2024 UNIVERSAL REGISTRATION DOCUMENT

MICHELIN

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2024 UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report,
the sustainability statement and the duty of care plan

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this Universal Registration Document was filed on April 4, 2025 with the French securities regulator (*Autorité des marchés financiers* - AMF), as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The Universal Registration Document can be used when securities are offered to the public or for their admission to trading on a regulated market if it is completed by a note on the securities and, if applicable, a summary and all of the amendments made to the Universal Registration Document. The package is approved by the AMF in accordance with EU Regulation 2017/1129.

This Universal Registration Document is a reproduction in PDF format, translated into English, of the official version of the Universal Registration Document in ESEF format filed with the AMF on April 4, 2025 and available on the AMF website www.amf-france.org. This reproduction is available on our website www.michelin.com


01

CHAPTER 01

PRESENTATION AND STRATEGY OF THE MICHELIN GROUP

COMPANY PROFILE

Michelin is building the world's leading manufacturer of life-changing composites and experiences.

Pioneering engineered materials for more than 130 years, Michelin is uniquely positioned to make decisive contributions to human progress and to a more sustainable world.

Drawing on its deep know-how in polymer composites, Michelin is constantly innovating to manufacture high-quality tires and components for critical applications in demanding fields as varied as mobility, construction, aeronautics, low-carbon energies, and healthcare.

The care placed in its products and deep customer knowledge inspire Michelin to offer the finest experiences. This spans from providing data- and AI-based connected solutions for professional fleets to recommending outstanding restaurants and hotels curated by the MICHELIN Guide.

2024 KEY FIGURES

Financial performance

€27.2BN in sales

12.4% segment operating margin

€2.2BN in free cash flow
before M&A

Highlights

129,800 employees including 6,000 in R&D

84.7% employee engagement rate

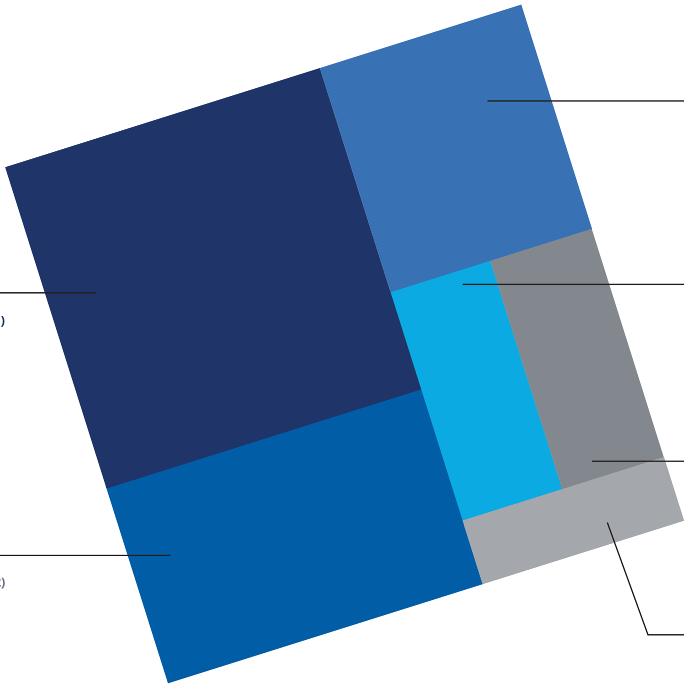
83 tire production plants
45 Polymer Composite Solutions production plants

-13% reduction in CO_2 emissions over the year

€1.2BN committed to innovation

31% renewable or recycled materials
used in making a tire

SALES BY BUSINESS



37%
Replacement Automotive and Two-wheel tires(1)

20%
Long Distance and Urban Transportation tires(2)

17%
Specialty tires(3)

9%
Original Equipment Automotive tires(1)

12%
Connected Solutions(2), Retail & distribution(4) & Lifestyle(1)

5%
Polymer Composite Solutions(3)

WORKFORCE AND SALES BY REGION

Europe:

Employees **48%**
Sales **36%**

North America:

Employees **21%**
Sales **39%**

Other regions:

Employees **31%**
Sales **25%**

(1) Reporting segment 1. (2) Reporting segment 2. (3) Reporting segment 3.
(4) Allocated pro rata to each of the three reporting segments.

INTERVIEW WITH MANAGING CHAIRMAN FLORENT MENEGAUX

Florent
Menegaux

"For each of the major challenges we are collectively facing, Michelin can deliver innovative responses."

How would you describe Michelin's performance in 2024?

Michelin delivered a solid performance in 2024.

For that, I would like to thank all our employees, who are more committed than ever, with an 84.7% engagement rate. Each one is playing an active role in the Group's future, as demonstrated by their steadily increasing take-up of the employee shareholding plans, with 57% of them investing in the latest round. I'm also extremely proud to see that, compared with 2021, we have 17% more managers who started their careers as shopfloor production operators. I think this is a compelling illustration of the tremendous growth opportunities that Michelin offers.

Our financial results were robust, in a highly complex, uncertain environment. We created value in every business line, with segment operating income standing at €3.4 billion despite a challenging business environment, particularly in the original equipment segments. We also successfully generated resources to invest in our Group's future, with free cash flow before M&A increasing to €2.2 billion. The foundations of our performance tomorrow are being laid today.

Concerning the planet, the 13% reduction in our Scopes 1 and 2 greenhouse gas emissions, *i.e.* from our direct activities, is a remarkable step forward that aligns us with the pathway to keeping global warming below 1.5°C, as approved by the independent standards-setting organization SBTi. We also further reduced our water withdrawals, by 7% over the year, and increased the proportion of recycled and renewable materials in all our products, to a total 31%.

These advances made in just one year fill me with pride in what Michelin teams do every day. The three aspects of people development, economic and financial performance, and protection of the planet and its resources are truly interdependent and mutually beneficial. We will continue to improve our performance in each one.

How is Michelin adjusting to its international business environment?

I think it's important to take a step back and look at the Group's recent past to realize just how complex, volatile and uncertain our operating environment is right now. It has been lastingly transformed by the overlapping impact of one crisis after another, which has been particularly striking since Covid.

We've learned to navigate in this new world, staying the clear course set by our Michelin in Motion 2030 strategy. Our presence in 174 countries, as well as the diversity of our markets, means that we are directly engaged with the world and the way it is changing. In particular, we can detect even the weakest signals of coming transformations before they spread more widely. This is also a factor of resilience, since our broad geographic footprint enables us to foresee coming shocks more clearly and absorb them when they occur. Plus, our long-standing local-to-local approach confers a decisive strength at a time when world trade is under unprecedented strain.

In this kind of environment, more than ever, we absolutely have to remain competitive. Today, our responsibility is to ensure that the Group continues to act as a powerful source of innovation in the decades ahead.

In this regard, I'd like to say a few words about the industrial restructuring projects carried out in 2024. In France, China, Poland and Sri Lanka, we've had to make difficult decisions to shut down or scale back operations in response to structurally deteriorating market conditions. My thoughts go first to the employees directly impacted by these transformations. Throughout, our top priority is to fulfill the Group's commitments, both to helping everyone find a stable career future and to recreating at least as many jobs in the impacted community.

This situation calls for us to get back to basics, to the people who make Michelin what it is every day. Our Group succeeds when every member of the corporate community is personally growing and pursuing a fulfilling career path. Since January 1, 2024, the living wage initiative has been deployed around the world, to ensure that everyone is paid enough to enable a family of two adults and two children to meet their food, housing, travel and education needs while saving for contingencies and the future. We work with an independent NGO to confirm that compensation offered across the Group complies with this benchmark, including cost of living adjustments. In most cases, this positions the Michelin Group well above each host country's legal minimum wage. This is how we can enable everyone to look to the future with confidence, and how we will all succeed together.

How is Michelin progressing towards its objective of building a world-leading manufacturer of life-changing composites and experiences?

We are continuing to showcase our distinctive capabilities in an increasingly wider range of markets. Our ability to leverage our proficient materials expertise to design composites with a myriad of applications is constantly reshaping our playing field.

The most iconic of these composites that are transforming our daily lives are tires. They are also the most complex, with more than 200 components that are carefully fabricated and assembled using processes that we are constantly reinventing. The common features shared by all the composites we make are their high technological content and the fact that without them, a system could not function. They are always mission-critical. This is the case, for example, with our conveyors, or the seals that we engineer for the aerospace industry. Our araminolic adhesive resins also make a real difference, by combining high performance with plant-sourced components that are kinder to the planet and our health.

This concern for our customers' success is also embedded in the experiences we offer. Our understanding of usage patterns and our data intelligence enable us to design innovative solutions to help our fleet customers meet all their operational, people and environmental challenges. And it's our ability to move from proposing recommendations to implementing the right solution with our customers that gives our solutions their high value.

Michelin also offers unforgettable travel experiences, that are further enhanced by innovative digital services. By extending our restaurant recommendations to characterful hotels, we're continuing to transform the daily lives of the millions of travelers who rely on the Michelin Guide.

What does Michelin's future look like?

For each of the major challenges we are collectively facing, Michelin can deliver innovative responses.

To meet the challenge of safeguarding our planet and its resources, we are steadily attenuating the environmental impact of our initiatives, products and services, while helping our customers to reduce theirs. Our eco-design processes are enabling us to address the impact of our solutions across their life cycles, right from the design stage.

We are always mindful that the technological revolution must serve the needs of people. In our operations, we're realizing the full potential of artificial intelligence to make our processes more efficient, so that people can focus on higher value-added tasks. And we're committed to offering our customers all the benefits of truly connected mobility.

Lastly, Michelin will continue to play a pioneering role in supporting social change. In a fragmented world, where there is a real risk of losing social cohesion, work has to fulfill all its promises of personal growth and inclusion. With our talent campus, the Manufacture des Talents, we want to enable everyone to continue learning throughout their working lives, so that they can fulfill all their aspirations.

In everything we do at Michelin, we know that some aspects will never change: our pioneering spirit, our passion for technology, and our constant focus on people.

What's new in this document and what are the key takeaways for Michelin?

This Universal Registration Document includes the Sustainability Statement, in application of the Corporate Sustainability Reporting Directive (CSRD).

By basing this exercise on European reporting standards, we are making it easier to compare the performance of different companies. This represents a major factor of differentiation for Michelin, vis-à-vis both our competitors and the rest of the industry. It also enables us to use a common language in addressing environmental, social and governance matters.

The entire Document reflects the extensive work of a wide array of Michelin teams, to whom I would like to extend my warmest appreciation.

> "Our ability to leverage our proficient materials expertise to design composites with a myriad of applications is constantly reshaping our playing field."

MANUFACTURING IN A WORLD FULL OF CHALLENGES

THE MAJOR CHALLENGES SHAPING OUR BUSINESS ENVIRONMENT

Today, the world is seeing an acceleration in three underlying trends that are disrupting societies and spurring companies to transform their operations. Inspired by its All Sustainable vision, Michelin has clearly identified the resulting challenges and defined its priorities in responding to these structural transitions.

ENVIRONMENTAL CHALLENGES

Intensifying impacts

Year after year, the impacts of climate change are becoming increasingly real and visible. The projected average increase in global temperatures, now estimated by the UN at 3.1°C by 2100, represents a major challenge for humanity. At the same time, ecosystems are being degraded, biodiversity is being lost and natural and fossil resources are being depleted. This means that we have to rethink the current growth model in ways that tend towards carbon neutrality, while protecting resources more effectively. This is what we have to do to support a sustainable future and a resilient planet.

+1.55°C

above pre-industrial levels: 2024 was the warmest year on record, with an average temperature close to the limit set by the Paris Agreement.

Source: World Meteorological Organization.

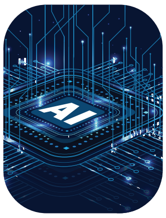
1 MILLION

animal and plant species are threatened with extinction.

Source: UN.

MICHELIN'S PRIORITIES

- Reach net-zero carbon emissions by 2050 for Scopes 1 and 2 and for the Scope 3 categories of upstream and downstream logistics activities, suppliers, treatment of end-of-life tires and energy.
- Demonstrate a firm commitment to biodiversity, particularly in the natural rubber value chain.
- Make eco-design a standard and foster the circular economy to preserve resources, in particular by increasing the percentage of recycled or renewable materials used in our tires.
- Continue to reduce the rolling resistance of our tires and further attenuate the release of tire and road wear particles.
- Reduce our water withdrawals more quickly.



TECHNOLOGICAL REVOLUTIONS
Increasingly digitalized societies

As digital technology and artificial intelligence become pervasive, societies are taking on a new face. Lifestyles, ways of working and the development of products, services and processes no longer have much in common with the practices that were still prevalent at the end of the last century. Together, changing usage patterns and technological innovation are symbiotically creating ever greater immediacy, convenience and ease of access. All of this is driving the emergence of a hyper-connected world, which is redefining, from top to bottom, the nature and content of social and business relationships.

X10
the generative artificial intelligence market is expected to grow from around $8 billion in 2023 to $100 billion in 2028, or by an average 65% a year.
Source: Sopra Steria Next.

MORE THAN 90%
of people in high-income countries use the internet.
Source: The World Bank (2022).

MICHELIN'S PRIORITIES

- Support connected mobility with a range of services and solutions for safer, more sustainable mobility, leveraging our unparalleled understanding of usage practices and advanced algorithm expertise.
- Offer millions of travelers remarkable experiences, through innovative digital services.
- Monetize high value-added services based on data analytics.
- Improve the customer experience and interface with greater simplicity, seamlessness and responsiveness.
- Scale up artificial intelligence to make production processes more efficient.

GEOPOLITICAL AND SOCIAL FRAGMENTATION

Today, international relations are being disrupted and economies destabilized by conflict escalation, rising protectionism, polarized economic policies and threats to democracy. At the same time, in response to persistent inequalities, crisis-ridden social protection systems and emerging aspirations, societies are continuing to fragment and attitudes towards work are shifting.

MORE THAN 50%
of the world's population was called to vote in 2024.
Source: Associated Press - Reuters.

40%
of jobs worldwide and 60% in advanced economies may be impacted by artificial intelligence.
Source: FMI (2024).

MICHELIN'S PRIORITIES

- Optimize risk management processes to secure the Group's business operations.
- Provide for alternative plans to align operations with the new geopolitical situation.
- Increasingly put people first in decision-making processes, through the universal social protection floor, a commitment to inclusion, a living wage and other social innovations.
- Improve the appeal of manufacturing jobs and career paths, and enhance employability and personal growth through lifelong learning policies.
- Support jobs and economic activity in our host communities to foster social cohesion.

GROWING IN A COMPLEX, UNCERTAIN ENVIRONMENT

AN UNCERTAIN GLOBAL ECONOMIC ENVIRONMENT	contrasting growth trends among the major economic regions, with Europe particularly held back by energy costs	persistently fluctuating, uncertain interest rates, which have turned upwards in certain regions even as inflation remains under control
A TENSE GEOPOLITICAL ENVIRONMENT	access to raw materials dependent on global geopolitical developments	supply chains disrupted by international tensions and conflicts
AN EVER-CHANGING REGULATORY AGENDA	vehicle environmental standards designed to reduce greenhouse gas emissions from road traffic	traceability standards for sourcing raw materials, in particular to counter imported deforestation
FAR-REACHING SOCIAL AND ENVIRONMENTAL TRANSFORMATIONS	growing stakeholder awareness of sustainability issues	a gradual shift from ownership to usership
PROFOUNDLY CHANGING END-MARKETS	an automobile fleet that is aging, with the average passenger car 12 years old, but moving upmarket, with SUVs accounting for almost half of all new car purchases worldwide in 2024, versus one-third in 2014	a road transportation market increasingly polarized between commoditization on the low end and upmarket premiumization (driven by the desire for greener performance and the latest technology)

Michelin operates in a market undergoing multi-faceted change in a highly volatile global business environment

particularly heavy public debt and deep budget deficits in the European Union	hard-to-understand customs duties and anti-dumping regulations	*MICHELIN'S OBJECTIVE* continue to deliver profitable growth to remain competitive
export controls and more restricted access to certain markets	the growing risk of cyber attacks	*MICHELIN'S OBJECTIVE* strengthen its crisis management process and reduce its operating exposure to geopolitical risks
high-emission vehicles increasingly banned in city centers	the pace of the shift to EVs highly dependent on political agendas	*MICHELIN'S OBJECTIVE* leverage the full value of its technological leadership to design and mass-produce All Sustainable products and solutions by 2050
evolving, more fleeting brand relationships	a growing appetite for unique, differentiating experiences	*MICHELIN'S OBJECTIVE* leverage its ability to innovate for a better world
cyclical specialty tire markets despite still strong fundamentals	growing demand for lightweight, durable composites in a myriad of value chains	*MICHELIN'S OBJECTIVE* align its offerings and footprint to each market's trends

OUR BUSINESS MODEL

Resources

See Chapter

DIVERSE, ENGAGED TEAMS

4.8; 1 pp. 28-29

- **129,800** employees in **63** countries
- **84.7%** employee engagement rate (up **1.2** pts vs. 2023)
- **30.4%** of managers are women

AN UNRIVALLED CAPACITY FOR INNOVATION AND DISTINCTIVE EXPERTISE

1 pp. 30-35

- Designing and process engineering flexible composite products
- Materials science
- Engineering innovative processes
- Capturing the value of data

> - More than **12,000** patents (including **258** filed in 2024)
> - A unique open innovation ecosystem, with more than **170** new partnerships per year and **8** joint laboratories opened in 2024
> - Vertically integrated in critical components, with more than **30** dedicated workshops or plants, including **3** synthetic rubber plants
>   **38%** of natural rubber inputs processed in-house(1)
> - **1.6** billion kilometers of mobility data captured every day

A POWERFUL, ICONIC BRAND

1 pp. 39, 44-45

- A brand valued at **€8.4 BILLION**(2)
- The Michelin Man **VOTED ICON OF THE MILLENNIUM** by New York's Advertising Week in 2018 and **BEST LOGO OF THE CENTURY** by the Financial Times in 2000
- **130** years of remarkable, one-of-a-kind fine dining and travel experiences

LASTING, ROBUST FINANCIAL RESOURCES

5.1; 5.2; 6.2

- **€18.6 BILLION** in equity
- Robust credit ratings, with stable outlooks at Standard & Poor's, Fitch and Scope
- An evenly balanced shareholder structure: **20.6%** French institutional investors, **65.8%** non-resident institutional investors, **11%** individual shareholders, **2.6%** employee shareholders

(1) Including joint ventures.
(2) Brand Finance Global 500 ranking, January 2025, based on €1.00 = $1.05.

Strategy

BUILDING
SUSTAINABLE GROWTH ON DIFFERENTIATED
PRODUCTS, SERVICES AND EXPERIENCES

GROWING
IN MARKETS WITH HIGH TECHNOLOGICAL REQUIREMENTS,
SUCH AS AEROSPACE, ENERGY AND HEALTHCARE

Opportunities offered by environmental, societal and technological change: urbanization, electrification of

Michelin is building the world's leading manufacturer
of life-changing composites and experiences

Creating value

See Chapter

FOR EMPLOYEES — *4.8*

- ***57%*** of employees invested in the 2024 employee share ownership plan (up ***4*** pts vs. the previous plan in 2022)
- Fair Wage Network certification in 2024
- ***98%*** of employees covered by a universal social protection floor, supplementing local social security systems

FOR SOCIETY

- The best balance of product/service performance and durability *e.g.*, ***25% BETTER TIRE ABRASION PERFORMANCE THAN THE AVERAGE*** of premium competitors — *3.2; 4.2; 4.3*
- Nearly ***19,000*** volunteer initiatives involving Group employees in 2024 — *1 pp. 28-29*
- more than ***1,000*** jobs created every year thank to Michelin Development's support in renewing and revitalizing local labor markets — *1 pp. 28-29*

FOR THE PLANET — *4.2 to 4.7*

- *UPSTREAM PHASE – SUPPLY*
  - ***98%*** of natural rubber inputs assessed as deforestation-free
  - ***11%*** year-on-year reduction in intercontinental finished product shipment tonnages
- *OPERATIONS PHASE*
  - ***7.7%*** year-on-year reduction in water withdrawals
  - ***34%*** of energy used came from renewable sources (up ***6*** pts vs. 2023)
- *DOWNSTREAM PHASE – USE*
  - nearly ***€120 MILLION*** invested in 2024 to reduce tire rolling resistance (which has been cut by more than ***50%***(3) since 1992)
  - ***31%*** of tire raw materials were renewable or recycled (up ***3*** pts vs. 2023)

FOR PARTNERS AND CUSTOMERS — *4.10*

- Net Promoter Score exceeding ***40***
- Product/service vitality: around ***30%*** of annual sales derived from products or services introduced in the last three years

FINANCIAL VALUE CREATED — *5.1; 5.2*

- ***10.5%*** return on capital employed (ROCE) in 2024
- ***52%*** of 2024 net income paid out in dividends(4)

RESPONDING
TO THE CHALLENGES OF EVERY MOBILITY ENABLER AND MANUFACTURER

PERSONAL SAFETY, OPERATING PERFORMANCE AND ENVIRONMENTAL IMPACT

(3) In the case of Passenger car, Light truck and Truck tires.
(4) 2024 dividend of €1.38 per share subject to approval by the Annual Shareholders Meeting on May 16, 2025.

climate change and resource depletion, global population growth mobility, digitalization, etc.

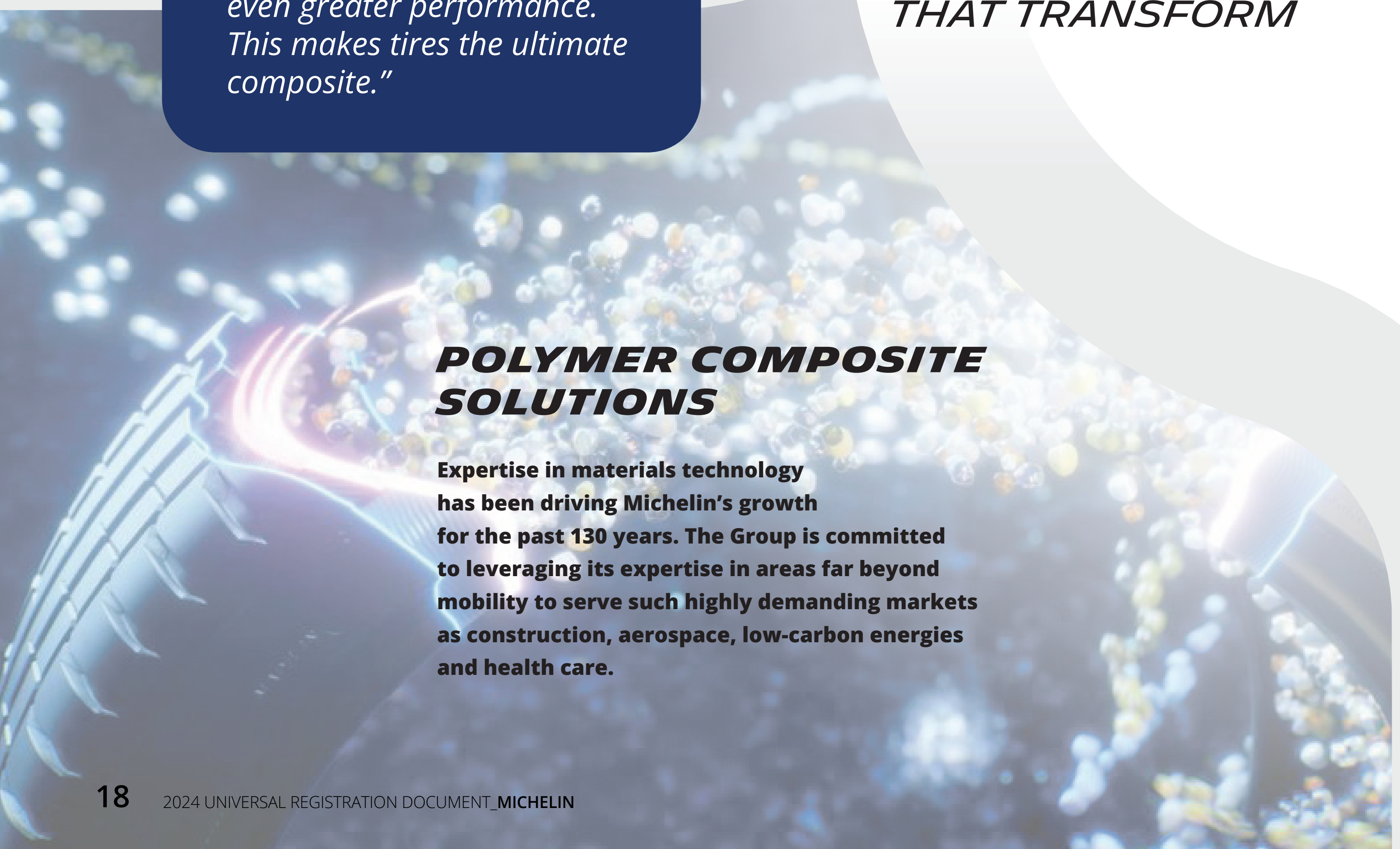
TIRES

A tire may look simple, but it is actually a highly complex, composite product made from more than 200 different components and materials, which Michelin proficiently blends to enable all forms of mobility.

