines and their own personal aspirations.*

Team succession plans are now being managed by the team leader, and "underwritten" by the Personnel Department in a support role. As a result, keeping everyone aware of job vacancies is the cornerstone of the Job Posting process, which is now being deployed across the Group as part of the Workday human resource information system.

In addition, a continuous skills development process has been introduced with three objectives:

- ensure that the person has the critical skills required for the job, thanks to certification by their manager;
- enable the person to improve their job performance, so as to increase their contribution to the performance of their team or unit;
- guide the person in their career development and offer them opportunities to move to a new posting, job or job family.

Employee growth and development are at the very heart of Michelin's Purpose and the Group strongly believes that successfully adapting to changes in the workplace depends on its ability to prepare employees for the jobs of tomorrow. This means continuously reassessing jobs and skills needs, while enhancing people's employability to sustain the Group's performance.

This process is structured by regular performance reviews⁽¹⁾ for more than 90% of employees, while a career development system based on People Reviews concerns more than 73%⁽²⁾.

In response to today's volatile, uncertain, complex and ambiguous world, Michelin has set up a talent campus to support employees in their career development or retraining. Known as the **Manufacture des Talents**, it enables people to cultivate their lifelong-learning mindset, while helping to enhance the attractiveness of the Group's host communities and improve talent retention with the promise: "We're here to help, but the journey is yours."

Manufacture des Talents campuses will eventually be set up in every operating region. The first, which opened in 2022, is a 2,500 sq.m space in Clermont-Ferrand, France that offers Michelin employees a unique learning experience focused on innovation, excellence and inclusion, built around both training courses (job skills and practices) and services (career guidance, etc.).

4.1.2.4 d) A division of roles to support the process

Michelin is committed to *"enabling every employee to take an active role in managing their career and professional development, with the support of line managers"*.

Each team has been assigned a Local Development Partner and a network of Local Competency Managers, who all work together with team managers to cover the risk of a skills gap:

- **the Development Partner**, each team's initial contact person, whose primary mission is to support managers in leading the personal and professional development of their team members. In terms of risk management, they ensure that Group policies are effectively applied on-site, at the front line. Depending on the circumstances, they are qualified to examine any Personnel-related appeals or requests;
- **the Competency Manager**, who is an expert both in skills management and in their job family. They support the development partners in ensuring that the new skills management system is being properly deployed and used by managers and employees.

4.1.2.4 e) Enhancing skills through training

Investment in employee growth and development in 2023 remained close to that of the prior year. Group employees completed **4.65 million hours of training during the year**.

The percentage of training hours per total hours worked came to an estimated **2.45%**, compared with 2.42% in 2022. The number of hours delivered online was stable, at nearly 820,000 over the year. With an **average of 41.6 hours of training per employee**, the **Group amply exceeds industry standards, in a clear commitment to investing in the employability and adaptability of all its employees**. The Learning & Development function comprises **1,055 full-time professionals**, of whom more than half are dedicated to training production operators.

The "InTouch Learn" learning management system lets employees directly access both global and local training courses and content. Managers are automatically informed when one of their employees signs up for a course. Everyone is therefore free to choose the courses they need, in compliance with local rules.

(1) Frequent feedback interviews for categories 1 to 4, InTouch classification.

(2) Applies to all employees except production operators.

4.1.2.5 Encouraging employee and corporate engagement in local communities

SDG 8.3, 10.2 and
11.4.

Michelin believes that the relationships with all its stakeholders, especially the communities near its facilities, are of paramount importance. As part of this holistic vision, the Group is involving all of its suppliers in the community engagement process, requiring them to meet its own high standards and supporting them through outreach.

The Group is also deeply involved in developing and promoting its host communities, by respecting and addressing their expectations and interests. This commitment is manifested in job creation initiatives, training programs, a significant proportion of local sourcing, the payment of local income and other taxes, support for the preservation of each community's natural and cultural heritage, and financial support for projects led by NGOs, associations and other players.

These actions significantly enhance Michelin's impact in all its locations, thereby contributing to initiatives undertaken to prevent the risk of diminished attractiveness as an employer.

To coordinate these objectives more effectively, the Group has organized four major worldwide action programs: Michelin Volunteers (formerly known as Local Community Engagement), Michelin Development, skills-sharing and the Michelin Foundation.

4.1.2.5 a) Supporting local jobs and businesses with Michelin Development

**MORE THAN
42,000**
jobs created with the support of
Michelin Development, of which
**31,000
IN FRANCE
SINCE 1990**

Supporting local companies with expertise and funding

Michelin is actively involved in creating jobs through its Michelin Development business. The only organization of its kind with a uniquely flexible approach, **Michelin Development** provides local companies with expertise and technical support in a wide variety of areas, including industrial organization, workplace safety, energy efficiency, information technology, the supply chain and more.

This support can be backed by funding in the form of subsidies or five-year, low-interest, collateral-free loans, designed to create leverage with individual or institutional investors, thereby kick-starting a dynamic process of local job creation.

The start-ups supported in 2023 covered a very diverse array of businesses. Projects in any industry are eligible for support as long as they are sound and their champion is competent and motivated.

Over the past 30 years, Michelin Development has helped to create more than 42,000 jobs in France, Spain, Italy, the United Kingdom, Canada and the United States.

A sustained, active presence in local labor markets in France

Since it was formed in 1990, Michelin Development has helped to create more than **31,000 jobs in France**.

Most of its activities involve spontaneous support for local jobs. In 2023, 85 agreements were signed engaging Michelin to support the creation of **984 jobs** in local companies, backed by the granting of around €2.5 million in loans and subsidies. In 2023, Michelin Development refocused on communities with the lowest employment rates, so that it could offer more impactful support to companies where it was most needed.

Over the year, a little under half of its financial commitments were dedicated to production plants being reorganized that were covered by a revitalization agreement. The closure of the La Roche-sur-Yon plant in late 2019 was supported by a revitalization agreement to create 613 jobs, of which 500 had been filled by the end of 2023.

During the year, the supported SOHOs and SMEs created jobs in a very wide variety of sectors, including:

- In the Cher region, several associations spearheading local inclusive labor market initiatives have joined together in a social solidarity consortium (GESS) to improve their performance by pooling their administrative, financial, training and management departments. Michelin Development is supporting the project by subsidizing the hiring of business, technical, quality and partnership managers capable of securing sustainable growth in the consortium's revenue from manufacturing and business services, which has risen by 15% a year since 2019, excluding the COVID period. This direct involvement in job creation is also helping to improve supply-demand alignment in the local job market, while lifting around a hundred people a year out of vulnerable situations.
- In the Morbihan region of Brittany, Michelin Development is working with the Acsomur association, as part of a zero long-term unemployment zone program (TZCLD), to support the start-up of an EBE social solidarity company focused on creating jobs in the city of Vannes. Approved by the French Ministry of Labor, the project is enabling people alienated from the workforce who live in the disadvantaged Ménimur neighborhood to gradually regain their confidence in a supportive environment.

- In addition to an existing agreement, Michelin Development and France Active Auvergne are leading a three-year trial program aimed at creating 180 jobs at a cost of €270,000. The program extends Michelin Development's reach and strengthens its contribution to economic growth by supporting projects that create at least five permanent jobs. In both the Puy-de-Dôme and Haute-Loire labor markets, the partners' shared commitment is to drive the emergence of new projects, foster entrepreneurship and consolidate and contribute to the creation of new jobs in the two regions. For Michelin Development, the partnership is a structural vector for enhancing the appeal of its host labor markets and maximizing its jobs impact.
- Michelin Development helped to create L'Abel Initiative, the first EBE in the Vosges region, by providing technical support and funding to the TZCLD association in Thaon-Vincey. In addition, Michelin Development signed a partnership agreement with L'Abel Initiative to subsidize the creation of the first 30 new jobs with a grant of €30,000. The new employees, based in three facilities, were offered a variety of jobs, such as shoe sorting, fabric cutting for industrial wipes and woodworking (carpentry, Christmas decorations, etc.).

Applying a similar approach in many countries

Since 2002, similar organizations have been set up in other countries.

In Spain, Michelin Development's operations are managed by *Fundación Michelin España Portugal*, which supported the creation of 18 jobs in four companies in 2023. Since 2004, Michelin Development has committed more than €8.7 million in Spain, enabling the creation of 4,500 jobs in more than 700 companies based in labor markets around the Group's four Spanish plants.

In Italy, *Fondazione Michelin Sviluppo* (FMS) was especially active in 2023 in forging and strengthening ties with local stakeholders, such as incubators and manufacturers associations. Its engagement, both as sponsor and/or jury member in specialized competitions, enabled it to showcase the start-ups in its portfolio. No new projects were approved during the year, but preparations were made for 2024.

In all, around 2,500 jobs have been created since 2005 and some €2.4 million in direct funding has been granted to 334 approved applicants.

In the United Kingdom, following the announcement in November 2018 that it was phasing out tire production at its Dundee plant, Michelin approached local public authorities with a plan to co-construct an ambitious project to transform the site. In December 2018, a memorandum of understanding was signed between Michelin, Dundee City Council and Scottish

Enterprise, Scotland's national economic development agency. In June 2019, the three parties became equal shareholders in a new company, Michelin Scotland Innovation Parc (MSIP), which acquired the Dundee site's 32 hectares of land and buildings on January 1, 2021 with funding provided equally by the Scottish public authorities and Michelin.

Since then, facilities have been leased to 14 public and private-sector companies, with the creation of net 35 jobs bringing the total number of jobs on the site to 188. The objective remains to create as many jobs on site by 2030 as when tire production was terminated.

4.1.2.5 b) Participating harmoniously in local community life through our employees

Michelin is pursuing its long tradition of social engagement, with a wide range of philanthropic and community outreach initiatives conducted locally and regionally by the plants, the country organizations, the Regions and, since 2014, the Michelin Foundation.

The **Michelin Volunteers** program reflects the Group's commitment to encouraging volunteer work in community outreach initiatives, to foster engagement, pride and the development of new, non-job related skills. The **Group-wide target of 20% of employees involved in such initiatives in 2030 is closely tracked by a new reporting process**, based on an internal web platform whose easy access from any Michelin facility simplifies data acquisition and consolidation.

Participation again climbed sharply in 2023, with close to 19,700 employees engaging in voluntary initiatives in every region of the world. Compared with the nearly 10,900 participants in 2022, the strong upturn attests to employees' enthusiastic embrace of the revised policy. During the year, the main initiatives concerned health and community outreach (29% of projects) and education (26%), followed by environmental protection (12%), sports (9%), inclusion and culture (7% each).

In all, Michelin employees donated around **8,600 days** to projects in local communities around the world. Examples include:

- a road safety initiative in partnership with the Shanghai police in **China**, in which 200 Michelin employees volunteered to talk with and raise the consciousness of road users;
- training courses in a variety of skills, from management to sustainable development, for young farmers in southern Bahia, **Brazil**;
- regular food collection drives and meal-box distribution to people in need organized by employees in the **United States**;

- a project to renovate restrooms in a kindergarten and elementary school in **Thailand's** Chonburi province;
- nature workshops in association with the Auvergne Regional Nature Conservancy (CENA) to preserve biodiversity in **France**.

In addition, €2.6 million was donated to local communities during the year, of which the majority was allocated to health and outreach projects.

4.1.2.5 c) The Michelin Foundation: demonstrating our corporate culture and values



In November 2023, the Michelin Corporate Foundation's mandate was renewed for another five years, in a reaffirmation of the Michelin Group's dedication to acting **as a good corporate citizen and its commitment to pursuing its philanthropic and outreach initiatives in regional and global communities**.

As part of the Group's corporate social responsibility, and in accordance with its purpose and values, the Foundation has defined a new strategic vision that will guide its actions in coming years and strengthen its positive impact for the common good. Areas of focus will include future-facing jobs, equal opportunity and inclusion, healthy living and eating, sustainable mobility, forest biodiversity, collaborative social models and regional development.

Already in 2023, a number of these Foundation-supported projects illustrated the new areas of action for the 2024-2028 period.

Future-facing jobs

The Viva Fabrica Foundation (under the aegis of FACE⁽¹⁾) is creating and leading annual nationwide events to change perceptions and encourage the embrace and inclusion of all kinds of people in manufacturing professions. In 2023, 18,000

people, including 6,000 middle school students, visited these get-togethers.

Inclusion and equal opportunity

Libraries Without Borders is developing *Bonjour France*, a new, free digital French language learning application designed specifically for refugees and immigrants. Ten new workplace health and safety training modules will be added to help Arabic-speakers to learn French quickly in ways that can be used immediately to enter the job market (note that there are four million native Arabic speakers in France).

CeCler is supporting the mobility of refugees as they enter the job market in the Auvergne-Rhône-Alpes region and managing mobility solutions to enable people to return to work in the rural areas of the Puy-de-Dôme region. The program hopes to offer appropriate mobility solutions to 50 people.

Healthy eating and living

ASM Omnisports' initiatives are fostering social inclusion for everyone through sports, while sharing best practices for a healthy, well-adjusted lifestyle. In one example, kitchen-truck cooking workshops held on October 18, 2023 at ASM Omnisports in partnership with the Les Insatiables (Groupe SOS) association gave some 60 budding young athletes a taste of a healthy, balanced diet.

Forest biodiversity

WWF Brazil is maintaining biodiversity in the Amazon rainforest by developing alternative deforestation-free business models for local communities. The social and environmental impact concerned 522 families or 2,600 people in 2023, when, in addition, a forest conservation reserve was extended to 1,380,000 hectares.

Regional development

Clermont Auvergne Opéra - On stage!: supporting the creation of an inclusive musical comedy involving around 15 amateur singers with various disabilities, to demonstrate that talent knows no handicap. The five performances in the Auvergne region in June 2023 were a huge success, with 1,535 spectators and the production of a documentary by Centre France entitled *"En scène, dans les coulisses du spectacle."*

These projects are described on the Foundation's website, fondation.michelin.com/en/

(1) FACE is a French state-approved umbrella charity that brings together public, private-sector and associative stakeholders to combat exclusion, discrimination and poverty.

4.1.2.5 d) Addressing the risk of potentially negative impacts of our business on local communities

While its plants and other facilities deliver benefits to local communities, the Group is aware that they can also have potentially negative impacts.

In 2019, action principles designed to prevent any risk of a negative impact on local communities were defined based on four situations: building a new production plant, production plants in operation, closing a production plant and buying and managing rubber tree plantations. Key principles include identifying possible negative impact risks, deploying remedial action plans, maintaining dialogue with neighboring stakeholders, introducing a complaints mechanism, focusing on hiring locally and training people in the local community. The document was prepared with input from a variety of stakeholders, including WWF France.

One outcome is that new plant construction projects now include local community impact studies, covering such areas as access to land, respect for the community's cultural heritage and free, prior and informed consent of communities. Independent studies of this type have been performed in India, Indonesia and Mexico, resulting in recommendations that were followed by the Group. In Mexico, for example, before construction began on a new tire plant, the study found a risk concerning land rights in the local community. The Group then determined that it had the legal right to acquire the land and made sure that the project was beneficial to local economic development. In particular, it helped to finance the renovation of local public infrastructure and the creation of a vocational school.

4.1.2.5 e) Making a public commitment to supporting sustainable mobility

Transitioning to a low-carbon economy, including low-carbon mobility for people and goods, requires systemic change at every level of society. The challenges are collective by nature, involving international institutions, national and local public decision-makers, civil society and the private sector. This is why Michelin has long been committed to **bringing together** a wide range of stakeholders around such sustainable mobility issues as minimizing its environmental footprint (GHG emissions, noise and air pollution), optimizing its operating efficiency, protecting people's health and safety and ensuring universal access⁽¹⁾.

In 2023, Michelin maintained its active commitment to various major global institutional partnerships, and is now **internationally recognized as one of the leading champions of sustainable mobility, even in areas outside its core tire business.**

- For example, the Group is proud to be the only private-sector representative on the steering committee of the **Sustainable Mobility for All (SuM4All) consortium**, a major initiative to support countries in the Global South, led by the World Bank and involving a number of UN agencies and multilateral development banks.
- Michelin also expanded its role in the Transport Decarbonisation Alliance (TDA), a coalition of the "3 Cs" (Countries, Cities/Regions and Companies) currently chaired by the state of California, which is advocating for real-world collective solutions for a net-zero emissions transportation industry by 2050.
- Michelin also pursued its active support for the Sustainable Low Carbon Transport (SLOCAT) platform, as the industry's focal point for the UNFCCC⁽²⁾, tasked with organizing the participation of non-state transportation stakeholders in successive COPs. Over the years, SLOCAT has become one of the Group's leading partners in the international arena.

In 2023, Michelin further raised its global profile in sustainable mobility issues, with invitations to speak at a number of headline international events during the year, such as the annual Transforming Transportation Summit organized by the World Bank and the 2023 International Transport Forum in May, where the Group participated in a round-table on the transportation industry and the circular economy. At the COP28 Conference in Dubai in late November and early December, Michelin was represented through SLOCAT and other partners. The Group supported the #FossilFreeTransport initiative⁽³⁾ and participated in a United Nations Global Compact France Network Round Table on the contribution of Compact member companies to climate change.

In 2017, Michelin created the Movin'On ecosystem, which it leads alongside around 30 member companies bringing together more than 300 public and private stakeholders.

Movin'On is the world's leading international platform for business-led, multimodal, cross-sectoral, ecosystem-driven innovation. It is dedicated to enabling the emergence of real-world solutions and fostering the behavioral changes that support the sustainable mobility the planet needs.

(1) Initiated in 2017 by the World Bank-led Sustainable Mobility for All (SuM4All) consortium, this definition of sustainable mobility based on four policy goals (universal access/efficiency/safety/green) is now a global benchmark.

(2) The United Nations Framework Convention on Climate Change, which is responsible for implementing the Paris Agreement on Climate Change adopted in 2015 at COP 21.

(3) A call to double the share of energy efficient, fossil-free forms of land transport for people and goods by 2030, by focusing on shifts to public transport, walking, cycling and rail freight, as well as electric vehicles and railways.

Throughout the year, the Movin'On ecosystem reviews sustainable mobility issues and organizes physical and online events to move its projects forward. In 2023, Movin'On represented:

- the collective contribution of 15 Communities of Interest to the most urgent sustainable mobility issues;
- the creation of the Movin'On Leadership Day in Brussels, a catalyst for engagement among the ecosystem's more than 180 members;
- the organization of four Movin'On Impact events, attended by more than 600 people in Montreal, Paris, Antwerp and Broward County, Florida;
- the "Movin'On Inside" talk show dedicated to sustainable mobility, whose three episodes were watched by more than 150,000 people;
- the release of nine new episodes of Mobility Stories, the sustainable mobility podcast channel, bringing the total to 29.

About Movin'On Communities of Interest

Communities of Interest are working groups that bring together several ecosystem stakeholders. They investigate a common chosen sustainable mobility topic, develop a shared vision and experiment new mobility solutions together.

To find out more, please visit the Movin'On Connect website at <https://www.movinsonconnect.com/>

4.1.3 Employee and contractor health, safety and security



Risks related to the health and safety of employees and contractors

Michelin directly employs more than 132,400 people worldwide and also uses temporary employment agencies and subcontractors. These people work in a very wide variety of environments, both in industrial facilities – where they use machines and equipment ranging from manual to automated, depending on the type of product manufactured and the model of the machines – and in logistics and services operations and dealerships.

Given the nature of our business, Group employees and temporary agency workers face a very diverse array of risks and obligations, depending on whether they work in a production plant or an office, on the road or behind a desk. For example, shopfloor employees are exposed to risks related to:

- site equipment and organization (mechanical and electrical risks, installation ergonomics risks);
- the general working environment (heat, working at heights, psychosocial risks, and exposure to country-specific risks such as political instability, terrorism or kidnappings);
- exposure to chemicals;
- industrial accidents and natural disasters;
- handling tires.

Office-based, itinerant and sales personnel are exposed to:

- business travel risks (accidents and health risks);
- psychosocial risks.

These risks can affect the health, well-being and sometimes the physical integrity of Michelin employees and other people who work in Group facilities. They are addressed by applying dedicated preventive and mitigation measures.

Employee health and safety governance

The Employee Health and Safety Governance body is chaired by the Executive Vice President & Chief Personnel Officer and co-chaired by the Executive Vice President, Manufacturing, who are both members of the Group Executive Committee. Led by the Group Health Coordination Director, the body also comprises standing members representing:

- **Corporate Departments:** Planning, Prevention and Protection, Internal Audit, Risk Management, Internal Control and Quality, Legal Affairs and Sustainable Development and Impact;

- **Operational Departments:** Manufacturing and Supply Chain;

- **Business Lines:** High-Tech Materials and Distribution.

The Governance body meets twice a year. It determines the related policies, objectives and strategies, and ensures that appropriate resources are allocated to drive the timely, successful completion of the action plans defined and deployed to meet the objectives.

4.1.3.1 Engaging in health, safety and quality of worklife policies

In full alignment with its fundamental value of respect for people, Michelin is actively deploying a comprehensive range of health, safety and quality of worklife policies, as described in:

- the 2023 **Health and Safety Declaration**;
- the 2018 **Health, Safety and Quality of Worklife Policy**, the updated version of the Health Policy;
- the 2022 **Environment, Prevention and Security Guidance Letter**.

The Health and Safety Declaration states that “above all else, Michelin’s wish is to ensure safe and healthy conditions for everyone working in the Group.” For Michelin, these conditions include the physical and psychological well-being of employees, the quality of the working environment, and a healthy work-life balance.

These commitments are based on the recommendations issued by key international organizations, such as the UN, the ILO and the OECD, and prevailing standards and legislation, including ISO 26000 and the French Commercial Code.

The Health, Safety and Quality of Worklife Policy defines the Group’s fundamentals and vision, in alignment with its transformation objectives for 2030 and 2050.

The Environment, Prevention and Security Guidance Letter specifies the short- and medium-term targets for fulfilling that vision, while setting the guidelines that every unit must follow. The scope of reporting does not include newly acquired companies being integrated into the system, where Group procedures are being deployed through a dedicated process.

The Group’s risk management procedures are also being applied to employee health, safety and well-being, as part of a disciplined continuous improvement process.

The policies are set out and implemented through the Environment and Prevention Management System, which is based on the international ISO 14001 and ISO 45001 standards. Its application by every employee on every site across the Group (with the exception of companies not yet fully

integrated into the system) is delivering consistent outcomes and continuous improvement in performance. The various risks and opportunities have been identified and their impacts assessed. Prevention, protection and response procedures have been defined and implemented and are periodically assessed to manage their impacts.