*"**A COMPOSITE** is a combination of two or more materials whose complementary properties work together to deliver even greater performance. This makes tires the ultimate composite."*

4

COMPOSITES &
THAT TRANSFORM



POLYMER COMPOSITE SOLUTIONS

Expertise in materials technology has been driving Michelin's growth for the past 130 years. The Group is committed to leveraging its expertise in areas far beyond mobility to serve such highly demanding markets as construction, aerospace, low-carbon energies and health care.

01

CONNECTED SOLUTIONS

Michelin's sophisticated algorithm expertise, combined with its unique knowledge of usage patterns and the regular input of artificial intelligence and other advanced technologies, enables it to meet the challenges of both mobility professionals and manufacturers.

BUSINESS LINES

EXPERIENCES
OUR DAILY LIVES

LIFESTYLE

An international leader in curating a selection of outstanding restaurants, boutique hotels and exceptional wines, Michelin offers products and innovative digital services that enable millions of travelers and gourmets around the world to enjoy unforgettable travel experiences.

PURSUING OUR 2030 STRATEGIC VISION

In 2021, Michelin launched the Michelin in Motion strategic plan, which lays the foundations for sustainable growth through the rest of the decade in seamless alignment with the Group's All Sustainable commitment.

It embeds social, economic and environmental issues deep in the heart of the Group's growth dynamic.

OUR PURPOSE

OUR CULTURAL FOUNDATION

OUR STRATEGIC VISION

OFFERING EVERYONE A BETTER WAY FORWARD

Our values of respect:

Respect for facts, people, customers, shareholders and the environment.

Our value creation model

We believe that tomorrow, everything will be sustainable at Michelin. This vision of the future informs all our decisions, which are grounded in a constant search for the right balance between People, Profit and the Planet.

In Tires

- Target high value-added market segments, in particular premium tires for cars, two-wheel vehicles, bicycles, trucks and specialty vehicles (mining, agricultural, construction and materials handling machinery, and aircraft).
- Produce as close to our customers as possible with Industry 4.0 plants.
- Provide excellent customer service.
- Broaden the B2B services portfolio.

In Polymer Composite Solutions

- Develop innovative, high-performance applications for such composite solutions as coated fabrics, films, conveyors, belts, seals and inflatable structures.
- Introduce game-changing innovations in engineered polymers, such as active membranes, biomaterials, non-toxic adhesives and composite reinforcements (for example, with ResiCare or AraNea)
- Forge strategic partnerships to offer very high technology-content products in still emerging markets, with initiatives like Symbio (hydrogen mobility), ResiCare (high performance bio-based resins) and Wisamo (marine wind propulsion solutions).

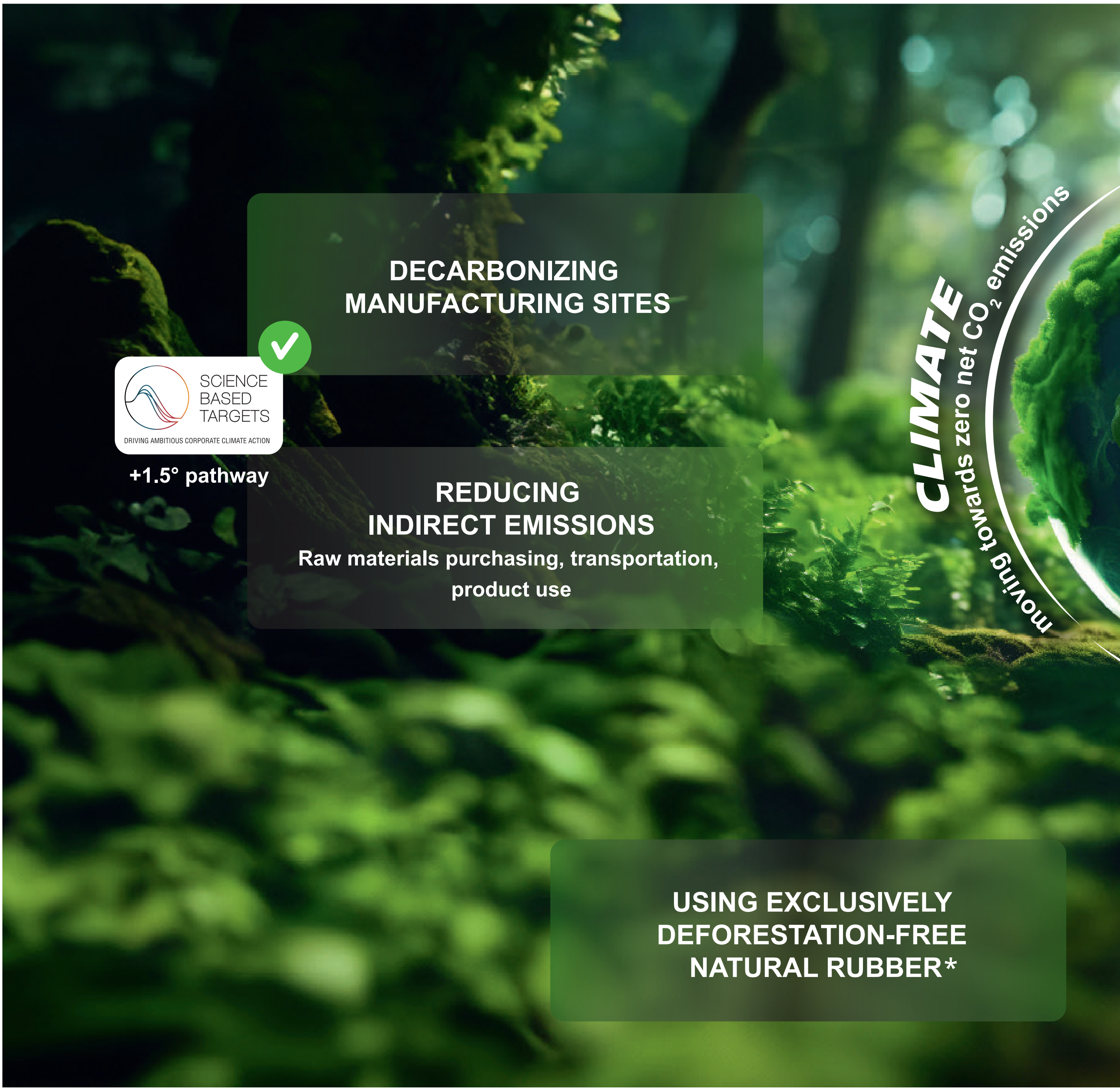
In Connected Solutions

- Increase tire-as-a-service sales and offer fleet managers purpose-designed services.
- Facilitate the transition to electric fleets and continue to improve efficiency, safety and environment protection.
- Leverage the Internet of things and data analytics to apply our acquired connected mobility expertise in new business territories.

in Lifestyle

- Continue to deploy the MICHELIN Guide internationally and become “digital first.”
- Maintain the pace of innovation, such as the launch of the first award celebrating sustainable gastronomy, the MICHELIN Green Star, or the creation in 2023 of the MICHELIN Key award for hotels.
- Further enhance the mobility experience with a portfolio of services supporting different travel styles, from road maps and itineraries to mobile apps and travel guides.
- Offer a comprehensive array of licensed products that improve our daily lives, such as car and bike accessories, sports and recreational gear and collectibles.

REDUCING THE ENVIRONMENTAL
THROUGHOUT THE PRODUCT



** In compliance with the EU Deforestation Regulation.*


FOOTPRINT
LIFE CYCLE
RESOURCES
developing a circular economy for tires
2050
reducing the impacts of operations
BIODIVERSITY
LIFE CYCLE ASSESSMENTS AND ECO-DESIGN
INCREASING USE OF RENEWABLE AND RECYCLED MATERIALS
INTEGRATING BIODIVERSITY INTO SITE MANAGEMENT

PROFIT

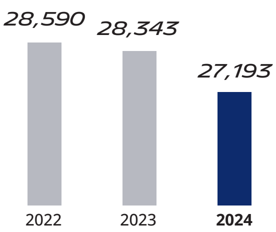
Performance and ambitions

€2.2 BILLION
INVESTED IN 2024

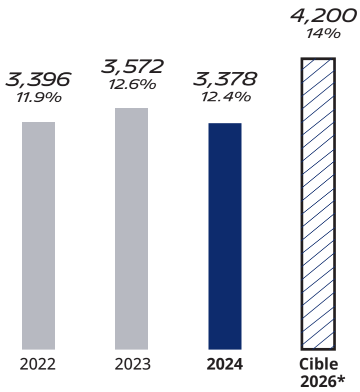
SALES
(in € millions)

2030 Ambition

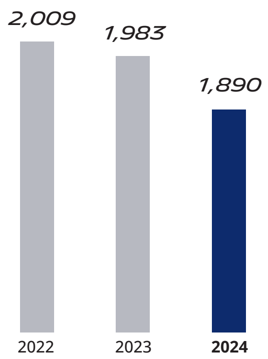
Average annual growth in sales of 5% between 2023 and 2030, with more than 20% of sales generated by businesses other than tire manufacturing and related distribution in 2030.



OPERATING INCOME[1]
(in € millions and as a % of net sales)



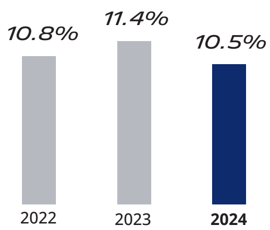
NET INCOME
(in € millions)



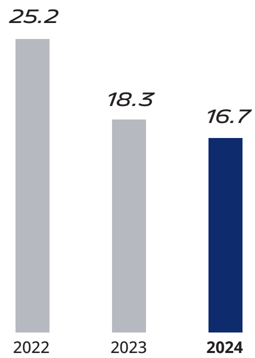
RETURN ON CAPITAL EMPLOYED

2030 AMBITION

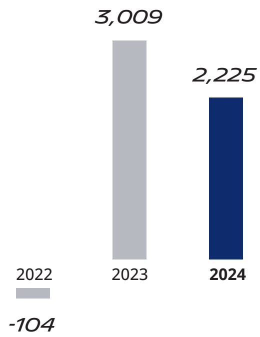
Continuously create value between 2023 and 2030, with a more than 10.5% ROCE each year.



NET DEBT
(as a % of equity)



FREE CASH FLOW BEFORE ACQUISITIONS
(in € millions)



Targeted free cash flow: **€5,500M** in total over the 2024-2026 period*

BRAND VITALITY INDICATOR[2]

2022	2023	2024	2030
68	73	72	65 UP 5 PTS vs. 2020

2030 AMBITION
Maintain the strength of the MICHELIN brand

PRODUCT/SERVICE VITALITY INDEX[3]
(as a %)

2022	2023	2024	2030
31.0	30.8	29.4	>30

2030 AMBITION
Sustain the pace of product and service innovation

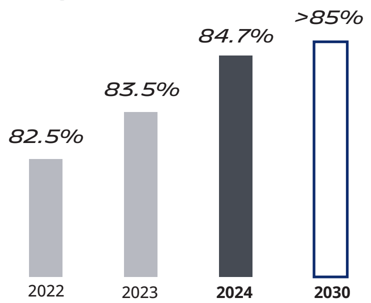
* *Target announced at the May 2024 Investor Day event.*
(1) *Of the segments.*
(2) *Single score composite indicator which summarizes the current vitality of the brand. It is based on five metrics: our purpose, innovation, communication, brand experience and love.*
(3) *Percentage of sales from products and services introduced in the last three years.*

PEOPLE

Performance and ambitions

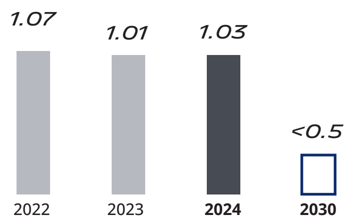
SET THE GLOBAL STANDARD
FOR ***EMPLOYEE ENGAGEMENT***,
WITH A RATE OF MORE THAN 85%

Employee engagement rate



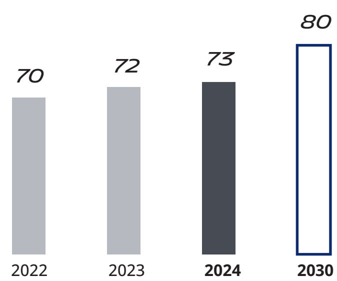
SET THE GLOBAL STANDARD
IN ***WORKPLACE SAFETY***

Workplace safety
(Total case incident rate)(1)



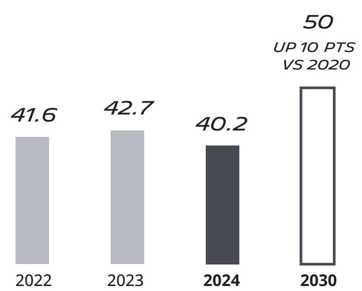
SET THE STANDARD
FOR ***DIVERSITY AND INCLUSION***

Diversity and inclusion
(Diversity and inclusion management index, maximum score = 100)(2)



LEAD THE INDUSTRY
IN CREATING CUSTOMER VALUE

Customer satisfaction
NET PROMOTER SCORE



(1) The number of accidents and cases of occupational illness recorded per 200,000 hours worked. In 2025, the TCIR was replaced by the Total Recordable Incident Rate (TRIR), which records the number of incidents (lost-time accidents, including fatalities, accidents without lost time but requiring treatment and incidents requiring workstation adjustments) per 1,000,000 hours worked. In 2024, the TRIR stood at 5.01 for the year.

(2) IMDI: A composite metric that tracks diversity and inclusion in five areas: Gender balance, Identity, Multi-national management, Disability, and Equal opportunity.

PLANET

Performance and ambitions

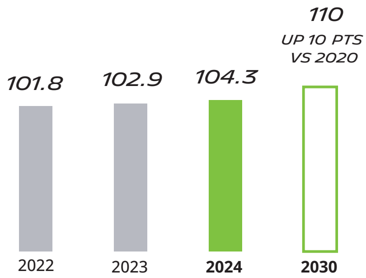
ACHIEVE ***NET-ZERO EMISSIONS BY 2050*** (SCOPES 1 AND 2)

Scopes 1 and 2 CO_2 emissions
vs. 2019

2022	2023	2024	2030
-20%	-28%	-37%	-47%

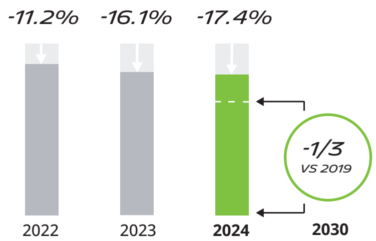
IMPROVE THE ENERGY EFFICIENCY OF OUR PRODUCTS TO HELP REACH ***NET-ZERO EMISSIONS***

Product/tire
energy efficiency[(1)]



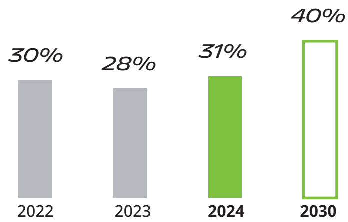
SET THE GLOBAL STANDARD FOR ***THE ENVIRONMENTAL FOOTPRINT OF MANUFACTURING FACILITIES***

Environmental footprint
of Michelin i-MEP production plants[(2)]
vs. 2019



INCREASE THE PERCENTAGE OF ***RENEWABLE OR RECYCLED MATERIALS IN OUR TIRES***
to reach 100% by 2050

Renewable[(3)] or
recycled materials used in making a tire



(1) *Reduction in the rolling resistance of car, light truck and truck tires.*
(2) *The Industrial – Michelin Environmental Performance metric is a weighted indicator that tracks energy use, CO_2 emissions, organic solvent use, water withdrawals, and waste production.*
(3) *Renewable bio-based materials are made from raw materials derived from natural resources that are naturally replenished on a human timescale, such as biomass.*

TURNING CHALLENGES INTO SUCCESS

PUTTING PEOPLE FIRST IN OUR VISION

Since the beginning, social innovation has been a hallmark of Michelin's identity and a powerful force driving its growth.

Caring for employees

For Michelin, there can be no strategic vision without taking people into consideration. That's why the Group is committed to its employees, who dedicate their time and energy to forging its success. The Michelin One Care program, for example, provides every member of the corporate community with a universal social protection floor focused on three key priorities: giving employees time to welcome a new child into the family; protecting the family in the event of an employee's death; and offering healthcare insurance to supplement national systems in covering care and prevention costs

This culture of care is also reflected in a commitment to paying employees a living wage that enables them to live with dignity. This commitment has been recognized by the Fair Wage Network NGO, which certified the Group as a "Global Living Wage Employer"[(1)] in early 2024.

Michelin also believes deeply in the values of inclusion and equal opportunity. It takes care that every individual is respected and valued at every level of the organization, and fights against all types of discriminatory practices.

Helping everyone improve their employability

To foster engagement of every employee and improve their employability, Michelin strives to support each person throughout their careers. It offers everyone excellent training in future-facing jobs, in particular at the Manufacture des Talents talent factory opened in 2022 and in the Hall 32 training center, dedicated to manufacturing skills-sets. This training commitment has grown increasingly prominent over the years, with employees now able to access more than 26,000 learning and development programs.

Supporting host regions and local communities

When the Group is obliged to restructure in response to changes in its environment, it works with Michelin Development, its in-house economic development agency, to help revitalize the impacted regions by supporting the creation of sustainable jobs and the emergence of new business activities.

On the site of its historic production plant in Clermont-Ferrand, France, for example, Michelin has created Parc Cataroux, a unique program that embodies the power of Michelin's innovation and brings together all the public and private stakeholders who share its commitment to making a positive social contribution to the community. The common thread running throughout Parc Cataroux is innovation in all its forms, which is expressed in four clusters full of promise for the region's future economic, educational and cultural fabric: *(i)* The Manufacture des Talents talent factory to train people in current and emerging jobs; *(ii)* the Center for Sustainable Materials to foster the development of recycling technologies and the circular economy; *(iii)* the Collaborative Innovation Center to support the emergence of impact economy projects; and *(iv)* a sports, fitness and cultural venue.

In every host region, Michelin engages with local communities through its Michelin Volunteers program, which encourages employees to get involved in outreach projects. In 2024, for example, 18,963 such projects were carried out during the year.

Lastly, as a leading purchaser of natural rubber, Michelin actively promotes sustainable management practices in the rubber-tree farming value chain by offering smallholders in-field training to help them increase their income.

(1) The scope of certification included all Michelin Group companies, excluding those recently acquired or in the process of being sold.

EMPLOYEE ENGAGEMENT: A POWERFUL MICHELIN STRENGTH

Giulia
Spampinato,

Process Engineering and Digitalization Project Manager – Michelin Engineered Polymers

Giulia, you studied life sciences and neuroscience and began your career in academic research. What drew you to Michelin?

Well, previously I was working for a medical start-up, so I really was far removed from the culture of a big manufacturing corporation and the world of mobility issues. But medical research, where I come from, and materials science, where Michelin has been an expert for 130 years, both share a focus on fundamental research and a commitment to improving people's daily lives.

What motivated me to join Michelin was just that – the challenge of leveraging the Group's tremendous potential for innovation to develop truly life-changing applications and help to shape a more desirable future. I felt that it was too exciting an opportunity to pass up. What also attracted me, and what is deeply innovative, is the importance given to everyone's training and personal growth throughout their career paths, particularly at the Manufacture des Talents.

What do you think are the main factors underlying employee engagement at Michelin?

I'm lucky enough to work in the Michelin Engineered Polymers business unit, which is exploring business opportunities in the life sciences to benefit both people and the planet. This is the main engagement lever, our dream: to know that we're working together to create a more sustainable future. Working for Michelin means experiencing, every day, the full value of exchanging ideas, openly communicating and collaborating in every aspect of our jobs. This is how we foster respect for people, innovation and boldness as pillars of engagement.

THE MANUFACTURE DES TALENTS, AN UNRIVALED TRAINING ECOSYSTEM

Because Michelin staunchly believes in supporting everyone's personal growth, because every job is going to undergo profound change, and because Michelin is committed to enhancing the appeal of its host communities, in 2022, it created the Manufacture des Talents to offer a one-of-a-kind learning experience focused on innovation, excellence and inclusion, in both current and emerging jobs. Initially intended for Group employees, and available in nearly 10 countries, its programs have now been opened to employees of other companies in France and North America, to give everyone, everywhere in the world, the desire and ability to learn and pass on knowledge throughout their working lives.

SUPPORTING EMPLOYEES AND HOST COMMUNITIES: AN ABSOLUTE PRIORITY FOR MICHELIN

Felix
Wall,

Program Management Office, Northern Europe Region

Felix, can you tell us how Michelin acts responsibly when it has to reorganize its production operations?

When a facility closes, regardless of the circumstances or the country, Michelin continues to uphold its responsibility, both for the people concerned and for local labor markets and ecosystems. This means that our priority is to deploy an array of measures to support our employees, including support in finding a new job, retraining or relocating. In every country where we restructure, our response exceeds compliance with local regulations. In accordance with our All Sustainable commitment, we also fulfill our responsibility to local communities by offering solutions, in conjunction with local authorities, to revitalize the local ecosystem and create new jobs.

Michelin has carried out several restructuring programs in Germany since 2019. How have the employees been supported?

After we announced the closure of our Bamberg plant in 2019, all of the 858 impacted employees were supported in finding a solution through retirement, transfer to another Group facility, outplacement or retraining in a new job.

The restructuring announced in 2023, involving 1,532 employees at three facilities in Germany, is still underway. Michelin has set up a voluntary separation program based on comprehensive employee support services. There haven't been any dismissals, because every one of the impacted employees accepted the voluntary separation offer. Michelin assumes all its responsibilities and commitments in these periods of transition that are difficult for employees and their families.

Practically speaking, what has been done for the impacted labor markets?

In Bamberg, a forward-facing project was undertaken in association with local stakeholders to build the new 6,000 sq.m Cleantech Innovation Park on the former Michelin site. The Park, which will soon be inaugurated, will offer an ecosystem of working environments for companies, research institutes and universities active in artificial intelligence, digitalization and sustainable mobility. In addition, other companies have moved onto our former site, which helped to create new jobs. Everywhere we are currently closing facilities, we have liaised with local stakeholders from the outset to find sustainable solutions for each local community.

CAPITALIZING ON OUR INNOVATION LEADERSHIP

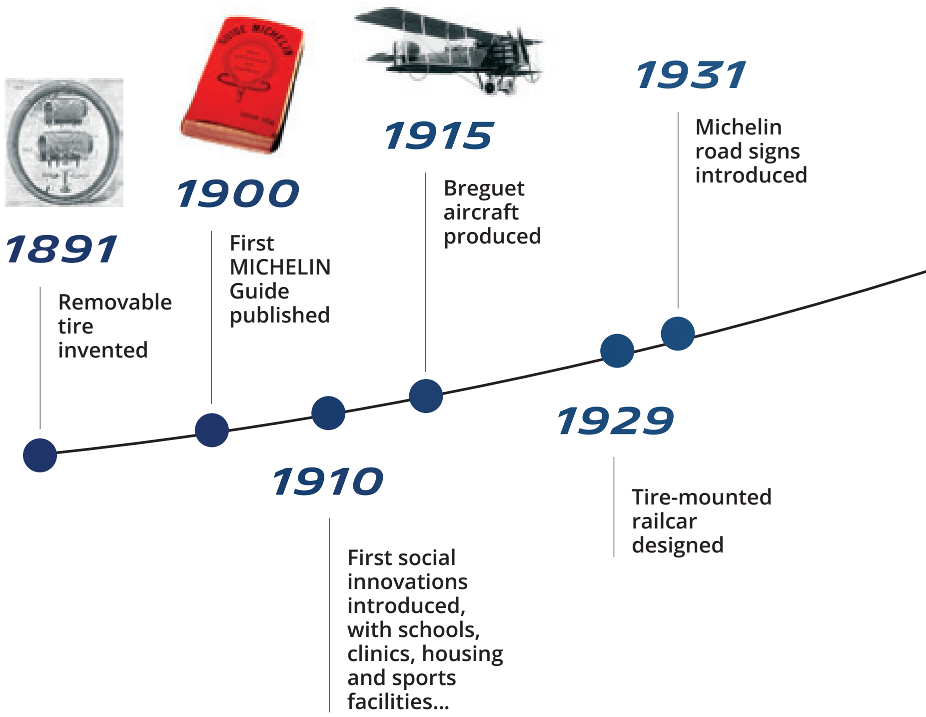
To build a sustainable future, Michelin has made innovation one of its growth engines, enabling it to create sustainable value by delivering solutions whose contribution to social and environmental progress is widely recognized by customers.

The culture of innovation is an integral strand of Michelin's corporate DNA. Michelin sees innovation as a critical enabler in successfully fulfilling its growth ambitions and meeting its environmental impact objectives. Its research and development teams, representing more than 6,000 people in nine R&D centers around the world, are pursuing three main pathways to the future: designing an All Sustainable tire by 2050, exploring the life-changing opportunities offered by materials science and data analytics, and driving the emergence of new services.

This multi-pronged process is leveraging the Group's rigorous, granular understanding of how customers use its products and its sophisticated proficiency in materials and complex industrial processes. These capabilities, acquired and honed in becoming the technology leader in tires, are now being used to offer innovative, disruptive solutions in adjacent markets with high technology content.

With more than 12,000 active patents worldwide and an annual budget of close to €1.2 billion allocated to innovation in the broadest sense of the term, Michelin is recognized today as one of the planet's "Top 100 Global Innovators."

"I'm proud to be a part of this extraordinary adventure, which will enable Michelin to remain the tire leader for decades to come. We're preparing the transition to tires made from recycled or renewable materials – a colossal challenge demanding innovation in new materials and the emergence of new players to quickly scale up production.…



▸ DRIVING FASTER PROGRESS WITH OPEN INNOVATION

Michelin has chosen to innovate in collaboration with a broad array of partners around the world, in ventures with an aggregate budget of more than €55 million a year. These partners, which include academic and industrial consortia, universities, research institutes, technical centers and companies ranging from start-ups to large corporations, enable us to pool our expertise to create breakthrough innovations and quickly bring them to market. They address a multitude of markets, from mobility and construction to aerospace, low-carbon energies and healthcare.

These consortia are also supporting the emergence of new industrial value chains, in particular to enable the shift away from fossil-sourced materials. In 2024, for example, Michelin joined with Swedish company Enviro and private equity fund Antin to build, in Uddevalla, Sweden, the first recycling plant capable of extracting raw materials from end-of-life tires. These include recycled carbon black, which can be reused in new tires, and pyrolysis oil, which serves as a chemical feedstock to produce new raw materials.

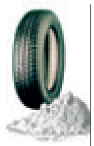
1937

Innovative rubber/steel composite developed

1946

Patent filed for the radial tire, a revolution in robustness, performance and durability. Fitted on heavy trucks (1952), earthmovers (1959) and aircraft (1981)

1992



Introduction of an innovative, environmentally friendly tire, whose silica-based compound sharply reduces rolling resistance, saving fuel and lowering a car's CO_2 emissions

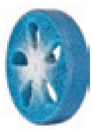
2012

First RFID chips embedded in tires

2015

The first all-season Cross Climate tire revolutionizes the market by delivering safety and performance in all driving conditions, all year round

2017



The VISION Concept

2022

Bio-based resins developed

2024

Lunar wheel project for NASA

The living wage initiative and universal social protection floor

…What's more, our long-standing expertise in composites is enabling us to build positions in new applications, from medical devices to aerospace. Our teams are being refreshed with a successful blend of highly experienced people and new skills. In this way, we're enriching our practices, particularly with digital processes and artificial intelligence."

Perrine **Vallat,**
Senior Vice President, Advanced Materials Research

OUR DISTINCTIVE CAPABILITIES

As a pioneer in materials science for more than 130 years, Michelin enjoys unparalleled expertise that is powering its sustained expansion, both in its traditional markets and in new growth territories. These rare, inimitable, value-creating capabilities are also enabling the Group to meet its challenges and make a real difference over time.

DESIGNING AND PROCESS ENGINEERING INNOVATIVE MATERIALS

A decisive role in tire performance

Structural elements, such as textile and metal reinforcements, polymers and other materials, play a major role in tire performance by helping to improve endurance, tread-life and rolling resistance. Building on its experience in designing, developing and producing innovative materials, Michelin has acquired proficiency in all the mechanics of materials in-use and the ability to combine components with antagonistic properties.

An innovative multidisciplinary process

The Group's core competencies, in such areas as polymer synthesis, chemistry, biochemistry, physical chemistry, rheology, metallurgy and chemical engineering, all mesh seamlessly together in a spirit of synergy. Michelin also works in open innovation configurations with various laboratories of the French National Centre for Scientific Research, CNRS, and forges partnerships with innovative companies. In this way, it can envision the possible future uses of polymers and develop new technologies incorporating a greater percentage of renewable or recycled materials.

Unique development and process engineering capabilities

With its prototyping workshops for testing materials at different stages of maturity and its polymer production facilities in France, Indonesia and the United States, Michelin has significant resources for the multi-scale manufacturing of its own reinforcements and polymers. This has enabled it, for example, to develop a tire made from 45% renewable and recycled materials and to create innovative non-toxic resins marketed under the ResiCare brand.

DESIGNING AND PROCESS ENGINEERING FLEXIBLE COMPOSITE PRODUCTS

High-performance expertise

Michelin's distinctive product design expertise, particularly in flexible composites, stems from a combination of several capabilities, starting with an unparalleled knowledge of tires, the Group's historical core business. It understands their physical characteristics perfectly and is capitalizing on this foundational expertise to enhance their performance and meet customer needs. The Group has also acquired a high degree of excellence in modeling and characterizing flexible structures.

In addition, Michelin enjoys a solid base of expertise in multi-scale object prototyping, along with testing and measurement resources to support the seamless transition from virtual to real and the highly efficient development of new products.

Committed to achieving the right balance of technical performance and durability

Michelin is pursuing its commitment to designing products that are lighter on the environment while still delivering the same long-lasting performance. It is doing so by activating such levers as *(i)* widely deploying the use of life cycle assessments; *(ii)* applying the energy loss expertise acquired in tires to flexible composites; and *(iii)* working on the endurance and wear resistance of conveyor seals and belts to improve their service lives

A multitude of applications

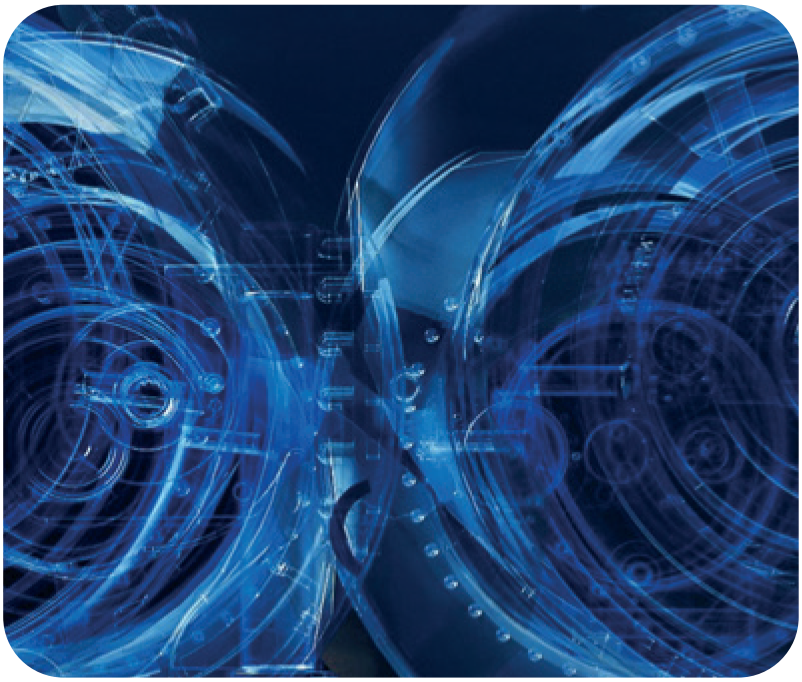
The expertise acquired in flexible composites is enabling Michelin to develop engineered applications for a wide range of industries. These conveyors, belts, seals, engineered fabrics and films, and other products and services address such markets as aerospace, construction, railways, maritime shipping and high-precision medical applications.

One example is the Michelin AirProne line of air cushions, which support patients suffering from acute respiratory distress by improving the positioning of their head, pelvis and thorax, making them more comfortable while helping to prevent bedsores. Another application is the Fenner Eagle XLD O-ring belt, whose greater strength enables conveyors to carry four times the load, with less downtime and optimized maintenance costs.

All these applications are mission-critical:

with their very high technological content, they ensure that their system function operates reliably and smoothly, thereby creating lasting value for both customers and Michelin.

DESIGNING AND ENGINEERING DEDICATED PROCESSES



An appetite for disruptive innovation

Throughout its history, Michelin has developed a myriad of game-changing innovations. Thanks to its proficiency in composites guiding and assembly processes, its ability to standardize processes and its expertise in manufacturing multi-technology assembly machines, the Group is fully capable of process engineering these types of innovations for mass production. These core competencies underpin its presence in such markets as mobility, construction, aerospace, low-carbon energies and healthcare.

Expertise nurtured by an open innovation ecosystem

An open innovation mindset is an integral part of Michelin's corporate culture, where it is helping to drive progress and open up promising growth opportunities The Group also works with other stakeholders, including start-ups, university laboratories and companies involved in European projects. In France, for example, it has partnered with Clermont Auvergne University and the National Centre for Scientific Research, CNRS, to create Factolab, a public-private laboratory dedicated to exploring the "industry of the future." It is also involved in the SoftManBot project developing technology for handling soft materials and in the BlackCycle and WhiteCycle recycling consortia.

Artificial intelligence-driven engineering

Process runs are leveraging the full potential of artificial intelligence, which the Group is using to develop robotic solutions purpose-designed for the complex handling of flexible composites. To drive the faster introduction of AI capabilities in its production facilities, Michelin is cooperating with Microsoft and other global industry leaders.

Engineering that supports the Group's All Sustainable vision

Michelin is pursuing its commitment to designing tires made entirely from renewable or recycled materials by 2050. To fulfill it, the Group is rethinking its manufacturing process to address the fact that bio-based materials do not have the same properties and mechanical characteristics as conventional materials. The challenge lies in harmoniously blending process development and an All Sustainable approach in ways that reduce the environmental impact of the Group's operations.

FROM DATA INSIGHTS TO CONNECTED SOLUTIONS

Unrivaled proficiency across the data chain

From capturing raw data and deriving insights to recommending actions or solutions, Michelin enjoys exceptional proficiency across the data chain. The Group is capable of creating value from the data it knows how to collect, mine and cross-compare to offer customers promising, actionable solutions, thanks to its unrivaled understanding of usage patterns and behavior and sophisticated expertise in designing leading-edge algorithms.

Gradually expanding the skills base

Michelin has brought together under the Michelin Connected Fleet brand three data science companies acquired over the past ten years: Sascar in Brazil, Nextraq in the United States and Masternaut in Europe. Combined with the "tire-as-a-service" tire maintenance outsourcing solution, these businesses serve more than a million trucks and vans under contract, representing a unique database available to the Group's fleet management customers.

Making mobility smarter and more sustainable

As part of its All Sustainable commitment, Michelin boasts a broad spectrum of capabilities that make it a leader in connected mobility. Today, the Group is striving to make mobility increasingly safer, more efficient and more sustainable with fleet-specific Connected Solutions, innovative tire inspection technologies and the development of insights to improve road infrastructure safety.

AUTOMOTIVE

Winning the product mix battle: technological leadership and unrivaled market access

Gary **Guthrie,**

Executive Vice President, Automotive Global Brands Business Line

Growth in the global automotive tire markets was mixed in 2024. Could you describe the main trends for us?

The new vehicle market, which is naturally cyclical, contracted sharply due to three main factors: *(i)* the decision by many automakers to postpone the launch of fully electric vehicles in an uncertain regulatory environment; *(ii)* pressures on purchasing power, which impacted sales of not only of EVs but also ICE vehicles, whose prices had risen sharply in 2022-2023, and *(iii)*, generally depressed Chinese domestic demand.

In the Replacement market, demand tracked the return of kilometers traveled to pre-Covid levels, except in China.

Tire sizes are still increasing very quickly, with the 18-inch and larger segment growing by almost 10% a year. This is a structural trend that is likely to continue, led by the gradual takeup of EVs, which require larger tires to carry a heavier load with a different center of gravity.

Even as tires for recent vehicles continue to premiumize, at the other end of the market, we're seeing an increase in low-price imports from Asia, intended for older vehicles.

What impact will these trends have on Michelin's strategy?

Michelin has relatively little cyclical exposure to the Original Equipment market, which accounts for only 20% of automotive segment sales and less than 10% of the consolidated total.

We take a selective approach to OEMs, working with the ones who leverage the full value of our technological leadership to deliver safer, more sustainable mobility. That's why we start engineering a tire far upstream, early in the vehicle design phase, so that it can meet the performance, cost and energy efficiency specifications more effectively and thereby help our OEM customers to reduce the car's life cycle carbon footprint.

In the Replacement market, we're expanding quickly in the premium segment, with sales of 18-inch and larger models now accounting for almost 55% of MICHELIN brand sales. Because these tires are generally fitted on newer, more upscale cars, this is also the segment where the performance of MICHELIN tires is most appreciated and valued by motorists.

To respond to this strong growth in the most value-accretive segments and to make our tires as closely as possible to customers, the Group is constantly realigning its production base.

What are Michelin's competitive advantages that make you confident that this strategy will succeed?

Our technological leadership enables us to meet the highest standards of safety, durability, grip and fuel efficiency, without ever compromising performance. A recent study by German Automobile Association ADAC showed that MICHELIN tires offer almost 30% better abrasion performance than the average of our premium competitors, which helps to ensure longer tread-life and better environmental performance.

Our pioneering spirit and unrivaled materials expertise mean that already more than two decades ago, we designed a tire capable of meeting the exacting specifications for use on EVs, which are heavier than ICE cars, have a different center of gravity and deliver higher motor torque. That's why, unlike our competitors, we haven't had to invest in dedicated processes or facilities, or develop a specific range of EV tires. Every MICHELIN tire is EV-compatible, which greatly reduces our sensitivity to the pace of EV takeup.

This leadership is also helping to support Replacement sales, since a motorist who buys a new MICHELIN-fitted car and appreciates its tire performance will be more inclined to buy MICHELIN tires as replacements. As a result, our tires have more online 5-star consumer ratings than our competitors and more awards from recognized institutes like JD Power.

Lastly, we have an extensive presence in physical and online retailing, giving us unparalleled market access and in-depth knowledge of the customer journey. With 6,000 franchisees in Europe and Asia, and our TBC joint venture in the United States, we are the world's largest franchiser in the automotive industry. At the same time, our e-tailing operations via recently acquired companies gives us unique insight into the customer journey and online purchasing behavior.

01

ROAD TRANSPORTATION

Serving customers with the performance of "green and tech" products and services: a lever for our selective marketing strategy

Maria-Esperanza Gaspar,

Executive Vice President, Long Distance Transportation Business Line

2023 saw extensive destocking across the value chain. What did truck tire demand look like in 2024?

The Original Equipment market, which accounts for some 20% of global demand, is highly sensitive to new emissions standards, which periodically prompt operators to upgrade their fleets. This makes tire demand more cyclical, because it goes up on new truck buying in the year before the introduction of new standards and then declines afterwards.

Replacement tire demand more closely tracks each region's economic fundamentals, since trucks "carry GDP." However, this market picture is highly distorted by the relative polarization between budget tires from Asia and premium tires, although fluctuations in shipping costs and customs duties mean that this is more or less pronounced from one year to the next. In 2024, the North American market was very vibrant in the first nine months, ahead of the higher anti-dumping duties introduced in September, but otherwise, global replacement tire demand (excluding China) was stable overall during the year.

What really differentiates Michelin's solutions for the end-user?

We're developing a portfolio of solutions delivering the highest performance in the areas of safety, durability and rolling resistance. Thanks to our unique materials science expertise, a MICHELIN-brand retreadable and regroovable casing can last up to a million kilometers, which supports the circular economy. Similarly, our tire-as-a-service solution ensures that a tire is changed at the right time, which helps to reduce materials use and represents significant savings for our customers.

What sets us apart is our ability to act at every phase in the tire life cycle, from choice of raw materials to recycling solutions, to reduce our environmental impact while constantly improving product performance for customers.

The safety of people and freight is a major challenge for trucking companies. At a time when truck drivers are in short supply around the world, the safety and quality of MICHELIN tires, which have been acclaimed in brand studies, is an increasingly compelling argument in hiring drivers.

The latest survey[1] of more than 2,000 truck fleets in five regions has confirmed user preference for the MICHELIN brand, which has a significant lead over its premium competitors in the categories of tire performance, quality and durability.

How has Michelin adjusted its strategy in response to the polarization in demand between premium and budget tires?

As a trusted partner, we're targeting the most premium market segments – *i.e.*, the fleets for whom long-lasting performance is an important criterion and who are willing to pay for high-tech tires capable of delivering it. This is far from being a niche, since this type of fleet accounts for around half of the global market. To meet these needs, 80% of our product portfolio is going to be refreshed over the next four years with tires that are increasingly more efficient and longer lasting.

Geographically, our target segments are North America, Brazil and Europe, so that's where we're stepping up our commitment. In Asia, we're still taking a highly selective approach, with a priority focus on the more mature country markets.

This assertive marketing strategy is being supported by an ongoing shift in our industrial footprint, with capacity optimization and technological upgrades in all our plants to deploy our ambitious product plan.

Will there be any new usage or transportation trends in the years to come that will enable Michelin to continue demonstrating its leadership?

The road transportation industry has embarked on a far-reaching green transformation, in which Michelin is already exercising its leadership as a core enabler, by supplying low rolling resistance tires, training drivers in more environmentally friendly driving practices, and installing aerodynamic systems and route optimization modules.

The major lever for further progress will be fleet electrification. Electric trucks are more demanding on tires due to their greater engine torque, regenerative braking and a higher load index, so they offer Michelin a further opportunity to demonstrate its ability to differentiate its solutions. They could account for nearly 30% of new truck sales by 2030, compared with 3% to 4% today.

(1) *Kantar survey, Michelin B2B 2024 Global Trucks Equity, December 2024.*

SPECIALTIES

Innovation and customer centricity to meet the needs of complex, highly demanding Specialty tire markets

Alexis Garcin,

Executive Vice President, Aircraft, Beyond Road, Mining Business Lines, Member of the Group Executive Committee

Group sales in the Specialties segment declined in 2024. How do you analyze the current business environment?

Specialty markets, which primarily concern products and services for farm machinery, mining, construction and materials handling equipment and aircraft, are complex and demanding. Our 2024 performance was shaped by sharp drop in farm commodity markets and a sluggish economy, which particularly impacted the construction industry. In mining tires, our sales were dampened by customer inventory drawdowns to bring levels back to normal after the stockpiling in prior years to avoid the risk of shortages while post-Covid demand was so high. Business was also disrupted by the more restricted access to certain markets. In the aircraft tire segment, which we know very well since more than half the world's aircraft are equipped with Michelin radials, growth was robust over the year.

In this market environment, what is the Michelin Group's strategy?

Our strategy is grounded in two core strengths: innovation and customer centricity. We're taking a selective approach, targeting customers and market segments able to leverage the full value of our technological leadership. Given the highly demanding uses and requirements our Specialty tires have to meet, our distinctive capabilities are a major advantage in building our value proposition. Technology remains the best barrier to entry by our competitors.

In 2024, Michelin introduced the first energy-efficient mining tire, the XDR4 SPEED ENERGY, whose new rubber compound enables it to reduce costs on a fleet of 50 machines by around $1.2 million, compared with the market standard, and avoid the emission of 2,600 tonnes of CO_2 a year.

In the aircraft segment, Michelin plans to launch the Air X SKY LIGHT tire, which is 10% to 20% lighter than previous generations, while delivering improved long-lasting performance without compromising safety. Its service life will represent 15% to 20% more landings than its previous generation equivalent. For a fleet of 40 long-haul aircraft, that adds up to $900 thousand in fuel savings and 3,400 tonnes of avoided CO_2 emissions every year.

We're also innovating in the agricultural segment, both with tires for high-powered tractors and in agricultural tracks, a fast-growing market that we lead. In addition to outstanding product performance, we offer customers a unique Services & Solutions approach with, for example, the connected mining tire and our Solideal-On-Site network, which provides high-quality forklift maintenance services in Europe and the United States.

How do you see the future of the Specialty businesses, which make a significant contribution to consolidated operating margin?

While impacted by the economic or geopolitical environment, these businesses are also structurally growing. The world needs to mine more minerals, feed more people and animals, and bring people closer together through travel.

We're stepping up our investment in these businesses, with a scheduled 6% in their R&D budget in 2025. In this way, we can offer customers products and services that are increasingly aligned with their demanding standards of use, with a focus on higher value-added markets.

We're extremely confident in the future, because we've positioned ourselves in the right markets, in the right geographies, with unrivaled product ranges and expertise.

FOCUS ON...

INCREASINGLY LONG-LASTING TIRES

As part of its All Sustainable approach to reduce its environmental impact, combat climate change and preserve biodiversity, Michelin is committed to designing and mass-producing all-sustainable tires by 2050.

To fulfill this ambition, it is leveraging two fundamentals: *(i)* performing life-cycle assessments in the product design stage, to attenuate impacts from raw materials sourcing to end-of-life recycling; and *(ii)* using resources more efficiently through eco-design practices based on the 4Rs circular economy process (Reduce, Reuse, Recycle, Renew).

Incorporate renewable or recycled materials into tires

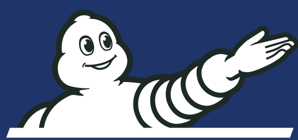
By 2030, the Group expects to manufacture tires containing an average of 40% renewable and recycled materials, such as natural rubber, bio-based resins and recycled plastics, with the goal of raising this content to 100% by 2050. What's more, this ambitious commitment is designed to avoid any deterioration in tire performance while preserving the environment. Michelin is also working in the downstream value chain to support the recycling of its end-of-life tires, in particular by developing a dedicated process and investing in selected innovative projects with a variety of partners.

In 2024,
100%
of new tire lines were eco-designed
(MICHELIN-brand radial tires).

AI, A POWERFUL INNOVATION DRIVER IN A MYRIAD OF APPLICATIONS

For Michelin, artificial intelligence is a high value-added lever that supports the Group's innovation drive, as well as its customers, employees and partners. Seamlessly integrated into the Group's ongoing transformation, AI is being used in production processes and R&D to improve predictive machine maintenance, automate precise, repetitive tasks such as end-of-line visual tire inspection, and enhance data analysis and simulation models. It is also helping to optimize the supply chain and inventory management, driving significant improvements in operational efficiency and customer service.

MORE THAN
9,000
AI use cases in the Group



€8.4BN*
The value of the MICHELIN brand (January 2025)
Source: Brand Finance Global 500 2024 (value at January 2025).

AN ICONIC, WORLD RENOWNED BRAND

For more than 130 years, the MICHELIN brand has expressed the Group's values, commitments and expertise around the world. A fully fledged Group asset, the brand symbolizes motion, innovation and performance, both for customers, who enjoy safe, high-quality products and services, and for stakeholders, who feel that Michelin represents technological leadership and progress for everyone. A byword for trust and affinity, the brand is embodied by the legendary Michelin Man, voted Best Logo of the Century** and Icon of the Millennium***.

**Based on €1.00 = $1.05.*
*** Financial Times (2000).*
**** Advertising Week New York (2018).*

POLYMER COMPOSITE SOLUTIONS

Targeted acquisitions and organic growth supported by a powerful innovation drive

Nicolas
Seeboth,

Director of Research and Development, Polymer Composite Solutions Division

What were the highlights of 2024 in the Polymer Composite Solutions business?

In 2024, we faced a complicated environment in our highly demanding markets, which serve a variety of verticals. Economic conditions were difficult and there was extensive destocking across the value chain after the major build-ups, in both B2B and B2C, over the two post-Covid years.

During the year, our Conveyor Division in Europe and North America thoroughly overhauled the X-Series line, whose new composite features a distinctive fabric innovation that makes the belts more impact-resistant and longer lasting, even though they're lighter than the previous generation. Our solutions meet the diverse needs of our B2B customers in the mining, quarrying, cement, wood products and manufacturing industries.

Clarifying our product portfolio, based on both materials innovation and a robust marketing drive, is the cornerstone of our premium conveyor strategy.

We're also continuing to innovate in materials, in particular to improve the energy efficiency of our products. This is a critical performance factor for our mining customers operating long-distance conveyors.

Our third generation of ultra-low energy consumption blends, that use up to 50% less power, has now been integrated into our PowerSaver ranges in Australia.

We're also continuing to strengthen our business through targeted acquisitions, aimed at consolidating our value proposition and extending our geographical reach.

What are your objectives for 2025?

2025 will mark an important milestone for our araminolic adhesive resins business, which operates under the MICHELIN ResiCare brand. Its resins deliver both outstanding performance and a design based on the highest standards of sustainable chemistry, using plant-sourced components without any substances of concern.

After more than 15 years of research and the filing of 40 patents, we're now reviewing the construction of our first plant in Europe, with our initial customers expecting industrial production to get underway in 2027.

In sealing solutions, we're going to continue expanding our range of fluoropolymer-free seals after the first market launches in 2024. To support this transition to PFAS[1]-free seals, we've undertaken an ambitious research program leveraging both our own innovation capabilities and a vast ecosystem of academic and industrial partners.

(1) *Per and Polyfluoroalkyl Substances (PFAS) are extremely persistent chemicals that can have an adverse impact on human health.*

This open innovation mindset, which has historically been our strength in tires, is now being extended organically to our other composite products.

What can you tell us about FCG's integration one year on?

The main challenge in the integration process has been to bring in the full power of the Michelin Group, while preserving the agility of the FCG Group's various business lines. The Polymer Composite Solutions Division has developed a dedicated integration model for these new operations, to ensure impeccable compliance with Michelin Group standards, while supporting their independent management. This first year has enabled us to put these principles to the test, and from now on they'll be applied to all new acquisitions.

In this way, while pursuing the integration process, the teams have continued to develop solutions to secure the resilience of their operations and strengthen their position in growth markets, such as railways and personal protective equipment.

This successful acquisition and FCG's subsequent trajectory mean that we can look forward with confidence to the future growth of the Polymer Composite Solutions Division as part of the Michelin Group.

Polymer Composite Solutions: mission-critical applications

Michelin is capitalizing on its innovation capabilities and unrivaled technological leadership to offer customers high value-added, very high technology content products that are known as "mission-critical," because without them and them alone, with no possible alternative, a system or process could not function.

If a mission-critical product is missing or if it fails, the entire system becomes inoperative, with major consequences for the continuity and profitability of our customers' operations.