Every Michelin facility is staffed with risk prevention professionals, such as OSH experts, ergonomists and hygienists, and healthcare providers, like doctors and nurses.

These professionals share best practices and leverage acquired experience at a regional, national and Group-wide level, as part of a continuous improvement process.

In the production operations, the Environment and Prevention Management System is an integral part of the operational excellence fundamentals of the Michelin Manufacturing Way (MMW) management system, which identifies and promotes good manufacturing practices.

In this way, a full array of improvement drivers are being activated across the organization. **Mandatory training courses and programs are helping to instill a culture of vigilance, engagement and alertness in every employee, both for themselves and for others. The emphasis is on encouraging employees to embrace and demonstrate this culture of safety in the workplace** (see section 4.1.3.2).

Improvements are guided by specific indicators. To manage risks, effective working methods, rule procedures and practices have been defined and are verified by an internal control process.

In recent years, a prioritized risk map has been created, based on data from standardized risk assessments conducted for every workstation.

Priorities in the annual or multi-year action plans are set based on field data and the Group’s objectives and targets. The plans are supported by programs to drive continuous improvement both in existing equipment and processes and in the design of new equipment and processes.

4.1.3.2 Safeguarding employee health

According to the World Health Organization, “health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”

This definition underscores that the concept of health now exceeds the simple absence of any disorders and that physical, mental and social factors play an important role in fostering a state of well-being. In particular, mental health is increasingly becoming an area of concern.

The initiatives undertaken worldwide in alignment with the Health, Safety and Quality of Worklife Policy are designed to nurture a general sense of well-being across the Group.

4.1.3.2 a) Systematically monitoring employee health, to prevent and manage occupational illnesses

A majority of employees are under the care of an occupational physician, in accordance with local legislation. **Medical check-ups** are offered to expatriate employees before and during their expatriation.

In the regions and large European countries where the number of Group employees and national legislation warrant a local approach, health coordination committees are helping to align care systems and the roll-out of the Health, Safety and Quality of Worklife recommendations.

Initiatives to prevent and detect occupational illnesses primarily concern the risks related to lifting, repetitive stress, physical exertion, noise exposure and chemicals.

Occupational illnesses are reported every year to help guide remedial action plans. The Group's definition of occupational illness depends on each host country's legislation.

The majority of the recognized occupational illnesses occurring Group-wide are associated with job-related physical activity. The program to **improve workstation ergonomics** is helping in particular to reduce the occurrence of musculoskeletal disorders.

To supplement the general protection measures against chemical risks, employees systematically wear personal protective equipment at workstations deemed at risk⁽¹⁾.

A documentary watch is in place to track changes in product knowledge, potential hazards and classifications and to upgrade protection plans accordingly.

4.1.3.2 b) Safeguarding health and ability to work

To protect employees from impairments in health or the inability to work, the programs to attenuate occupational risks are also supplemented with **local health education initiatives and public health campaigns**.

These programs are designed to instill healthy behavior in employees, both on and off the job. Examples include:

- introducing medical check-ups in 2018 for all expatriate employees and their families, regardless of their home or host country, before and during expatriation, to prevent at-risk situations. During the Covid-19 response, these check-ups proved especially useful in managing vulnerable people;
- **encouraging employees to engage in physical activities and sports** by installing fitness and athletic equipment and paying a portion of the registration fees for sports activities;
- offering awareness-building and prevention training concerning addictive behavior, nutrition, cardiovascular disease, cancer and other issues that may be defined in connection with local priorities. In some countries, these programs are organized as part of quality-of-life initiatives, such as “Balance”, in Germany, “De Bem Com a Vida” in Brazil, “Oxygène” in France, and “Choose Well Live Well” in the United States. These measures, which have been in place for a number of years now, are fully aligned with the workplace health reforms supported by the French Ministry of Labor and other organizations;
- paying particular attention to work-from-home arrangements, which are becoming increasingly prevalent;
- more closely monitoring for any signs of mental health issues.

(1) See section 4.1.3.2 d) Improving production workstation ergonomics.

4.1.3.2 c) Managing industrial hygiene risks to protect employee health

Michelin's industrial hygiene policy is designed to protect people's health from the harmful effects of the use of chemicals or chemical compounds or from exposure to certain process fumes or asbestos.

The following five core principles are being followed, by order of priority:

- 1. Plan for emerging risks and avoid introducing risks from new chemicals or processes.** Before any new product can be used, its possible risks are managed through a dedicated assessment procedure performed prior to issuing an authorization for use. The procedure gauges the substance's potential impact on human health and, if it is deemed hazardous, defines the conditions designed for safe use. In some cases, its use may be prohibited.
- 2. Recognize and assess the existing health risks of chemicals.** The production plants are using a standardized chemical risk assessment method to define degrees of risk and respond with effective management practices.
- 3. Manage risks by implementing and maintaining effective practices, by order of priority:**
 - replace substances of very high concern, if technically feasible. Monitoring committees meet periodically to identify and prioritize components to be replaced and phased out;
 - install and use collective protective equipment and facilities, (containment processes, hoods, extractors). Such systems are designed into new processes and/or new materials. If existing collective protective equipment is deemed inadequate, they are upgraded and improved whenever technically feasible;
 - use personal protective equipment as the final bulwark for employee protection.
- 4. Confirm the application and effectiveness of risk management practices.** The effective application of risk management practices is confirmed through a variety of periodically scheduled maintenance, verification and audit plans. Employee exposure levels are measured in accordance with applicable regulatory standards and identified risks. Employees assigned to exposed workstations are monitored as necessary with regular medical checkups.

5. Inform and train employees in risk awareness.

Employees are informed of chemical risks and trained to respond to them. Safety data sheets (SDS) for chemicals compliant with REACH legislation in Europe, and with the Global Harmonized System (GHS) everywhere else, are available in the host country language. In some plants, the same information is presented on product data sheets attached to the workstation.

Risks that may arise from a chemical's reasonably foreseeable conditions of use are addressed across the product life-cycle.

4.1.3.2 d) Improving production workstation ergonomics

Musculoskeletal (MSK) disorders account for the majority of occupational illnesses and, depending on the business, 25% to 35% of health-related impairments are caused by faulty ergonomics. Since 2002, MSK impairments have been a major focus of the Group's health and safety policies.

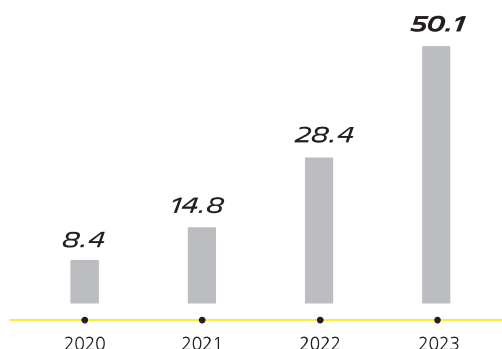
Their prevention is taken into account at the design stage of every industrial project, so as to attenuate any potentially negative impact on working conditions over the medium and long term.

The production facilities and logistics hubs plot and regularly update their workstation maps to identify action priorities and put in place tailored solutions.

Issues related to ergonomics and working conditions are addressed across the business base every year with a dedicated capital budget, which has increased sharply in recent years. Further progress demands greater investment as improvements become increasingly complex and technical in nature.

CAPITAL EXPENDITURE DEDICATED TO ERGONOMIC PROJECTS

(€m)



Projects to improve ergonomics are implemented by ergonomist-led multidisciplinary teams comprised of managers, operators, prevention specialists and physicians. Except in units not yet fully integrated into the system, each plant is deploying a five-year improvement plan.

In addition to protecting employee health, reducing ergonomic hardship is also making the workstations more accessible and appealing to a wider range of people. In turn, this is supporting diversity, making workstations a more attractive job option, and enhancing people's well-being and motivation, with a positive impact on workplace accidents.

This avenue to improvement is being explored with studies and trials, in particular to analyze more precisely a workstation's cognitive load, in addition to the current focus on a station's physical load.

4.1.3.3 Assessing and preventing workplace safety and security risks

SDG 8.8

In its **Health and Safety Statement**, Michelin affirms that *"Each person must be responsible for their own health and safety, as well as the health and safety of others, by striving every day to improve everyone's health and safety through their behavior and active contribution."* To embed a culture of safety and prevention in every aspect of the Group's business, three essential principles are being instilled across the organization:

- correct behavior begins with compliance with safety guidelines;
- through their active commitment, employees are responsible for everyone's health and safety, both their own and that of others;
- personal engagement drives continuous improvement.

This process emphasizes risk prevention, compliance, employee empowerment and management involvement, so that the Declaration is effectively demonstrated in daily work practices.

In recent years, a comprehensive, prioritized risk map has been created, based on data from standardized risk assessments conducted for every workstation. These data are also being used to set priorities in the annual or multi-year action plans. In France, they are consolidated into the comprehensive risk assessment review (*Document Unique d'Evaluation des Risques Professionnels*), which addresses all the possible risk factors.

4.1.3.3 a) Managing workplace safety

Michelin encourages every employee to embrace a culture of accident prevention based on anticipating, analyzing, managing and mitigating health and safety risks.

Prevention and mitigation measures are structured into three main interconnected categories:

- **technical measures**, focused on five Group Safety Programs addressing the specific risks that the Group wants to reduce and manage. They are supported by prioritized responses to the most serious machinery and ergonomic risks, in liaison with the engineering departments;
- **behavioral measures**, combined into an innovative approach that heightens employee alertness and engages them to demonstrate preventive practices for themselves and their colleagues. It draws on behavioral sciences to

encourage engagement through managerial leadership and the active participation of every employee (safety coalitions);

- **organizational measures**, both to support the effective management and mitigation of risks with a robust management system and to develop employee skills.

A culture of safety at work is embraced by employees across the organization, as seen in:

- the uncompromising support of managers, from the executive suite to the shopfloor;
- the dissemination and sharing of best practices and feedback;
- the corporate communication media issued by the Group;
- the programs aimed at detecting and responding to emerging risks.

Before conducting **any on-site operations in the production plants or offices**⁽¹⁾, outside contractors must work with Michelin to prepare a dedicated risk prevention plan addressing all the tasks to be performed under the contract.

An indirect metric attests to the importance of safety for Michelin employees and the outstanding example set by managers. In 2023: 88% of employees⁽²⁾ felt that "we never compromise our own safety to meet other targets" (costs, deadlines, etc.). **This was two points higher** than in the 2021 survey.

4.1.3.3 b) Protecting employees at a time of intensifying international crises

Business travelers

To guarantee the security and safety of the Group's business travelers, the Corporate Planning, Prevention and Protection Department (DCAPP) primarily uses an online platform, managed by an international service provider⁽³⁾ and connected to the Group's travel agency, where employees are required to book their tickets and hotels. The site informs travelers of potential risks, offers health, safety and security guidelines, alerts them in the event of an incident and validates that they meet the conditions for approved travel to at-risk countries. Any travel to an at-risk country must be approved by the security department, the regional manager or the head of the DCAPP, depending on the destination's level of risk.

(1) Except in units not yet fully integrated into the system.

(2) Who responded to the "Moving Forward Together" survey.

(3) Canada-based GardaWorld, one of the world's leading providers of security solutions.

To this end, the corporate Security Department maintains and distributes, through the DCAPP and Travel Managers portals on the intranet and other channels, a risk map with countries plotted according to four levels of risk. This means that the international situation is being constantly monitored by the DCAPP and its international network, which are committed to protecting employees and supporting decision-making across the Group.

This process has become even more important with the conflict in Ukraine and the war between Hamas and Israel.

Expatriates

These same risk prevention principles apply to the safety of expatriate employees and their families. People assigned to at-risk countries receive security training prior to departure. Expatriates are also tracked by the Group's online security platform.

Group events

In 2023, at a time of heightened tensions stemming in particular from the involvement of civil society in environmental issues, the DCAPP assisted organizers of major Group events in foreseeing and mitigating risks. This was notably the case for the Group's Annual Shareholders Meeting and the increasing number of high-profile MICHELIN Guide media events that were held in France and abroad throughout the year.

4.1.3.3 c) Measuring and tracking occupational accidents

In 2023, a review of the consolidated incident data, covering more than 90% of the Group's workforce for the year, enabled management, the ergonomist and the occupational medicine team to prepare effective health and safety improvement plans. Information, awareness-building and training programs continued to be conducted with the designated health and safety experts in every region and time zone.

During the year, the scope of reporting workplace accidents was extended to temporary agency workers in the distribution operations and to employees of Fenner and other recently acquired companies. In 2024, newly acquired companies will continue to be added to the scope in phase with their integration schedule, but they are not expected to have a material impact.

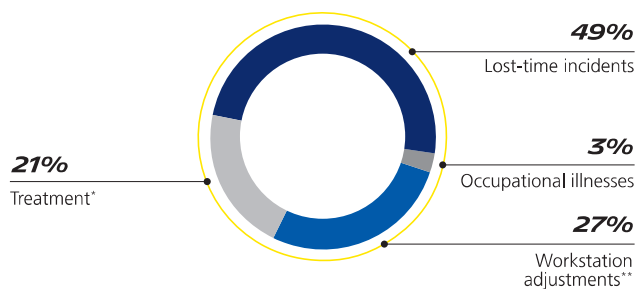
Occupational accidents are tracked using a set of indicators built around the TCIR, which measures the number of accidents and cases of occupational illness recorded per 200,000 hours worked.

Despite the additions of Fenner and temp agency workers in the distribution operations to the scope of reporting, which increased incident rates, the 2023 outcomes confirmed that after the upturn observed in 2022, the pace of improvement remains in line with the Group's objective.

In 2023, consolidated TCIR⁽¹⁾ improved to 1.01 from 1.07 the year before. Technical and behavioral prevention initiatives in the production plants reduced the number of recordable incidents by more than 10% over the year. The distribution

operations, through the Euromaster business, were also a major source of progress, with a 7% improvement in their aggregate TCIR.

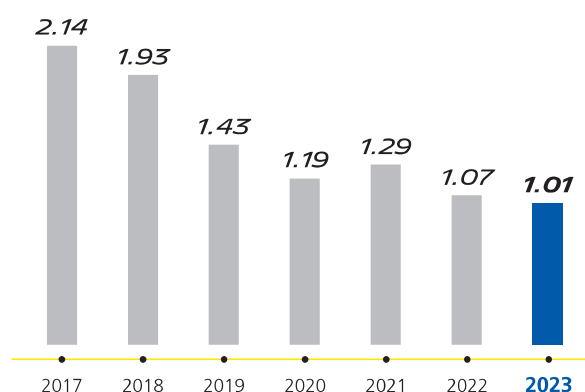
ANALYSIS OF 2023 CONSOLIDATED TCIR



* Treatment represents more intensive medical care than first aid, which involves stabilizing victims by cleaning their wounds or keeping them cool or warm. The various types of first aid have been identified in a list. Chart data also include accidents without lost time involving temporary-agency workers. The lost-time incident category applies to the frequency rate scope of reporting (i.e. only Michelin employees).

** The workstation adjustments category includes lost time incidents involving temp agency workers.

IMPROVEMENT IN CONSOLIDATED TCIR



The Group's objective is to achieve TCIR of below 0.5 in 2030 (including temp agency workers).

Since 2018, the TA+ indicator has tracked the incident rate, with or without lost time, of a list of accidents that the Group has prioritized, with each incident reported directly to the members of the Group Executive Committee. It supports a more granular approach to these accidents, while helping to improve the consistency of multi-country data. The number of TA+ accidents is recorded by a dedicated committee chaired by the Group Safety Manager, which meets once a month with ergonomics experts from the Safety Department and the Group physician after monthly indicator data have been reported. The number of these accidents is **steadily falling, with a significant reduction in 2023.**

(1) Total Case Incident Rate: the number of accidents and cases of occupational illness recorded per 200,000 hours worked.

Every month, a TA+ accident case study is presented in detail to the Group Executive Committee, with an analysis of the causes and the deployment of an action plan to attenuate the risk of the same type of accident occurring in the future.

In 2023, the Michelin community was saddened by two fatal accidents, one in North America, in one of CAMSO Solideal's dealerships in Florida, and the other in a traffic accident in Northern Europe, in the course of our sales and marketing activities.

4.1.3.4 Ensuring well-being in the workplace: improving work-life balance

Michelin wishes to create working conditions that foster a sense of balance and personal well-being. Initiatives are being deployed to improve the workplace environment and organization. In addition, the country organizations and plants have been empowered to make headway on local priorities, in accordance with the needs expressed by their employees.

Year after year, the results of the Moving Forward Together survey⁽¹⁾ express employee aspirations for a better work-life balance.

4.1.3.4 a) Adjusting working hours

Adjusting office work schedules

Local initiatives to encourage working from home are still being promoted. Teleworkers feel that one of the main benefits is the significant reduction in their weekly commute, particularly in

Brazil, Romania, the United States and other countries where traffic congestion is on the rise. Operations in Germany, Canada, Spain, France and the Nordic countries have introduced work-at-home options in response to the need expressed by employees for a better work-life balance.

In France, as part of its commitment to diversity, special attention is paid to requests from disabled employees, pre- and post-maternity leave employees, seniors and people working part-time after sick leave (see section 4.1.2.2 b).

Initiatives for production operator work schedules

While more challenging to implement for operators working in a variety of shifts to keep production plants running around the clock (3x8 hours, 4x8 hours, 5x8 hours, 2x12 hours), a number of shopfloor work-life balance initiatives have been deployed, in particular as part of the empowerment process. Any adjustments to production schedules are announced as far in advance as possible.

Offering more flexible part-time options

Michelin encourages part-time working, which plays an important role in improving quality of life and work-life balance, while opening up job opportunities for people from diverse backgrounds. Procedures for implementing these arrangements vary by country, depending on local legislation, expectations and practices. To the extent possible, they also reflect input from employee representatives.

2.4% of employees opted to work part-time in 2023.

PART-TIME EMPLOYEES BY GENDER

	Women		Men		Total	
	2023	2022	2023	2022	2023	2022
Production operators	5.3%	4.8%	2%	2.2%	2.5%	2.5%
Administrative and technical staff and supervisors	5.8%	5.8%	1.1%	1.2%	2.6%	2.6%
Management staff	4.8%	5.0%	1%	0.9%	2.1%	2.0%
GROUP TOTAL	5.5%	5.3%	1.7%	1.8%	2.4%	2.5%

(1) See section 4.1.2.3 g) An assertive social dialogue process.

4.1.3.4 b) Quality of work-life: listening to needs and measuring performance

Improvement plans to address employee needs

In a large majority of plants and offices worldwide, initiatives to improve the quality of worklife (QWL) are underway with the active participation of employees and, whenever possible, their representatives.

These and other programs to enhance the quality of worklife are being incorporated, with employee input, into each facility's improvement action plans by on-site Health, Safety and Quality of Worklife Steering Committees.

Positive quality-of-worklife scores in the engagement survey

The percentage of employees who are satisfied with their **quality of worklife was relatively stable in 2023, at 78%**.

This overall result reflects how employees feel about their work-life balance and personal job fulfillment, their workplace environment and workstation safety issues. Work-life balance remains a priority for employees.

To track it, a new "**Balance Index**" indicator has been developed, corresponding to three questions in the Moving Forward Together survey⁽¹⁾.

The Group hopes to use this new metric to manage attrition, improve engagement and enhance employee well-being.

In 2023, the Balance Index stood at 73 points, a two-point improvement on 2022.

4.1.3.4 c) Psychosocial risks: adapting preventive measures to local cultures

In a commitment to safeguarding employees from the psychosocial effects of stress and harassment, a variety of programs aligned with local needs and regulations have been deployed to provide:

- **primary prevention**, through reviews, sensitivity training and initiatives to improve the quality of management. These measures, which help employees to protect themselves and improve managers' ability to detect and respond to at-risk situations, have been rolled out in most of the Group's host countries (United States and Canada, France, Hungary, Poland, Romania, Serbia, Spain and the United Kingdom);
- **secondary prevention**, through training and organizational improvement initiatives, particularly in at-risk segments/jobs. Programs to prevent stress with new workplace organization practices have been introduced in Germany, North America, South America, China, Spain, France, Hungary, Poland, Romania and the United Kingdom;
- **tertiary prevention**, through coaching, relaxation therapy, support groups and individual counseling. Since 2018, some of the Group's psychosocial risk prevention programs have been audited by the Internal Control Department, to determine how well the corresponding resources have been deployed during the current period of streamlining corporate operating procedures. Certain individual reassignments are helping to offset the impact of psychosocial risks.

Almost all of the plants and offices are leading quality-of-worklife programs that help to **attenuate stress** or facilitate access to medical or psychological assistance for people seeking support.

(1) The organization is taking appropriate steps to help employees stay physically & mentally healthy; I experience manageable levels of stress and tension; Work allows adequate work-life balance.

4.1.4 Ethics and compliance



Michelin is formally committed to respecting ethical standards and fighting corruption.

The Group has a dedicated organization in place to address ethical and compliance issues.

Organization

Chaired by the General Manager, the **Group Ethics Committee** includes eight other standing members representing the Corporate Customer Experience Department, the Impact and Sustainable Development Department, the Corporate Internal Audit, Risk Management, Internal Control and Quality Department, the Purchasing Operational Department, the Corporate Legal Department (with two representatives, the Group General Counsel and the Chief Compliance Officer), the Corporate Information Systems Security, Safety & Security and Environment Department, and the Corporate Personnel Department.