Thus, in the same way that a car with a defective tire cannot be driven,

a defective conveyor in a mine far away means up to 50 days of unplanned downtime. Given that a conveyor can move up to several hundred thousand euros of ore an hour, this can have business-critical consequences for the customer.

a faulty seal on the steam circuit of a power plant can adversely impact the plant's entire electricity output.

a defective conveyor belt in a logistics warehouse can cause a business interruption costing more than €100 thousand an hour.

Michelin is the trusted partner for these highly value-creating industries, offering end-to-end solutions to optimize customer operations. In 2024, our Conveyors business in Australia provided more than 1.5 million hours of facilities maintenance for its mining customers.

MICHELIN ResiCare unveils its new, innovative araminolic adhesive resin

First developed nearly 20 years ago, non-toxic, high-performance bio-based resins are currently used in the production of 80 million MICHELIN tires. Leveraging a dedicated R&D team and a new partner ecosystem, MICHELIN ResiCare now offers a broad range of solutions for such diverse markets as manufacturing, transportation, construction, aerospace, defense, electronics and electrics. On December 12, 2024, the Group officially unveiled all the potential of its new araminolic chemistry capabilities to more than 170 leading manufacturers eager to transition to more people and environmentally-friendly manufacturing practices.

CONNECTED SOLUTIONS

Michelin's connected solutions – a competitiveness driver to improve the daily lives of trucking customers

Michel **Vincentelli,**
Executive Vice President, Connected Solutions Business Line

What credibility does Michelin have to develop Connected Solutions, and how do these ambitions fit with the Group's strategic vision?

First of all, our credibility is deeply rooted in our history, which shows that services are closely entwined in Michelin's corporate DNA. Very early on, we combined our manufacturing operations with mobility-enabling services, such as the first "Care and Services" contracts introduced in 1922 to provide tire inspections and preventive maintenance to prevent breakdowns and anomalies.

We also acquired unparalleled understanding of vehicle usage and tire behavior. When joined with our expertise in data analytics and interpretation, this enables us to design innovative solutions to meet our customers' operational, people and environmental challenges, while transforming this complexity into an ally in addressing their business-critical needs.

New trucks and other vehicles are now all equipped with a wide range of Connected Solutions. How do Michelin's products differ from OEM-installed systems?

Michelin's approach goes well beyond simply supplying connectivity equipment. Instead, our solutions are part of a holistic, integrated mobility management strategy to meet current and future fleet needs. They include, for example, management services to monitor driver behavior, tire pressure and wear, and cold chain integrity. Their warnings and service recommendations provide fleet managers with invaluable, equipment-agnostic, "big picture" insight.

What sets us apart from the competition is our ability to deploy, in association with our service partners, the solutions needed to respond preventively or correctively to the warnings and reminders. In addition, our personalized consulting services support fleets in improving their day-to-day performance.

Our solutions also offer personalized recommendations and action plans, based on the real-time analysis of a customer's unique data. These digital twins enable fleet operators to optimize equipment uptime and improve their operating efficiency.

Lastly, we're committed to supporting sustainable mobility practices. Our Connected Solutions help to reduce the carbon footprint of operations by encouraging more efficient driving practices and extending tire life.

At a time when there is a shortage of truck drivers in many countries, our solutions to improve vehicle safety and durability are a compelling hiring argument for our customers. So that's another way we help them.

PREDICTIVE MAINTENANCE FOR FLEETS, OEMS AND DRIVERS

Predictive tire maintenance solutions include the QuickScan laser-scanning tire wear measuring system and the Tire Monitoring Sensor (TMS), whose analytical algorithms quickly and efficiently track tire wear, pressure and temperature. These technologies are capable of:

- performing precise measurements in seconds, without dismounting the tires;
- improving safety and lengthening tire life by optimizing wear and pressure monitoring;
- scheduling preventive tire maintenance to avoid unplanned downtime;
- using sensors only when necessary and integrating wear prediction and slow leak detection algorithms for display on vehicle dashboards, enabling OEMs to offer customers a safer travel experience.

Up to
7%*
increase in fuel efficiency

9%*
(1.3 mm) increase in tread life

All our connected solutions support customer mobility by improving safety, reducing operating costs and optimizing tire management to reduce their environmental footprint.

MORE THAN 1.6 BILLION
kilometers of data captured every day

The world of data is in a state of constant flux. How is Michelin prepared to take advantage of its exponential growth?

Since 2014, Michelin has considerably strengthened its capabilities in telematics and connected solutions, in particular by acquiring Sascar, Nextraq and Masternaut, now brought together as Michelin Connected Fleet. Their operations, combined with our tire-as-a-service solution, are managing more than a million trucks and vans currently under contract.

We're pursuing our vision of improving the safety of day-to-day travel by acquiring leading-edge technologies in line with Michelin's commitment.

Our MICHELIN Mobility Intelligence solutions enjoy unrivaled access to mobility data, which is captured from more than 1.6 billion kilometers traveled every day. By investing in next-generation analytics technologies, machine learning and artificial intelligence and designing our own algorithms, we're optimizing the performance of our products and engineering innovative solutions tailored to the specific needs of our customers. In this way, we're bolstering their ability to make informed decisions and fine-tune their strategic, operational, social and environmental vision, so that they can continue to create value.

Lastly, our Watèa subsidiary is helping to speed the decarbonization of corporate fleets with electric and hydrogen mobility solutions that deliver positive environmental impacts for our customers.

MICHELIN CONNECTED FLEET: END-TO-END SUPPORT SERVICES TO REALIZE ALL A FLEET'S POTENTIAL

- **Greater safety**, thanks to proactive monitoring and precise diagnostics.
- **Significant savings** by optimizing operating, maintenance and fuel/power costs, thanks to integrated telematics solutions and powerful proprietary algorithms.
- **Easier management**, using smart digital applications that support reporting based on granular customer data analytics for informed decision-making.
- **A smaller environmental footprint**, thanks to sustainable functions, support for transitioning to electric mobility and safer, greener driving practices.
- **Expert support** tailored to the challenges and needs of our customers.

23%**
reduction in the average number of road accidents

8%**
less downtime

* *Based on the results of solution piloting programs conducted with customers.*
** *Based on the average of MICHELIN Connected Fleet data from customer pilots and case studies performed in Europe over the 2020-2022 period.*

LIFESTYLE

The world's most trusted & loved curation platform

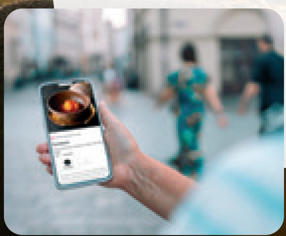
for discerning customers of gastronomy, travel & lifestyle

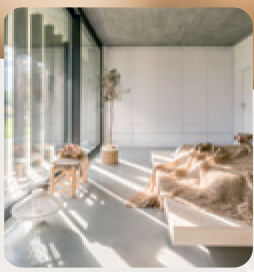
THE MICHELIN GUIDE

More than a reference, a loved service to book the most remarkable restaurants and the most distinctive hotels

17,000 restaurants including +3,500 Stars

6,000 hotels including +1,000 Keys





TABLET HOTELS

Acquired in 2018, this American-born gem is an online tourism agency specialized in hotel bookings.

98% of Tablet customers are very satisfied with the quality of customer service, which they describe as "tailor-made."

ROBERT PARKER WINE ADVOCATE

Robert Parker Wine Advocate is a cornerstone of the wine industry, known for its commitment to quality and consumer advocacy.

The 100-point rating system introduced by Robert Parker has redefined how the wine is evaluated.

VIAMICHELIN

With the complete overhaul of its website, ViaMichelin aims to make every journey an experience.

280 million visits per year

500,000 itineraries calculated on the website

MICHELIN GREEN STAR

Inspiring Chefs and gourmets to build the future of gastronomy

LICENSING

The Michelin licensing business adds the power of the Michelin brand to licensed products that have been carefully selected to meet every consumer need.

Leveraging Michelin's cutting-edge R&D, Michelin has partnered with leading footwear brands to deliver high-quality and precision-engineered soles.

✭ A global business that forges ties with demanding customers every day

✭ Why are we different?

INDEPENDENCE

Our teams in charge of evaluating restaurants, hotels and wines are sharing commercially unbiased guidance to demanding travelers.

QUALITY

We aim at promoting excellence in the food, travel and lifestyle industries thanks to our unique team of experts. We are investing in our digital platforms to offer the best service to our customers.

AUTHENTICITY

We love distinctive, engaged and human-driven experiences. We fight against standardization to put the spotlight on territories, their cultural identities and the richness of the people working in this industry.

RESPONSIBILITY

We are deeply engaged in making this industry more responsible. Our voice matters as it is followed by thousands of professionals and end-consumers. We are contributing to build up new performance standards within the industry.

Gwendal **Poullennec,**
Senior Vice President
Michelin Lifestyle

"We craft life-changing experiences around gastronomy, travel and lifestyle. We engage a wide community through our brands, content and services delivering a premium experience on our digital assets."

THE ALL-SUSTAINABLE VISION AS A DIFFERENTIATING FACTOR:

Michelin issues its first CSRD Sustainability Statement

In response to the challenges posed by climate change, resource depletion and the loss of biodiversity, Michelin is striving to attenuate as much as possible the environmental impact of its operations, its value chain and its product life cycles.To ensure that these challenges are effectively addressed in its future growth dynamic, the Group has defined new targets for 2030 and beyond, which were approved by the SBTi in June 2024 as being aligned with a 1.5° pathway to 2050.

Because Michelin deeply believes in the ability of people to build a sustainable future and that companies have a role to play in providing collective responses to the challenges of our time, it feels that technological progress is one of the solutions to environmental challenges. This innovation-driven differentiation is an integral strand in Michelin's corporate DNA.

It is also grounded in a sense of social responsibility. Just as it has for nearly 130 years, Michelin is continuing to care for people throughout its extended ecosystem, whether employees or people living and working in its host communities, end-users or employees in its value chain, or its partner customers.

To ensure that these commitments are recognized, Michelin has always valued involvement from its various stakeholders and ensured that they have access to transparent, standardized sustainability information, supporting the comparability of performance data and a clear understanding of the trajectories of every tire manufacturer.

This is the trust of the new Corporate Sustainability Reporting Directive (CSRD), which is designed to align financial and non-financial reporting more closely and improve the comparability of sustainability performance. The Michelin Group embraces this dynamic with its first Sustainability Statement in application of the new regulatory framework, based on the in-depth assessment of the double materiality of its sustainability matters conducted in 2024.

In this way, the Statement showcases the Group's ongoing progress in addressing its environmental, social and governance impacts. It covers the matters deemed to be material in this initial reporting exercise, to wit, climate change (E1), pollution (E2), water resources (E3), biodiversity and ecosystems (E4), resource use and the circular economy (E5), own workforce (S1), workers in the value chain (S2), consumers and end-users (S4), and business conduct (G1).

Financial and non-financial ratings

CREDIT RATING AGENCIES CONFIRM THE GROUP'S ROBUSTNESS

CREDIT RATINGS
At April 4, 2025

	Short term	Long term	Outlook
STANDARD & POOR'S	A-1	A	STABLE
FITCH	F1	A	STABLE
MOODY'S	-	A2	STABLE
SCOPE RATINGS	S-1	A	STABLE

On February 21, 2025, Fitch Ratings upgraded Michelin's long-term credit rating from "A-" to "A", with a stable outlook. "Michelin's business profile is one of the strongest among its peers, with revenues primarily stemming from replacement demand and a diversified footprint that mitigates threats from tariff wars and industry cycles."
On March 31, 2025, Standard & Poor's upgraded Michelin's long-term issuer credit rating to "A" from "A-", with a stable outlook. "Michelin will continue to maintain a very strong balance sheet in 2025 and 2026, supported by strong and resilient profitability and solid free operating cash flow."

MICHELIN IS A LEADING SUSTAINABILITY ENABLER, RECOGNIZED BY THE NON-FINANCIAL RATINGS AGENCIES

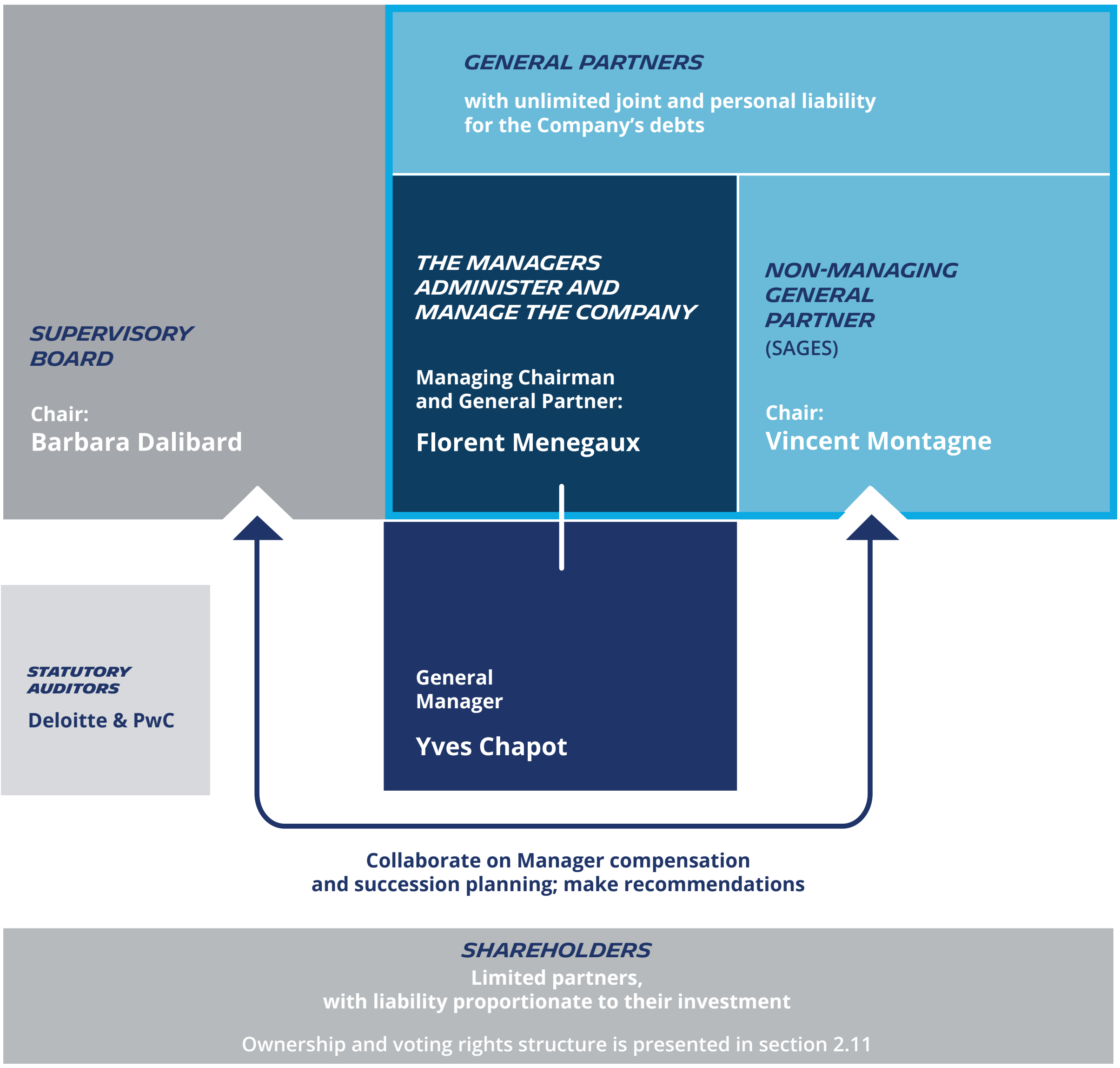
NON-FINANCIAL RATINGS
At April 4, 2025

CDP climate	B
CDP water	A-
MSCI	AAA
SUSTAINALYTICS (risk rating)	LOW RISK
ISS ESG	B-
MOODY'S ESG Solutions	73/100
ECOVADIS	79/100

BUILDING ON A FOUNDATION OF ROBUST GOVERNANCE

STABLE, BALANCED GOVERNANCE

Michelin's governance structure is based on a clear segregation of management and supervisory powers and grounded in the long-term responsibility of its senior executives.



ALIGNING MICHELIN'S STRATEGY WITH SHAREHOLDER INTERESTS THROUGH THE MICHELIN PARTNERSHIP LIMITED BY SHARES

Throughout its history, Compagnie Générale des Établissements Michelin (CGEM), the Group's parent company, has been organized as a partnership limited by shares (société en commandite par actions – SCA). Based on this form of corporate organization, Michelin has deployed a distinctive governance structure that is at once robust, responsive and balanced. The partnership limited by shares ensures that deployment of long-term strategy is perfectly aligned with the interests of shareholders. It is also committed to driving continuous improvement in the Group's governance system and practices, in accordance with the recommendations of the AFEP/MEDEF Code.[1]

THE MANAGERS ADMINISTER THE GROUP

Elected for four-year terms by shareholders at the Annual Meeting, the Managers are responsible for administering and managing the Company. With the endorsement of the Supervisory Board, they may be re-elected by Société Auxiliaire de Gestion, the Non-Managing General Partner. As a General Partner, the Managing Chairman has unlimited personal liability for Michelin's debts.

THE SUPERVISORY BOARD EXERCISES PERMANENT OVERSIGHT OF MICHELIN'S MANAGEMENT

The Supervisory Board is tasked with overseeing and assessing the quality of the Group's management and presents a report on its findings to shareholders at each Annual Meeting. It also issues opinions on the Group's strategy, capital expenditure, acquisitions and asset disposals, as well as on Michelin's social responsibility policies and the election or dismissal of Managers and the amount of their compensation. The Supervisory Board currently comprises eleven members:

- nine who are elected by shareholders at the Annual Meeting for renewable four-year terms. They offer complementary skills, honed by their solid business experience acquired by working with leading corporations.
- two employee representatives, who are appointed by the two largest representative trade unions in France. They attend a training and induction program that prepares them to effectively perform their duties.

SOCIÉTÉ AUXILIAIRE DE GESTION (SAGES): INVOLVED IN ELECTING THE MANAGERS

Société Auxiliaire de Gestion is a Non-Managing General Partner responsible for selecting the Managers and ensuring the continuity of management. As such, it participates, alongside the Supervisory Board, in the Manager succession planning and compensation processes. However, it does not play any part in the Company's management, except in the exceptional case when there is no Managing General Partner, and then only for a maximum period of one year. In accordance with the provisions of the CGEM bylaws, SAGES is entitled to a share of the income distributed among the General Partners. At least 80% of this share is set aside to underwrite the unlimited liability that SAGES shares with the Managing General Partner.

(1) Michelin's corporate governance is described in detail in the "Engagement Governance Roadshow" prepared for investors on September 30, 2024, which may be found on the michelin.com website.

THE GROUP'S STRATEGIC AND OPERATIONAL MANAGEMENT

at December 31, 2024

THE MANAGERS

The two Managers, Florent Menegaux and Yves Chapot, will serve until 2026. They are assisted by the Group Executive Committee.

EXECUTIVE COMMITTEE

Chaired by Florent Menegaux, the Executive Committee is tasked with two main missions:

- making the Group's strategic choices;
- deciding on such issues as strategic, digital and organizational transformations, the Group's business model, acquisitions policy, performance management, brand strategies and sustainable growth strategies.

THE GROUP MANAGEMENT COMMITTEE

In addition to its role in the governance of sustainability matters, the Group Management Committee:

- leads the Group's transformations in alignment with its strategic objectives and all-sustainable vision;
- oversees operational issues relating to competitiveness, the integration of acquisitions and the internal control, quality and risk management processes.

To fulfill this remit and ensure optimum representation of the Group's various units, it includes both the Executive Committee members and executives from:

- the Corporate Departments for Strategy, Finance, Legal Affairs, Customer Experience, Audit, Quality and Risk Management, and Sustainable Development and Impact,
- the Operational Departments for Purchasing, Corporate Business Services, Supply Chain and Information Systems,
- the China and North America Regions.

A CUSTOMER-CENTRIC ORGANIZATION

Focused on identifying and meeting customer needs, the Michelin organization is supported by a purpose-designed employee empowerment process deployed at every level and in every aspect of the business through:

- **20 global Business Lines** in charge of designing solutions for customers sharing similar expectations,
- **9 regions** responsible for managing customer relationships and increasing sales,
- **7 Operating Units** which provide their expertise and support,
- **1 lean Corporate Unit** with departments focused on their strategic missions.

Engaging in regular, constructive dialogue with stakeholders

As part of our governance practices, we engage in regular dialogue with stakeholders at the local, national and international levels. In this way, we can keep our fingers on the pulse of society, gain insight into its expectations and how they are changing, and make better informed decisions.

Since 2016, the Stakeholders Committee has comprised 12 people representative of the Group's leading stakeholders, including suppliers, investors, unions, customers and non-governmental organizations (NGOs).

It meets with the Executive Committee once a year, for at least a full day, to discuss the Group's sustainability strategy.

THE MANAGERS

Florent
Menegaux

Managing Chairman

Yves
Chapot

General Manager and Chief Financial Officer

MEMBERS OF THE EXECUTIVE COMMITTEE

Bénédicte
de Bonnechose

Executive Vice President, Urban and Long-Distance Transportation Business Line; Head of the European Regions

Adeline
Challon-Kemoun

Executive Vice President, Corporate Engagement and Brands; Executive Vice President, Michelin Lifestyle Business Line

Pierre-Louis
Dubourdeau

Executive Vice President, Manufacturing

Lorraine
Frega

Executive Vice President, Services & Solutions, European Distribution and e-Retail Business Line; Head of the China Region; Vice President, Strategy, Progress and Transformations, Sustainable Development and Impact

Alexis
Garcin

Executive Vice President, Aircraft, Beyond Road,[1] Mining and Motorsport Business Line; Head of the Africa/India/Middle East, East Asia and Australia Regions; Vice President, Customer Experience

Philippe
Jacquin

Executive Vice President, Research and Development; Vice President, Innovation & Partnerships

Manuel
Montana Esteve

Chief People Officer; Head of the North America Region

Jean-Claude
Pats

Executive Vice President, Automotive and Two-wheel Business Line; Head of the Central America Region

Maude
Portigliatti

Executive Vice President, Polymer Composite Solutions; Head of the South America Region; Vice President Circular Materials Solutions

(1) Agricultural, Materials Handling, Quarry, Construction, Defense and Powersport tires.

THE SUPERVISORY BOARD

Comprising 11 members, eight of whom are independent[1], the Supervisory Board is responsible for overseeing and assessing the quality of the Group's management.

11 MEMBERS
of whom one Senior Independent Member and two members representing employees

89%
are independent[2]

45%
are women[2]

33%
are non-French nationals[2]

8
meetings in 2024

97.4%[3]
attendance rate

Barbara
Dalibard
Chair

Thierry
Le Hénaff
Senior Independent Member

Patrick
de la Chevardière
Independent member, Chair of the Audit Committee

Monique
Leroux
Independent member, Chair of the Corporate Social Responsibility Committee

Jean-Michel
Severino
Independent member, Chairman of the Compensation and Appointments Committee

Aruna
Jayanthi
Independent member

Jean-Christophe
Laourde
Member representing employees

Delphine
Roussy
Member representing employees

Wolf-Henning
Scheider
Independent member

Catherine
Soubie
Independent member

Pascal
Vinet
Independent member

(1) Based on the criteria prescribed in the AFEP-MEDEF Code.
(2) Excluding the employee representatives.
(3) At Board meetings scheduled as of the beginning of the year.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board's three standing committees, each chaired by an independent member, assist the Board in structuring its deliberations and preparing its decisions.

THE AUDIT COMMITTEE

DUTIES

Oversees the preparation and control of accounting and financial information.

MEMBERS

Patrick **de la Chevardière**
Chair

Aruna **Jayanthi**

Monique **Leroux**

Wolf-Henning **Scheider**

Catherine **Soubie**

5 independent members

7 meetings

100%[1] attendance rate

THE COMPENSATION AND APPOINTMENTS COMMITTEE

DUTIES

Oversees:

- Executive compensation policy;
- Executive appointments policy;
- Manager appointments policy.

Assesses Supervisory Board members' independence based on the criteria recommended by AFEP/MEDEF.

MEMBERS

Jean-Michel **Severino**
Chair

Thierry **Le Hénaff**

Delphine **Roussy**

Pascal **Vinet**

3 independent members

1 member representing employees

3 meetings

100% attendance rate

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

DUTIES

Reviews the Group's CSR strategy, objectives, policies and commitments.

Ensures that the Group's CSR strategy and initiatives set an outstanding example.

MEMBERS

Monique **Leroux**
Chair

Jean-Christophe **Laourde**

Wolf-Henning **Scheider**

Jean-Michel **Severino**

3 independent members

1 member representing employees

6 meetings

94%[2] attendance rate

(1) *At the five meetings scheduled as of the beginning of the year.*
(2) *At the four meetings scheduled as of the beginning of the year.*

ASSESSING RISKS AND THEIR MATERIALITY TO MANAGE THEM MORE EFFECTIVELY

Michelin has deployed a stress-tested worldwide risk management system that is at once robust, efficient and responsive. In particular, to comply with the European Corporate Sustainability Reporting Directive (CSRD), Michelin has performed an in-depth double materiality assessment, which identified its material sustainability matters and their related impacts, risks and opportunities.

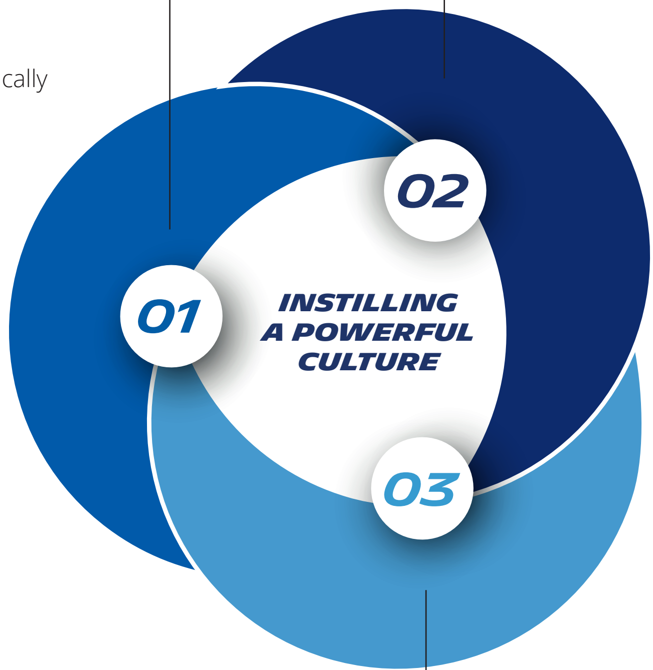
MAPPED RISKS	POOLED MANAGEMENT	A CRISIS MANAGEMENT PROCESS
A double materiality matrix to measure and prioritize risks	Optimized management of Internal Audit, Quality, Risk Management and Internal Control activities	Led by the Internal Audit, Risk Management, Internal Control and Quality Department
Risks identified by the Group's audit and risk management system	A shared vision of priority risks and issues	Deployed with management teams through simulation exercises and training seminars
Audits based on the double materiality matrix	Increased inter-team cooperation across the Group	A Computer Emergency Response Team (CERT) to track cyber intrusions and respond quickly, around the clock and on every continent

ETHICS, THE BEDROCK OF OUR CORPORATE CULTURE

As a signatory of the United Nations Global Compact, Michelin attaches particular importance to ensuring that its employees and its partners consistently act with integrity and uphold its ethical principles.

DEMONSTRATING STRONG VALUES

Respect and integrity serve as a true cultural foundation in conducting the Group's business ethically and in compliance with applicable regulations.



STRUCTURING BUSINESS PRACTICES

The Group's values and ethical principles are described in the Michelin Code of Ethics, which presents its commitments in such areas as human rights, the environment and personal data.

It is applicable to every employee and all the Group's partners.

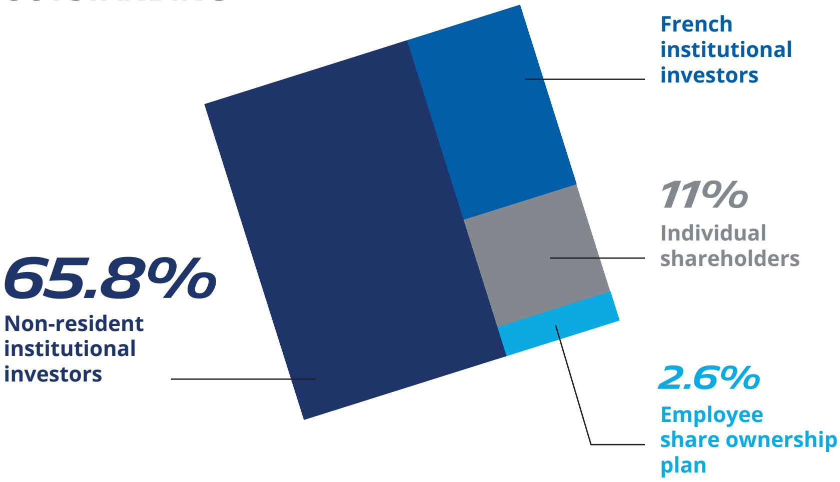
MAINTAINING ROBUST SAFEGUARDS

The Group whistleblowing system, designed to ensure the confidentiality of reports and the protection of the reporting individuals, enables any employee or outsider to report behavior that is not aligned with the Group's values or Code of Ethics.

A dedicated organization and governance body is in place to define the Group's ethics and compliance strategy and lead its deployment.

OWNERSHIP STRUCTURE AND VOTING RIGHTS

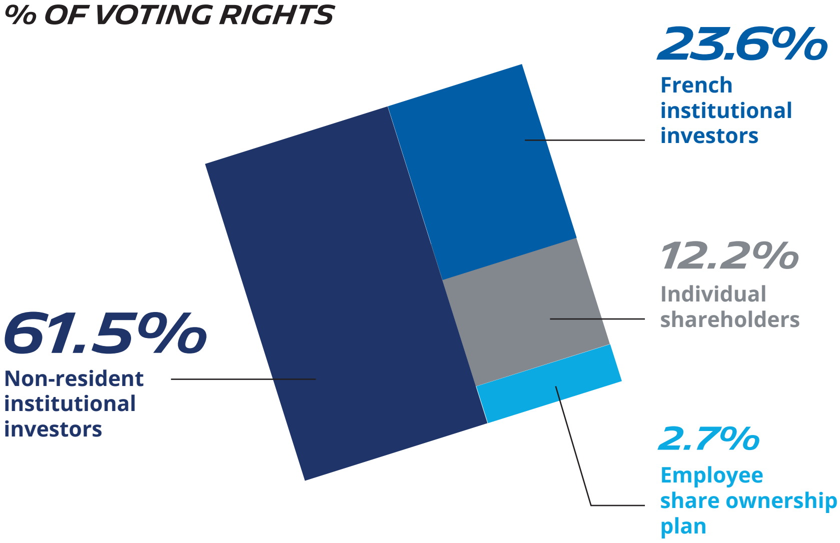
% OF SHARES OUTSTANDING



OWNERSHIP STRUCTURE
(at December 31, 2024)

Shares outstanding:
705,747,272

% OF VOTING RIGHTS



VOTING RIGHTS STRUCTURE
(at December 31, 2024)

Voting rights outstanding:
998,581,514

Shares held in the same name for at least four years carry double voting rights.

SHARE INFORMATION

TRADED ON THE EURONEXT PARIS STOCK EXCHANGE

Compartment **A**

Eligible for the SRD deferred settlement system

ISIN : **ISIN FR001400AJ45**

Par value: **€0.50**

Traded in units of: **1**

MARKET CAPITALIZATION

€22.4 BILLION

December 31, 2024

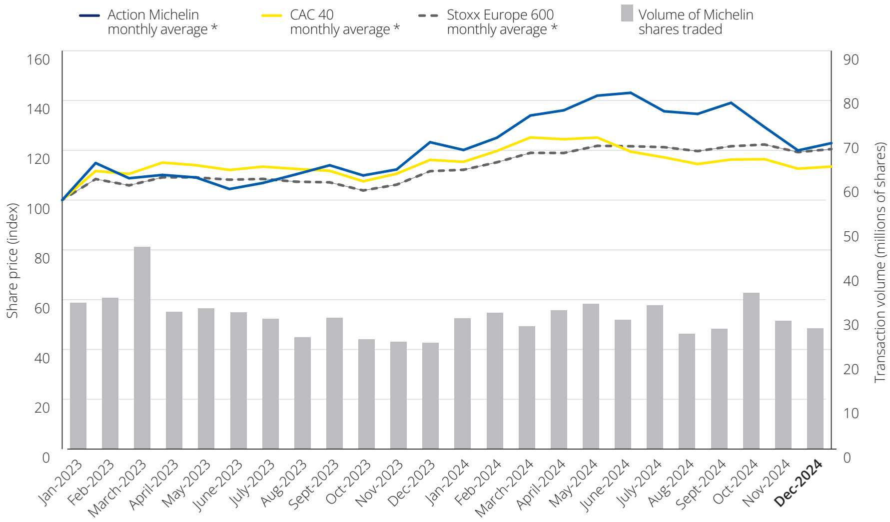
10-YEAR TSR

130.1%

Share price *(in €)*	**2024**	**2023**	**2022**	**2021 (restated)**	**2021 (reported)**	**2020**
Session high	38.52	32.65	38.93	36.5	146	112.80
Session low	30.06	25.60	21.99	25.83	103.3	68.00
Change in share price over the period	-2.03%	24.92%	-27.89%	37.35%	37.35%	-3.80%
Dividend(1)	1.38	1.35	1.25	1.125	4.50	2.30
Payout ratio	52%	49%	44%	44%	44%	65%
Yield(2)	4.3%	4.2%	4.8%	3.1%	3.1%	2.2%
Basic earnings per share	2.65	2.77	2.81	2.58	10.31	3.52

(1) Subject to approval by the Annual Shareholders Meeting of May 16, 2025.
(2) Dividend/share price at December 31.

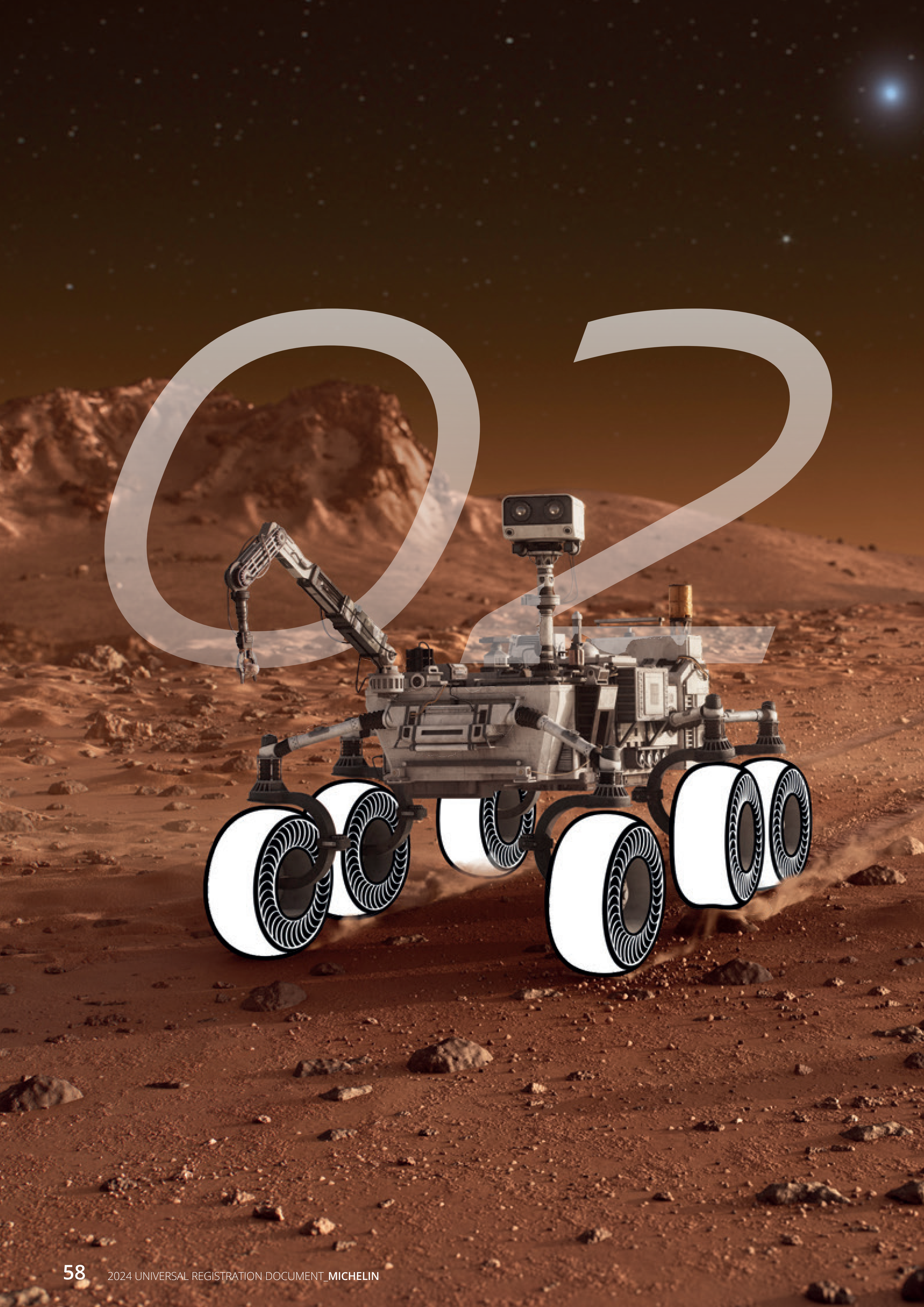
MICHELIN SHARE PERFORMANCE



Annual Shareholders Meeting, Clermont-Ferrand, May 17, 2024

Investir Day event, Paris, November 26, 2024

Capital Markets Day, Clermont-Ferrand, May 28, 2024



02

CHAPTER 02

CORPORATE GOVERNANCE REPORT

GOVERNANCE

This report has been prepared in application of Article L. 226-10-1 of the French Commercial Code (*Code de commerce*). It was approved by the Supervisory Board on February 11, 2025.

2.1 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Throughout its history, Compagnie Générale des Établissements Michelin ("CGEM" or "the Company"), the Group's parent company, has been organized as a partnership limited by shares (S.C.A.).

This partnership model offers three main advantages:

- it aligns Group management decisions with shareholder interests;
- it guarantees clear segregation of management and supervisory powers;
- it strikes a better balance between the Company's short-term and long-term interests.

Tire and flexible composites manufacturing is a capital-intensive industry in which the pace of technological innovation is relatively slow. It is therefore essential to be able to devise long-term plans and follow them through.

CGEM has two partner categories.

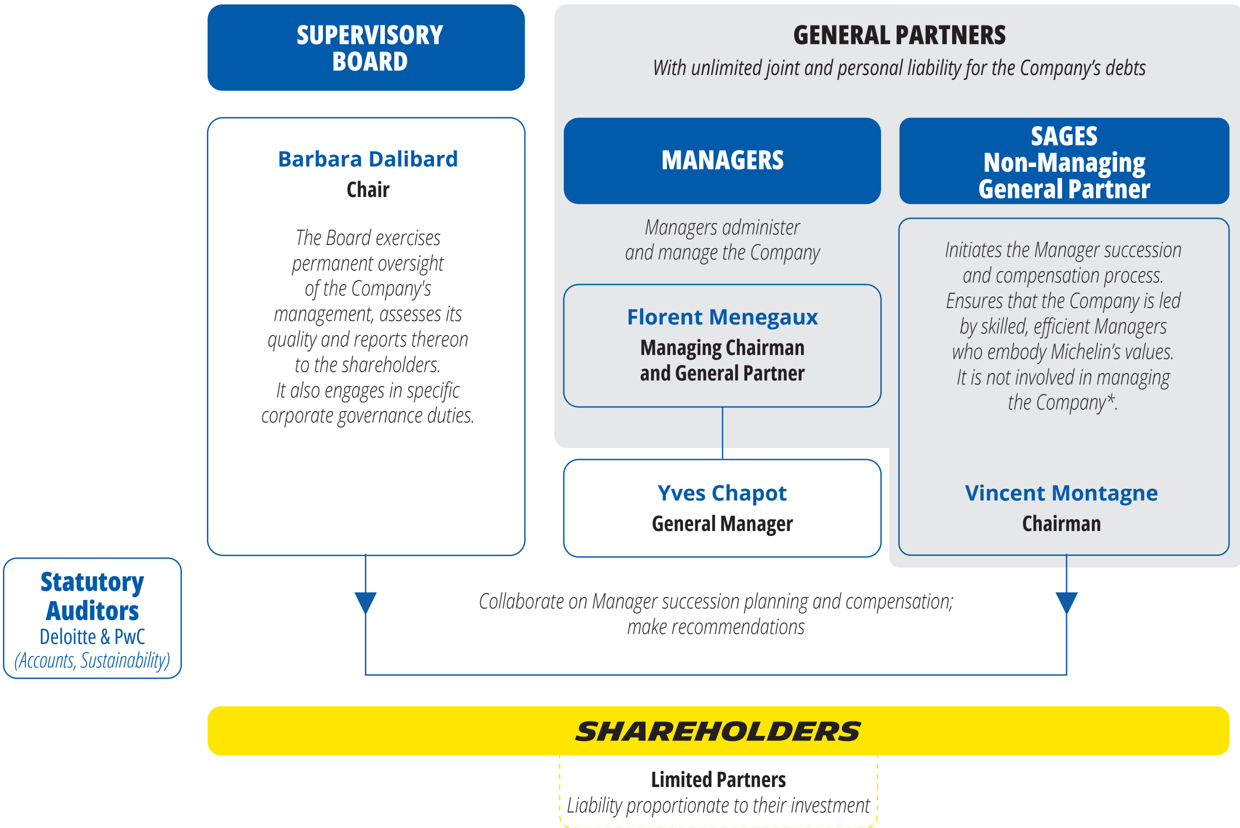
First are the limited partners or shareholders, who provide capital, elect the members of the Supervisory Board and the Managers and approve the financial statements presented by Management. Their liability is limited to the amount of their investment and they receive a share of the profits in the form of dividends.

Second are the General Partners, including the Managing General Partner and the Non-Managing General Partner. CGEM's Non-Managing General Partner, Société Auxiliaire de Gestion (SAGES), is responsible for ensuring the sustainability of the Company's management. General Partners have unlimited personal liability for the partnership's debts, to the full extent of their assets. They can be relieved of this liability only by decision of the shareholders in an Extraordinary Meeting. The General Partners may be shareholders but may not take part in any votes to elect Supervisory Board members or appoint Statutory Auditors. The General Partners receive a share of the Company's profits in accordance with its Bylaws, subject to shareholder approval at the Annual Shareholders Meeting.

Since May 17, 2019, the two General Partners of CGEM are Florent Menegaux, Managing Chairman and Managing General Partner, and Société Auxiliaire de Gestion (SAGES), Non-Managing General Partner.

AN AGILE AND ROBUST GOVERNANCE STRUCTURE

Organized as a partnership limited by shares	**Compagnie Générale des Établissements Michelin** ("Michelin") has been organized **since its foundation as a partnership limited by shares (*société en commandite par actions* –** S.C.A.), **a flexible legal framework.**
With customized characteristics	Over the years, Michelin has crafted through this framework **a unique and balanced governance structure, that is a key driver of its long-term success, robust corporate culture and shared values.**
Continuously enhanced	Michelin constantly reviews and improves its governance and implements safeguards to provide all the **necessary controls and oversight to ensure shareholder protection and convergence of interests between the different stakeholders.**
Serving the Company and its shareholders	**This corporate structure** provides stability and **helps to protect the Company against short-term pressure that could be detrimental to shareholder value.** The success Michelin has achieved since its creation is the best testament that its governance has served the Company and its shareholders in an efficient manner.



** Unless the position of Manager(s) falls vacant.*

2.1.1 AN EXPERIENCED, STABLE AND RESPONSIBLE MANAGEMENT TEAM

2.1.1.1 Members

Michelin is led by two Managers:

- Florent Menegaux, General Partner originally elected by the Extraordinary Shareholders Meeting of May 18, 2018 and re-elected for a period of four years at the Shareholders Meeting of May 13, 2022; Florent Menegaux is also Managing Chairman;
- Yves Chapot, General Manager, originally elected by the Ordinary Shareholders Meeting of May 18, 2018 and re-elected for a period of four years at the Shareholders Meeting of May 13, 2022.

FLORENT MENEGAUX

Managing Chairman – Managing General Partner

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1962	Compagnie Générale des Établissements Michelin 23, place des Carmes Déchaux 63000 Clermont-Ferrand - France	May 18, 2018	2026 (Annual Shareholders Meeting called to approve the 2025 financial statements)	154,124[1]

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

After graduating with a degree in finance, management and economics, Florent Menegaux joined Price Waterhouse in 1986 as a consultant. He was soon appointed manager, specializing in interest rate risk control and management for banks.

In 1991, Exel Logistics France, a logistics and transport company, offered him the position of Finance Director. Six months later, he was promoted to Chief Executive Officer. From 1995 to 1996, Florent Menegaux was Chief Executive Officer of the General Cargo Transport division for the Norbert Dentressangle group.

In 1997, Florent Menegaux joined Michelin as Commercial Director for Truck tires in the United Kingdom and the Republic of Ireland.

In 2000, Michelin appointed him Sales Director for Truck tires Original Equipment and Replacement markets for North America. In 2003, he became head of Truck tires for South America.

In 2005, he was appointed head of the Africa – Middle East Region.

In January 2006, Mr. Menegaux became responsible for the Group's Passenger car and Light truck tire Replacement Business Unit for Europe, before being appointed to the Group Executive Committee as Executive Vice President, Passenger car and Light truck Product Line in 2008. He also oversees Michelin's Motorsports activities and Materials business.

In December 2014, he was appointed Chief Operating Officer and then Senior Executive Vice President of the Michelin Group in 2017.

In January 2018, he also assumed responsibility for overseeing the Group's Business Departments, and the Manufacturing, Supply Chain and Customer Experience Operational Departments.

Florent Menegaux was appointed General Partner on May 18, 2018; he became Managing Chairman of Compagnie Générale des Établissements Michelin on May 17, 2019.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Managing General Partner of Compagnie Générale des Établissements Michelin
- Managing Chairman of Compagnie Générale des Établissements Michelin
- Chairman of Manufacture Française des Pneumatiques Michelin
- Member of the Board of Directors of Legrand[2]
- President of UN Global Compact France Network

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Managing Partner of Compagnie Financière Michelin SCmA *(until October 2020)*
- Managing Partner of Manufacture Française des Pneumatiques Michelin *(until December 2021)*
- Chairman of Manufacture Française des Pneumatiques Michelin *(since January 2022)*
- Managing General Partner of Compagnie Générale des Établissements Michelin
- Managing Chairman of Compagnie Générale des Établissements Michelin
- Member of the Board of Directors of Legrand[2] *(since May 2022)*
- President of UN Global Compact France Network *(since June 2023)*

(1) The Company's Bylaws stipulate that the Managing General Partner must hold at least 5,000 shares.

(2) Listed company.

YVES CHAPOT

General Manager and Chief Financial Officer

Nationality:	**Business address:**	**First elected:**	**Current term expires:**	**Number of shares held at December 31, 2024:**
French Born in 1962	Compagnie Générale des Établissements Michelin 23, place des Carmes Déchaux 63000 Clermont-Ferrand - France	May 18, 2018	2026 (Annual Shareholders Meeting called to approve the 2025 financial statements)	77,532

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Yves Chapot holds a degree as a certified public accountant.

After an initial work experience at the Arthur Andersen consulting and audit firm, Yves Chapot joined the Michelin Group in 1992, assuming various management responsibilities within the internal audit team.

In 1997, he was appointed Chief Executive Officer for Taurus in Hungary. In 1999, he became Chief Financial Officer for Europe.

From 2005 to 2012, he was responsible for Michelin China. From 2007 to 2009, he was also in charge of the Passenger car and Light truck tire business for Asia.

In 2012, he was named head of Euromaster, before being appointed to the Group Executive Committee as Executive Vice President, Distribution in December 2014.

In March 2017, he was appointed Executive Vice President for the Passenger car and Light truck Product Line.

In January 2018, Mr. Chapot became Executive Vice President, Automotive Business Lines, with oversight responsibility for the Automotive B2C Global Brands, Automotive B2C Regional Brands, Automotive Original Equipment Business Lines, and the following three regions: Africa, India & Middle East, East Asia & Australia, and China.

Mr. Chapot was appointed General Manager of Compagnie Générale des Établissements Michelin on May 18, 2018.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- General Manager of Compagnie Générale des Établissements Michelin
- Chairman of Compagnie Financière Michelin Suisse
- Chairman of Compagnie Financière Michelin
- Managing Director of Manufacture Française des Pneumatiques Michelin
- Chairman of the Board of Directors of Siparex Associés
- Chairman of the Supervisory Board of Sigefi
- Chairman of the Association Nationale des Sociétés par Actions (ANSA)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Member of the Board of Directors *(until December 2020)* then Chairman of Compagnie Financière Michelin Suisse
- Chairman of the Board of Directors *(until April 2021)* then Chairman of Compagnie Financière Michelin
- General Manager of Compagnie Générale des Établissements Michelin
- Managing Director of Manufacture Française des Pneumatiques Michelin *(since January 2022)*
- Chairman of the Board of Directors of Siparex Associés *(since April 2022)*
- Chairman of the Supervisory Board of Sigefi *(since April 2022)*
- Chairman of Association Nationale des Sociétés par Actions (ANSA) *(since October 2022)*

2.1.1.2 Role and responsibilities

The Managers are responsible for administering and managing the Company.

Their core responsibilities are to:

- define and implement the Group's strategy;
- lead the Group's business;
- establish internal control and risk management procedures and oversee their implementation;
- approve the financial statements of the Company and the Group;
- oversee the preparation of financial and sustainability information;
- prepare the various reports to shareholders.

The Group's operations are organized into three reporting segments (Automotive & Two-wheel, Road Transportation and Specialties) dedicated to serving their global markets with products and services offered through 20 Business Lines.

The organization is built around:

- The Business Lines, which define their strategy for designing market-leading products and services aligned with their competitive environment based on the needs identified by the Regions.
- The 9 Regions, which are the direct points of contact with customers. They represent the Group in the corresponding areas and are responsible for customer satisfaction.
- The following departments, which provide support to the operational entities: Research & Development, Manufacturing, Supply Chain, Customer Experience, Purchasing, Corporate & Business Services, Strategy, Innovation & Partnerships, Engagement & Brands, Internal Audit, Risk Management, Internal Control & Quality, Legal, Personnel, Finance, Sustainable Materials & Circularity, Progress & Transformation, Planning – Prevention – Protection, Sustainable Development & Impact.