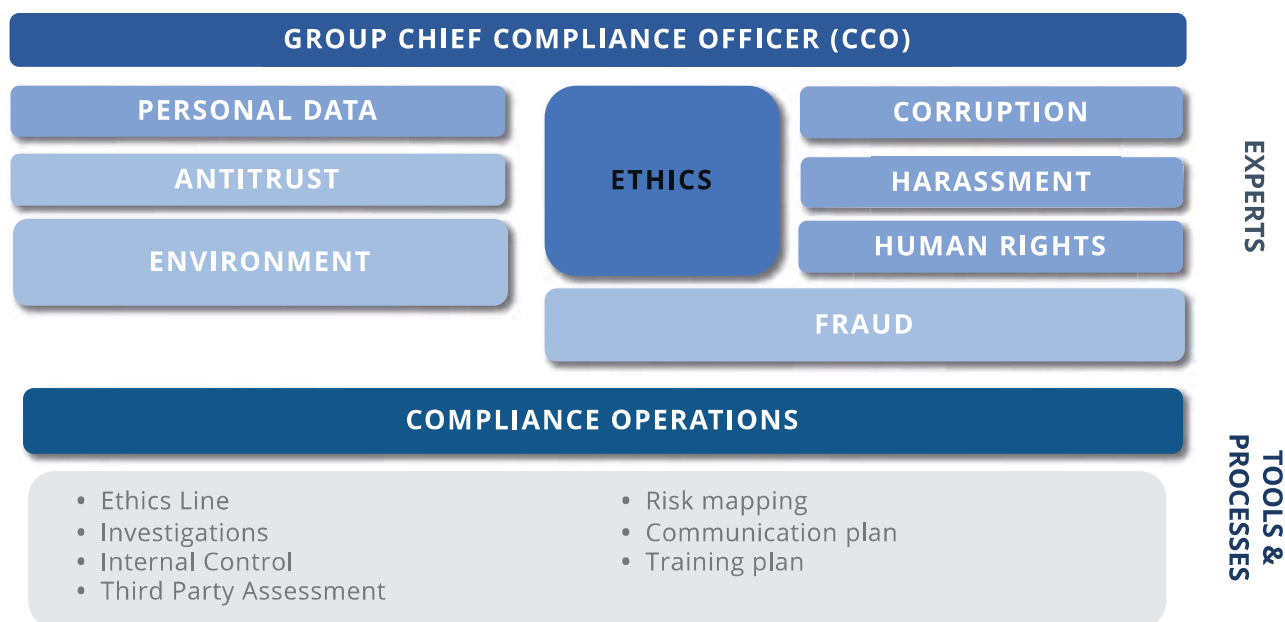
The Ethics Committee meets at least four times a year, with the remit to:

- promote a culture of ethics and compliance throughout the Group and in its relations with third parties;
- define the Group's ethics and compliance strategy and its effective, consistent deployment in the regional organizations and every Group member company;
- approve the Group's anti-corruption and other compliance programs, the resulting key corporate procedures and the initiatives required to drive continuous improvement across all these programs.

The corporate organization is supported by a local organization structured around Ethics Committees in each Region, chaired by the Regional Presidents and responsible for managing ethical risks in their remit, and by a compliance network of local Compliance Officers. The Compliance network is tasked with instilling the values and principles of the Code of Ethics, deploying training initiatives and ensuring proper application of the procedures. Regular meetings are organized with local Compliance Officers to ensure that the regional organizations are widely and effectively deploying compliance programs and sharing best practices.

Since 2021, a **Chief Compliance Officer (CCO)** has been appointed to prevent and manage risks of non-compliance in such areas as corruption and influence peddling, competition rules, privacy and personal data, the environment, ethics, harassment and fraud.

As part of the Corporate Legal Department, the CCO heads a multi-disciplinary Compliance Support Group (CSG) made up of experts in various ethics and compliance issues and a number of operations compliance officers. It is in charge of (i) managing the digital applications in place across the Group to address ethical issues (whistleblowing system, third party due diligence); (ii) leading certain dedicated projects (corruption and fraud risk mapping exercises, third-party corruption due diligence); and (iii) coordinating ethics investigations, internal legal, ethics and compliance audits, and the training and communication plan concerning issues within the Compliance Support Group's remit.



The CSG takes a holistic, multidisciplinary approach to ethical and compliance risks. Its primary mission is to maintain high-quality protection for the Group and its employees through the creation and deployment of robust compliance programs. It works in close collaboration with the Compliance network and other corporate departments (personnel, audit, internal control, communication, sustainable development & impact, purchasing, etc.).

In January 2023, Michelin won the “Best Overall Transparency” award at the 2022 Ethics & Compliance Transparency Awards, organized by Labrador Ethics & Compliance. The award was based on an analysis of 75 objective criteria covering the accessibility, accuracy and comparability of the media made public by listed companies in the SBF 120 index to address ethics and compliance issues, including the Universal Registration Document, the Code of Ethics, the Anti-Corruption Code of Conduct, the Duty of Care plan, ethics and compliance policies and procedures, and the website.

4.1.4.1 Ensuring ethical business practice SDG 16.5

Risk of ethics and compliance violations

The Group pays particular attention to the risk of ethics violations or failures to comply with laws and regulations and expects every employee to act consistently with integrity, in respect of the internal and external standards that have underpinned its corporate culture for over a century. Any conduct that runs counter to these values could expose Michelin to the risk of infringing an ethical standard or an applicable law or regulation.

Note that the Ethics risk family includes a risk factor specifically addressing the social responsibility of Group suppliers (see section 4.1.4.2).

4.1.4.1 a) Establishing a global ethical framework

Code of Ethics

The Group's ethical standards are expressed in the **Michelin Code of Ethics**, which applies to all Group employees without exception, as well as to people working on Group sites or on behalf of a Group entity. Initially published in 2010 and updated in 2014 and 2020, the Code of Ethics was reviewed and expanded in 2021, in particular to strengthen the Group's commitments in areas like human rights and the environment, while responding more effectively to employee questions and making the Code easier to read.

Specifically, the new Code of Ethics:

- reiterates the Group's values and fundamental guiding principles;
- tells employees how to respond to the most frequently encountered situations;
- clearly expresses the behaviors to adopt in line with Group values and procedures ("Dos/Don'ts" section);
- deals with more complex situations and explains the course of action to be taken ("Practical Cases" section);
- provides a list of experts to consult in case of doubts ("Whom to contact" section);
- proposes a list of additional documents to explore issues in more depth ("References" section).

The principles of the Code of Ethics are described in four categories: "At Work", "Doing Business", "External Interactions" and "My Work and the Environment". They cover 25 issues, some of which are addressed by specific procedures presented elsewhere. Personal data protection, for example, is covered by more detailed guidelines in the Group Personal Data Protection Directive and its supporting documents.

Now subtitled "**Acting Ethically Every Day**," the Code of Ethics is prefaced by a statement from the Managers emphasizing the Group's commitment to ethics, which is based on the ethical behavior of each employee, acting as an "ambassador of Michelin's values." Translated into 21 languages, the Code can be downloaded from the Group's intranet sites and a dedicated website (<https://ethique.michelin.com/en/>). An easier to read digital format is also available in **21 languages**, with versions in the other Group languages being finalized.

Deployment of the revised 2021 Code of Ethics was supported by dedicated e-learning modules, videos and events organized both by the Group and by the regional organizations in their member countries.

Compliance control

Compliance with the rules of conduct in the Code of Ethics is ensured through the application of internal procedures and verified during internal control and audit assignments.

Internal control procedures specifically focused on ethics and compliance issues are being steadily stepped up across the

organization, with the number of audits rising by 20% in 2023 after increasing by 55% in 2022.

Alert mechanisms and procedures

The Group takes care to conduct all its business activities in an ethical fashion and wants employees and external stakeholders to speak up and report suspected violations of the Michelin Code of Ethics.

Since 2021, a single Group-wide whistleblowing system has been deployed in every Group entity, replacing the regional alert mechanisms that had been in place since 2005. Available in 30 languages, the system may be accessed by Group employees, contractor employees and temporary workers, as well as by customers, suppliers, service providers and other outside stakeholders via a hotline and a secure website hosted by an independent company. The system allows whistleblowers to anonymously and confidentially report any behavior, practice or situation that allegedly violates applicable laws, internal procedures or the Group's values and principles as set out in the Code of Ethics.

As stated in the Code, possible violations may also be reported through the following traditional channels:

ALERT MECHANISM STAKEHOLDERS

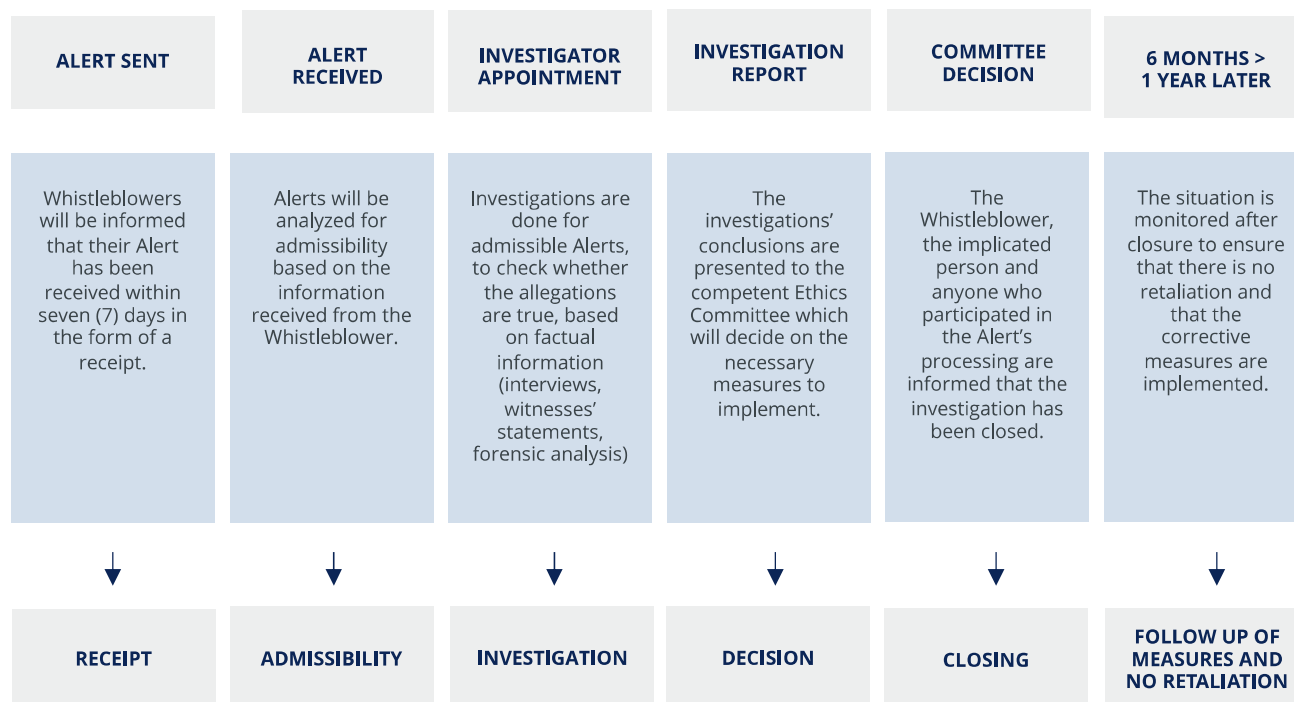


All reports are consolidated in the Group's alert hotline and regularly presented to the Corporate Ethics Committee and the Group Management Committee.

In 2023, the Group issued a new Group Whistleblowing Procedure, which provides a transparent, detailed description of the people involved in the whistleblowing system and how alerts are collected and processed.

The Procedure is available in 20 languages to all employees and external stakeholders on the Corporate website, the Code of Ethics website (<https://ethique.michelin.com>) and the Ethics Hotline website. The following chart summarizes the key stages in processing a whistleblowing report.

MAIN STEPS FOR PROCESSING AN ALERT



ALERT MECHANISM STAKEHOLDERS

Possible infringements or violations of Michelin's values, applicable legislation or the Code of Ethics may be reported through a variety of internal whistleblowing channels:

- the Ethics Hotline (by telephone or online),
- a direct or other manager,
- the occupational prevention and health office,
- an employee representative,
- the Legal Affairs Department,
- the Personnel Department,
- the Planning, Prevention and Protection Department,
- the Ethics Correspondent or Regional Compliance Officer.

Reports are analyzed and processed by authorized personnel in accordance with the Group Whistleblowing Procedure and the Group-wide internal investigation procedure defined by the Corporate Legal Department and the Corporate Planning, Prevention and Protection Department.

Based on the reported information, the regional Ethics Committees concerned decide if the alert is admissible and if it warrants an internal investigation. If the investigation substantiates the alleged violations, the Committees define and deploy action plans with remedial measures and/or disciplinary sanctions up to and including dismissal.

In 2023, a total of 2,233 suspected cases of non-compliance⁽¹⁾ were reported across the Group, but not all of them were substantiated as violations of the Code of Ethics.

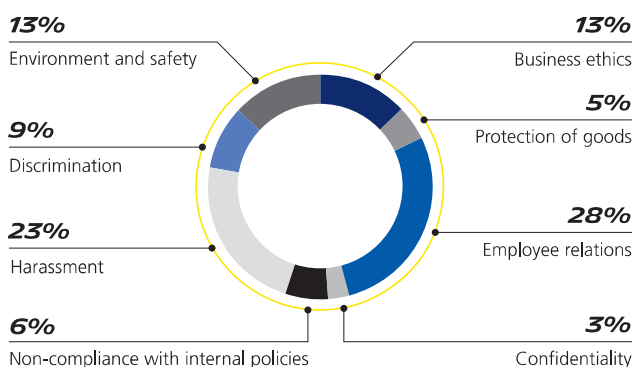
The figure corresponds to the total consolidated number of reports received directly on the Ethics Hotline or through traditional whistleblowing channels.

Of the 1,472 processed reports, 34% turned out to be unfounded, 8% lacked sufficient information for an investigation to be launched and 56% resulted in remedial and disciplinary measures including **dismissals**.

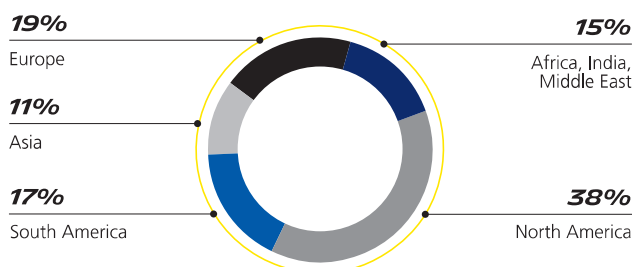
Of the total, 2% were duplicates. Among the cases resulting in remedial and disciplinary action, some concerned situations where non-compliance was not substantiated, but which were still addressed with measures to improve control procedures or internal processes.

(1) Total consolidated number of reports received directly on the ethics hotline or through traditional reporting channels.

CASES BY ISSUE



CASES BY REGION



4.1.4.1 b) Taking a firm stand against corruption

Attesting to the Group's commitment to deploying a policy of zero tolerance for any form of corruption, a clear, practical Anti-Corruption Code of Practice was issued to all employees and outside partners in 2015 and updated in 2020.

The Code is designed to raise employee awareness of actions that could be construed as bribery or corruption, by providing examples and indicating the course of action when confronted with such events or situations. In particular, it deals with such issues as bribes, kickbacks and payoffs, the use of agents and brokers, payments for favors or other inducements, charitable or political contributions, gifts and invitations.

The Code of Ethics, first issued in 2021 and now being updated, reaffirms the principles that should govern the decisions of any employee confronted with a situation that could be construed as corruption.

Since 2021, Michelin has continued to improve **its anti-corruption compliance program** by:

- reiterating the commitment of senior management in the 2021 Code of Ethics;

- updating the dedicated Group-level corruption risk map;
- reinforcing the third-party due diligence process (including specific anti-corruption due diligence prior to any merger or acquisition) and addressing ESG aspects in due diligence audits;
- continuing and expanding the training curriculum with a mandatory online anti-corruption course and dedicated classroom courses for people in the most exposed positions;
- regularly updating the internal ethics and compliance procedures, covering in particular details of the anti-corruption compliance program, gifts and invitations, and conflicts of interest;
- strengthening existing internal controls;
- conducting internal audits.

As part of the anti-corruption compliance program, the Michelin Group has also introduced a key performance indicator tracking **the percentage of employees who have undergone anti-corruption training**. Deployed since fourth-quarter 2021, the e-learning program, which reviews the fundamental principles of the fight against corruption, is designed for all managers and employees worldwide. The tracking target is $\geq 98\%$.

As of December 31, 2023, more than 39,000 Michelin Group employees had completed the course, **representing 98%** of the target, a full six points higher than in 2022.

4.1.4.1 c) Taking a firm stand against fraud

Consistent with its ethical values, Michelin condemns and assertively **combats any form of fraud** throughout the Group. This commitment is enshrined in the Code of Ethics and, since 2023, in a new version of the internal fraud risk management procedure.

This procedure describes the mechanisms for preventing, detecting and dealing with suspected fraud and specifies the compulsory process for tracking the action plans undertaken in response to substantiated fraud. It also describes the governance system in place to manage fraud risk.

The procedure was deployed Group-wide in 2023.

4.1.4.1 d) Competition law

Michelin has long adhered to the highest standards of competition law compliance. Since 2004, a **dedicated antitrust compliance program (ACP)** has been in place, using classroom training courses to help foster a strong culture of competition law compliance across the Group.

Updated in 2023, the Program is based on a risk map, plotted with the support of an outside provider, and covers:

- competition law procedures and guidelines, some general and others specific to certain issues;
- tracking the business contracts listed in dedicated databases;
- managing sensitive information flows, arising in particular from the Group's vertical integration in both production and distribution;
- awareness-building initiatives and classroom and e-learning courses for employees in the most exposed jobs, particularly in sales or in positions that have an impact on the Group's market behavior;
- deployment tracking procedures;
- specific internal control procedures;
- internal audits.

The ACP Program is led by the **Group Competition Officer** and deployed in the operating regions by a network of experts in the Regional Legal Affairs Departments. Each expert is tasked with ensuring the program's effective deployment in his or her remit across every Group unit, in accordance with the risk ownership principle.

The Program contains a "tone at the top" message from the Managers urging employees to ensure compliance, which is shared with participants during the training sessions.

As from 2024, deployment of the ACP Program will be reported to the Group Ethics Committee.

4.1.4.1 e) Protecting employee privacy and personal data

Michelin pays special attention to protecting the personal data of customers, employees, job applicants, shareholders and suppliers.

As part of this commitment, it has deployed a governance system based on a Global Personal Data Protection Committee, a Group Data Protection Officer (DPO), a corporate Privacy team in the Compliance Support Group, and a network of local privacy managers/DPOs, Privacy Operation Partners and Privacy Champions. This system tracks compliance with applicable legislation, including the European Union's General Data Protection Regulation (EU) 2016/679 (GDPR), China's Personal Information Protection Law (PIPL)⁽¹⁾, the US Foreign Corrupt Practices Act (CCPA)⁽²⁾, and Brazil's General Data Protection Law (LGPD)⁽³⁾, as well as the Group's own internal privacy policies.

The Group encourages every subsidiary, regardless of location, to apply these same personal data protection principles.

Employees are informed of these principles, in accordance with the Group protection of personal data directive. In addition, the Group has issued binding corporate rules concerning the transfer of personal data outside the European Union.

Michelin takes special care to properly manage customer and user requests and complaints. In each country concerned, data protection teams are tasked with responding appropriately to each requester in a timely manner. Similarly, in the event of a personal data breach, the Privacy teams are systematically called in, in particular to identify cases where user data has been compromised, and who must be notified with full details so that they can take appropriate measures.

Lastly, personal data protection is an integral part of the Group's internal control process and is periodically audited internally.

4.1.4.1 f) Combating tax evasion

Michelin's tax policies are defined and implemented in line with its operating objectives in responsible and sustainable business development. In this regard, the Group's primary responsibility is to ensure that it fulfills all of its international, regional and local tax obligations, in both the spirit and the letter of the law. Moreover, Michelin has defined its own fundamental guidelines, in a commitment to securing its positions and ensuring that the Group fairly pays all of the taxes due in its host communities.

This is why Michelin systematically interprets tax legislation in compliance with both the law and the legislator's intent, without taking advantage of any possible loopholes.

The Group also recognizes the need and the value of nurturing trust-based relationships with tax authorities. As a result, the Group Vice President of Tax Affairs and members of his network foster, nurture and maintain ongoing, transparent relationships with tax authorities at every level.

Whenever possible, the Group seeks to foster such relationships in every host geography. In 2019, for example, the Group signed a partnership agreement with the French tax authorities, under the "relationship of trust" framework set up by the Budget Ministry, whereby we will transparently share any major events likely to have a tax impact.

Naturally, the Group's tax policies strongly condemn all forms of tax evasion and expressly forbid management from taking advantage of tax regimes deemed to be prejudicial or non-transparent. Similarly, Michelin does not engage in any transaction, financial or otherwise, that would have the effect of evading taxes or of optimizing its corporate tax liability without generating any other operational or economic benefit.

(1) PIPL: Personal Information Protection Law.

(2) CCPA: California Consumer Privacy Act.

(3) LGPD: Lei Geral de Proteção de Dados Pessoais.

A recurring effective tax rate of close to 20% and the lack of any tax adjustments or convictions for tax fraud attest to the effectiveness of the initiatives and tax governance in place to combat tax evasion. Furthermore, the Group's presence in a given geography is based solely on operational decisions concerning our manufacturing or marketing operations and never on tax considerations.

To ensure the consistent deployment of key tax policy measures, in 2023, the Group created the position of Executive Vice President, Tax Governance, who during this first year primarily focused on:

- reminding everyone to comply with best tax practices consistently across the Group;
- helping to improve the security of worldwide intra-Group transactions, in particular by deploying the transfer pricing policy.

Tax risk management policies are based on:

- a transfer pricing policy deployed in accordance with the latest OECD guidelines, with compensation of Group units determined on an arm's length basis, with fair compensation for key functions;
- application of the transfer pricing policy across the entire Group, with understandable, transparent information systematically provided as requested by the local tax authorities;

- protection of shareholder value by implementing a full range of procedures to mitigate the risk of double taxation of profits, involving the use of all forms of recourse, as necessary, including internal recourse, governing authorities and arbitration;
- the assurance that all of the tax positions taken are consistent with the Group's core values, including respect for facts, the environment and people;
- a preference for solutions that avoid unnecessarily complex tax analyses, to reduce the risk of divergent interpretations that may lead to tax disputes, while improving transparency.

All tax risks are tracked specifically by the Tax Affairs Department, under the supervision of the Corporate Finance Department. The system for managing these risks is also governed by the Group's tax policies.

In line with its new obligations, the Group is deploying and tracking compliance with the global minimum taxation rules issued by the OECD's Pillar Two initiative.

Lastly, in addition to these tax evasion mitigation measures, the Group is preparing a **tax transparency report** for publication in 2024, which will make its tax-related information even more accessible by presenting its worldwide tax position with respect to 2023.

4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies

SDG 2.3, 2.4, 8.4, 10.1, 12.6, 12.8, 15.2 and 15.5.