The Managers are assisted by the Group Executive Committee presented in Chapter 1 of the 2024 Universal Registration Document. In addition, a Group Management Committee is responsible for ensuring that the Executive Committee's decisions are widely embraced across the organization (see Chapter 1).

2.1.1.3 Liability

The Managing General Partner has unlimited personal liability for the debts incurred by Compagnie Générale des Établissements Michelin. This offers shareholders a rarely found level of assurance that the Group is run in their medium- to long-term interests, particularly during times of volatile markets or economic crisis. It also means that the Managers are especially vigilant in their management of corporate risks.

Consistent with this long-term commitment, the Managing General Partner may not relinquish his or her status as General Partner without the prior approval of shareholders given at an Extraordinary Meeting and of the Non-Managing General Partner. He is therefore bound to assume the long-term consequences of the Group's management decisions.

2.1.2 SAGES, A NON-MANAGING GENERAL PARTNER, GUARANTEEING THE COMPANY'S LONG-TERM VIABILITY

In application of CGEM's Bylaws, Société Auxiliaire de Gestion (SAGES) is a Non-Managing General Partner of CGEM.

2.1.2.1 Membership and organization

SAGES is a French *société par actions simplifiée* (joint stock company) registered with the Clermont-Ferrand Trade and Companies Registry under No. 870 200 466.

The Chairman of SAGES, Vincent Montagne, is its only executive director.

SAGES has three groups of shareholders – members of the Michelin family, current and former Group executives and qualified persons from outside the Group – each of which has the same proportionate shareholding and the same number of seats on SAGES' Board of Directors.

2.1.2.2 Biographical details of the Chairman of SAGES at December 31, 2024

The Chairman of SAGES, Vincent Montagne, is its only executive director. His profile is given below.

VINCENT MONTAGNE

Chairman of Société Auxiliaire de Gestion (SAGES)

Nationality:	**Business address:**	**Number of shares held at December 31, 2024:**
French Born in 1959	Média-Participations 57 rue Gaston Tessier 75019 Paris - France	36 shares owned directly 793,200 shares owned by SAGES

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Vincent Montagne holds a Master's degree in both Management and International Affairs from Paris Dauphine - PSL University. At the age of 31, he took the helm of the Média-Participations group founded by his father and became its Chairman and Chief Executive Officer. Under his stewardship, the group has become one of France's top publishing houses (and the no. 1 in Belgium) and Europe's leading publisher of comic books. In December 2017, he acquired La Martinière Groupe, including its subsidiary Le Seuil, and in July 2018, La Martinière Groupe was merged into Média-Participations. Convinced that creative content is more important than the medium on which it is presented, he led the transformation of Média-Participations into a multimedia group that is now active in video games, digital and audiovisual media, and a major producer of cartoons. Mr. Montagne has been Chairman of the Syndicat National de l'Edition since June 2012 and a director of Cercle de la Librairie since 2006.

He is a descendant of Edouard Michelin, who founded the Michelin Group with his brother André. In 2009, he set up Mage-Invest, a family holding company with 300 family shareholders.

He is Chairman of Société Auxiliaire de Gestion (SAGES), Non-Managing General Partner of Compagnie Générale des Établissements Michelin, alongside Florent Menegaux, General Partner and Managing Chairman.

2.1.2.3 Role and responsibilities

SAGES is a Non-Managing General Partner of CGEM and has unlimited joint and several liability alongside the Managing General Partner(s) for third party claims arising from the financial consequences of the Managers' management. It initiates the Manager appointment and re-appointment process to ensure the continuity of the Company's management. Solely a decision of the shareholders in an Extraordinary Meeting may relieve a General Partner of their duties, subject to the agreement of the other General Partner. The General Partners may be shareholders but may not take part in any votes to elect Supervisory Board members or appoint Statutory Auditors.

As SAGES is not a Manager, it is not authorized to play any part in the Company's management. However, if the position of CGEM's Manager(s) were to fall vacant, SAGES would take on the role of the Manager(s) for an interim period and would be responsible for calling an Extraordinary Shareholders Meeting to elect a new Manager.

SAGES is a key player in the Manager succession planning and compensation processes. SAGES plays a key role, alongside the Supervisory Board and its Compensation and Appointments Committee, in the Manager succession planning and compensation processes described in section 2.1.4 below.

To enable SAGES to assume its liability as Non-Managing General Partner of CGEM, at least 80% of its distributable earnings (derived mainly from the share of profits paid by CGEM in accordance with CGEM's Bylaws) is allocated to a contingency reserve fund set up purely for the purpose of covering any losses that may result from its liability as CGEM's General Partner or, on an exceptional, interim basis, as Manager. Between 10% and 30% of this reserve fund is invested in CGEM shares.

In accordance with its Bylaws:

- SAGES' main corporate documents (annual reports, management reports, Statutory Auditor's reports[1], and proposed resolutions submitted to the partners, which contain information on (i) the terms of office and proposed elections of directors and (ii) the categories and breakdown of assets constituting the contingency reserve referred to above) are sent to Michelin's Managing General Partner;
- any proposal to pay an annual dividend to SAGES' partners for an amount in excess of the cap specified in the Bylaws shall be submitted to the Managing General Partner for prior approval;
- the Managing General Partner (or the Chairman of the Supervisory Board if there is no Managing General Partner) shall be consulted prior to approving any new partner of SAGES and his or her designation as a director of the Company;
- any proposal to amend SAGES' Bylaws to change its role and/or change the indefinite several liability of the General Partners shall be submitted to the Managing General Partner for prior approval.

2.1.3 STRICT SEPARATION BETWEEN THE SUPERVISORY BOARD (AND ITS COMMITTEES) AND MANAGEMENT

2.1.3.1 Supervisory Board

11 MEMBERS, OF WHICH 1 INDEPENDENT MEMBER

45%* WOMEN MEMBERS

89%* INDEPENDENT MEMBERS

8 MEETINGS

97.4% ATTENDANCE RATE

33%* NON-FRENCH NATIONALS

* *Excluding the employee representatives.*

Members

In accordance with the applicable law, the Company's Bylaws and the Supervisory Board's internal rules, the Supervisory Board currently has 11 members, including nine selected from among the shareholders and elected by the Annual Shareholders Meeting for a term of four years[2] and two representing employees.

General Partners may not take part in the vote. Supervisory Board members may be re-elected. No more than one third of the Supervisory Board members may be aged over 75.

As of December 31, 2024, and as of the date of this report, the Supervisory Board had 11 members, and was in compliance with Articles L. 226-4-1 and L. 22-10-74 of the French Commercial Code concerning the balanced representation of men and women on Boards of Directors and Supervisory Boards and gender equality in the workplace, and the representation on the Board of employees of the Company and the Group.

The Supervisory Board's internal rules stipulate that each member must hold at least 1,600 shares[3] or 2,400 shares in the case of the Chair.

Information about the compensation of Supervisory Board members is presented in sections 2.3.3, 2.4.1, 2.4.2 and 2.5.1 of this report.

(1) The latest approved annual financial statements are published on the www.michelin.com website.
(2) Five years for members elected prior to 2009. Certain members may be elected for a two- or three-year period in order to effectively stagger the terms of office of Supervisory Board members.
(3) With the exception of members representing employees.

Overview of the Supervisory Board (as of December 31, 2024)

Member	Independent[1]	Committee(s)	First elected	Re-elected[2]	Current term expires (AGM)[3]	Years on the Board	Number of shares held	Nationality	Age	Gender
Barbara Dalibard (C)	⊖	-	2008	2013[2] 2015[3] 2019 2023	2027	16	2,740	French	66	F
Aruna Jayanthi	✓	Audit	2015	2019 2023	2027	9	1,600	Indian	62	F
Patrick de La Chevardière	✓	Audit (C)	2020	2024	2028	4	1,600	French	67	M
Jean-Christophe Laourde (RE)	⊖	Corporate Social Responsibility	2020	2024	2028[4]	4	459	French	49	M
Thierry Le Hénaff (SIM)	✓	Compensation and Appointments	2018	2022	2026	6	1,600	French	61	M
Monique Leroux	✓	Audit Corporate Social Responsibility (C)	2015[5]	2018 2022	2026	9	4,000	Canadian	70	F
Delphine Roussy (RE)	⊖	Compensation and Appointments	2020	2024	2028[4]	4	1,159	French	42	F
Wolf-Henning Scheider	✓	Audit Corporate Social Responsibility	2021	-	2025	3	1,600	German	62	M
Jean-Michel Severino	✓	Corporate Social Responsibility Compensation and Appointments (C)	2020[6]	2022	2026	4	1,600	French	67	M
Catherine Soubie	✓	Audit	2024	-	2028	0	1,600	French	59	F
Pascal Vinet	✓	Compensation and Appointments	2024	-	2028	0	1,600	French	62	M

(C): Chair (SIM): Senior Independent Member (RE): Members representing employees

(1) Based on the criteria set in the Supervisory Board's internal rules which correspond to those recommended in the AFEP/MEDEF Corporate Governance Code for listed companies.
(2) At the Annual Meeting of May 15, 2009, shareholders voted to reduce the term of Supervisory Board members from five years to four.
(3) At the Annual Meeting of May 17, 2013, shareholders voted to elect Supervisory Board members for terms of two, three or four years, so that their terms do not all expire at the same time.
(4) Appointed pursuant to the Bylaws and not elected by the shareholders.
(5) Monique Leroux was appointed as a member of the Supervisory Board on October 1, 2015 to replace Laurence Parisot, who had resigned, for the remainder of Ms. Parisot's term of office.
(6) Jean-Michel Severino was appointed as a member of the Supervisory Board on November 12, 2020 to replace Cyrille Poughon, who had resigned, for the remainder of Mr. Poughon's term of office.

Changes in 2024

The terms of Anne-Sophie de La Bigne, Jean-Pierre Duprieu and Patrick de La Chevardière as Supervisory Board members expired at the close of the Annual Shareholders Meeting on May 17, 2024.

After reviewing their qualifications and noting the intention of Anne-Sophie de La Bigne and Jean-Pierre Duprieu to step down from the Board, on the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided (without the persons concerned taking part in the decision), to recommend to the Annual Shareholders Meeting:

- the re-election of Patrick de La Chevardière for a four-year term; and
- the election of Catherine Soubie and Pascal Vinet as new Supervisory Board members for a four-year term.

The three resolutions were adopted by the Shareholders Meeting of May 17, 2024 by a majority of 98.32%, 98.56% and 99.41% of the votes cast respectively.

On the same day, the Supervisory Board members unanimously decided (in each case, without the persons concerned taking part in the decision) that the new membership of the Committees of the Board would be as follows:

- Audit Committee: Patrick de La Chevardière (Chair), Aruna Jayanthi, Monique Leroux, Wolf-Henning Scheider and Catherine Soubie;
- Compensation and Appointments Committee: Jean-Michel Severino (Chair), Thierry Le Hénaff, Delphine Roussy and Pascal Vinet;
- Corporate Social Responsibility Committee: Monique Leroux (Chair), Jean-Christophe Laourde, Wolf-Henning Scheider and Jean-Michel Severino.

2.1.3.2 Role and responsibilities

The Company applies the recommendations set out in the Corporate Governance Code for Listed Companies ("AFEP/ MEDEF Code", revised version dated December 2022). In accordance with the introduction to the Code, these recommendations are adapted as necessary to reflect the Company's organization as a partnership limited by shares ("SCA").

Under French law, the Supervisory Board is responsible for exercising permanent oversight of the Company's management and assessing its quality on behalf of the shareholders, presenting a report thereon at each Annual Shareholders Meeting.

The Company's Bylaws have significantly expanded the Board's role and responsibilities to include:

- assessing the quality of management;
- playing an important role in succession planning and the appointment of the Managers;
- assessing certain major transactions such as business acquisitions.

The role of the Chair of the Supervisory Board, elected by the Board members, is to:

- coordinate and lead the work of the Board, especially the activities listed in the Bylaws;
- actively participate in the Company's governance, in particular:
  - through continuous contact and regular meetings with the Managers, as well as with the Non-Managing General Partner (SAGES), to ensure seamless governance,
  - by regularly proposing and implementing better interactions, drawing on her or his experience and the proposals resulting from periodic assessments of Supervisory Board practices,
  - by talking directly to investors about the characteristics of Michelin's governance, primarily during governance roadshows[1] organized with the main shareholders.

(1) The presentation materials produced for these events are systematically posted on the www.michelin.com website.

SPECIFIC DUTIES OF THE SUPERVISORY BOARD REGARDING THE GROUP'S STRATEGY, PARTICULARLY ITS ENVIRONMENTAL ASPECTS

- **Regular review of the Group's strategy**
- **Periodic review of the Group's:**
  - markets of operation,
  - financial results and financial statements,
  - shareholder compensation policy,
  - organization and operations,
  - risk management and internal control policies,
  - compensation and appointment policies,
  - social, environmental and climate strategy.
- **Formal opinion provided to the Managers concerning:**
  - significant investments,
  - major external growth transactions,
  - divestitures,
  - off-balance sheet commitments.

To enable the Supervisory Board to effectively fulfill its oversight role, its members receive quarterly reports presenting key performance indicators, as well as regular information such as copies of the Group's main press releases, major research reports published by analysts who follow Michelin, and updates on the Group's markets.

SPECIFIC DUTIES OF THE SUPERVISORY BOARD REGARDING CORPORATE GOVERNANCE

- **Prior Board approval:**
  - Managers' renewal,
  - Managers' dismissal and severance payments.
- **Prior Board recommendation to the shareholders:**
  - appointments of new Managers and of the Managing Chairman,
  - Managers' compensation (policy, information) and Supervisory board members compensation.
- **Determination of Managers' compensation performance criteria and assessment of Managers' achievement of compensation performance targets**
- **Prior Board recommendation regarding:**
  - appointments and succession planning for members of the Executive Committee,
  - diversity objectives within management bodies and corresponding action plans,
  - compensation policy for members of the Executive Committee.

The recommendation provided under Article 1.9 of the AFEP/MEDEF Code, according to which material transactions outside the scope of the firm's stated strategy should be subject to prior approval by the Board of Directors, has to be adapted because of the Company's legal form as a partnership limited by shares[1]. With this type of partnership, the Managing General Partners have unlimited personal liability. There is also a total separation of powers between Managers, whether or not they are General Partners. Their powers are completely separate from those of the Supervisory Board. There is also a total separation of powers between Managers, whether or not they are General Partners, and the Supervisory Board, with the result that the Supervisory Board has no legal authority to become involved in managing the Company.

However, to (i) ensure that the Supervisory Board exercises effective oversight of the Company's management and (ii) adhere to the spirit of the AFEP/MEDEF recommendation, since 2011 the Company has amended its Bylaws, as well as the Supervisory Board's internal rules[2].

The internal rules state that the Supervisory Board is responsible for examining investment and external growth transactions, off-balance sheet commitments and asset disposals, and is required to issue a formal opinion in cases where the transactions are material for the Group due to their nature or associated risks. For this purpose, "material" means transactions representing at least €100 million, or at least €50 million (in enterprise value) in the case of external growth transactions. This means that the Supervisory Board is automatically consulted about all projects that are material for the Group. Moreover, as it expresses an opinion on such projects, it is clearly able to report to shareholders thereon if appropriate.

THE SUPERVISORY BOARD REVIEWS ALL STRATEGIC M&A PROJECTS ABOVE €50 MILLION AND ISSUES A FORMAL OPINION

Every quarter

The Supervisory Board reviews deal flows

Every six months

The **Managers** report to the Supervisory Board on acquisitions carried out over the last four years. Every acquisition is assessed based on the following criteria:

- **Synergies & CSR roadmap**
- **Strategic fit**
- **Results**
- **Quality of management**

Ad hoc

Ad hoc Supervisory Board meetings are held on strategic M&A project key milestones

(1) This exception to the full application of the AFEP/MEDEF Code's recommendations is mentioned in the table in section 2.2.8 prepared in accordance with the "comply or explain" rule.

(2) Available from the Group's website www.michelin.com.

2.1.3.3 Diverse profiles and experiences represented on the Supervisory Board and management bodies

Diverse profiles and experiences represented on the Supervisory Board

In line with the values of the Group and of its regions, the Supervisory Board consistently endeavors to propose candidates from diverse nationalities and cultures and with diverse experiences, so that its membership is balanced and aligned with its role and responsibilities.

The main terms of the diversity policy are proposed by the Compensation and Appointments Committee. The policy is applied by the Committee and the Supervisory Board to manage Supervisory Board succession plans and for the assessment of the Supervisory Board's practices. The Committee and/or Supervisory Board are regularly assisted by recognized outside consultants.

The Supervisory Board diversity policy for 2024 is described below, as required by Article L. 22-10-10-2° of the French Commercial Code.

Criteria	Objectives confirmed in 2024	Implementation method	2024 results
Age limit	No more than one third of Supervisory Board members to be aged 75 or over.	No candidates aged 75 or over should be proposed for election or re-election at the Shareholders Meeting if their election or re-election would result in the one-third limit being exceeded.	All members are under 75 years of age.
Supervisory Board gender equality	At least 40% of Board members should be women, as required by Article L. 22-10-74 of the French Commercial Code.	Board to recommend that the Shareholders Meeting re-elect incumbent women members and elect women candidates to replace women who are stepping down.	The candidates recommended by the Supervisory Board and elected by the Annual Shareholders Meeting had no impact on the proportion of women on the Board, which is unchanged at 45%, including Barbara Dalibard who has been Chair of the Supervisory Board since May 2021.
Availability/attendance	Members should demonstrate, through their availability and attendance rate at meetings of the Board and Board Committees, that they devote the necessary time and attention to their duties (going beyond the statutory requirements and the requirements of the AFEP/MEDEF Code concerning multiple directorships). An objective to restrict the number of board directorships and chairmanships or executive positions in other listed companies.	The majority of each member's compensation is tied to his or her attendance rate at meetings of the Supervisory Board and its Committees. Incumbent Board members will not be proposed for re-election if their average attendance rate at scheduled meetings was less than 85% over the last three years of their term of office.	The attendance rate was 98.3% in 2024 for scheduled meetings of the Supervisory Board and its Committees. The average attendance rate of the incumbent Board members proposed for re-election and re-elected was at least 100% over the last three years of their term of office. Only a limited number of members also hold directorships, chairmanships or executive positions in other listed companies.
Qualifications/professional skills and expertise/ international outlook/ adherence to the Group's values	Board members should achieve and maintain satisfactory complementarity of academic qualifications, professional experience in the areas of manufacturing, finance, internal control, IT/AI and leadership of major international listed groups, and adhere to the Group's values.	Decisions concerning candidates to be proposed for re-election or election to the Supervisory Board by the Shareholders Meeting focus on strengthening the qualifications and experience represented by Supervisory Board members in the areas of executive management and new technologies. The Chair and the majority of members of the Audit Committee are selected for their academic qualifications and international	The re-election/election of the following Supervisory Board members was proposed and approved: ■ the re-election of Patrick de La Chevardière, who continues to contribute his wide-ranging expertise to the work of the Board; ■ the election of Catherine Soubie and Pascal Vinet, who contribute their previously identified expertise in place of that of their predecessors or in addition to the Supervisory Board's existing

Criteria	Objectives confirmed in 2024	Implementation method	2024 results
		experience in finance, internal control and digital technologies. The Board member skills map (matrix) is used to analyze the target composition of the Board and propose suitable candidates. More detailed examination of Corporate Social Responsibility (CSR) issues by the Supervisory Board.	expertise in the areas of finance, especially M&A, and the management of international industrial groups. Independence rate stable at 33% (excluding members representing employees).
Size of the Supervisory Board	Number of Supervisory Board members should not exceed the ten-member cap specified in the Bylaws (not including members representing employees elected in accordance with the law), to guarantee Board efficiency by fostering effective interactions between members and between the Board and the Managers.	No additional members to be proposed for election at the Shareholders Meeting, except to comply with legal requirements.	No additional appointments proposed.
Independence	At least 50% of Supervisory Board members should be independent, based on the definition in the AFEP/MEDEF Code. The Audit Committee, Compensation and Appointments Committee and Corporate Social Responsibility Committee to be chaired by independent Supervisory Board members.	As a general rule, unless an exception is duly recommended and justified by the Compensation and Appointments Committee, incumbent members will be proposed for re-election (i) provided they fulfill the independence criteria or (ii) if they no longer qualify as independent solely because they have served on the Board for more than 12 years, provided their appointment does not increase the proportion of non-independent members elected by the Shareholders Meeting to more than 50%.	The re-election of Patrick de La Chevardière as an independent Supervisory Board member was proposed and approved, and the election of two new independent members, Catherine Soubie and Pascal Vinet, was also proposed and approved, to replace two incumbent members whose time on the Board would have exceeded 12 years in 2025. Independence rate stable at 89% (excluding members representing employees). The Audit Committee, Compensation and Appointments Committee and Corporate Social Responsibility Committee are all chaired by independent Supervisory Board members.
Employee representation on the Supervisory Board	The Supervisory Board includes two members representing the employees of the Company's French subsidiaries versus eight members elected by shareholders, exceeding the requirement set out in the rules resulting from France's PACTE Act (Act No. 2019-486).	Participation of members representing employees in the work of the Supervisory Board and its Committees.	Delphine Roussy is a member of the Supervisory Board and its Compensation and Appointments Committee, and Jean-Christophe Laourde is a member of the Supervisory Board and its Corporate Social Responsibility Committee.

Expertise of the Supervisory Board members

The tables and comments below present the expertise of Supervisory Board members that is considered the most relevant aspect of their skills and experience for the purpose of the Board carrying out its duties for the benefit of the Company, its shareholders and its stakeholders in accordance with the Group's values.

MAIN AREAS OF EXPERTISE OF THE MEMBERS OF THE SUPERVISORY BOARD[(1)]

	International Management	Finance	Social Environment, Human Resources and Governance	Environment, Climate and Biodiversity	Manufacturing	Automotive and Mobility Sector	Materials	IT, AI and Cyber Security
Barbara Dalibard	⦿					⦿		⦿
Aruna Jayanthi	⦿		⦿					⦿
Patrick de La Chevardière	⦿	⦿			⦿			
Jean-Christophe Laourde			⦿	⦿		⦿		
Thierry Le Hénaff	⦿		⦿				⦿	
Monique Leroux		⦿	⦿	⦿				
Delphine Roussy			⦿		⦿			⦿
Wolf-Henning Scheider	⦿			⦿	⦿	⦿		
Jean-Michel Severino		⦿	⦿	⦿				
Catherine Soubie	⦿	⦿	⦿					
Pascal Vinet	⦿				⦿		⦿	

Barbara Dalibard: International Management: former CEO of Orange Business Services and SITA, companies present in 220 countries. **Automotive and Mobility sector:** wide-ranging experience in people mobility (train, bus, car/ridesharing and aviation). **IT, AI and Cyber Security:** 35 years' experience in new technologies: networks, IT services, software production, digital consumer software delivery. Member of the Académie des Technologies.

Aruna Jayanthi: International Management: numerous international business management positions in the Capgemini group, particularly in India, the Asia-Pacific region, Latin America and Canada. **Social Environment, Human Resources and Governance:** member of the CSR committee of Capgemini India (involved in various social projects in India), former Chair of the Board of Directors of a national engineering college in India (NIT Calicut) and former member of the Executive Board of NASSCOM, the national association of software vendors in India. **IT, AI and Cyber Security:** 38 years' experience in IT services companies including Tata Consulting and Aptech, management of the Capgemini software factory in India (50,000 employees).

Patrick de La Chevardière: International Management: former Asia Director in Total's refining and distribution division. **Finance:** CFO of Total for 10 years and extensive management experience as a finance professional. **Manufacturing:** varied experience in Exploration, Production and Refining at Total. Member of the Board of Directors of SLB (formerly Schlumberger).

(1) See also the table below concerning sustainability matters.

Jean-Christophe Laourde: Social Environment, Human Resources and Governance: Employee representation mandates in the Michelin Group. Member of the Chimie AURA trade union council. **Environment, Climate and Biodiversity:** active participant in the *Shift Project, Time for the Planet*. Member of the Environment section of his trade union. **Automotive and Mobility Sector:** 25 years' experience in sales, marketing and distribution at Michelin.

Thierry Le Hénaff: International Management: Since 2006, Chairman and CEO of Arkema, an international group (92% of revenue generated outside France) listed in Paris (Euronext). Previously, numerous operational management positions at Total. **Social Environment, Human Resources and Governance:** Chairman and CEO of Arkema (international group with over 21,000 employees in more than 55 countries). **Materials:** Chairman and CEO of Arkema, a group with high-level expertise and innovation capabilities focused on high-performance materials and polymers.

Monique Leroux: Finance: former CEO and Chair of the Board of the Desjardins group (Banking and Insurance), former CFO of the Desjardins group, former member of the Board of Directors of S&P Global, Fellow of the Order of Chartered Professional Accountants (CPA) of Canada and former audit partner of EY, Chartered Accountant (CA) and Certified Management Accountant (CMA) degrees. **Social Environment, Human Resources and Governance:** Fellow of the Institute of Corporate Directors of Canada (ICD), former Chair of the Board of Investissement Québec and Desjardins Group, which promotes investment in innovative sustainable development and climate projects. Chair of the Governance and ESG Committee of BCE/Bell. **Environment, Climate and Biodiversity:** member of numerous Canadian expert committees advising on climate projects (advisor on Canadian industrial strategy, G7 Impact Task Force, etc.), author of a report on the future of corporate governance in Canada (ICD/TMX), which includes major ESG recommendations.

Delphine Roussy: Social Environment, Human Resources and Governance: various employee representation mandates. **Manufacturing:** professional experience at Philips and Michelin. **IT, AI and Cyber Security:** professional experience in new technologies (3G/4G networks, communication protocols, RFID).

Wolf-Henning Scheider: International Management: Member of the Executive Committee of Partners Group AG, former CEO of ZF group and Mahle, former senior executive at Bosch. **Manufacturing:** former CEO of ZF and Mahle, former senior executive at Bosch. **Automotive and Mobility sector:** former CEO of international automotive sector companies and former member of the Board of VDA (German automotive industry association). **Environment, Climate and Biodiversity**: Executive Director for Sustainability at Partners Group AG

Jean-Michel Severino: Finance: former director at the World Bank, former CEO of the French Development Agency (AFD), manager of investment funds in Africa and Asia, former Chairman and CEO of Investisseurs et Partenaires, former Chairman of the Board of Ecobank International. **Social Environment, Human Resources and Governance:** director of Phitrust Impact Investors, former Senior Independent Director of Danone and former Chairman of its Governance and Compensation Committee, former member of the Governance Committee of Orange; **Environment, Climate and Biodiversity:** at the French Development Agency (AFD), management of investments in the renewable energy, water and green and inclusive growth sectors; participation in numerous expert groups on these subjects at the World Bank; member of the Investment Committee of Energy Access Ventures (an African green energy fund); Chairman of Veolia's Critical Friends Committee (set up to consider the Veolia group's exposure to environmental and social risks).

Catherine Soubie: International Management: former Deputy CEO of Rallye, former Managing Director and Head of Investment Banking at Barclays France & Benelux. **Finance:** 22 years' experience in the finance sector, including Financial Affairs Manager at Lazard, Managing Director at Morgan Stanley and Managing Director, Head of Investment Banking for France, Belgium & Luxembourg at Barclays. **Social Environment, Human Resources and Governance:** CEO of Arfilia (information, consulting and business services) for the past eight years, member of Covivio and Sofina's Compensation and Appointments Committees.

Pascal Vinet: International Management: Executive Vice-President of the Air Liquide Group, overseeing Group Safety & Industrial Systems, **Manufacturing:** former CEO of Airgas (Air Liquide's Industrial Merchant and Healthcare business lines in the United States) and former Executive Vice President overseeing Air Liquide's Europe Industries hub, the Africa/Middle East/India hub and Industrial Merchant World business line. **Materials:** former Vice-President for Research & Development at Air Liquide.

EXPERTISE OF SUPERVISORY BOARD MEMBERS CONCERNING SUSTAINABILITY MATTERS

ESG matters (ESRS)	Barbara Dalibard	Aruna Jayanthi	Patrick de La Chevardière	Jean-Christophe Laourde	Thierry Le Hénaff	Monique Leroux	Delphine Roussy	Wolf-Henning Scheider	Jean-Michel Severino	Catherine Soubie	Pascal Vinet
Climate change adaptation/ Climate change mitigation (Scopes 1/2/3; carbon-free mobility) (E1)	⦿	⦿	⦿	⦿	⦿	⦿		⦿	⦿	⦿	⦿
Water, soil and air pollution, noise pollution (E2)			⦿		⦿	⦿		⦿	⦿		
Water management (E3)					⦿	⦿		⦿	⦿		
Ecosystems and biodiversity (deforestation and loss of habitat) (E4)					⦿	⦿		⦿	⦿		
Resources and waste (circularity, raw materials, end-of-life product management) (E5)	⦿		⦿		⦿	⦿		⦿	⦿		⦿
Business ethics and corporate culture (G1)	⦿		⦿	⦿	⦿	⦿	⦿	⦿	⦿	⦿	⦿
Attracting and retaining talent (S1)	⦿			⦿	⦿			⦿	⦿	⦿	⦿
Employee health, safety and well being (S1)	⦿		⦿	⦿	⦿		⦿	⦿	⦿	⦿	⦿
Social dialog, workers' rights and working conditions (S2)	⦿			⦿	⦿	⦿	⦿	⦿	⦿	⦿	⦿
Quality and safety of products and services (S4)	⦿				⦿	⦿		⦿			

Gender balance on management bodies[1]

The CSR Committee reviews the Group's policies and ambitions in terms of diversity and inclusion.

One of its ambitions is for 35% of senior management positions (currently around 630 positions) to be held by women by 2030.

This approach led to measures to rebalance the membership of the Group's management bodies, including the Executive Committee, which currently comprises 11 members, four of whom are women.

(1) The reporting scope for this information extends beyond the Company, which has fewer than five employees (none of whom are corporate officers).

Information about Supervisory Board members

Detailed information about each of the Supervisory Board members is presented below.

BARBARA DALIBARD

Non-independent member of the Supervisory Board – Chair of the Supervisory Board

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1958	Michelin 112, avenue Kléber 75016 Paris - France	May 16, 2008	2027 (Annual Shareholders Meeting called to approve the 2026 financial statements)	2,740

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Barbara Dalibard was Chief Executive Officer of SITA, the world's leading specialist in air transport communications and information technology, from 2016 to 2021.

She is a graduate of École Normale Supérieure, where she qualified to lecture in mathematics, a graduate of École Nationale Supérieure des Télécommunications (ENST) and an honorary Corps des Mines engineer.

After beginning her career at France Télécom group, Ms. Dalibard became the chair of Alcanet International, a subsidiary of the Alcatel group, in 1998. She was then responsible for the France division of the Alcatel CIT group.

In 2003, she joined the Executive Committee of the Orange group and was the Chief Executive Officer of Orange Business Services, a business located in 220 countries and regions.

Ms. Dalibard joined SNCF in 2010 and was appointed Chief Executive Officer of SNCF Voyage (the TGV, Eurostar, Thalys businesses, etc.), then SNCF Voyageurs, which includes all of the group's passenger activities. She launched OUIGO, the first low-cost TGV, and the Ouibus long-distance coach subsidiary.

Ms. Dalibard is an Officer of the *Légion d'honneur*, Officer of the *Ordre du mérite* and Doctor Honoris Causa of École Polytechnique de Montréal.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Director on the Supervisory Committee of Castillon
- Member of the Board of Directors and Chair of the Nomination and Governance Committee of Rexel

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Chief Executive Officer of SITA *(until December 2021)*
- Non-voting member then director on the Supervisory Committee of Castillon *(since July 2021)*
- Member of the Board of Directors of Rexel *(appointed in December 2021)*
- Chair of Rexel's Nomination and Governance Committee *(since September 2023)*

JEAN-PIERRE DUPRIEU

Independent member of the Supervisory Board – Chairman of the Compensation and Appointments Committee ***(until May 2024, when his term expired)***

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1952	Michelin 112, avenue Kléber 75016 Paris - France	May 17, 2013	2024 (Annual Shareholders Meeting called to approve the 2023 financial statements)	2,040

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Jean-Pierre Duprieu was previously Executive Vice President of the Air Liquide group(1) from 2011 to 2016.

Between 2010 and 2016, he was a member of Air Liquide's Executive Management team, in charge of supervising the group's European and Healthcare activities as well as corporate functions, including information systems and Efficiency/ Purchasing programs.

He is currently Chairman of the Board of Directors of Clariane(1), Director of the SEB group(1) and member of the Supervisory Board of Dehon S.A.S.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Chairman of the Board of Directors of Clariane(1)
- Independent member of the Board of Directors and Chairman of the Governance and Compensation Committee of the SEB group(1)
- Independent member of the Supervisory Board of Dehon S.A.S.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Independent member of the Board of Directors of the Korian group(1), Chairman of the Compensation and Appointments Committee and member of the Audit Committee *(until September 2020)*
- Chairman of the Board of Directors of Clariane(1)
- Independent member of the Board of Directors and Chairman of the Governance and Compensation Committee of the SEB group(1)
- Independent member of the Supervisory Board of Dehon S.A.S.

(1) Listed company.

ARUNA JAYANTHI

Independent member of the Supervisory Board - Member of the Audit Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
Indian Born in 1962	Michelin 112, avenue Kléber 75016 Paris - France	May 22, 2015	2027 (Annual Shareholders Meeting called to approve the 2026 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

From 2011 until the end of 2015, Aruna Jayanthi was Chief Executive Officer of Capgemini India, responsible for overseeing all of the Capgemini group's operations in India, covering Consulting, Technology and Outsourcing Services provided by some 50,000 employees.

In 2016, she was appointed to lead a new Business Services Unit. In 2018, she was appointed to lead Capgemini's operations in the Asia-Pacific and Latin America regions, before becoming Managing Director of these Business Units. In 2022, she was named Head of Capgemini Latin America and Canada. She is a member of the Group Executive Committee.

After obtaining a Master's degree in finance management from the Narsee Monjee Institute of Management Studies in Mumbai, Ms. Jayanthi held various IT services positions between 1984 and 2000 (including at clients' offices in Europe and the United States), with Tata Consulting Services, Aptech and other companies.

She joined the Capgemini group in 2000[(1)].

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Member of the Board of Directors of the following Capgemini group companies[(1)]: Capgemini Technology Services India Limited, Capgemini Brasil Ltda, Capgemini Business Services Guatemala S.A, Capgemini Mexico – S.DE R.L DE C.V, Capgemini Canada Inc., Gestion Capgemini Québec Inc. (Canada), Capgemini Solutions Canada Inc.
- Independent member of the Board of Directors of Barry Callebaut

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Member of the Board of Directors of Chappuis Halder Inc. (Canada) *(until December 2022)*
- Member of the Board of Directors of Equation Capital Partners LLP *(until April 2024)*
- Member of the Board of Directors of the following Capgemini group companies[(1)]: Capgemini Australia Pty Limited *(until June 2021),* Capgemini Hong-Kong Ltd *(until December 2021),* Capgemini Business Services (China) Limited *(until December 2021),* Capgemini Asia Pacific Pte Limited *(until December 2021),* Capgemini (Hangzhou) Co. Ltd *(until December 2021),* Capgemini Saudi Limited *(until March 2022),* Solcen Technologies Private Limited *(until April 2022),* Capgemini Technology Services India Limited, Capgemini Brasil Ltda, Capgemini Business Services Guatemala S.A, Capgemini Mexico - S. DE R.L DE C.V, Capgemini Canada Inc.*(2022),* Gestion Capgemini Québec Inc. (Canada) *(2022),* Capgemini Solutions Canada Inc.*(2022)*
- Independent member of the Board of Directors of Barry Callebaut *(since December 2024)*

(1) Listed company.

ANNE-SOPHIE DE LA BIGNE

Independent member of the Supervisory Board – Member of the Compensation and Appointments Committee – Member of the Corporate Social Responsibility Committee
(until May 2024, when her term expired)

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1960	Airbus 42, avenue Raymond Poincaré 75116 Paris - France	May 17, 2013	2024 (Annual Shareholders Meeting called to approve the 2023 financial statements)	3,612

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

From 2008 to 2024, Anne-Sophie de La Bigne was Vice President in charge of Civil Affairs in the Public Affairs Division, France, at the Airbus group[(1)].

Anne-Sophie de La Bigne began her career in 1983 as a financial controller with the Matra group before joining the Strategy & Business Development Department of the Lagardère group, where she worked from 1985 to 1999.

She subsequently became Head of the Strategic Analysis Department at Aerospatiale Matra/EADS, a position she held until 2001.

Between 2001 and 2006, she served as Vice President, Strategy and European Affairs, at Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS).

From 2006 to 2007, she was responsible for international corporate relations in the EADS' Public Affairs Division.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Member of the Board of Directors of APAVE and member of the Audit Committee
- Member of the Board of Institut Français des Administrateurs (IFA)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Member of the Board of Directors of SIAE S.A. *(until October 2024)*
- Member of the Board of Directors of APAVE and member of the Audit Committee
- Member of the Board of IFA *(since May 2024)*

(1) Listed company.

PATRICK DE LA CHEVARDIÈRE

Independent member of the Supervisory Board - Chairman of the Audit Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1957	Michelin 112, avenue Kléber 75016 Paris - France	June 23, 2020	2028 (Annual Shareholders Meeting called to approve the 2027 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Patrick de La Chevardière is currently a director of Schlumberger[1] and until July 2019 was the Chief Financial Officer and a member of the Executive Committee of the Total group[1], where he spent his entire career.

Patrick de La Chevardière is a graduate of École Centrale. He began his career as a drilling engineer in the Exploration and Production Division (1982-1989), before joining the Finance Department (1989-1995). He subsequently served as head of the Operations and Subsidiaries Division (1995-2000), Asia Director in the Refining and Marketing Division (2000-2003), Deputy Chief Financial Officer (2003-2008) and member of the Management Committee (2005), and Chief Financial Officer and member of the Executive Committee (from 2008).

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

Member of the Board of Directors of SLB[1] (formerly Schlumberger)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

Member of the Board of Directors of SLB[1] (formerly Schlumberger)

(1) Listed company.

JEAN-CHRISTOPHE LAOURDE

Non-independent member of the Supervisory Board representing employees (non-executive) – Member of the Corporate Social Responsibility Committee

Nationality:	**Business address:**	**First elected:**	**Current term expires:**	**Number of shares held at December 31, 2024:**
French Born in 1975	Compagnie Générale des Établissements Michelin 23, place des Carmes Déchaux 63000 Clermont-Ferrand - France	December 14, 2020	2028	459

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Jean-Christophe Laourde is an employee of Manufacture Française des Pneumatiques Michelin, where he is a service designer in the Road Transportation Services & Solutions marketing department. He began his career with the Michelin Group in 1998 and held a variety of positions in sales in France, before becoming Forecast Manager for Supply Chain Europe.

He has also held positions in Distribution Development Management for France and in Benelux.

In addition, he served as the central union representative for the CFE-CGC at Michelin in France between 2016 and 2020.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

None

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

None

THIERRY LE HÉNAFF

Independent member of the Supervisory Board – Senior Independent Member of the Supervisory Board – Member of the Compensation and Appointments Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1963	Arkema 420, rue d'Estienne d'Orves 92700 Colombes - France	May 18, 2018	2026 (Annual Shareholders Meeting called to approve the 2025 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Thierry Le Hénaff is currently Chairman and Chief Executive Officer of Arkema[(1)].

After starting his career with Peat Marwick Consultants, in 1992 he joined Bostik, Total's Adhesives Division, where he held a number of operational positions in France and worldwide. In July 2001, he was appointed Chairman and Chief Executive Officer of Bostik Findley, the new entity resulting from the merger of Total S.A.'s and Elf Atochem's Adhesives divisions. On January 1, 2003, he joined Atofina's Executive Committee, with responsibility for three divisions (Agrochemicals, Fertilizers and Thiochemicals) as well as three corporate departments. Then, in 2004, he joined the Executive Committee of the Total group[(1)]. He was named Chairman and Chief Executive Officer of Arkema on March 6, 2006. He has sat on the Board of Directors of the École Polytechnique Foundation since 2016.

Thierry Le Hénaff holds engineering degrees from École Polytechnique and École Nationale des Ponts et Chaussées, and a Master's degree in Industrial Management from Stanford University in the United States. He holds the titles of *Chevalier de l'Ordre national du mérite* and *Chevalier de l'Ordre national de la Légion d'honneur*.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Chairman and Chief Executive Officer of Arkema[(1)]
- Chairman of the Board of Directors of Arkema France

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020 -2024

- Chairman and Chief Executive Officer of Arkema[(1)]
- Chairman of the Board of Directors of Arkema France

(1) Listed company.

MONIQUE LEROUX

Independent member of the Supervisory Board – Chair of the Corporate Social Responsibility – Committee Member of the Audit Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
Canadian Born in 1954	Michelin 112, avenue Kléber 75016 Paris - France	October 1, 2015	2026 (Annual Shareholders Meeting called to approve the 2025 financial statements)	4,000

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Companion of the Canadian Business Hall of Fame and Investment Industry Hall of Fame, Monique Leroux is a company director. She sits on the Boards of Directors of Bell (BCE)(1) and Couche-Tard (ATD)(1). She contributes to these boards and committees her wide-ranging experience, acquired for example as an audit partner of EY (Canada) and as Chair of the Board and Chief Executive Officer of Mouvement Desjardins from 2008 to 2016.

Monique Leroux is a Companion of the Order of Canada, an Officer of the Ordre national du Québec, a *Chevalier de la Légion d'honneur* (France) and a recipient of a Woodrow Wilson Award (United States). She has been inducted as a Fellow of the Canadian Order of Certified Public Accountants and Fellow of the Canadian Institute of Corporate Directors, and has been awarded honorary doctorates from 12 Canadian universities in recognition of her contribution to the business sector and also to the community.

Monique Leroux chaired Canada's National Industrial Strategy Board in 2020 as part of a special mandate from the Canadian government on economic recovery, and also chaired the Board of Directors of Investissement Québec from 2016 to 2020. She also served as a member of the Board of Directors of S&P Global from 2016 to 2022.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Member of the Board of Directors of Couche-Tard(1)
- Member of the Board of Directors and Chair of the Governance Committee of Bell/BCE(1)
- Other private and community activities:
  - Member of Lallemand and Lhoist (privately owned companies)
  - Part-time (non-executive) advisor to Teneo

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Chair of the Board of Directors of Investissement Québec *(until July 2020)*
- Member of the Board of Directors of S&P Global(1) *(until May 2022)*
- Member of the Board of Directors of Couche-Tard(1)
- Member of the Board of Directors and Chair of the Governance Committee of Bell/BCE(1)
- Other private and community activities:
  - Part-time (non-executive) advisor to Fiera Capital (until June 2023)
  - Member of Lallemand and Lhoist (privately owned companies)
  - Part-time (non-executive) advisor to Teneo *(since July 2023)*

(1) Listed company.

DELPHINE ROUSSY

Non-independent member of the Supervisory Board representing employees (non-executive) – Member of the Compensation and Appointments Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1982	Compagnie Générale des Établissements Michelin 23, place des Carmes Déchaux 63000 Clermont-Ferrand - France	December 14, 2020	2028	1,159

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Delphine Roussy is an employee of Manufacture Française des Pneumatiques Michelin, where she is Deputy Director in charge of Acquisitions & Integrations within the Corporate Planning, Prevention, Protection Department.

She is a graduate of Supélec and the Georgia Institute of Technology in Atlanta. In 2011, she joined the Michelin Group after having had several positions in the field of intellectual property.

She was a member of the CFDT trade union's advisory delegation to the Regional Economic, Social and Environmental Council (CESER) for the Auvergne-Rhône-Alpes region from 2018 to 2020 and represented the CFDT within the Michelin organization in various capacities (employee representative, member of the Committee on Health, Safety & Working Conditions, trade union representative) between 2014 and 2020.

She has followed the "Certified Corporate Director" training program organized by Sciences Po and Institut Français des Administrateurs.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

None

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

None

WOLF-HENNING SCHEIDER

Independent member of the Supervisory Board – Member of the Audit Committee – Member of the Corporate Social Responsibility Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
German Born in 1962	Michelin 112, avenue Kléber 75016 Paris - France	May 21, 2021	2025 (Annual Shareholders Meeting called to approve the 2024 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Since 2023, Wolf-Henning Scheider has been a member of the Executive Committee of Partners Group AG[(1)], responsible for private placements, and Executive Director for Sustainability.

He studied at Saarbruck University and RWTH Aachen University, graduating in Business Administration and Economics. He began his career with the Bosch group[(1)], holding various management positions in Germany and several other countries, including France where he spent over four years. Between 2010 and 2015, he served as a member of the Executive Committee of Robert Bosch GmbH, with overall responsibility for the Automotive group, OEM sales, and Group Sales and Marketing. From 2015 to 2018, he was Chief Executive Officer of the Mahle group[(1)]. Wolf-Henning Scheider was Chairman of the Board of Management and Chief Executive Officer of ZF Friedrichshafen AG[(1)] Listed company. (ZF group), a German group that is a global leader in automotive, transportation and mobility technologies, from 2018 to early 2023.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Member of the Executive Committee of Partners Group AG (Switzerland)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Member of the Board of Directors of VDA German Association of the Automotive Industry *(until November 2022)*
- Chairman of the Board of Management and Chief Executive Officer of ZF *(until January 2023)*
- Member of the Executive Committee of Partners Group AG (Switzerland) *(since January 2023)*

(1) Listed company.

JEAN-MICHEL SEVERINO

Independent member of the Supervisory Board – Chairman of the Compensation and Appointments Committee – Member of the Corporate Social Responsibility Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1957	Investisseurs et Partenaires 9, rue Notre Dame des Victoires 75002 Paris - France	November 12, 2020	2026 (Annual Shareholders Meeting called to approve the 2025 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Jean-Michel Severino is a former student of École Nationale d'Administration. He graduated from ESCP Business School and Institut d'Études Politiques in Paris, and has a Master's degree in economics and a bachelor's in law. He is a member of the General Inspectorate of Finance and was a development director at the French Ministry of Cooperation and Development, Vice-President East Asia at the World Bank and Chief Executive Officer at the French Development Agency.

He is Chairman of the Supervisory Board of Investisseurs et Partenaires (I&P), an investment firm specialized in financing for African SMEs and start-ups.

He is also Vice President and a Senior Fellow of the Foundation for Studies and Research on International Development (FERDI), a French think tank engaged in international discussions on sustainable development matters, and a member of the French Academy of Technologies.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Chairman of the Board of Directors of IPAE
- Member of Board of Directors of I&P Gestion
- Member of Board of Directors of Phitrust Impact Investors
- Chairman of Emergences Développement
- Chief Executive Officer and Chairman of the Supervisory Board of Investisseurs et Partenaires (I&P)
- Vice President of the Foundation for Studies and Research on International Development (FERDI)
- Chairman of the Véolia Critical Friends Committee (set up to advise Véolia's Executive Management on the Group's non-financial risks and opportunities)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Chairman of the Board of Directors of EBI SA *(until April 2021)*
- Manager of Investisseurs et Partenaires (I&P) *(until October 2021)* then Chairman of the Supervisory Board
- Member of the Board of Directors of Adenia Partners (Mauritius) *(until December 2021)*
- Manager of I&P SARL and I&P Conseil *(until December 2021)*
- Senior Independent Director and Chairman of the Governance Committee of Danone SA[(1)] *(until April 2022)*
- Member of the Board of Directors and member of the Audit Committee of Orange SA[(1)] *(until May 2023)*
- Chairman of the Board of Directors of IPAE
- Member of the Board of Directors of I&P Gestion
- Member of the Board of Directors of Phitrust Impact Investors
- Chairman of Emergences Développement
- Chief Executive Officer and Chairman of the Supervisory Board of Investisseurs et Partenaires (I&P)
- Vice President of the Foundation for Studies and Research on International Development (FERDI)
- Chairman of the Véolia Critical Friends Committee (set up to advise Véolia's Executive Management on the Group's non-financial risks and opportunities)

(1) Listed company.

CATHERINE SOUBIE

Independent member of the Supervisory Board – Member of the Audit Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1965	Michelin 112, avenue Kléber 75016 Paris France	May 17, 2024	2028 (Annual Shareholders Meeting called to approve the 2027 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Catherine Soubie is CEO of the Arfilia group of companies specializing in information, consulting and business services.

She is a graduate of École Supérieure de Commerce de Paris.

Catherine Soubie began her career in 1989 at Lazard, first in London and then in Paris, where she was appointed Financial Affairs Manager. She then held various positions at Morgan Stanley in Paris, including Managing Director. From 2005 to 2010, she was Deputy CEO of Rallye (retail). In 2010, she joined Barclays as Managing Director, Head of Investment Banking for France, Belgium and Luxembourg until September 2016.

She is also an independent director of several listed companies.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- CEO of Arfilia
- Independent member of Sofina's Board of Directors and Compensation and Appointments Committees[(1)]
- Independent member of Covivio's Board of Directors and Compensation and Appointments Committee[(1)]

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Independent member of Board of Directors of Clariane[(1)] *(until June 2024)*
- CEO of Arfilia
- Independent member of Sofina's Board of Directors and Compensation and Appointments Committees[(1)]
- Independent member of Covivio's Board of Directors and Compensation and Appointments Committee[(1)]

(1) Listed company.

PASCAL VINET

Independent member of the Supervisory Board – Member of the Compensation and Appointments Committee

Nationality:	Business address:	First elected:	Current term expires:	Number of shares held at December 31, 2024:
French Born in 1962	Michelin 112, avenue Kléber 75016 Paris France	May 17, 2024	2028 (Annual Shareholders Meeting called to approve the 2027 financial statements)	1,600

BIOGRAPHICAL DETAILS – PROFESSIONAL EXPERIENCE

Pascal Vinet has served as Executive Vice-President of the Air Liquide group(1) since 2023. In 2024, he oversaw the Europe Industries Hub, the Africa/Middle East/India Hub, the Industrial Merchant World Business Line, the Group Safety & Industrial Systems corporate function and the Group's Industrial Division.