The primary conduit for expressing Michelin's social responsibility commitments to suppliers is the Purchasing Department. Its mission is to guarantee the availability of products and services the Group needs by selecting suppliers that meet not only our quality, cost, deadline and reliability standards, **but also our expectations concerning social and**

environmental issues. The teams are guided by the Group's Code of Ethics, while making sure that the duty of care is properly exercised.

At around €16 billion in 2023, purchases represented close to 60% of consolidated sales for the year.

Risk factors

Among other objectives, the Responsible Purchasing policy is designed to mitigate the impact of the following risks:

- supplier failure to respect human rights;
- the climate change impact of our suppliers⁽¹⁾;
- impact of our raw materials on the environment;
- non-compliance with the Supplier Relations Code of Conduct.

(1) See section 4.1.1 The Environment.

4.1.4.2 a) Governance and organization

Clearly defined policies

In April 2021, Michelin published its Sustainable Purchasing Policy, which defines the Group's main responsible sourcing guidelines and commitments, covering such issues as the environment, human rights and ethics. It may be downloaded from <https://purchasing.michelin.com/en/sustainable-purchasing/>.

The Policy is built on three of the Michelin Purchasing Department's fundamental reference documents:

Michelin Purchasing Principles	<p>Issued in 2012 and revamped in 2020</p> <p>Specify the Group's environmental, social and ethical standards and expected performance</p> <p>Included in every Group procurement contract and the general terms and conditions of purchase</p>
Supplier Relations Code of Conduct	<p>Issued in 2021</p> <p>Concerns all Group employees involved in supplier relations</p> <p>An integral part of the Group's Code of Ethics</p>
Sustainable Natural Rubber Policy	See section 4.1.4.3.c

A global organization

The Group has around 40,000 suppliers located on every continent, while the Purchasing Department has some 770 employees based around the world.

The Purchasing Department is structured around four procurement categories:



It is seamlessly integrated into the Group's CSR Governance system. The Chief Procurement Officer is a member of the Environment and the Human Rights Governance bodies and the Ethics Committee. Reporting directly to this position is a Sustainable Development Manager, who participates in the Group's operational committees dealing with the circular economy, climate change, biodiversity, human rights and ethics. The responsible purchasing process is coordinated at the corporate level and managed in each purchasing category and each Region, with the support of a global Responsible Purchasing network. The Chief Procurement Officer is also a member of the Group Management Committee.

A continuous, award-winning process

The Group's assertive commitment to responsible procurement is reflected in the performance improvement initiatives led year after year, the suite of dedicated indicators tracked by department teams, and the continuous training buyers receive in CSR issues. Recently acquired companies are integrated into the Group's purchasing processes gradually, following their own timetable.



A signatory of France's **Responsible Supplier Relationships Charter** since October 2012, Michelin was awarded the label of the same name in June 2014. In 2019 and again in July 2022, Michelin was awarded the French government's **Responsible Supplier Relations and Procurement label**, which highlights French companies that have demonstrated the ability to foster balanced, sustainable relations with their suppliers. **The label was renewed in 2023.**

In 2019 and again in 2022, Michelin's purchasing practices were **certified as mature** with regard to the new **international ISO 20400 "Sustainable Procurement" standard**. Issued by an approved third-party organization, the certificate attests to the demonstrated effectiveness of the Group's responsible procurement practices.



Lastly, following its CSR audit by EcoVadis, in 2023, Michelin was awarded a **score of 80/100 in "Responsible Purchasing"**, for the sixth year running, ranking the Group among the **top 1% of suppliers rated in the "Manufacture of Rubber Products" category**.



Concerning the specific issue of climate change, in 2023, for the fourth year in a row, the CDP recognized the Michelin Group's ability to engage its suppliers in reducing carbon emissions with a CDP Supplier Engagement Leader award.

The award attests to the dedicated commitment to responsible procurement practices of all the Group's purchasing teams and their internal partners.

4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers

Identifying categories and countries at risk

To supplement the Group's risk map, the Purchasing Department has mapped its social responsibility risks in the supply chain. This map ranks purchasing categories according to their CSR risks in four areas:

- The Environment,
- Human Rights,
- Health & Safety,
- Business Ethics.

Aggravating factors, such as the complexity of the supply chain, have also been taken into account. The exercise also identified the countries with high **environmental and human rights risks**, based on third-party databases.

The mapping exercise helps to prioritize the scheduling of CSR performance reviews and the deployment of preventive measures aligned with each purchasing category's characteristics and environment⁽¹⁾.

Of all the purchasing categories, **natural rubber** warrants the most attention to both its environmental and its societal impacts. This is because 90% of world's production comes from Asia, and over 85% of the volumes are sourced from smallholders, usually on farms of less than four hectares. The supply chain is particularly complex and fragmented. As a result, **a dedicated approach has been devised for natural rubber**, which is described in detail at the end of this section.

Supplier assessments

Since 2012, Michelin has assessed its key suppliers' CSR performance in a variety of ways, depending on the issues involved.

Desktop reviews

Michelin has commissioned CSR rating company EcoVadis to conduct desktop reviews of how its leading suppliers stand in 21 CSR indicators tracking their performance in the environment, labor relations & human rights, business ethics and responsible procurement.

DEPLOYMENT % OF PURCHASE SPEND COVERED BY ECOVADIS SUPPLIER REVIEWS

In all, 72% of the Group's purchase spend is covered, and specifically:

By purchase category

- 96% of natural rubber procurement
- 92% of other raw materials procurement
- around 95%⁽²⁾ of raw materials sourced from countries posing environmental or human rights risks.

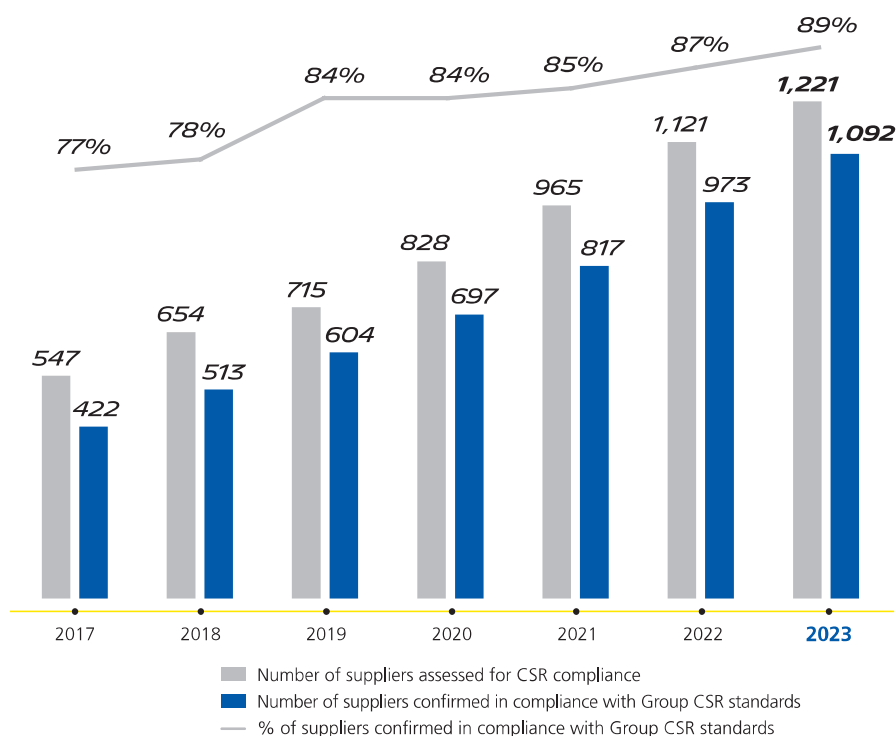
In 2021 and 2022 respectively, **Camso and Multistrada** began to perform CSR assessments of their most at-risk suppliers. The process was extended to **Fenner** suppliers in 2023.

Every year, desktop reviews are performed in additional risk categories, with a focus on those identified during the mapping phase.

(1) For more information, see the Duty of Care Plan.

(2) Based on an estimate for Fenner.

SUPPLIER CSR ASSESSMENTS



Along with the deployed corrective actions, the careful attention paid to the assessments by both the Group's purchasing teams and its suppliers is helping to drive steady progress. By year-end 2023, for example, of the 1,041 suppliers with an assessment track record, 66% had improved and 15% had maintained their score. Lastly, of the suppliers whose low scores in previous assessments had prevented them from being "confirmed" as compliant with Michelin standards, 64% had delivered the expected performance over the year.

Particular attention is paid to the scores on the topic of **"social and human rights"** which has its own target. See the box below on "Supplier failure to respect human rights."

Tracking and follow-up

Suppliers who fall short of confirmed compliance must implement a CSR performance improvement plan, whose progress is tracked by the purchasing teams. To manage the deployment of these remedial action plans more effectively, an indicator measures the percentage of suppliers concerned who actually created such a plan or implemented remedial actions.

Successful deployment is systematically confirmed by a follow-up review. Results deemed to be structurally insufficient or a lack of engagement with sustainable development issues may lead the Purchasing Department to revise or terminate its contractual relationship with the supplier. Such a decision is always made by consensus, after discussing all of the potential consequences.

A simplified questionnaire

A quick, simplified CSR self-assessment questionnaire was prepared and issued to front-line Purchasing Department teams, who may ask suppliers to complete it whenever they deem it necessary, either during the tender phase or while the contract is in effect. The questions measure the maturity of a supplier's CSR practices, which can be used as a selection criterion if warranted. The questionnaire is used only for suppliers whose CSR performance is not assessed by desktop reviews.

On-site audits

To support supplier compliance with its Quality standards and Purchasing Principles, Michelin has introduced a **"supplier quality system audit procedure" (ESQF)**, which is performed on-site. Aside from quality issues, it also addresses the application of the health, safety, environmental and human rights standards stipulated in or derived from the Michelin Purchasing Principles.

Following an ESQF, Michelin auditors assign a separate score for compliance with the Purchasing Principles. Where the score is less than 80%, the supplier is required to take the identified corrective measures and improve overall performance with a continuous improvement process. The initial score is then reassessed in light of the actions implemented by the supplier.

Note: a dedicated CSR assessment and risk mapping exercise has been deployed for natural rubber suppliers (see section 4.1.1.3 a).

Levers for action deployed and dedicated CSR risk procedures

Cross-functional levers for action deployed

Enhancing the professionalism of employees and stakeholders

Considerable resources have been deployed to enhance the professional skills of the procurement teams and to make purchasing processes more efficient. A series of **15 online modules focused on responsible purchasing practices** ensures that high-quality training is available at any time for teams around the world. In 2023, the mandatory modules for buyers were taken by more than 70 people worldwide.

Supplier training

A dedicated supplier training module covering CSR fundamentals and desktop review practices has been developed to supplement the training available to suppliers on the EcoVadis platform (EcoVadis Academy) and on the CDP platform. 248 suppliers have completed at least one EcoVadis Academy module since 2021.

Addressing CSR issues in appropriate purchasing processes

The Group's procurement strategy pays particular attention to CSR issues in the case of certain high-risk categories, which can result in purchases being consolidated and sourced from certain specifically approved suppliers.

Buyers are increasingly encouraged to factor CSR criteria into their calls for tender. These criteria, which may concern the CSR performance of both the potential vendors and their products, services or solutions, address three critical issues:

- climate change and CO₂ emissions;
- the circular economy and natural resources;
- ethics and people.

Supplier transparency concerning CSR issues and their CSR performance are also taken into consideration:

- in the Supplier Relationship Management (SRM) process, in particular when suppliers are segmented and during the regular meetings that drive the process forward;
- when defining purchasing strategies.

Diversifying the supplier base

Michelin operates globally, but it consistently strives to source locally, as well as from sheltered work centers and social enterprises, in addition to the major international suppliers who meet its exacting requirements and embrace the principles of sustainable development.

Since 2021, procurement from **sheltered work centers and social enterprises has been particularly encouraged in France**: creation of a dedicated intranet page, training module, directory and videos shared over several communication channels.

Critical materials [SASB TR-AP-440a.1]

The term critical material – defined as any substance whose use is highly necessary but whose supply is subject to risk – generally refers to certain ores and rare earths. Very few are used in tire manufacturing. At Michelin, they are managed in accordance with the system in place to manage supply risk⁽¹⁾ for all types of raw materials, which deploys a dedicated risk management response for any material identified in the mapping exercise as posing a particular risk. These responses include signing multi-year contracts, seeking new suppliers, maintaining strategic buffer inventory, finding substitute products, and, in the case of conflict minerals, maintaining duty of care procedures (see paragraph below).

Climate change impact of our suppliers

The Group has taken a proactive approach to identifying the purchasing categories and suppliers that represent the largest sources of GHG emissions. These suppliers are actively encouraged to initiate, step up or accelerate their commitment to reducing their GHG emissions (see section 4.1.1.1 a) *Transition plan: decarbonizing our operations/Scope 3: reducing emissions from our transportation operations*).

Impact of our raw materials on the environment

Circular economy

To support the Group's commitment to using sustainable materials, the main raw materials suppliers have been requested to submit a roadmap for developing materials made from renewable or recycled sources. (see section 4.1.1.2 *Enhancing the circularity of our products/Incrementing the use of sustainable materials*).

In the other purchasing categories, a wide variety of initiatives are underway to support the circular economy. Examples include purchasing refurbished replacement parts for automated machinery, using more eco-friendly marketing materials and replacing laptops less frequently. Other initiatives are addressing raw materials packaging, for example by testing reusable pallets.

Biodiversity

Purchasing is also a stakeholder in the Group's biodiversity initiatives, for example by getting natural rubber and raw materials suppliers involved in the Science-Based Targets Network (SBTN⁽²⁾) survey in 2021-2022 or by engaging landscaping service providers in the programs to reduce the use of pesticides and herbicides (see section 4.1.1.3 *Supporting biodiversity*).

(1) See section 2.1, risk 5 - Supply chain.

(2) SBTN: Building on the momentum of the SBTi, the SBTN is working to enable companies and cities to set targets for climate and nature.

Supplier failure to respect human rights

Supplier assessments

Supplier CSR assessments include a dedicated indicator to track their labor relations and human rights performance. The 2030 objective is that 95% of assessed suppliers are confirmed as compliant with Michelin's labor relations and human rights standards, compared with **91%** at year-end 2023.

Conflict minerals

Michelin diligently tracks the origin of certain minerals used in its products, even though the quantities are very small. Commonly referred to as "conflict minerals," they include gold, tin, tantalum and tungsten. Since 2019, Michelin has also included cobalt in this approach. The Group exercises its duty of care by applying the related OECD recommendations and using the applications developed by the Responsible Minerals Initiative (RMI). The materials and components used in Group products that contain these minerals or their derivatives have been identified and their suppliers are periodically requested to submit the RMI reporting template. These forms and inventories are then verified for compliance with the RMI lists. For all these minerals, this process enables Michelin to verify that the reporting supplier works with RMI-approved smelters.

Around twenty raw materials suppliers are concerned by this process.

Chemicals

The Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, which the European Union introduced to mitigate the adverse impact of chemical substances on human health and the environment, stipulates that manufacturers and importers of more than one tonne of a given chemical per year must register the substance with the European Chemicals Agency (ECHA). Producers must identify and manage the risks associated with the chemicals they make and market in the EU, demonstrating to the ECHA how the substance can be safely used and informing users of the proper risk management procedures.

Michelin complies with this registration requirement as a manufacturer or importer of chemicals or articles containing chemicals and verifies that the chemicals or articles it uses have been registered by the suppliers.

Non-compliance with the Supplier Relations Code of Conduct

The Supplier Relations Code of Conduct and dedicated training module

The Supplier Relations Code of Conduct drafted in 2021 is an integral part of the Group's Code of Ethics and applies not only to buyers, but also to any Group employee involved in supplier relations.

To ensure compliance with ethical guidelines, a dedicated online training module has been rolled out across the Purchasing organization and among internal partners in contact with suppliers. It reviews current legislation and expected behavior, in line with the Michelin Purchasing Principles, and offers certain recommendations. **As of end-2023, 90% of the Purchasing organization⁽¹⁾** had been trained. Additional training may be offered in the various regional organizations.

On-time payment of supplier invoices

Michelin pays careful attention to the timely payment of supplier invoices and offers a variety of effective invoicing solutions, including electronic invoicing in PDF or EDI file formats. A new unified global invoice processing platform deployed in 2021 offers new paperless solutions. Blocked invoices are tracked weekly, as are open invoices with a close due date or whose receipt has not been inputted into the information system. A payment schedule dashboard displays a number of indicators, including the percentage of invoices paid on time (POT⁽²⁾, 91.9% worldwide in 2023), as well as related sub-indicators to give advance warning of potential problems. Following a review, appropriate actions are taken with the purchasing department, internal partners or the suppliers. Suppliers who submit late invoices are contacted to raise their awareness of the issue and avoid settlement delays.

(1) Percentage of Purchasing employees in contact with suppliers and with more than three months on the job.

(2) POT: Payment On Time.

Mediation with suppliers

Since 2012, suppliers can use the Purchasing Department website to contact the customer-supplier relations mediator with respect to any alleged or observed violation of the Michelin Purchasing Principles. The mediator intervenes only when suppliers have failed to resolve the issue with their usual contacts in the Group. Over the 2017-2023 period, suppliers have requested mediation at most twice per year. These cases generally concerned invoice payment problems or disputes, which were quickly resolved by the mediator.

4.1.4.2 c) A dedicated approach for natural rubber

Paying special attention to natural rubber suppliers

As one of the world's leading purchasers of natural rubber, a critical raw material in tire manufacturing, Michelin is especially attentive to its rubber-tree farming upstream, and is committed to responsible, sustainable management of natural rubber production.

Of the 30 million people who depend on rubber-tree farming for a living worldwide, six million are village smallholders, who produce over 85% of the world's output on small farms generally covering less than four hectares.

In 2023, for the second year running, Michelin was ranked No. 1 in the tiremaker category by SPOTT, a natural rubber ESG disclosure platform, with a score of 80% (No. 2 in the general natural rubber category). The score demonstrates that Michelin leads the global tire industry in sustainability disclosure and performance.

Partnering with the WWF and nurturing dialogue with civil society

To preserve rubber and manage its impacts, the World Wildlife Fund (WWF) and Michelin have been working together since 2015 to transform the natural rubber market by instilling more sustainable practices across the entire value chain.

At the same time, Michelin is continuing to consult regularly with both stakeholders and the leading civil society organizations involved in these issues. Every two years, for example, the Group brings together civil society organizations to report on the progress made across the natural rubber value chain and to

discuss possible pathways to further improvement. The last information and consultation meeting was held in Clermont-Ferrand in November 2022. In addition to these biennial forums, Michelin regularly works with NGOs, researchers, academics and government agencies on natural rubber sustainability issues.

In addition, the Group is involved in several think tanks exploring ways to prevent imported deforestation. In France, it is actively engaged in the talks being led by the French Ministry for the Ecological and Inclusive Transition to define a strategy to counter imported deforestation (see also section 4.1.2.5 a).

Sustainable natural rubber policy

In 2015, Michelin was the first tire manufacturer to publish a commitment to sustainable, responsible natural rubber production and procurement. The **Sustainable Natural Rubber Policy was updated in 2021 and has been approved by the GPSNR platform⁽¹⁾**.

Drafted with input from environmental and human rights NGOs and other stakeholders, the Sustainable Natural Rubber Policy is now a contractual reference document for Group suppliers.

Downloadable from the Michelin purchasing website⁽²⁾, the policy precisely defines the conditions for farming natural rubber, both in terms of the environment (zero deforestation, protection and preservation of peatlands, High Conservation Value areas and High Carbon Stock areas), and in terms of social responsibility and human rights (working conditions, free, prior and informed consent of the local communities, etc.). Michelin expects every stakeholder across the supply chain to embrace responsible social, environmental and governance practices, so as to maintain rubber tree farming in a virtuous cycle of progress.

(1) The Global Platform for Sustainable Natural Rubber (GPSNR).

(2) <https://purchasing.michelin.com/en/sustainable-natural-rubber-policy/>.

The Sustainable Natural Rubber Policy is based on five core commitments:

- **respect all stakeholders in the natural rubber production chain**, by promoting conflict resolution related to land ownership and improving working conditions and living environments;
- **make rubber tree farming environmentally friendly**, by combating deforestation and controlling the potential impact of rubber cultivation on fauna and flora;
- **take action to improve farming practices**, by helping to instill more efficient practices across the natural rubber production chain, especially among village smallholders, in a commitment to increasing agricultural yields;
- **encourage the careful use of natural resources** by increasing the material efficiency of natural rubber used in tires. Michelin is constantly developing new technical processes that optimize the use of rubber in its products;
- **make rubber tree farming a source of better governance practices**. Michelin is an engaged stakeholder in the rubber tree farming industry, communicating transparently, refusing all forms of corruption and interacting with local and international stakeholders.

Since 2016, the policy has been included in every Michelin supply contract. In addition, Michelin encourages its suppliers to implement policies aligned with GPSNR recommendations.

Assessing stakeholders across the supply chain

CSR practices in the Group's natural rubber supply chain are assessed differently depending on the stakeholder:

- for our direct suppliers, desktop reviews are submitted to EcoVadis and on-site audits are performed;
- for our direct suppliers' production facilities and upstream supply chain, risks are mapped using the RubberWay® application and deforestation risks are analyzed.

EcoVadis desktop reviews

The Group's natural rubber suppliers have been participating in EcoVadis reviews of their social responsibility and environmental performance since 2013. If their results fall short of compliance, remedial action plans are deployed. In 2023, reviews covered the vast majority of our natural rubber suppliers and the CSR maturity of suppliers representing 94% of total spend was confirmed as compliant with Michelin standards⁽¹⁾.

On-site audits

A dedicated team performs on-site audits of every facility supplying natural rubber to the Group. These audits primarily focus on quality performance, but also cover CSR issues, such as the environment (water treatment, etc.) and employee health and safety. Each facility is audited at least once every two years. Follow-up audits are systematically conducted, with remedial action plans mandated in the event of shortcomings.

Supply chain risk assessments

To understand and mitigate deforestation, human rights and other risks in its natural rubber supply chain, Michelin is systematically deploying a variety of risk assessment tools and systems.

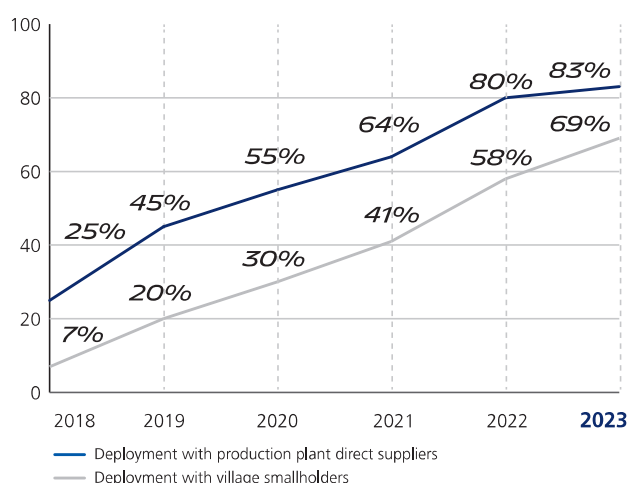
Developed in 2017, the RubberWay® risk-mapping system uses a mobile app to map environmental and social risks in the natural rubber supply chain. Supply chain stakeholders, including raw rubber processing plants, brokers, large plantations and smallholders, are asked to respond to a questionnaire about their practices in such areas as human rights, the environment, agricultural training and market transparency.

The inputted data are then analyzed and summarized on an online platform to create a map highlighting the areas of potential social and environmental risk. The results are shared with direct Michelin suppliers and can be used to prepare improvement plans or deploy mutually designed risk mitigation projects.

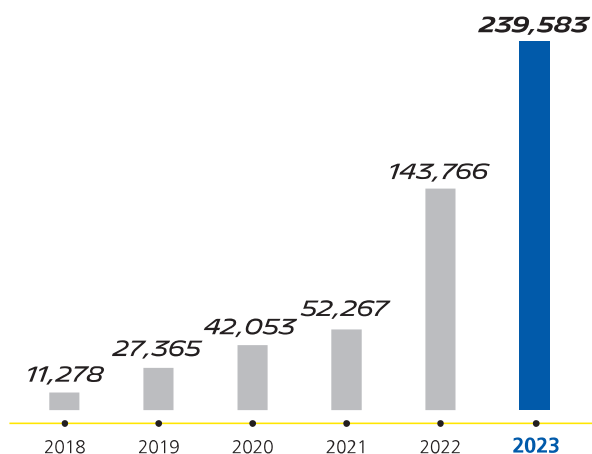
(1) This corresponds to 98% of the spending covered by the reviews (see section 4.1.1.3 b).

In 2019, a joint venture was formed with Continental AG and software publisher SMAG to make RubberWay® a stand-alone solution, accessible to every natural rubber stakeholder. By 2023, five tiremakers were using the RubberWay® system, helping to drive faster take-up of sustainable practices across the natural rubber industry.

SOURCED RUBBER VOLUMES COVERED BY THE RUBBERWAY® APPLICATION



NUMBER OF RUBBERWAY® QUESTIONNAIRES COMPLETED BY VILLAGE SMALLHOLDERS (CUMULATIVE)



The app is currently deployed in Indonesia, Thailand, Malaysia, Vietnam, Côte d'Ivoire, Ghana, Guinea, Nigeria, Liberia and Brazil.

A total of 239,583 questionnaires had been completed by the end of 2023.

Michelin requests that suppliers initially deploy the RubberWay® app in their production facilities and with their own direct suppliers. In this way, **83% of sourced natural rubber volumes were mapped** in 2023.

However, the application is most impactful at the farmer level. Given their vast numbers (around six million worldwide), Michelin wants enough of them to participate in the RubberWay® mapping exercise to ensure that it is representative of their farming practices. By the end of 2023, this minimum representativeness had been reached for 69% of Michelin's sourced volumes, out of a targeted 80% by 2025.

Progress in deploying the RubberWay app and a summary of the risk findings are transparently reported on the Michelin Purchasing website⁽¹⁾.

Michelin is tracking the specific risks of deforestation in its smallholder supply sheds using a dedicated assessment tool developed in association with the WWF. In 2021, a preliminary analysis was conducted, covering the main sourcing countries. Initially, the tool analyzes the environmentally sensitive areas around each natural rubber processing plant, based on a uniform radius. The factories are then prioritized, based on the risk found, for a detailed mapping of the supply chain. In 2022, eight plants and action plans were identified based on the results of this second analysis phase. In 2023, Michelin took this commitment to the next level by working with its natural rubber network and suppliers to geolocate all the smallholder rubber farms across its supply chain, in line with the new European Union Regulation of Deforestation-free Products. These farms were then assessed to confirm their compliance with both Michelin commitments and deforestation legislation. Wide-scale deployment and systematic assessment of deforestation-free operations are now underway.

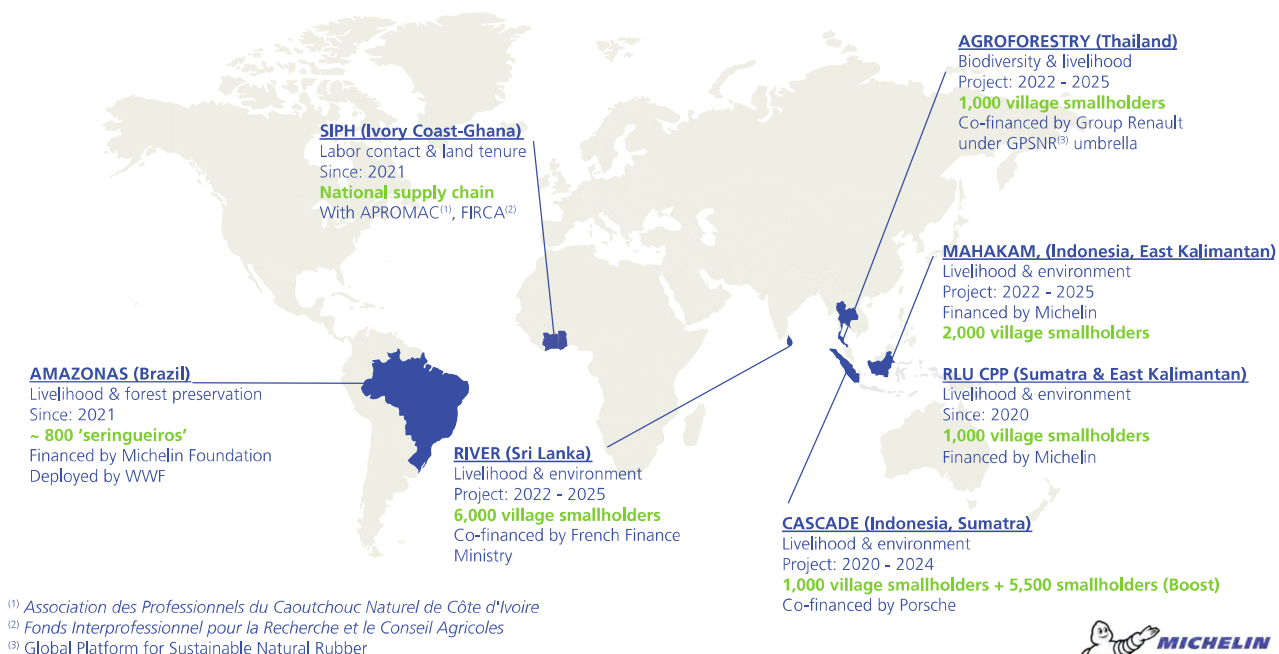
The Group is engaging with suppliers in combating deforestation, in particular by seeking opportunities to directly address the risks in priority geographies.

(1) <https://purchasing.michelin.com/en/sustainable-natural-rubber-policy/>.

Frontline initiatives

MICHELIN COMMITMENTS TO DEVELOP A MORE SUSTAINABLE NATURAL RUBBER SUPPLY CHAIN

Target to develop capacity building for 30,000 smallholders by 2030



The Global Platform for Sustainable Natural Rubber (GPSNR)

To drive faster progress toward a more sustainable natural rubber supply chain, Michelin worked with a diverse group of stakeholders to create the multi-stakeholder Global Platform for Sustainable Natural Rubber (GPSNR).

It is now leading improvements in the environmental and socio-economic performance of the entire natural rubber industry. GPSNR brings together stakeholders from across the natural rubber value chain, including farmers, processors and brokers, tiremakers and other users, automakers and civil society, with the participation of a large number of NGOs.

Michelin chaired the GPSNR Executive Committee until the end of 2021 and remains one of the organization's most active members. In 2023, it participated in six GPSNR working groups: Transparent Reporting Task Force, Assurance Model, Strategy

and Objectives, Smallholder Representation, Capacity Building, Shared Responsibility and Risk Assessment.

For more information, please visit www.gpsnr.org.

To find out more:

More extensive information about our natural rubber commitments may be found on the dedicated Michelin Purchasing website⁽¹⁾, which presents the following documents, generally organized around the four themes of people, the environment, farmers and stakeholders:

- the latest version of the Sustainable Natural Rubber Policy;
- the Sustainable Natural Rubber Roadmap 2020-2025;
- annual reports on Michelin Natural Rubber Operations and Supply Chain;
- a set of comprehensive, regularly updated indicators that track progress on the sustainable natural rubber policy.

(1) <https://purchasing.michelin.com/en/sustainable-natural-rubber-policy/>.

4.1.4.3 Guaranteeing the quality of our products and services

SDG 3.6 and 11.2

Offering our customers the finest quality products and services in each market segment we decide to serve.

Safety risks associated with tire products

Tires are still Michelin's core business, in which it holds robust leadership positions around the world and across every operating segment: automotive, road transportation (bus and subway tires) and specialty markets (two-wheel, aircraft, earthmover, agriculture, construction and materials handling tires).

Like all tiremakers, if defects were to appear in its products during their use or if they failed to comply with applicable regulations, Michelin could be faced with liability claims or be required to recall the products.

Specific nature of the risk

Michelin's focus on customer needs and the quality of its products and services has built confidence in the MICHELIN brand and contributed to the Group's performance.

Although there have been no material events in recent years, should a safety failure occur, this would have a serious adverse effect on the reputation of the MICHELIN brand⁽¹⁾.

Michelin Quality

Throughout Michelin's history, the attention that the women and the men of the Company have paid to the needs of its customers and to the quality of its products and services has fostered confidence in the MICHELIN Brand and nurtured the Group's performance. Quality remains critical to the safety of products and services and to their compliance with applicable requirements.

Since its founding, Michelin has always nurtured a powerful quality culture. Enhancing the mobility of people and goods requires an uncompromising attitude towards the safety and quality of every product and service. Every Group employee, at every point in the value chain, is trained and engaged in delivering Michelin Quality to his or her customers.

"Together, through the contribution of each employee and our commitment to continual improvement of our Quality Management System, we strive every day to guarantee the core promises we make to our Customers and Stakeholders." ⁽²⁾

The product and service quality governance system comprises:

- a Corporate Internal Audit, Risk Management, Internal Control and Quality Department, which reports to the Group's management bodies;
- a Quality Network at the operations level, comprising the Quality Departments in the business lines, operating units and regional organizations.

The governance system defines the Group's quality policies, including quality guidelines and standards underpinning its ability to sustainably deliver high value-added products and services to its customers and nurture their trust, as well as the trust of all of its other stakeholders.

In each of the major areas of quality control – raw material and component procurement, product and service design and product manufacturing – the quality teams are empowered to perform their role and mission independently, including when deciding to bring a new product to market or to recall a product that does not comply with Group quality standards.

The Quality Process

Known as the Customer Promise Guarantee, the Michelin Quality Process is designed to deliver total customer satisfaction. Applied to every aspect of the business, it ensures that the Group:

- knows its customers and markets;
- develops products and solutions aligned with their needs;
- fulfills its commitments in implementing its solutions;
- clearly communicates its Promises to customers;
- detects shortfalls and responds quickly;
- measures customer satisfaction.

⁽¹⁾ See section 2.1 Risk factors specific to Michelin, description and related management systems/Risk 12: Product safety.

⁽²⁾ Excerpt from Michelin's Quality Statement.

MANAGEMENT
COMMITMENTSYMMETRY OF
CONSIDERATIONSMINDSET
& SKILLS

STANDARDS

RELIABLE
DATA

KPI'S

These six steps could not be implemented without the foundation underpinning the Customer Promise Guarantee:

- management's unflagging commitment;
- a special focus on the employee experience;
- skills;
- standards;
- reliable data and indicators.



CLOSE UP: "We fulfill our commitments in implementing our solutions"

Supplier quality assurance

With regard to suppliers, Product/Service Safety standards are factored into raw materials specifications. Suppliers agree to ensure that these standards are properly understood and applied by their employees, with compliance verified during supplier audits.

Revised in 2020 and integrated into the Michelin Purchasing Principles, the Supplier Quality Assurance process specifies how Michelin intends to apply its quality policies in its supplier relations and in managing the quality of purchased products and services. The process of selecting suppliers, and then monitoring their performance, involves more than 200 supplier quality system audit (ESQF) procedures and on-site technical inspections performed by experienced Michelin quality auditors and/or technical experts in each field⁽¹⁾. The audit framework is based on Michelin standards that reflect the ISO 9001: 2015 and IATF 16949: 2016 quality standards and the specifications of OEM customers. Following each audit, Michelin auditors assign a score to the supplier, who must agree to take any corrective action required in response to the audit findings. If necessary, a follow-up audit or technical inspection is scheduled.

The annual audit plan is validated and tracked by a governance body comprising representatives from the Purchasing, Quality, Technical and Manufacturing departments.

Quality management system

In the case of product design and manufacturing, the Michelin Quality Approach is defined and instilled into every aspect of these processes by a quality organization supported by a quality management system. This approach is designed to manage and continuously improve how the Group operates to guarantee quality throughout the design and production of its products and services and, more generally, fulfill its customer promises. It defines the fundamental practices that are integrated into employee training so that they are understood and applied by everyone in their respective areas of responsibility.

The Michelin Group's quality standards are based on the industry's highest international standards and strictest legislation covering consumer health & safety and environmental protection.

To verify the compliance of its quality management system, Michelin regularly seeks certification from independent organizations.



In response to automaker customers, the plants that manufacture and deliver original equipment tires have been certified to IATF 16949: 2016, which specifically describe the development and production processes for auto parts.

In addition, the Group conducts internal and external assessments to guarantee the quality specified by certain OEM customers, such as VDA 6.3, FORD Q1, GM QPR.

Safety trials and tests

Products designed and manufactured by the Group are extensively tested and assessed to ensure that they meet all the safety standards defined by Michelin in addition to regulatory standards.

In the case of regulations, the Group performs the tests defined in applicable legislation⁽²⁾ to earn initial approval for its products and ensure their long-term conformity of production (CoP). In 2023, for example, the Group performed several thousand regulatory tests, representing a run-time of more than 220,000 hours.

Annual CoP control plans addressing all the regulations in force in the markets served by the Group⁽³⁾ are prepared for each production unit⁽³⁾. Implementation of these plans and their outcomes are tracked internally by the Quality Department and, if necessary, externally by government-mandated bodies at their request.

Drawing upon its technical expertise and market intelligence, the Michelin Group has also defined its own safety standards for each type of product and each usage category. These standards are approved and reviewed quarterly by dedicated steering committees, made up of the technical and quality managers concerned. All of them are expressed in internal standards manuals that refer to the corresponding tests approved for CoP control. To offer customers products that meet Michelin's highest safety standards, more than 1,500,000⁽⁴⁾ hours of safety testing are conducted every year⁽⁵⁾ on the Group's tracks or in its laboratories.

Most of these regular tests are performed by the Group. For this purpose, Michelin has a network of material measurement laboratories and tire testing centers in Europe, Asia and the United States, **which are all certified to the NF EN ISO/CEI 17025 standard.**

(1) See section 4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies.

(2) Such as the various UNECE regulatory standards (R30, R54, R75, R106, R109, R117, R2017/2400, etc.) applied in China, India, Indonesia, Thailand, the United States, Brazil and the Gulf States.

(3) Because it depends on the number of products in production, the number of products tested and tests performed can vary from one year to the next.

(4) Actual hours of testing in 2023.

(5) Including safety tests requested by our OEM customers.

Product/Service Safety Training

Every employee in operations that could potentially have an impact on safety is trained in Product/Service Safety practices. In the design offices, the training curriculum for design engineers is informed by a culture of risk management. The validation and certification earned after completing the courses attest that they have acquired the requisite knowledge and expertise, which are then regularly monitored by management and specialized experts in each discipline. Internal control campaigns assess the training's compliance with risk management guidelines and safety and regulatory standards.

In the production workshops, safety protocols are the building blocks of the "Cardinal Rules of Quality" that are applied across the Michelin manufacturing base. During induction training, the Rules are taught to all newly hired production operators, who are tested prior to taking up their positions to ensure that they have understood each one and how it is implemented. Regular refresher courses are also offered. Employees pay careful attention to the Cardinal Rules of Quality, which are continuously assessed by management, especially during on-site visits. Any form of non-compliance triggers an appropriate management response. Retraining is periodically offered and regular information keeps everyone alert and aware. For the most sensitive positions, certification is awarded only after independent validation by the Quality Department, thereby ensuring that the employee has acquired the requisite skills. Dedicated control plans are in place to ensure that these capabilities are tracked and maintained over the long term. Training in the Cardinal Rules of Quality and Quality Culture are audited by an internal control process.

Quality managers act as customer risk management experts. In particular, the Design Quality Assurers and the Manufacturing Operations Quality Managers are trained in Product Safety and Compliance in accordance with prevailing standards.

Customer training and support

Another significant focus of the Group's quality standards is to ensure that Michelin-delivered products and services are aligned with customer usage conditions. The marketing and sales teams constantly strive to understand customer needs and the risks arising from unusual or extreme conditions of use in the geographies where the products and services are sold. Their feedback is noted in the specification sheets and addressed by the research and development teams. Advice and support in the proper use of products and services is provided through technical brochures and training, including an ongoing, Michelin-led program of customer training courses.



CLOSE-UP "We detect shortfalls and respond quickly"

Monitoring markets and responding to quality events

Michelin has also deployed a system for constantly tracking the real-world performance of its products and customer service in order to detect even the most latent issues and respond quickly and effectively if necessary. This system is based on:

- Customer rooms, located close to key markets and equipped with all the necessary capabilities, that capture customer dissatisfaction and then respond, as quickly as possible, with initiatives that effectively fulfill the customer promise. If necessary, they can hand the problem over to the Quality Platforms;
- Quality Platforms, generally organized by product segment, that oversee the tracking of in-market product performance. They review all available information and data to assess any impacts on the safety of product users. This information may come from outside, via the customer rooms or other sources, such as in-use safety incident reports, or from in-house, via alerts from the design, manufacturing or test teams;
- a review by the Product Performance Monitoring Board three times a year to ensure that the system is consistent with the Group's Quality Policy provisions and procedures.

In a situation where a product or service designed and/or manufactured and/or marketed by the Michelin Group and/or bearing one of the Group's brands exposes customers to a potential or proven safety risk, the appropriate Quality Platform will initiate a dedicated process, defined and supervised by the Corporate Quality Department, to assess the potential impact on customer safety. If need be, a decision may be made to recall the product from the market to ensure customer safety. Such voluntary recalls are consistently carried out in compliance with legislation applicable at the date of the decision.

In 2023, across the entire Group, all its brands and all its tire products, five voluntary recalls were issued, concerning 622,460 products of the total 200 million or so manufactured every year by the Group [SASB TR-AP-250a.1].

These recalls applied to:

- 98 passenger car tires, which were recalled in March 2023 in support of a car manufacturer. Under certain specific/extreme conditions of use, a manufacturing issue may have resulted in a loss of pressure.
- 365 passenger car tires sold primarily in Europe, which were recalled in April 2023 in association with a car manufacturer. The component used for the tread does not meet our internal specifications and could lead to a potential problem with the vehicle handling and/or longer braking distance, mainly on wet surfaces.
- 619,716 Agilis CrossClimate C-Metric tires which were recalled in April 2023 in North America. These tires are marked with the three peak mountain snowflake symbol but do not meet the test requirements for traction in severe snow conditions.
- 1,829 passenger car tires, which were recalled in July 2023 in South-east Asia and Mexico. These products do not meet our internal specifications. Balancing difficulties and vibrations may alert the user, but a rapid loss of pressure cannot be totally ruled out under certain sustained and prolonged conditions of use.
- 452 tires fitted on vintage cars in North America, as an extension of the recall already launched end of 2022 due to the absence of "DOT" letters on the sidewall markings.

All of the recalls were issued voluntarily as a preventive measure and carried out in a fully transparent manner. Each one specified the model number, date of manufacture and other information enabling the recalled product to be easily identified, as well as a description of the defect, an assessment of the risks, an identification of the root causes and the corrective actions taken. Where applicable, regulatory authorities were informed in full compliance with prevailing legislation and guidelines.

Stakeholders such as automakers, wholesalers, dealer networks and customers were also informed through appropriate channels. During each recall campaign, a multidisciplinary team managed deployment of the action plan in accordance with Group procedures. To assess the recall's effectiveness, the campaign is continuously and systematically tracked by the Quality Department.



CLOSE-UP "We measure customer satisfaction"

The Group has used the Net Promoter Score® (NPS®) as an indicator to measure customer satisfaction and, if needed, to take corrective action to improve it.

Since 2020, the Group has been tracking the Partner NPS, a composite metric that is the weighted average of the OEMs and dealers macro-clusters.

In addition, the new End Customer NPS indicator will be deployed in 2024.

OUR OBJECTIVE:

The Group is committed to increasing the Partner NPS by ten points by 2023 compared to 2020.



In 2023, the score improved by 1.1 points to 42.7, with gains among both OEM and dealer customers.

The quality of the Group's products and its brand identity are clearly esteemed. On the downside, some customers commented negatively on certain price increases or expected improvements in the supply and delivery chains, although in the latter case, the comments improved over the year.

In addition, in 2023, customers and independent rating agencies continued to recognize the commitment of the Group and all its employees to improving their experience. The Group received a wide array of awards and distinctions.

For the 20th year in a row, the J.D. Power US Original Equipment Tire Customer Satisfaction Study® once again ranked Michelin at the top in the Luxury and Truck/Utility segments in North America.

Our OEM customers also recognized our excellent relations with a number of awards, including the Supplier Excellence Award from Caterpillar; a Masters of Quality Award from Daimler Truck; the Best Supplier Award from Jiangxi Copper Group for the fifth straight year; the 2024 Competitive Tire Partners Award from

BMW AG; and the 2023-2025 Preferred Partner Award by Mercedes Benz China.

For the fourth year running, its Customer Call Centers were named Best Customer Service of the Year in the tire manufacturer category in its three European host countries (France, Germany and Spain).

4.1.4.4 Playing an active role in ensuring consumers' safety on the road and safeguarding the environment

Minimum performance standards

European legislators have introduced minimum tire-performance standards, as specified in Regulation EC No. 661/2009 and United Nations' ECE Regulation 117. The Michelin Group supported the introduction of these regulations, offering data and other input to help define the minimum performance levels. These standards cover:

- rolling resistance;
- noise;
- wet grip.

They are designed to limit a tire's environmental impact and improve road safety. Introduced in 2012 for all new products, the legislation has been gradually extended, in precisely defined phases, to products already on the market. Compliance of new Passenger car, Light truck and Truck tires is verified by government technical services when the product is certified. Stricter rolling resistance thresholds derived from Regulation No. 117 have been applied in the European Union since November 2016.

In 2023, as proposed by the tire industry, even higher rolling resistance and wet grip standards were approved by the UN for application over the 2024-2026 period.

The setting of regulated performance levels, which was originally a European initiative, is now being extended via UNECE Regulation No. 117, in legislation passed by countries that signed the UN's 1958 agreement concerning uniform technical prescriptions for wheeled vehicles. Since then, many countries, such as Turkey, Israel, Brazil and Russia, have introduced similar legislation and Japan is planning to do so in 2024.

Among the countries that did not sign the 1958 agreement, the United States and India have decided to introduce at some future date the same type of standards to protect the environment and improve consumer safety. Other countries, like China, South Africa, Morocco, Thailand and the Gulf States, are also discussing such measures. In each of these countries, Michelin has been supportive of the application of these standards and when requested, is helping to define the minimum requirements.

Tire labeling

The new version of the EU tire labeling regulation (2020/740) has pushed the labeling beyond rolling resistance, wet grip and noise performance, in particular by improving consumer information. The "3PMSF snow" and "ice" logos are now displayed on the label and technical information is registered in the publicly accessible EPREL database. Published in 2020, this labeling regulation has been in effect since May 1, 2021. Label information will be extended in the future to other performance parameters, such as the rolling resistance of retreaded tires or tire abrasion, as soon as suitable testing methods are available.

Other countries have introduced similar regulations for certain tire categories. In each one, the Michelin Group, when requested, helped to define the terms (e.g.: India, Morocco in progress).

In 2023, the Group did not incur any fines or penalties for non-compliance with regulations and/or voluntary codes concerning product and service information and labeling [GRI 417-2].

The impact of tires on vehicular CO₂ emissions

The rolling resistance of Passenger car, Light truck or Truck tires accounts for 15% to 30% of an internal combustion vehicle's fuel consumption and therefore its CO₂ emissions, depending on the vehicle, its use and how it is driven. This is why Michelin is encouraging the use of vehicular carbon emission assessment methods that are precise enough to accurately ascertain the contribution of the various factors, including tire rolling resistance. For example, Michelin proposed including a metric in the R154 and WLTP regulations measuring actual emissions with very low rolling resistance tires. Its proposal was accepted in the latest UNECE regulation on October 8, 2022. This approach encourages transparency by suppliers and technical competition to reduce rolling resistance and, with it, carbon emissions.

Moreover, in Europe, the Vehicle Energy Consumption Calculation Tool (VECTO) developed for the European Commission serves as the basis for Regulation (EU) No. 2017/2400 on the determination of CO₂ emissions and fuel consumption of heavy-duty vehicles. The regulation, which has been in effect since January 1, 2019 and was extended to buses, coaches and heavy vans in 2022, takes into account the energy performance of a vehicle's different components, including tire rolling resistance.

In the United States, the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) have issued Phase 2 of their greenhouse gas emissions and fuel efficiency standards for medium and heavy-duty engines. The standards, which have been in effect since the 2018 model year, are becoming stricter every year. On November 12, 2021, however, the regulation's scope of application was changed when the U.S. Court of Appeals, D.C. Circuit ruled that the EPA and the NHTSA did not have the authority to regulate trailers pulled by hauling trucks. As a result, the regulation no longer applies to trailers. However, all other types of motor vehicles listed in the regulation must continue to comply with the law.

These standards stipulate that, before certification, a new vehicle must be tested for compliance using the Greenhouse Gas Emissions Model (GEM) simulation tool, two of whose variables are tire rolling resistance and vehicle weight.

The impact of tires on vehicular particle emissions⁽¹⁾

In December 2023, the European Parliament and Council reached a provisional agreement on the Euro VII regulation.

As part of the regulation's development, since April 2022, Michelin has been an active member of a UN working group formed to define a suitable method of measuring abrasion performance in passenger tires and setting acceptable abrasion limits.

The introduction of Euro VII standards, which are designed to reduce gaseous, particulate and solid pollutant emissions, and the ensuing sale of compliant vehicles will have a direct impact on tires. Compared with current Euro VI standards, Euro VII will be extended to wear particle emissions from brakes and tires. These tire road wear particles (TRWPs) are the physical result of abrasion from a tire's grip on the road. A method to measure such abrasion is currently being developed by the UN's Working Party on Noise and Tyres, which proposes to measure tire weight loss per kilometer traveled and per tonne of load on the tire.

Once this method is available, the Euro VII working group will define minimum abrasion standards. Tires may be sold in Europe only if they meet this minimum standard after measurement and homologation.

Michelin supports this approach, which will help to reduce the quantity of particles in the environment.

Snow performance of winter tires

Many countries, particularly in Europe, now require drivers to fit winter tires on their vehicles, either for a given period or when demanded by weather conditions, or else in particular regions or at particular times. However, while these rules generally stipulate that only manufacturer-marked Mud and Snow (M+S, M.S. or M&S) tires may be mounted, such markings do not correspond to the tire's demonstrated performance in snowy conditions. Michelin is urging that national highway codes be amended with an obligation to fit only winter tires marked with the Three-Peak Mountain Snow Flake (3PMSF) symbol, which means that they have demonstrated minimum required snow grip. France introduced such markings in March 2017, followed by Sweden in 2019.

Worn tire performance

The existing minimum standards for rolling resistance, noise and wet grip concern the measured performance of new tires. However, newness is fleeting and a tire's performance evolves as it wears. In the case of rolling resistance and noise, for example, performance remains the same and sometimes actually improves with wear, so it makes sense to define their minimum standards on the basis of a new tire, as is currently the case. On the other hand, a tire's wet grip declines as it wears. In 2019, the EU approved the introduction of a regulation governing the wet-grip performance of worn tires. Michelin participated in the United Nations working group that is developing the regulatory method (R117-04) for introducing a minimum wet grip performance standard in 2024 on worn tires still within the legal wear limit, so as to ensure that tires deliver acceptable performance throughout their useful lives.

Compliance with materials standards

A multidisciplinary team of experts continuously tracks changes in regulations governing chemicals, the environment and health, enabling the Group to factor them into its strategy and product design processes.

⁽¹⁾ See section 4.1.1.2 d) The Michelin 4R circular economy process/ Reduce/Reducing harmful pollution from the use of our products: tire and road wear particles (TRWPs).

Michelin supports the use of RFID tags to connect tires and develop new services

Embedding RFID tags into every tire means that each one can be electronically identified across its entire life cycle. Moreover, associating data with each of these unique IDs is driving the emergence of new connected services capable of increasing efficiency, enhancing the user experience and supporting more sustainable mobility. In its commitment to connecting tires, Michelin is actively encouraging the widespread take-up of RFID technology. In this way, it has made a major contribution to the definition of international ISO standards and the introduction of standardized access to tire data. Through a licensing program, Michelin is facilitating access to its intellectual property concerning RFID tags and embedding processes. Through its ecosystem, Michelin is supporting its customers in using RFID and feels that its approach will play a role in the gradual introduction of Europe's Digital Product Passport.

An active private-sector stakeholder in safe mobility partnerships

Safety has been part of Michelin's culture for 130 years. This is why safe mobility is a priority for the Group, whose initiatives are aligned with the general thrust of the second Decade of Action for Road Safety 2021-2030, a worldwide United Nations program aimed at preventing at least 50% of road traffic deaths and injuries by 2030. Currently around 1.2 million people die on the road every year.

To meet this goal, Michelin is engaging both its own financial resources and funds from the Corporate Foundation. The Group is taking a multi-faceted partnership approach, combining collaborative programs with multilateral institutions and non-governmental organizations (NGOs), which are critical local stakeholders, and businesses.

In 2023, Michelin pursued its commitments to global organizations acting under the aegis of the United Nations, including the **SUM4ALL initiative**, the **United Nations Road Safety Fund (UNRSF)**² and **UNICEF**.

As part of the SUM4ALL initiative, Michelin is engaging in (i) in-depth discussions to develop a shared vision of safe mobility (the "Enhancing Policy and Action for Safe Mobility" report presented at the Leipzig summit in May 2023) and (ii) operational initiatives to develop actionable policy guidelines to shape national-level road safety regulations in the Global South.

The Michelin Foundation is working with the UNRSF to help support initiatives in low and middle-income countries, with a special focus on public policy and infrastructure. Examples include initiatives to introduce speed limits, crosswalks and other safety measures in Argentina, to develop a regulatory framework for drivers (particularly concerning seatbelts) in Jordan and to train around 100 police officers in Brazil.

In late June 2022, the Group also formed a new three-year partnership with UNICEF focused on **children's road safety education** programs in China, Cambodia and the Philippines.

In addition to these multilateral institutional partnerships, Michelin stepped up its joint initiatives with NGOs in 2023. The Group continued to support the Youth for Road Safety (YOURS) NGO, which is dedicated to reaching out to the younger generation with such creative initiatives as exhibitions and project sessions to improve safety on city streets. Michelin also remains committed to its partnership with the Global Alliance of NGOs for Road Safety, with such capacity-building initiatives as upgrading infrastructure with data capture (regulating traffic, improving helmet availability) and supporting a multi-NGO incubator.

Lastly, the Group is working to improve road safety in partnership with other major private-sector stakeholders, such as the Global Road Safety Partnership (GRSP) and the VIA road safety education program. The latter, which is financed by the Michelin Foundation and Total Energies in more than 40 countries, **develops road safety training modules** that over 600,000 young people have participated in.

4.2 NON-FINANCIAL STATEMENT

Non-Financial Statement disclosures, as stipulated in Articles L. 225-102-1⁽¹⁾ and R. 225-105 of the French Commercial Code, may be found in the sections listed in the table of concordance below (4.2.2).

The business and value creation model is presented in Chapter 1. It is illustrated by a summary diagram entitled "Our Growth and Value Creation Model" and its components are described throughout the section.

All of the other Statement disclosures have been included in the Sustainable Development and Mobility Report (4.1).

4.2.1 Identification of the main risks

As part of its social responsibility commitment, the Group has plotted a materiality matrix. This exercise has helped to strengthen the robustness and relevance of the main identified issues and to enhance the Group's overall risk management process (section 4.1 Sustainable Development Report/Introduction – Michelin Sustainable Development/Materiality matrix).

The concerns identified in the new matrix represent not only opportunities for Michelin to grow and develop its businesses, but also issues that could involve risks. For this reason, the materiality matrix is closely aligned with the risk map, according to the table of concordance below, with updates to one resulting in changes in the other. As such, the materiality matrix serves as the frame of reference in identifying the "main risks" that structure this Non-Financial Statement, even though these issues are not expressed negatively as risks. For example, the matrix speaks of "diversity" whereas the risk map is concerned with "discrimination." Moreover, unlike the risk map, the materiality matrix also incorporates the perception of Michelin stakeholders.

The method of identifying risks and the systems for managing them are described in Chapter 2, Risk Management. The main CSR risk families and the guidelines for managing them are indicated in the introduction to each section of the Sustainable Development and Mobility Report, according to the methodology for plotting the materiality matrix and the definitions of the Group's risk factors. They have also been post-audited by the Internal Control Department. The risks mentioned in Chapter 4 are "operational" risks. Policies and due diligence procedures are presented in extensive detail following these introductions, in particular to express the Group's sustainable development strategy quantitatively, qualitatively, transparently and in a manner comparable with reports from prior years.

The performance indicators for each of the main risks are mostly derived from the six strategic objectives for 2030. Means indicators have also been defined for the main opportunities. For each of the main risks, an essential indicator has been highlighted in the Non-Financial Statement table of concordance and presented in the summary table of key CSR performance indicators⁽²⁾. In the interests of transparency and materiality, however, other indicators have been presented alongside the deployed policies, depending on the issues addressed.

(1) Information on (i) the impact that the Company's business operations and the use of its products and services may have on climate change; (ii) the Company's social commitments to supporting sustainable development and the circular economy, reducing food waste and combating food insecurity, respecting animal welfare and responsible, fair, sustainable food systems; (iii) the collective agreements signed in the Company and their impact on business performance and working conditions; (iv) initiatives to prevent discrimination and promote diversity; (v) measures taken in favor of the disabled; and (vi) the impact of the Company's business on respect for human rights and the fight against corruption and tax evasion.

(2) See section 4.1 Sustainable Development Report/Introduction.

4.2.2 Table of Concordance – Non-Financial Statement

Business and Value Creation Model

Our purpose: "Offering everyone a better way forward."		Chapter 1
Scope, organization and main resources	Profile	Chapter 1
	Our All Sustainable vision for 2030	Chapter 1
	Governance	Chapter 3
	Michelin investor relations	Chapter 5
Business and value creation model (diagram)	Risk management	Chapter 2
	Our business model	Chapter 1
Core businesses, operational excellence and outcomes	Growing With tires, Around tires, Beyond tires	Chapter 1
Challenges, strategy and performance	Message from the Managing Chairman	Chapter 1
	Into the future	Chapter 1

Managing the social and environmental impact of our business operations

4.1 Sustainable Development Report

No.	Materiality matrix issue	Main risk identified in the CSR map	Policies, due diligence and outcomes	Key Performance Indicators and Objectives/Key outcomes
1	Employee health and safety	9 – Employee and contractor health and safety	4.1.3 Employee and contractor health, safety and security	<ul style="list-style-type: none"> Achieve a total case incident rate (TCIR) of less than 0.5 in 2030 Achieve and maintain an 85% employee engagement rate Workplace well-being indicator, with a target of 80% by 2030
2	Quality and safety of products and services	8 – Tire product safety	4.1.4.3 Guaranteeing the quality of our products and services	<ul style="list-style-type: none"> Improve the Partner NPS by ten points and the End Customer NPS by five points by 2030
3	Direct contribution to climate change (Scopes 1 & 2)	6 – Climate change impact of our Scope 1 & 2 operations	4.1.1.1 a) Transition plan: decarbonizing our operations/Scopes 1 & 2: reaching net zero emissions in the manufacturing operations by 2050	<ul style="list-style-type: none"> Scopes 1 & 2: reaching net zero emissions in the manufacturing operations by 2050 Composite i-MEP indicator, with a target of a one-third reduction by 2030 versus 2019
4	Environmental impact of raw materials	4 – Non-climate change-related impact of our raw materials on the environment	4.1.1.2 Enhancing the circularity of our products	<ul style="list-style-type: none"> Use only renewable or recycled materials by 2050. Commitment to using 40% renewable or recycled materials by 2030 Percentage of natural rubber volumes used by the Group assessed as deforestation-free, with a target of 100% in 2030

Managing the social and environmental impact of our business operations

4.1 Sustainable Development Report

No.	Materiality matrix issue	Main risk identified in the CSR map	Policies, due diligence and outcomes	Key Performance Indicators and Objectives/Key outcomes
5	Indirect contribution to climate change (Scope 3)	3 – Climate change impact of our suppliers (Scope 3)	4.1.1.1 a) Transition plan: decarbonizing our operations Scope 3: reducing emissions from our transportation operations Scope 3: reducing emissions from purchased raw materials and components	<ul style="list-style-type: none"> Reduce CO₂ emissions in transport activities by 15% in 2030 compared with 2018 Percentage of CO₂ emissions from suppliers of purchased goods and services (Scope 3, category 1) that have set science-based greenhouse gas emission reduction targets.
		1 – Climate change impacts from the use of our products (Scope 3)	4.1.1.1 b) Transition plan: company strategy/ Designing ultra-energy efficient products	<ul style="list-style-type: none"> Improve the energy efficiency of tires by 10% in 2030 compared to 2020
6	Respect for human rights in the supply chain	2 – Supplier failure to respect human rights	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies	<ul style="list-style-type: none"> Percentage of suppliers confirmed as compliant with Michelin's human rights standards, with a target of at least 95% in 2030
7	Sustainable sourcing and responsible supplier relations	5b – Non-compliance with our Supplier Relations Code of Conduct		<ul style="list-style-type: none"> Percentage of natural rubber volumes used by the Group covered by human rights assessments of a representative sample of farmers (via the RubberWay® application), with a target of 80% in 2025 More than 90% of purchasing employees trained in ethical risks in supplier relations
8	Development of products and services beyond tires	Chapter 1: Our Michelin in Motion 2030 strategic plan is designed to grow our business with, around and beyond tires. We are seeking targeted growth in tires and investing in growth territories around and beyond tires, with the goal of generating 20% to 30% of our revenue from these new businesses. Strategic risk addressed in section 2: M&A and image		
9	Diversity and equal opportunity	7 – Discrimination	4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination	<ul style="list-style-type: none"> IMDI: Composite indicator tracking diversity and inclusion – target of 80/100 in 2030 Percentage of women in management and among senior executives, with a target of 35% in 2030 Percentage of employees receiving a decent wage, with a target of 100% in 2025
10	Business ethics	5a – Ethical violations	4.1.4.1 Ensuring ethical business practices	<ul style="list-style-type: none"> 98% of employees trained in anti-corruption practices in 2030 Number of alerts to the ethics hotline
Impact of the Group's business operations				
	<ul style="list-style-type: none"> on respect for human rights 	4.1.2.1 Ensuring respect for human rights		
	<ul style="list-style-type: none"> on the fight against corruption 	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies		
	<ul style="list-style-type: none"> on the fight against tax evasion 	4.1.4.1 b) Taking a firm stand against corruption		
		4.1.4.1 f) Combating tax evasion		

NON-FINANCIAL STATEMENT

Non-Financial Statement

Managing the social and environmental impact of our business operations

4.1 Sustainable Development Report

No.	Materiality matrix issue	Main risk identified in the CSR map	Policies, due diligence and outcomes	Key Performance Indicators and Objectives/Key outcomes
Impacts on climate change				
	<ul style="list-style-type: none"> of the Company's business operations 		<p>4.1.1.1 Implementing a climate strategy</p> <p>4.1.1.1 a) Transition plan: decarbonizing our operations/Scopes 1 & 2: reaching net zero emissions in the manufacturing operations by 2050</p> <p>4.1.1.4 c) Reducing energy use and greenhouse gas emissions</p> <p>4.1.1.1 a) Transition plan: decarbonizing our operations/Scope 3: reducing emissions from our transportation operations</p> <p>4.1.1.1 a) Transition plan: decarbonizing our operations/Scope 3: reducing emissions from purchased raw materials and components</p>	
	<ul style="list-style-type: none"> of the use of the Company's products and services 		<p>4.1.1.1 b) Transition plan: company strategy/Designing ultra-energy efficient products</p>	
Social responsibility commitments to supporting				
	<ul style="list-style-type: none"> sustainable development 		<p>4.1.1.3 Supporting biodiversity</p> <p>4.1.2.5 Encouraging employee and corporate engagement in local communities</p>	
	<ul style="list-style-type: none"> the circular economy 		<p>4.1.1.2 Enhancing the circularity of our products</p>	
	<ul style="list-style-type: none"> initiatives to reduce food waste 		<p>Given the nature of the Michelin Group's manufacturing operations, this information does not correspond to a major risk. However, related initiatives are being undertaken by the Group's food service providers at the local level.</p> <p>In addition, as part of its Maps & Guides business, Michelin has created the Sustainable Gastronomy distinction, which was awarded for the first time in 2019. The MICHELIN Green Star award enables users and readers to find restaurants in the various selections that are leading the way in environmentally responsible fine dining. In this way, the MICHELIN Guide hopes to raise awareness and encourage action in the restaurant industry and among consumers. Lastly, by showcasing the restaurants through all its interfaces and communication channels, the MICHELIN Guide is expressing its commitment to bringing together gastronomic transition stakeholders and encouraging positive emulation across the sustainable fine dining and food community.</p>	
	<ul style="list-style-type: none"> stronger ties between French citizens and the armed forces and enlistment in the reserves 		<p>Signed in 2017, the first agreement to support the military reserves policy was renewed in 2022 under the same conditions.</p> <p>Under its terms, reservist employees of MFPM and its subsidiaries⁽¹⁾ may be granted up to 12 working days of paid leave per year to facilitate their service in the French Army, Air Force or Navy, the National Gendarmerie, the National Police Force, or armed forces support organizations such as the Armed Forces Health Service, the Defense Procurement Agency (DGA), the Services of Supply, the Operational Energy Service (SEO) and the Defense Infrastructure Service (SID). There are currently around 70 reservists among Michelin employees in France.</p> <p>The various aspects of the employee reservist system are explained in detail on a dedicated intranet page.</p> <p>To raise employee awareness of opportunities to serve in the military reserves, events are periodically organized at Group facilities, at Carmes, Cataroux and Ladoux in 2020, for example, and at Montceau in 2023.</p> <p>In addition, Michelin received the 2021 National Guard Award in recognition of its commitment to supporting its reservist employees. Health restrictions that year prevented the presentation of the award, which was finally presented in March 2023.</p> <p>Note as well that Florent Menegaux is a colonel in the French Army's citizen's reserve.</p>	

(1) Pneu Laurent and the Bassens plant operated by Société du Caoutchouc Synthétique Michelin.

Managing the social and environmental impact of our business operations

4.1 Sustainable Development Report

No.	Materiality matrix issue	Main risk identified in the CSR map	Policies, due diligence and outcomes	Key Performance Indicators and Objectives/Key outcomes
	<ul style="list-style-type: none"> initiatives to combat food insecurity responsible, fair, sustainable food choices animal rights and welfare 		<p>Given the nature of the Michelin Group's manufacturing operations, this information does not correspond to a major risk.</p> <p>Given the nature of the Michelin Group's manufacturing operations, this information does not correspond to a major risk.</p> <p>Given the nature of the Michelin Group's manufacturing operations, this information does not correspond to a major risk.</p>	
Information on collective bargaining agreements signed in the Company and their impact on business performance and employee working conditions				
Since these issues do not represent a major risk, they are not discussed in this report.				
Initiatives to prevent discrimination and promote diversity, and measures taken in favor of the disabled				
4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination				

4.2.3 Table of Concordance – Other CSR Issues

Managing the social and environmental impact of our business operations

4.1 Sustainable Development Report				
No.	Materiality matrix	Other identified risks and issues	Description	Policies, due diligence and outcomes
HUMAN RIGHTS				
17	Local community development		4.1.2.5 Encouraging employee and corporate engagement in local communities	4.1.2.5 a) Supporting local jobs and businesses with Michelin Development 4.1.2.5 b) Participating harmoniously in local community life through our employees 4.1.2.5 c) The Michelin Foundation: demonstrating our corporate culture and values 4.1.2.5 d) Addressing the risk of potentially negative impacts of our business on local communities
19	Attracting and retaining talent	Lack of attractiveness	4.1.2.4 Supporting employee growth and development	4.1.2.4 b) Employer appeal, promoting from within, team succession plans 4.1.2.4 c) Employee growth and development 4.1.2.4 d) A division of roles to support the process 4.1.2.4 e) Enhancing skills through training 2.1 Risk factors specific to Michelin/Risk 10: Lack of employer attractiveness/employee retention
20	Developing employee skills	Managing social cohesion, people and human rights/ Employee skills mismatch	4.1.2.4 Supporting employee growth and development	4.1.2.4 a) Human resources planning and development 4.1.2.4 c) Employee growth and development 4.1.2.4 d) A division of roles to support the process 4.1.2.4 e) Enhancing skills through training
22	Employee volunteer service		4.1.2.5.b) Participating harmoniously in local community life through our employees/Michelin Volunteers guidelines	
EMPLOYEE HEALTH AND SAFETY				
21	Fostering workplace well-being		4.1.3.4 Ensuring well-being in the workplace: improving work-life balance	
ENVIRONMENT AND CLIMATE CHANGE				
14	Air quality	Air and water pollution	4.1.1.4 c) Reducing energy use and greenhouse gas emissions 4.1.1.4 d) Reducing harmful emissions	
15	Eco-design of our products and services	Environmental risks from raw materials and end-of-life tires	4.1.1.2 b) Deploying eco-design practices	
16	End-of-life products	Environmental risks from raw materials and end-of-life tires	4.1.1.2 d) The Michelin 4R circular economy process	

Managing the social and environmental impact of our business operations

4.1 Sustainable Development Report

No.	Materiality matrix	Other identified risks and issues	Description	Policies, due diligence and outcomes
24	Responding to environmental damage	Risks related to the physical effects of climate change	Addressed in Chapter 2 Risk Management Section 2.1 Risk factors specific to Michelin, descriptions and related management systems/Risk 1 – Physical effects of climate change	
25	Protecting soil quality and biodiversity	Damage to biodiversity	4.1.1.3 Supporting biodiversity	4.1.1.3 a) The Biodiversity Operational Committee 4.1.1.3 b) Dependencies and impacts of Michelin's operations on nature 4.1.1.3 c) Michelin's commitment to biodiversity 4.1.1.3 d) Preserving biodiversity and ecosystems in rubber tree farming 4.1.1.3 e) Preserving biodiversity around Group manufacturing and research facilities
26	Waste management	Risks arising from the tire manufacturing process and end-of-life tires	4.1.1.4 e) Reducing and managing waste 4.1.1.2 d) The Michelin 4R circular economy process	
27	Responsible water management	Air and water pollution	4.1.1.4 f) Reducing water withdrawals and effluent discharge	
OTHER MATERIALITY MATRIX ISSUES				
12	Data protection		4.1.4.1 e) Protecting employee privacy and personal data	
13	Responsible governance		4.1 Sustainable Development Report/Introduction – Michelin Sustainable Development/Governance	
18	Transparency and access to information		4.1 Sustainable Development Report/Introduction – Michelin Sustainable Development/Non-Financial Statement: Michelin, a recognized All Sustainable approach 4.1.2.3 i) Transparency: information concerning redundancy plans, job retention initiatives and retraining, placement and support programs during the year	

4.2.4 Report by one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

(For the year ended December 31, 2023)

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Compagnie Générale des Établissements Michelin

23 place des Carmes-Déchaux

63000 Clermont-Ferrand

In our capacity as Statutory Auditor of the company Compagnie Générale des Établissements Michelin (hereinafter the “Entity”), appointed as independent third party (“third party”) and accredited by the French Accreditation Committee (Cofrac), (Cofrac Inspection Accreditation, n°3-1862, scope available at www.cofrac.fr), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity’s procedures (hereinafter the “Guidelines”), for the year ended December 31, 2023 (hereinafter the “Information” and the “Statement”, respectively), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we have performed as described under the “Nature and scope of procedures” and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the significant elements of which are available on request at the company’s headquarters.

Inherent Limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity’s “Guidelines” as referred above; and
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Head of Michelin Group.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions, particularly with regard to the information set out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy),
- the fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy),
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 8 people between September 2023 and February 2024 and took a total of 22 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 23 interviews with people responsible for preparing the Statement, representing in particular CSR direction, administration and finance, risk management, compliance, human resources, health and safety, environmental and purchasing.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti corruption and tax avoidance legislation;
- verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;

- verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated with the main risks;
- referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix; For some risks, fight against corruption, fight against tax evasion, safety of tire products, non-respect of human rights by suppliers, impact of product use (scope 3) on climate change, impact of suppliers (scope 3) on climate change, non-compliance with the supplier relations code of conduct, development of products and services beyond tires, our work was carried out on the consolidating entity; for other risks, our work was carried out on the consolidating entity and on a selection of sites: Ardmore, Fort Wayne, Louisville, Norwood (United States), Campo Grande, Resende (Brazil), Aranda, Lasarte (Spain), Bourges (France), Euromaster ATS, Euromaster Trucktire (United Kingdom), Bucharest (Romania), Karlsruhe (Germany), Olsztyn (Poland), Nyiregyhaza (Hungary), Hat Yai (Thailand), Cilegon (Indonesia), Shanghai (China);
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites: Ardmore, Fort Wayne, Louisville, Norwood (United States), Campo Grande, Resende (Brazil), Aranda, Lasarte (Spain), Bourges (France), Euromaster ATS, Euromaster Trucktire (United Kingdom), Bucharest (Romania), Karlsruhe (Germany), Olsztyn (Poland), Nyiregyhaza (Hungary), Hat Yai (Thailand), Cilegon (Indonesia), Shanghai (China), and covers between 19% and 42% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, February 16, 2024

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Jean-Christophe Georghiou

Partner

Sylvain Lambert

Sustainable Development Partner

Appendix: List of information we considered most important

Key performance indicators and other quantitative results:

- CO₂ emissions from "Scope 3 – Essential" of which Scope 3 categories of the carbon footprint disclosed separately in the report: upstream and downstream logistics activities, purchases of raw materials and components, and upstream energy
- Improvement of the energy efficiency of pneumatic products compared to the 2020 baseline
- Percentage of sustainable materials (renewable biosourced or from recycled materials) used in the manufacture of tyres;
- I-MEP and its components (energy, water, volatile organic compounds, CO₂ (scope 1 and 2), waste)
- Workforce and feminization
- Diversity of inclusion management index and its components (diversity, identity, multi-nationality of management, disability, equal opportunity)
- Rate of engagement of Group staff, as resulting from the annual "Moving Forward Together" study, other indicators linked to the annual study, and participation rate
- Percentage of employees receiving a living wage in the countries in which the Group operates
- Rate of access to training
- Total Case Incident Rate and Serious Accident Frequency Rate
- Number and nature of referrals to the ethics alert line
- Percentage of employees trained in anti-corruption
- Percentage of total procurement spend covered by Ecovadis
- Share of suppliers assessed by EcoVadis reaching the "confirmed" level
- Share of suppliers at the "confirmed" level (according to Ecovadis) on the "social and human rights" theme
- Share (in CO₂ emissions) of suppliers of goods and services with a "science-based" target
- Natural rubber purchase volumes assessed by documentary audits (Ecovadis) and purchase volumes assessed at the "confirmed" level
- Percentage of rubber used by the group assessed as "deforestation free"
- Percentage of the volume of natural rubber used by the Group evaluated on the basis of criteria relating to human rights (Rubberway)
- Proportion of purchasers trained in ethical risk in supplier relations
- Number of volunteer acts performed
- Partner Net Promoter Score (NPS)

Qualitative information (actions and results):

- Energy transition and decarbonization (new SBTi target, multimodal platform, participation in "*Coalition des Chargeurs pour un Transport Maritime Décarboné*", improved rolling resistance on certain tires, climate risk adaptation policy, "fresque du climat");
- Environmental footprint of industrial operations (renewable energy initiatives, biodiversity and VOC initiatives, water initiatives, responsible AI manifesto, environmental externalities, ISO 14001 certification);
- Natural rubber (deployment and participation of growers in the Rubberway program, fight against deforestation, community partnership program, training of growers);
- Human rights (self-assessment tool, human rights training, forced labor analysis, Michelin One Care Program, fight against harassment initiatives) and responsible purchasing (certification on purchasing practices, mapping of risks related to supply chain CSR issues, training)
- Diversity and inclusion (feminization, internal diversity events, engagement with the FACE Foundation, diversity & inclusion training, initiative for disability, social dialogue, and identity);
- Workforce (age pyramid, seniority, part-time, use of temporary workers, hiring thanks to "Michelin Développement", volunteering, employee share ownership);
- Safety at work (ISO 45 001 certification, Health and Safety Declaration 2023, health assessment programs, investments in ergonomics, Quality of Life program);
- Safety and quality of Michelin products and services (safety training and testing, Best Supplier Award, product recall, safety measures).

4.3 DUTY OF CARE PLAN

4.3.1 Methodology

For the seventh year in a row, Michelin has prepared a Duty of Care Plan in compliance with French Act No. 2017-399 of March 27, 2017. It describes all of the risks incurred by the Group and its main subcontractors as regards the environment, health & safety and human rights, along with the measures taken to prevent and mitigate them. For Michelin, the plan is a means to consolidate and strengthen its proactive approach to deploying risk prevention and management processes in these three areas, as well as an opportunity to increasingly deepen, year after year, its due diligence with subcontractors as part of a continuous improvement process. The Duty of Care Plan is fully aligned with the Group's purpose, values and its commitment to conducting its business responsibly with regard to all its stakeholders, who are discussed in a dedicated section.

This commitment is supported by strategic management at the highest level of the Company.

The plan is based on the information and initiatives already embedded in the Group's policies, which underpin its sustainable development commitment. These include the Code of Ethics, the Purchasing Principles, the Supplier Relations Code of Conduct, the Health Policy, the Environment and Prevention General Policy Note, the Employee Relations Policy, the Diversity and Inclusion Policy and the Human Rights Policy. It presents the relevant information disclosed by the Group in its Universal Registration Document, including its Non-Financial Statement and other annual reports.

The Group has defined standards of compliance that meet and often exceed prevailing standards and legislation in its host countries. Even when local legislation is not as strict as its own, Michelin continues to require compliance with its highly demanding environmental, health & safety and human rights standards. With respect to international environmental and human rights standards, the Group has pledged to support the UN Global Compact and upholds the UN Guiding Principles on Business and Human Rights, the fundamental conventions of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. These international standards also inform the Duty of Care Plan.

In 2023, the Duty of Care Plan was coordinated and updated by the Sustainability and Impact Department, in liaison with the Internal Control, Risk Management, Environment and Prevention, Purchasing, Legal and Employee Relations Departments.

It is published in the Universal Registration Document in the form of a concordance table referring more broadly back to the issues addressed in the Sustainable Development Report to avoid repetitions and redundancies and to facilitate comprehension. **A comprehensive, fully written, stand-alone Duty of Care Plan may be found on the Group's corporate website, www.michelin.com.**

In addition, in 2023, Michelin Germany ensured compliance with recent German duty of care legislation, in particular by posting a statement on its website, assessing risks in Germany-sourced procurement and introducing an internal governance system to prevent and mitigate duty-of-care risks.

4.3.2 Table of concordance

Risk family	Risks	Risk definition and prevention ⁽¹⁾	Indicators	Implementation trackers
GENERAL INFORMATION				
	Dialogue with stakeholders	4.1.2.3 Dialogue with stakeholders	<ul style="list-style-type: none"> Methodology and risk mapping <ul style="list-style-type: none"> Materiality matrix Map of the most critical non-financial risks Mapping methodology Scope of the duty of care plan and risk management procedures in recently acquired companies <ul style="list-style-type: none"> Integrating recently acquired companies into the CSR reporting process 	
1. HUMAN RIGHTS RISKS	PRESENTATION OF HUMAN RIGHTS RISKS			
	Supplier failure to respect human rights	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies	<ul style="list-style-type: none"> Percentage of purchase spend covered by EcoVadis supplier reviews Number of suppliers assessed for CSR compliance Number of suppliers confirmed in compliance with Group CSR standards 	Supplier training at the EcoVadis Academy in 2023
	Discrimination	4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination 4.1.2.2 a) A comprehensive, worldwide commitment 4.1.2.2 b) Targeted initiatives in the five areas of diversity	IMDI: a composite indicator tracking the management of diversity and inclusion in five areas: <ul style="list-style-type: none"> gender equality in the workplace identity (age, religion, sexual orientation, etc.) multi-national management disability equal opportunity 	Deployment and outcomes of the measures taken to drive improvement in the five IMDI metrics
	Harassment	4.1.2.1 b) Organization and ambitions	<ul style="list-style-type: none"> Number of alerts reported Number of employees who took the e-learning course 	<ul style="list-style-type: none"> Alert mechanisms and procedures E-learning training

(1) Chapter/section where the information is present.

NON-FINANCIAL STATEMENT

Duty of care plan

Risk family	Risks	Risk definition and prevention ⁽¹⁾	Indicators	Implementation trackers
	Freedom of association	4.1.2.3 Dialogue with stakeholders 4.1.2.3 e) Dialogue with investors 4.1.2.3 i) Transparency: information concerning redundancy plans, job retention initiatives and retraining, placement and support programs during the year 4.1.2.4 Supporting employee growth and development	The Group-wide employee engagement rate as measured by the annual "Moving Forward Together" survey	Deployment and outcomes of Michelin's Labor Relations Policy Deployment and outcomes of the annual "Moving Forward Together" survey and employee engagement rate in 2023
	Non-compliance with personal data protection legislation	4.1.4.1 e) Protecting employee privacy and personal data		Application of personal data protection principles in every subsidiary
	Compensation and social protection	4.1.2.3 h) Offering fair compensation and benefits 4.1.2.1 b) Human rights: Organization and ambitions/ Decent wage-related risks now being assessed in the contracting chain 4.1.2.1 b) Human rights: Organization and ambitions/A deeper understanding of several issues in 2023	Percentage of employees paid a decent wage Percentage of employees with a social protection floor	Implementation of the decent wage policy Feasibility study for the creation of a social protection floor
	Local communities	4.1.2.5 Encouraging employee and corporate engagement in local communities 4.1.2.5 c) The Michelin Foundation: demonstrating our corporate culture and values 4.1.2.5 d) Addressing the risk of potentially negative impacts of our business on local communities	Number of Michelin Volunteers program initiatives	<ul style="list-style-type: none"> Drafting of guidelines for preventing risks to local communities Deployment and outcomes of the Michelin Volunteers program in 2023
	Product and service safety	4.1.4.3 Guaranteeing the quality of our products and services	NPS: Net Promoter Score	Implementation and tracking

(1) Chapter/section where the information is present.

NON-FINANCIAL STATEMENT

Duty of care plan

Risk family	Risks	Risk definition and prevention ⁽¹⁾	Indicators	Implementation trackers
2. HEALTH AND SAFETY RISKS	PRESENTATION OF RISK FACTORS RELATED TO THE HEALTH AND SAFETY OF EMPLOYEES AND OTHERS IN THE WORKPLACE			
	Occupational accidents	4.1.3.3 c) Measuring and tracking occupational accidents	Total Case Incident Rate (TCIR)	Measures introduced to prevent occupational accidents
	Exposure to chemicals	4.1.3.2 c) Managing industrial hygiene risks to protect employee health	Product safety data sheets in the local language	<ul style="list-style-type: none"> • Deployment and outcomes of the measures taken to manage chemical risks in 2023 • Production facilities are entirely asbestos-free
	Ergonomics	4.1.3.2 d) Improving production workstation ergonomics	Capital expenditure dedicated to ergonomic projects	<p>Deployment and outcomes of the measures taken to prevent ergonomic risks in Michelin production plants in 2023</p> <p>Change in capital expenditure dedicated to ergonomic projects in 2023</p>
	Malaise at work	<p>4.1.3.3 Assessing and preventing workplace safety and security risks</p> <p>4.1.3.4 Ensuring well-being in the workplace: improving work-life balance</p> <p>4.1.3.4 b) Quality of work-life: listening to needs and measuring performance</p> <p>4.1.3.4 c) Psychosocial risks: adapting preventive measures to local cultures</p>	<p>The Group-wide employee engagement rate as measured by the annual "Moving Forward Together" survey</p> <p>Employee response rate to the Moving Forward Together survey</p> <p>Quality of Work Life (QWL) satisfaction index</p> <p>Balance Index</p>	<p>Tracking the "Moving Forward Together" survey on this issue in 2023</p> <p>Deployment and outcomes of the measures to prevent psychosocial risks in 2023</p>
	Risk to employee safety	4.1.3.3 a) Managing workplace safety	Risk mapping	Deployment and outcomes of the measures taken to prevent workplace safety risks
3. ENVIRONMENTAL RISKS	PRESENTATION OF RISKS RELATED TO ENVIRONMENTAL AND CLIMATE CHANGE PRESENTATION OF RISK FACTORS RELATED TO THE ENVIRONMENTAL IMPACT OF PRODUCTS PRESENTATION OF ENVIRONMENTAL RISK FACTORS RELATED TO PRODUCTION AND SUPPLY CHAIN OPERATIONS			
	Climate change impact of our Scope 1 & 2 operations	4.1.1.1 a) Transition plan: decarbonizing our operations/ Scopes 1 and 2: reaching net zero emissions in manufacturing operations by 2050	CO ₂ emissions from manufacturing operations	<p>Deployment and outcomes of carbon footprint targets for 2030 and preparation of a pathway to reaching net zero emissions in manufacturing operations by 2050</p> <p>Deployment and outcomes of the reduction in carbon emissions</p> <p>Deployment and outcomes of the use of renewable energy sources in 2023</p>

(1) Chapter/section where the information is present.

NON-FINANCIAL STATEMENT

Duty of care plan

Risk family	Risks	Risk definition and prevention ⁽¹⁾	Indicators	Implementation trackers
	Climate change impacts from the use of our products (Scope 3)	4.1.1.1 a) Transition plan: decarbonizing our operations	Tire energy efficiency	Inventory of Scope 3 CO ₂ emissions Tracking tire energy efficiency Reducing the rolling resistance of passenger car, light truck and heavy truck tires
	Climate change impact of our suppliers (Scope 3)	4.1.1.1 a) Transition plan: decarbonizing our operations/ Scope 3: reducing emissions from our transportation operations	Percentage of raw material suppliers responding to the CDP Percentage of emissions from purchased goods and services sourced from suppliers with science-based targets	Tracking these indicators to reach net zero emissions in the supply chain with raw materials and components vendors
	Other impacts in the value chain	4.1.1.1 a) Transition plan: decarbonizing our operations/ upstream energy 4.1.1.1 a) Transition plan: decarbonizing our activities/End-of-life treatment of sold products	Percentage reduction in CO ₂ emissions CO ₂ emissions from the end-of-life treatment of sold tires	<ul style="list-style-type: none"> • Deployment and outcomes of the reduction in carbon emissions • Deployment and outcomes of the use of renewable energy sources in 2023 Implementation of several projects: <ul style="list-style-type: none"> • Construction of a tire recycling plant in a joint venture with Enviro • Participation in the BlackCycle project
	Air and water pollution	4.1.1.4 c) Reducing energy use and greenhouse gas emissions 4.1.1.4 d) Reducing harmful air emissions 4.1.1.4 f) Reducing water withdrawals and effluent discharge	Michelin Environmental Performance (i-MEP)	Improvement in i-MEP performance, 2019-2022 Deployment and outcomes of the reduction in VOC emissions Tracking water withdrawals, weighted for water stress Deployment and outcomes of the reduction in SO _x and NO _x emissions
	Non-climate change-related impact of our raw materials on the environment	4.1.1.2 Enhancing the circularity of our products 4.1.1.2 a) Incrementing the use of sustainable materials 4.1.1.2 b) Deploying eco-design practices	Sustainable materials rate (SMR)	Deployment and outcomes of the increase in the percentage of recyclable materials in 2023 Deployment and outcomes of the Michelin 4R strategy in 2023 Deployment and outcomes of waste reduction in 2023
	Risk of harming biodiversity	4.1.1.3 Supporting biodiversity	<ul style="list-style-type: none"> • Percentage of sourced rubber volumes covered by the RubberWay® application • Number of completed RubberWay® questionnaires 	<ul style="list-style-type: none"> • Analysis of the 2022 results from the RubberWay® application and implementation of on-site action projects as needed • Tracking the commitments with act4nature international
	Physical risks of climate change	4.1.1.1 c) Adaptation plan: responding to the physical risks of climate change		

(1) Chapter/section where the information is present.

NON-FINANCIAL STATEMENT

Duty of care plan

Risk family	Risks	Risk definition and prevention ⁽¹⁾	Indicators	Implementation trackers
4. RISKS ASSOCIATED WITH SUPPLIERS' CSR PRACTICES	DEMONSTRATING OUR CSR COMMITMENTS THROUGH RESPONSIBLE PROCUREMENT POLICIES			
	CSR risks based on nature and purchasing category	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies 4.1.4.2 a) Governance and organization 4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers	Number of suppliers assessed by EcoVadis Spending covered by EcoVadis assessments (based on procurement categories and countries at risk) Percentage of suppliers assessed by EcoVadis that are confirmed as compliant	Compliance with the Michelin Purchasing Principles, the Supplier Relations Code of Conduct and the Sustainable Natural Rubber Policy
	Climate change impact of our suppliers	4.1.1.1 a) Transition plan: decarbonizing our operations/ Scope 3: reducing emissions from our transportation operations 4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers/Climate change impact of our suppliers	CO ₂ emissions from transportation operations <ul style="list-style-type: none"> Percentage of raw material suppliers responding to the CDP Percentage of emissions from purchased goods and services sourced from suppliers with science-based targets 	Tracking these indicators to reach net zero emissions in the supply chain with raw materials and components vendors
	Impact of raw materials on the environment	4.1.1.2 Enhancing the circularity of our products 4.1.1.2 a) Increment the use of sustainable materials 4.1.1.2 b) Deploying eco-design practices	Average Sustainable Materials Rate (ASMR)	Deployment and outcomes of the increase in the percentage of recyclable materials in 2023 Deployment and outcomes of the Michelin 4R strategy in 2023
	Supplier failure to respect human rights	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies	<ul style="list-style-type: none"> Percentage of purchase spend covered by EcoVadis supplier reviews Number of suppliers assessed for CSR compliance Number of suppliers confirmed in compliance with Group CSR standards 	Supplier training at the EcoVadis Academy in 2023

(1) Chapter/section where the information is present.

NON-FINANCIAL STATEMENT

Duty of care plan

Risk family	Risks	Risk definition and prevention ⁽¹⁾	Indicators	Implementation trackers
	Non-compliance with the Supplier Relations Code of Conduct	4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers/Non-compliance with the Supplier Relations Code of Conduct	Number of Purchasing employees trained in addressing ethical risks in supplier relations	Deployment of the training module on ethical risks in supplier relations
	Specific risks of natural rubber	4.1.4.2 c) A dedicated approach for natural rubber	<ul style="list-style-type: none"> Sourced volumes covered by the RubberWay® application Number of RubberWay® questionnaires 	<ul style="list-style-type: none"> Deployment and outcomes of the various natural rubber partnerships in 2023 (WWF and GPSNR) Analysis of the 2023 results from the RubberWay® application and implementation of on-site action projects

5. WHISTLEBLOWING SYSTEMS

4.1.4.1 a) Establishing a global ethical framework (ethics hotline open to both employees and third parties)

4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers/Non-compliance with the Supplier Relations Code of Conduct/ Mediation with suppliers

6. SUMMARY OF KEY PERFORMANCE INDICATORS

7. TABLE OF CONCORDANCE WITH THE DUTY OF CARE PLAN

(1) Chapter/section where the information is present.

4.4 OTHER TABLES OF CONCORDANCE

4.4.1 Global Reporting Initiative (GRI)

This report has been prepared in compliance with GRI (Global Reporting Initiative) standards specified in GRI 1: Foundation. The following table cross-references sections in the report that are aligned with GRI indicators, according to the standards updated on December 31, 2023.

Statement of Use	Compagnie Générale des Établissements Michelin has disclosed the information in this GRI content index for the 12 months from January 1, 2023 to December 31, 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	The GRI Sector Standards do not apply to Michelin

	<i>Disclosures that are not applicable are shaded in gray. These concern only the reasons for omission and the reference number of the corresponding GRI sector standard.</i>		<i>Minimum GRI compliance disclosures.</i>
--	---	--	--

Disclosure	Description	Section	Cross-reference (or reason for omission)
UNIVERSAL STANDARDS			
GRI 2 – GENERAL DISCLOSURES			
1. THE ORGANIZATION AND ITS REPORTING PRACTICES			
2-1	Organization details	1	The Michelin partnership limited by shares
		Note 36	List of consolidated companies
		6.1	Information about the Company
2-2	Entities included in the organization's sustainability reporting	4	Methodology
		Note 36	List of consolidated companies
2-3	Reporting period, frequency and contact point	4	Methodology
		Contents	AMF disclaimer
		back cover	
2-4	Restatements of information	4	Methodology
2-5	External assurance	4.2.4	Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial statement
2. ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	1	Our businesses
		1	Our business model
		4.1.4.2	Demonstrating our CSR commitments through responsible procurement policies
		4.1.2.3 i)	Transparency: information concerning redundancy plans, job retention initiatives and retraining, placement and support programs during the year
		5.1.11	Significant change in financial or trading position
2-7	Employees	4.1.2.4	Supporting employee growth and development
		2023 ESG data	
			Incomplete information. The human resources management system does not list temporary workers by gender or region.
2-8	Workers who are not employees		Information not available. The human resources management system does not list workers who are not employees.

NON-FINANCIAL STATEMENT

Other tables of concordance

Disclosure	Description	Section	Cross-reference (or reason for omission)
3. GOVERNANCE			
2-9	Governance structure and composition	1	Governance
		3.1	Administrative, management and supervisory bodies
		3.2.11	Corporate Social Responsibility Committee (CRSC)
		4.1	Sustainable Development Report/Governance
2-10	Nomination and selection of the highest governance body	3.1	Administrative, management and supervisory bodies
2-11	Chair of the highest governance body	3.1	Administrative, management and supervisory bodies
2-12	Role of highest governance body in overseeing the management of impacts	3.1.1	An experienced, stable and responsible management team
		3.1.1.2	Role and responsibilities
		3.2.11	Corporate Social Responsibility Committee (CRSC)
		4.1	Sustainable Development Report/Governance
		4.1.1	The Environment/Environmental Governance
		4.1.2.1 b)	Human rights and employee relations/ Organization and ambitions
		4.1.3	Employee and contractor health, safety and security
		4.1.4	Ethics and compliance/Organization
2-13	Delegation of responsibility for managing impacts	3.2.11	Corporate Social Responsibility Committee (CRSC)
		4.1	Sustainable Development Report – Governance
		4.1.1	The Environment/Environmental Governance
		4.1.2.1 b)	Human rights and employee relations/ Organization and ambitions
		4.1.2.2	Instilling an inclusive culture of diversity and preventing discrimination/ Governance and organization
		4.1.3	Employee and contractor health, safety and security
		4.1.4	Ethics and compliance/Organization
		4.1.4.2	Demonstrating our CSR commitments through responsible procurement policies
2-14	Role of the highest governance body in sustainability reporting	3.2.11	Corporate Social Responsibility Committee (CRSC)
		4.1	Sustainable Development Report/Introduction
2-15	Conflicts of interest	3.2.6	Review of Supervisory Board members' independence and any conflicts of interest
2-16	Communication of critical concerns	4.1.4.1 a)	Establishing a global ethical framework
2-17	Collective knowledge of the highest governance body	3.2.3	Training for Supervisory Board members
2-18	Evaluation of the performance of the highest governance body	3.2	Supervisory Board practices – Activities in 2023
		3.2.7	Assessment of the Supervisory Board's practices
2-19	Remuneration policies	3.3	Management and Supervisory Board compensation policies for 2024
		4.1.2.3 h)	Offering fair compensation and benefits
2-20	Process for determining remuneration	3.3	Management and Supervisory Board compensation policies for 2024
		3.5	Individual compensation paid or awarded to the Managers and the Chair of the Supervisory Board for 2023
2-21	Annual total compensation ratio	3.4.5	Compensation ratios of the Managers and the Chair of the Supervisory Board

NON-FINANCIAL STATEMENT

Other tables of concordance

Disclosure	Description	Section	Cross-reference (or reason for omission)
4. STRATEGY, POLICIES AND PRACTICES			
2-22	Statement on sustainable development strategy	1	Message from the Managing Chairman
2-23	Policy commitments	1	Our All Sustainable vision
		4.1.2.1 a)	Employee relations standards and responsibilities
		4.1.2.2 a)	A comprehensive, worldwide commitment
		4.1.3.1	Engaging in health, safety and quality of worklife policies
		4.1.4.1 a)	Establishing a global ethical framework
		4.1.4.2 a)	Governance and organization/Clearly defined policies
		4.3	Duty of Care Plan
2-24	Embedding policy commitments	4.1.2.1 b)	Human rights and employee relations/ Organization and ambitions
		4.1.3.2	Safeguarding employee health
		4.1.4.1	Ensuring ethical business practices
		4.1.4.2 b)	Identifying categories and countries at risk and assessing suppliers
		4.1.4.2 c)	A dedicated approach for natural rubber
		4.3	Duty of Care Plan
2-25	Processes to remediate negative impacts	4.1.2.2 a)	A comprehensive, worldwide commitment
		4.1.2.3	Dialogue with stakeholders
		4.1.2.5 d)	Addressing the risk of potentially negative impacts of our business on local communities
		4.1.4.2	Demonstrating our CSR commitments through responsible procurement policies
2-26	Mechanisms for seeking advice and raising concerns	4.1.2.3	Dialogue with stakeholders
		4.1.4.2 b)	Non-compliance with the Supplier Relations Code of Conduct
2-27	Compliance with laws and regulations	4.1.4.1 b)	Taking a firm stand against corruption
		4.1.4.1 e)	Combating tax evasion
		4.1.4.1 c)	Competition law
2-28	Membership of associations	4.1.1.3	Supporting biodiversity
		4.1.2.3	Dialogue with stakeholders
		4.1.2.3 c)	Fostering closer relations with environmental protection associations
		4.1.2.5 e)	Making a public commitment to supporting sustainable mobility
		4.1.4.2 c)	A dedicated approach for natural rubber
5. STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	4.1.2.3	Dialogue with stakeholders
2-30	Collective bargaining agreements		Information not available. We do not have an indicator for the percentage of employees covered by collective bargaining agreements.

NON-FINANCIAL STATEMENT

Other tables of concordance

Disclosure	Description	Section	Cross-reference (or reason for omission)
GRI 3 – MATERIAL TOPICS			
3-1	Process to determine material topics	4.1	Sustainable Development Report/Challenges and performance
3-2	List of material topics	4.1	Sustainable Development Report/Materiality matrix
3-3	Management of material topics	4.1	Sustainable Development Report/Materiality matrix
1. Climate change impacts from the use of our products (Scope 3)		4.1.1.1 b)	Transition plan: company strategy/Opportunities and risks/Designing ultra-energy efficient products
2. Supplier failure to respect human rights		4.1.4.2 b)	Identifying categories and countries at risk and assessing suppliers/Supplier failure to respect human rights
			<i>See also GRI 414 – Supplier social assessment</i>
3. Climate change impact of our suppliers (Scope 3)		4.1.1.1 a)	Transition plan: decarbonizing our operations/Scope 3: reducing emissions from purchased raw materials and components
			<i>See also GRI 308 – Supplier environmental assessment</i>
4. Non-climate change-related impacts of our raw materials on the environment		4.1.1.2	Enhancing the circularity of our products
5. Ethics violations		4.1.4.1	Ensuring ethical business practices
			<i>See also GRI 205 – Anti-Corruption and GRI 206 – Anti-Competitive Behavior</i>
6. Non-compliance with our Supplier Relations Code of Conduct		4.1.4.2 b)	Identifying categories and countries at risk and assessing suppliers/Non-compliance with the Supplier Relations Code of Conduct
7. Climate change impact of our Scope 1 and 2 operations		4.1.1.1 a)	Transition plan: decarbonizing our operations/Scopes 1 and 2: reaching net zero emissions in the manufacturing operations by 2050
			<i>See also GRI 302 – Energy and GRI 305 – Emissions</i>
8. Discrimination			<i>See GRI 405 – Diversity and Equal Opportunity and GRI 406 – Non-discrimination</i>
9. Tire product safety		4.1.4.3	Guaranteeing the quality of our products and services
10. Employee and contractor health and safety			<i>See GRI 403 – Occupational health and safety</i>
GRI 200: ECONOMIC			
GRI 201 – ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	1	The Michelin share
		5.1.3	Consolidated income statement review
		5.2	Consolidated financial statements for the year ended December 31, 2023
201-2	Financial implications and other risks and opportunities due to climate change	2.1	Risk 1 – Physical effects of climate change
		5.2	Note 2.6: Climate risk
GRI 202 – MARKET PRESENCE			
202-2	Proportion of senior management hired from the local community	4.1.2.2 b)	Targeted initiative in the five areas of diversity
GRI 203 – INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	4.1.2.5 a)	Supporting local jobs and businesses with Michelin Development
		4.1.2.5 b)	Participating harmoniously in local community life through our employees
		4.1.2.5 c)	The Michelin Foundation: demonstrating our corporate culture and values

Disclosure	Description	Section	Cross-reference (or reason for omission)
GRI 204 – PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers	4.1.4.2 b)	Identifying categories and countries at risk and assessing suppliers – Diversifying the supplier base
Reason for omission of the figure: not applicable – Group procurement is managed globally. While operating globally and purchasing from major international suppliers who meet its exacting standards and embrace the principles of sustainable development, Michelin, in line with its Purchasing Principles, also strives to source locally, as well as from sheltered work centers and social enterprises. These local purchases are not tracked by a Group-wide KPI.			
GRI 205 – ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption		Reason for omission of certain data: lack of information/confidentiality issues – All of the Group's host regions have been reviewed and assessed for corruption risks. The findings are not available at the site or facility level. For confidentiality reasons, Michelin does not publicly disclose the material risks of corruption identified during the assessments.
205-2	Communication and training about anti-corruption policies and procedures	4.1.4.1 a)	Establishing a global ethical framework
		4.1.4.1 b)	Taking a firm stand against corruption
205-3	Confirmed incidents of corruption and actions taken	4.1.4.1 a)	Establishing a global ethical framework/Alert mechanisms and procedures
GRI 206 – ANTI-COMPETITIVE BEHAVIOR			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.1.4.1 c)	Competition law Reason for omission: Confidentiality issues – the requested information is highly sensitive and its disclosure could be detrimental to trade secrets
GRI 300: ENVIRONMENTAL DISCLOSURES			
GRI 301 – MATERIALS			
301-2	Recycled input materials used	4.1.1.2 a)	Incrementing the use of sustainable materials
GRI 302 – ENERGY			
302-1	Energy consumption within the organization	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
302-3	Energy intensity	4.1.1.1 a)	Transition plan: decarbonizing our operations/Energy efficiency of production plants
302-4	Reduction of energy consumption	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
GRI 303 – WATER			
303-3	Water withdrawals	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
GRI 304 – BIODIVERSITY			
304-1	Operational sites owned, leased or managed in or adjacent to protected areas or areas of high biodiversity value outside protected areas	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
		4.1.1.3 d)	Preserving biodiversity around Group manufacturing and research facilities
304-3	Habitats protected or restored	4.1.1.3 d)	Preserving biodiversity around Group manufacturing and research facilities

NON-FINANCIAL STATEMENT

Other tables of concordance

Disclosure	Description	Section	Cross-reference (or reason for omission)
GRI 305 – EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	4.1.1.1 a)	Transition plan: decarbonizing our operations/The Group's carbon footprint
		4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
305-2	Indirect (Scope 2) GHG emissions	4.1.1.1 a)	Transition plan: decarbonizing our operations/The Group's carbon footprint
		4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
305-3	Other indirect (Scope 3) GHG emissions	4.1.1.1 a)	Transition plan: decarbonizing our operations/The Group's carbon footprint
305-5	Reduction of GHG emissions	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
		4.1.1.4 c)	Reducing energy use and greenhouse gas emissions
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
		4.1.1.4 d)	Reducing harmful air emissions
GRI 306 – WASTE			
306-2	Management of significant waste-related impacts	4.1.1.2 d)	The Michelin 4R circular economy process
		4.1.1.4 e)	Reducing and managing waste
306-3	Waste generated	4.1.1.4 b)	Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
GRI 308 – SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-2	Negative environmental impacts in the supply chain and actions taken	4.1.4.2	Demonstrating our CSR commitments through responsible procurement policies
GRI 400: SOCIAL			
GRI 401 – EMPLOYMENT			
401-1	New employee hires and employee turnover	4.1.2.4 b)	Employer appeal, promoting from within, team succession plans
GRI 402 – LABOR/MANAGEMENT RELATIONS			
402-1	Minimum notice periods regarding operational changes	4.1.2.3 e)	An assertive social dialogue process
GRI 403 – OCCUPATIONAL HEALTH AND SAFETY			
403-1	Occupational health and safety management system	4.1.3.1	Health, Safety and Quality of Worklife Policy
403-2	Hazard identification, risk assessment, and incident investigation	4.1.3.2 c)	Managing industrial hygiene risks to protect employee health
		4.1.3.3	Assessing and preventing workplace safety and security risks
403-3	Occupational health services	4.1.3.2	Safeguarding employee health
403-9	Occupational accidents	4.1.3.3 c)	Measuring and tracking occupational accidents
403-10	Occupational illnesses	4.1.3.3 c)	Measuring and tracking occupational accidents

NON-FINANCIAL STATEMENT

Other tables of concordance

Disclosure	Description	Section	Cross-reference (or reason for omission)
GRI 404 – TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee	4.1.2.4 e)	Enhancing skills through training
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.2.4 c)	Employee growth and development
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2.4 c)	Employee growth and development
GRI 405 – DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	4.1.2.2 b)	Targeted initiatives in the five areas of diversity
405-2	Ratio of basic salary and remuneration of women to men	4.1.2.2 b)	Targeted initiatives in the five areas of diversity/Ensuring wage equality worldwide
GRI 406 – NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken	4.1.2.2 a)	Training to encourage inclusion and attenuate the risk of discrimination
		4.1.4.1 a)	Establishing a global ethical framework
GRI 407 – FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1.4.2	Demonstrating our CSR commitments through responsible procurement policies
GRI 408 – CHILD LABOR			
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.2.1 b)	Organization and ambitions/Clearly defined expectations for each human rights issue
GRI 409 – FORCED OR COMPULSORY LABOR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.2.1 b)	Organization and ambitions/Clearly defined expectations for each human rights issue
GRI 410 – SECURITY PRACTICES			
410-1	Security personnel trained in human rights policies or procedures	4.1.2.1 b)	Organization and ambitions/Clearly defined expectations for each human rights issue/A deeper understanding of several issues
GRI 413 – LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programs	4.1.2.5 c)	Participating harmoniously in local community life through our employees
GRI 414 – SUPPLIER SOCIAL ASSESSMENT			
414-1	New suppliers that were screened using social criteria	4.1.4.2	Demonstrating our CSR commitments through responsible procurement policies
414-2	Negative social impacts in the supply chain and actions taken	4.1.4.2 b)	Identifying categories and countries at risk and assessing suppliers

NON-FINANCIAL STATEMENT

Other tables of concordance

Disclosure	Description	Section	Cross-reference (or reason for omission)
GRI 415 – PUBLIC POLICY			
415-1	Political contributions	Code of Ethics	“Michelin does not make political contributions. The Group considers that it may legitimately express its point of view, with integrity, in explaining to public decision-makers its positions on matters of interest to the Group. The exchanges are made in accordance with the principles of honesty and in the interest of our stakeholders, such as shareholders, customers, partners, employees and the relevant jurisdiction (country, province, state, municipality, etc.).”
GRI 416 – CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	4.1.4.3	Guaranteeing the quality of our products and services
GRI 417 – MARKETING AND LABELING			
417-1	Requirements for product and service information and labeling	4.1.4.4	Playing an active role in ensuring consumers’ safety on the road and safeguarding the environment/Tire labeling
GRI 418 – CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1.4.1 d)	<p>“Michelin takes special care to properly manage customer and user requests and complaints. In each country concerned, data protection teams are tasked with responding appropriately to each requester in a timely manner.</p> <p>Similarly, in the event of a personal data breach, the Privacy teams are systematically called in, in particular to identify cases where the incident presents a high risk for customers or users whose data have been compromised, and who must be notified with full details so that they can take appropriate measures.”</p>

4.4.2 Table of concordance for the SASB (Sustainability Accounting Standard Board)


















The following table cross-references sections in the report that are aligned with the Sustainability Accounting Standard Board - Transportation Standard Index - Autoparts, according to the standards updated on December 31, 2023.

Topic	Accounting metric	Section
Energy management TR-AP-130a.1	Total energy consumed	4.1.1.4 b) Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
	Percentage renewable	4.1.1.4 c) Reducing energy use and greenhouse gas emissions/Driving the Group's energy transition
Waste management TR-AP-150a.1	Total amount of waste from manufacturing	4.1.1.4 b) Reducing the environmental footprint of the production plants/Summary table of environmental data – Group
	Percentage hazardous	4.1.1.4 e) Reducing and managing waste
	Percentage recycled	4.1.1.4 e) Reducing and managing waste
Product safety TR-AP-250a.1	Number of recalls issued, total units recalled	4.1.4.3 Guaranteeing the quality of our products and services/Michelin Quality
Design for fuel efficiency TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	4.1.1.1 d) Engagement and transparency
		4.1.1.7 2023 report on the Michelin Group's activities in respect of the European Taxonomy Regulation
Materials sourcing TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers/Critical materials
Materials efficiency TR-AP-440b.1	Percentage of products sold that are recyclable	This information was not available at the date of publication of the report.
Materials efficiency TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content	4.1.1.2 a) Incrementing the use of sustainable materials
Competitive behavior TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	4.1.4.1 c) Competition law During the period, the Group did not incur monetary losses as a result of legal proceedings pursuant to regulations on anti-competitive behavior ⁽¹⁾ .

Activity metric	Code	Section
Number of parts produced	TR-AP-000.A	4.1.4.3 Guaranteeing the quality of our products and services/Michelin Quality
Weight of parts produced	TR-AP-000.B	3,289,207 tonnes (scope: I-MEP)
Area of manufacturing plants	TR-AP-000.C	3,431 hectares ⁽¹⁾

(1) This information was added after the review by the independent third-party and was therefore not subject to its review procedures.

4.4.3 Sustainable Development Goals

	Customers	Employee well-being and development	Financial performance	Product performance	Responsible industry	Local communities
						4.1.2.5 b, c, d
				see <i>Michelin.com</i>		4.1.2.5
	4.1.4.3	4.1.3		4.1.4.3	4.1.1.4	4.1.2.5 c, d
		4.1.2.4				4.1.2.5 c, d
		4.1.2.2 a, b				4.1.2.5 c, d
					4.1.1.4 f	
					4.1.1.4 c	
		4.1.2.1 4.1.2.2 b	Chapter 5	4.1.1.2	4.1.1.3	4.1.2.5 b
				4.1.1.2	4.1.1.4	4.1.2.5
		4.1.2.2				4.1.2.5 c, d
				4.1.4.4		4.1.2.5 d
	4.1.1.2 d			4.1.4.2 c	4.1.4.4 e	
				4.1.1.1 b	4.1.1.4 c 4.1.1.1.a	
					4.1.1.4 f	
					4.1.4.2 c 4.1.1.3 4.1.1.4	4.1.2.5 c, d, e, f
					4.1.4.1.b	
		4.1.2.1 a			4.1.2.5 g	

Contribution to the objective: ■ Low ■ Moderate ■ High

<https://www.michelin.com/en/sustainability/commitments>