His educational background is in engineering and he holds a PhD in physics from École Centrale de Lyon. Pascal Vinet joined Air Liquide(2) in 1986 after having worked for NASA in the United States. In 1995, he was appointed CEO of Air Liquide Australia, before becoming Chief Operating Officer of the Group's Industrial Merchant Business Line in France in 1998. In 1999, he became Vice President for Research & Development, before being appointed President of the Group's Industrial Merchant Business Line in the United States in 2002.

In 2005, he was appointed Vice President in charge of Group corporate operations (Operations Control, Strategic Planning, Procurement, IT). He became Vice President overseeing global operations for Air Liquide Healthcare in 2010 and joined the Executive Committee in this capacity in 2011. In 2016, he became CEO of Airgas, the subsidiary operating Air Liquide's Industrial Merchant and Healthcare Business Lines in the United States, just after its acquisition by the Group. In 2021, he was appointed Senior Vice President overseeing the Europe Industries Hub, the Africa/Middle East/India Hub and Group Safety & Industrial Systems. In 2023, he became Executive Vice President overseeing the Europe Industries Hub, the Africa/Middle East/India Hub, the Industrial Merchant World Business Line and Group Safety & Industrial Systems.

EXPERTISE

See section 2.1.3.3 for details.

DIRECTORSHIPS AND OTHER POSITIONS HELD AT DECEMBER 31, 2024

- Member of the Board of Directors of SEPPIC
- Member of the Board of Diretors and President of the European Industrial Gases Association (EIGA)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE LAST FIVE YEARS

2020-2024

- Member of the Board of Directors and Chairman of Air Liquide Middle East *(until June 2024)*
- Member of the Board of Directors of AIRGAS *(until December 2024)*
- Member of the Board of Directors of SEPPIC
- Member of the Board of Directors and President of the European Industrial Gases Association (EIGA)

(1) Listed company.

2.1.4 INTERACTIONS BETWEEN THE VARIOUS GOVERNANCE STRUCTURES

The shared objective of all members of the Company's governance, i.e., the Non-Managing General Partner (SAGES), the Managers and the Supervisory Board, is to ensure harmonious and efficient interactions in the interest of the Group and its shareholders. This implies that tasks and responsibilities are distributed among members in a manner that complies with the Company's Bylaws and the recommendations in the AFEP/MEDEF Code as applicable to partnerships limited by shares. It is in this vein that the participants in the governance system agreed upon the following:

Succession process

In accordance with the Company's Bylaws, each Manager is appointed for an initial term of four years by the Shareholders Meeting on the proposal of the Non-Managing General Partner (SAGES), made after consulting the Supervisory Board. Their appointment is subsequently renewable by decision of SAGES, with the Supervisory Board's agreement.

- the Manager succession process is led by SAGES, which formally consults the Supervisory Board concerning its proposals. A candidate selection process is submitted by SAGES to the Managing Chairman and Managing General Partner and to the Supervisory Board, presenting the different selection phases, the selection criteria and an overview of the various internal and external candidates;
- the Supervisory Board, which oversees the work of the Compensation and Appointments Committee in reviewing the Executive Committee succession plans drawn up by the Managers, presents the results of the review to SAGES between 12 and 18 months before the start of the process and ensures that the plans cover diverse profiles;
- SAGES, the Managing Chairman and Managing General Partner and the Supervisory Board agree on the selection criteria for a future Manager and a recruitment firm is selected by SAGES from a list drawn up by mutual agreement, to support each step of the process.

Compensation process

- Compensation policy:
  - at the start of each financial year, the Managers present proposals to the Compensation and Appointments Committee concerning the performance criteria and targets to be used to determine their annual and long-term variable compensation (performance shares). After discussing the presentation with the Managers, the Committee analyzes these proposals and examines all the components of the Managers' compensation, taking into account the compensation and employment conditions of Michelin employees, the practices of other CAC 40 companies and relevant benchmarks;
  - the Compensation and Appointments Committee shares its conclusions with the Non-Managing General Partner (SAGES) and presents its recommendations to the Supervisory Board;
  - the Supervisory Board discusses the recommendations of the Compensation and Appointments Committee, and decides on the criteria and objectives to be used to determine the annual and long-term variable compensation of the Managers for the current fiscal year;
  - the General Partners then meet to set the compensation policy for the Managers for the current year and to formalize, subject to adoption by the Ordinary Shareholders Meeting of the corresponding resolutions (i) for the Managing General Partner, by way of an agreement between the General Partners, the portion of the earnings for the current year that may be allocated to the Managing General Partner as annual variable compensation within the limits set by the Bylaws, and (ii) for the General Manager, by way of a decision of the General Partners, the annual compensation components concerning him; said agreement and decision taking into account and integrating the performance criteria and annual variable compensation objectives set by the Supervisory Board, after consultation and deliberation by the latter;
  - the Managing Chairman, after confirming the approval of the Non-Managing General Partner (SAGES), submits the corresponding draft resolutions to the Ordinary Shareholders Meeting under the conditions set out in the applicable regulations;
  - once the compensation policy has been approved by the Ordinary Shareholders Meeting, (i) for the Managing General Partner, the General Partners sign an agreement determining the share of consolidated net income attributable to the Managing General Partner after application of the criteria and objectives for determining his annual variable compensation, and (ii) for the General Manager, the General Partners sign the decision concerning his annual compensation, including the definition of the criteria and objectives applied to determine his annual variable compensation;
  - in the second half of the year, during the process to determine the performance shares to be granted to employees of Group companies, the Supervisory Board decides on the conditions, criteria and objectives to be applied for the granting of performance shares to the Managers by decision of the General Partners. The Supervisory Board's decision takes into account the Company's compensation policy and the authorization given by the Shareholders Meeting, in compliance with the applicable regulations.

- Performance assessment:
  - at each year-end, the Managers report to the Compensation and Appointments Committee on the achievement of prior-year objectives used to determine their annual and long-term variable compensation, with performance in relation to quantitative financial criteria[1] reviewed by the Statutory Auditors,
  - the Compensation and Appointments Committee analyzes the performance data, shares its conclusions with the Non-Managing General Partner (SAGES) and presents its recommendations to the Supervisory Board;
  - the Supervisory Board then discusses the results of the Compensation and Appointments Committee's analysis of actual performance in relation to objectives and the Committee's recommendations;
  - the Managing Chairman submits the compensation components and the corresponding proposed resolutions to the Ordinary Shareholders Meeting and also seeks the approval of the Non-Managing General Partner (SAGES), in compliance with the applicable regulations and according to the specified procedure;
  - once the compensation components have been approved by the Ordinary Shareholders Meeting, the variable compensation components are paid or delivered to the Managers, with the Managing General Partner's annual variable compensation deducted from his share of consolidated net income attributable to the General Partners in accordance with the Company's bylaws.

2.1.5 STATEMENTS

The Managers and the members of the Supervisory Board do not have any close family ties.

To the best of the Company's knowledge, neither Michelin's Managers nor any Supervisory Board member has, in the past five years, been (i) convicted of fraud, (ii) associated with a bankruptcy, receivership or liquidation, (iii) the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

No Supervisory Board member and neither of Michelin's Managers has a service contract with the Company or any of its subsidiaries.

There are no:

- arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which they were selected as a Manager or as a member of the Supervisory Board;
- conflicts of interest between the duties to the Company of the Managers and their private interests and/or other duties;
- conflicts of interest between the duties to the Company of the Supervisory Board members and their private interests and/or other duties[2];
- restrictions accepted by these persons on the disposal of their Michelin shares within a certain period of time, except for those resulting from market abuse regulations and the specific rules applicable to the Managers.

(1) For 2024, including net income, segment operating income, structural free cash flow, sales growth excluding tires and distribution, and full ROCE.
(2) See detailed disclosures in the Corporate Governance Report presented in section 2.2.6 of the 2024 Universal Registration Document.

2.2 SUPERVISORY BOARD PRACTICES – ACTIVITIES IN 2024

2.2.1 GENERAL ACTIVITIES

In addition to the seven meetings initially scheduled, the Board held one further meeting in 2024, primarily to review progress on certain significant projects.

The issues examined by the Supervisory Board – based on presentations by the Managers or by members of the entities concerned – were as follows:

- Update on the Group's business and financial position:
  - quarterly financial information, interim and annual results, scorecards, corresponding press releases and recommended dividend; in particular, the Board examined the 2023 financial statements at its February 9, 2024 meeting;
  - internal control and risk management systems, including the report on the annual review of cybersecurity risks;
  - acquisition, disposal and capital expenditure projects in progress and updates on M&A transactions (several meetings);
  - planned issues under the Euro Medium Term Notes (EMTN) program.
- Strategic overview:
  - strategy seminar (several meetings): detailed business review focused on each of the three development objectives, acquisition projections, 2030 strategic plan;
  - social and people aspects, including the Group's living wage policy and Michelin One Care program, a common social protection base for all Group employees, and deployment of the People in Motion individual and collective performance management program;
  - brand strategy, including the results of the brand transformation program and a new brand campaign focused on innovation;
  - Group supply chain, including the current situation, the challenges and future developments;
  - preparation of the Capital Markets Day for investors.
- Corporate officers' compensation:
  - results of the performance criteria used to determine the Managers' variable compensation for 2023;
  - 2024 variable compensation criteria and performance objectives for the Managers and performance share plan criteria.
- Group compensation policies.
- Manager succession plan (see section 2.1.4 of this report): ongoing process conducted jointly with the Chairman of the Non-Managing General Partner (several meetings).
- Changes in the membership of the Group Executive Committee.
- Membership and practices of the Supervisory Board and its Committees:
  - review of members standing for re-election to the Supervisory Board;
  - changes in the membership of the Committees of the Board following the re-election/election of Supervisory Board members;
  - Supervisory Board members' independence;
  - assessment of Supervisory Board practices;
  - preparation of the Corporate Governance Report and the Annual Shareholders Meeting.
- Shareholder dialogue:
  - the annual Governance Roadshow organized with the main investors (presentation of Michelin's governance and discussion of the social, societal and environmental challenges)[1];
  - the Annual Shareholders Meeting (particularly the presentation on climate issues, in addition to the Managers' presentation of the Group's climate strategy and the main initiatives and achievements in this area);
- Reports of the Audit Committee, Compensation and Appointments Committee and Corporate Social Responsibility Committee.

Part of each Supervisory Board meeting took place behind closed doors, without the Managers being present.

In addition, the independent members of the Board held an executive session.

During the year, the Chair of the Supervisory Board continued to:

- Coordinate and lead the work of the Board, especially the activities listed in the Bylaws;
- Actively participate in the Company's governance, in particular:
  - through continuous contact and regular meetings with the Managers, as well as with the Chairman of the Non-Managing General Partner (SAGES), to ensure seamless governance,
  - by regularly proposing and implementing better interactions on the Board, drawing on her or his experience and the proposals resulting from periodic assessments of Supervisory Board practices,
  - by talking directly to investors about the characteristics of Michelin's governance during the Governance Roadshow.

(1) Presentation available on the Group's website www.michelin.com.

2.2.2 SUPERVISORY BOARD MEMBERS' ATTENDANCE RATES

The Supervisory Board met eight times in 2024 – on February 9, March 15, April 23, May 17, July 23 and 24, October 7, 8 and 22 and December 11.

Substantially all the scheduled meetings took place over a whole day[1].

The Chair of the Supervisory Board and the Chairman of the Compensation and Appointments Committee ensure that Board members comply with their commitments in terms of availability to carry out their duties under the best possible conditions.

The overall attendance rate at Board and Committee meetings was 98.3% (excluding the Board meetings of March 15 and October 8, which were not scheduled at the beginning of the year).

The members' individual participation rates are presented in the table below:

	Participation at meetings scheduled in 2024[1]			
Supervisory Board members	**Supervisory Board**	**Audit Committee**	**Compensation and Appointments Committee**	**Corporate Social Responsibility Committee**
Barbara Dalibard	100%	N/A	N/A	N/A
Jean-Pierre Duprieu[2]	100%	N/A	100%	N/A
Aruna Jayanthi	100%	100%	N/A	N/A
Anne-Sophie de La Bigne[3]	100%	N/A	100%	100%
Patrick de La Chevardière	100%	100%	N/A	N/A
Jean-Christophe Laourde	100%	N/A	N/A	100%
Thierry Le Hénaff[4]	85.7%	N/A	100%	N/A
Monique Leroux	100%	100%	N/A	100%
Delphine Roussy	100%	N/A	100%	N/A
Wolf-Henning Scheider[5]	85.7%	100%	N/A	66.8%
Jean-Michel Severino[6]	100%	N/A	100%	100%
Catherine Soubie[7]	100%	100%	N/A	N/A
Pascal Vinet[8]	100%	N/A	100%	N/A

(1) Excluding unscheduled meetings (one Board meeting, two Audit Committee meetings and two Corporate Social Responsibility Committee meetings).
(2) Jean-Pierre Duprieu participated in all meetings of the Supervisory Board and the Compensation and Appointments Committee (as its Chairman) held up to the end of his term, which expired in May 2024.
(3) Anne-Sophie de La Bigne participated in all meetings of the Supervisory Board, the Compensation and Appointments Committee and the Corporate Social Responsibility Committee up to the end of her term, which expired in May 2024.
(4) Thierry Le Hénaff was absent from one meeting of the Supervisory Board.
(5) Wolf-Henning Scheider was absent from one meeting of the Supervisory Board and attended all meetings of the Audit Committee; he was absent from one meeting of the Corporate Social Responsibility Committee held in the period from May 2024 when he was appointed to this Committee.
(6) Jean-Michel Severino participated in all meetings of the Supervisory Board and the Corporate Social Responsibility Committee; he also participated in all meetings of the Compensation and Appointments Committee held in the period from May 2024 when he was appointed to this Committee.
(7) Catherine Soubie participated in all meetings of the Supervisory Board and the Audit Committee held in the period from May 2024 when she joined the Board and the Committee.
(8) Pascal Vinet participated in all meetings of the Supervisory Board and the Compensation and Appointments Committee held in the period from May 2024 when he joined the Board and the Committee.

(1) One meeting took place over two days and two meetings lasted less than a whole day.

2.2.3 TRAINING FOR SUPERVISORY BOARD MEMBERS

As part of its training policy for Supervisory Board members, during the year the Company once again organized a special training program on the Group's operations. The program gave all of the Supervisory Board members an opportunity to acquire or refresh their hands-on insight into how Michelin's various businesses are run.

The Board members took part in a training seminar on artificial intelligence presented by the Vice President, Digital Transformation and Information Systems, primarily covering generative AI, the opportunities and challenges associated with the use of AI in the Group's various processes and businesses, AI strategy and the stages in the transformation and deployment process.

The Board members also paid a two-day visit to a major manufacturing facility in Asia. Their visit featured presentations by the main local executives responsible for operations in the plant's host region (Regional Director, Manufacturing Director, Human Resources Director) and the plant Manager on various topics including:

- the Group's major strategic deployment initiatives in the region;
- the key features of the plant's activities, including its product portfolio;
- local social and people matters, including human resources management strategies covering such matters as employee engagement, diversity and social protection;
- the plant's operational excellence practices and technical innovations;
- local environmental and climate initiatives.

All the Supervisory Board members are also members of at least one Committee of the Board and as such, they also received training provided by internal or external specialists in the matters addressed by the Committee(s) concerned. Training topics included the Corporate Sustainability Reporting Directive (CSRD), the Regulation on Deforestation-free Products EUDR) and the Corporate Sustainability Due Diligence Directive (CS3D) (see the reports on the Committees' activities in sections 2.2.9 to 2.2.11 of this report).

All these seminars help the Supervisory Board members to maintain and develop their expertise. And they may also receive training as part of their professional or other activities, which may be taken into account in the presentation of their expertise in sustainability matters (see the expertise matrices in section 2.1.3.3 of this report).

Immediately after their election, the two new members of the Supervisory Board elected at the Annual Shareholders Meeting of May 17, 2024 followed the comprehensive induction program for new members, comprising:

- interviews with the Executive Vice Presidents of the Business Lines and the Manufacturing Department, who presented their respective activities;
- interviews with the Managers, who provided insight about the Group's strategies and financial metrics;
- presentations by several managers of the Group's management system and the components of its main management indicators;
- interviews with the Executive Vice President, Research and Development, who is a member of the Executive Committee, the Senior Vice President, Advanced Research, the Senior Vice President, B2C Development, and the Senior Vice President, Scientific Communication and Innovations, who presented the Group's innovation strategy and R&D activities, including its work on non-tire-related materials, and led a guided tour of the Group's main R&D center and tire performance test area.

These topic-specific presentations, along with those made during the year at Supervisory Board meetings by members of executive management and their teams, are welcomed by Supervisory Board members as a means of deepening their understanding of activities and implementation of the Michelin in Motion strategy.

2.2.4 SUPERVISORY BOARD SUCCESSION PLANS AND PREPARATION OF PROPOSALS AND RECOMMENDATIONS FOR THE RE-ELECTION OF SUPERVISORY BOARD MEMBERS AT THE 2025 ANNUAL SHAREHOLDERS MEETING

The Supervisory Board asked the Compensation and Appointments Committee to review the expiry dates of incumbent members' terms.

In line with the objectives of its 2024 diversity policy, as described in its 2023 report (section 2.1.3.3), in 2023 the Committee members enlisted the help of a leading executive search firm to identify, short-list and interview candidates with experience in finance and the management of industrial companies, acquired in an international environment.

The candidates selected by the Supervisory Board[1] from the short-list presented by the Compensation and Appointments Committee were proposed for election to the Board at the Annual Shareholders Meeting of May 17, 2024, which adopted the related resolutions.

The Supervisory Board considers that its members present the good mix of complementary skills and expertise needed for the Board to fulfill its duties.

Concerning the Supervisory Board members whose term expires at the end of the 2025 Annual Shareholders Meeting, the Committee's procedures and recommendations are presented in the Supervisory Board's report on the resolutions to be submitted to the Annual Shareholders Meeting (see section 7.2 of this 2024 Universal Registration Document).

The Committee also continued to implement the succession plan for Board members in preparation for future elections or re-elections.

2.2.5 ACTIVITIES OF THE SENIOR INDEPENDENT SUPERVISORY BOARD MEMBER

Although in a partnership limited by shares (*société en commandite par actions*), none of the Managers (who are equivalent to executive officers in a joint stock corporation) may also serve as Chair of the Supervisory Board. The Board nevertheless decided to create the position of Senior Independent Member in 2017.

This role, given to an independent Board member, mainly covers the following responsibilities specified in the Board's internal rules:

- organize executive sessions among the independent members;
- chair and lead the sessions;
- report on his or her activities to the Board at least once a year;
- meet with the Chair of the Board to inform him or her of all or some of the views or wishes expressed by the independent members during executive sessions;
- propose the inclusion of additional items on the agenda of Supervisory Board meetings;
- call and chair Supervisory Board meetings and set the agenda if the Chair of the Board is unable to perform this task;
- meet with the Managing Chairman to inform him of all or some of the views or wishes expressed by the independent members during executive sessions, after informing the Chair of the Supervisory Board;
- receive information about any material comments on governance issues made by significant shareholders and participate in communications with shareholders alongside the Chair of the Supervisory Board or the Managing Chairman.

Thierry Le Hénaff has served as Senior Independent Member since July 2020.

In 2024, Thierry Le Hénaff organized and chaired one executive session of independent Supervisory Board members, held without the Managers (equivalent to executive directors) being present.

The main positive factors identified during this session were as follows:

- management's transparency and openness, and the quality of discussions with the Supervisory Board members;
- the professionalism demonstrated by the Committees of the Board and the articulation of their work;
- the independent members' positive assessment of succession planning and other talent management processes and exchanges with the people concerned.

Identified areas for improvement concerned the need to pursue:

- strategic discussions on M&A issues (diversifications and synergies) and value creation;
- presentations and training on CSR issues, to help the Supervisory Board members maintain and develop expertise in these areas.

The Supervisory Board set time aside at its meeting in the second half of 2024 to hear Thierry Le Hénaff's report on this session.

(1) Election of two new members (Catherine Soubie and Pascal Vinet) to replace two incumbent members who did not stand for re-election (Anne-Sophie de La Bigne and Jean-Pierre Duprieu) and re-election of one incumbent member (Patrick de La Chevardière).

2.2.6 SUPERVISORY BOARD MEMBERS' INDEPENDENCE AND ANY CONFLICTS OF INTEREST

The Supervisory Board has chosen to refer exclusively to the criteria listed in the AFEP/MEDEF Code for its assessment of its members' independence. The AFEP/MEDEF Code recommends that a majority of the members of the Supervisory Board should be independent and without any vested interests (i.e., with no relationship of any kind whatsoever with the Company or its management which might risk coloring the member's judgment).

The Supervisory Board's internal rules also explicitly stipulate that its members are required to inform the Supervisory Board of any potential or existing conflict of interest and are banned from taking part in the discussion and voting on the matters concerned.

In the first phase, the Compensation and Appointments Committee ensures that each Supervisory Board member has formally declared, in relation to the provisions and abstention obligations of the Board's internal rules[1], that:

- they have no close family ties with their fellow Supervisory Board members;
- they have not, in the past five years, been (i) convicted of fraud, (ii) associated with a bankruptcy, receivership or liquidation, (iii) the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer;
- they do not have a service contract with the Company or any of its subsidiaries[2];
- they have not been selected to serve as a corporate officer of the Company pursuant to any arrangement or agreement with a principal shareholder, customer, supplier or other stakeholder;
- to the best of their knowledge, there are no restrictions on the disposal within a certain period of time of their Michelin shares, except for those resulting from insider dealing rules;
- to the best of their knowledge, there are no conflicts of interest between their obligations towards the Company in their capacity as corporate officer and their personal interests and/or other obligations.

Where applicable, the Committee also checks any notifications given to the Board by its members.

In the second phase, to complete the earlier statements and observations, the Committee:

- checks that none of the Board members had been an auditor of the Company during the past five years;
- reviews the period served on the Supervisory Board by members since they were first elected, in particular for members who have served on the Board for 12 or more years;
- checks that no Board member has received any variable compensation in cash or shares or any other performance-based compensation from the Company or the Group[2].

In addition, the Committee examines whether any Board member:

- is or has been in the past five years an employee or executive officer of the Company, or an employee or executive officer of its parent or a company that the latter consolidates;
- is an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office for less than five years) is a director;
- is a customer, supplier, investment banker or commercial banker:
  - that is material to the Company or a Group company, or
  - that depends on the Company or the Group for a significant part of its business.

In the third phase, the Committee reviews the situation of Supervisory Board members who may personally conduct significant amounts of business with the Company or be involved with undertakings that may maintain significant business relations with the Company.

In each case, the Committee starts by examining the nature of the Supervisory Board member's duties in the undertaking concerned, particularly whether they hold a non-executive position such as member of the Board of Directors or Supervisory Board, whether they are qualified as independent by that undertaking and whether they share any cross-directorships with an executive officer of the Company.

(1) When the Compensation and Appointments Committee assesses the independence of one of its members, that member does not take part in the Committee's discussion and analysis of his or her situation nor in the Supervisory Board's decision regarding his or her independence.
(2) Excluding the Supervisory Board members representing employees.

Where a Board member holds an executive or management position, the Committee examines the nature and scope of the member's duties and, if the undertaking is a material competitor, customer or supplier of the Company, assesses whether the position may give rise to a conflict of interest between that undertaking and the Company.

In line with the Supervisory Board's standard practice, if information that is considered sensitive for both Michelin and the undertaking concerned is presented to the Supervisory Board, the Board member concerned steps aside during the communication and discussion of said information and the related decision, in line with the Board's internal rules.

When considered necessary, the Committee reviews the conclusions of the analysis of individual situations based on (i) the type of relationship that exists between the Company and the undertaking concerned and (ii) the amounts represented by financial transactions between the Company and the undertaking, applying different materiality thresholds depending on the type of relationship (revenues in relation to consolidated revenues, purchase volumes, etc.).

The Compensation and Appointments Committee conducted an independence review in early 2025. Its conclusions were presented to the Supervisory Board, which discussed and then adopted them. The review process can be summarized as follows.

The Committee examined the situation of **Anne-Sophie de La Bigne**, member of the Board until May 17, 2024, in light of her position with Airbus as Vice President in charge of Civil Affairs in the Public Affairs Division France. The Committee noted that (i) Ms. de La Bigne does not hold an executive position at Airbus with responsibility for purchasing or selling products or services and (ii) her area of responsibility is limited to France.

The Committee nevertheless decided to examine the volume of business conducted between Michelin and Airbus, as some of the latter's subsidiaries purchase products and/or services from Michelin.

Due to the structure of the aerospace markets served by the Michelin Group and the companies operating in these markets, the Committee examined its revenues earned in 2024 from the sale of products and services not only to Airbus companies but also to these companies' customers that own or lease aircraft. The revenue figure was then compared to the Michelin Group's consolidated sales for 2024. The comparison showed that the revenues in question represented a very limited part of the Group's consolidated sales in 2024.

Consequently, the Committee proposed considering that Anne-Sophie de La Bigne's indirect business relationship with Michelin by virtue of her position with the Airbus group was not material.

The Committee also examined the business relationship between Michelin and the Capgemini group, whose operations in Latin America and Canada are headed by **Aruna Jayanthi**.

Transactions between the Capgemini group and the Michelin Group for IT consulting services represent only a small proportion of the Company's purchases[1], and their contribution to the Capgemini group's revenue is not material.

Consequently, the Committee proposed considering that Aruna Jayanthi's indirect business relationship with Michelin by virtue of her position with the Capgemini group was not material.

The Committee also examined the business relationship between Michelin and Arkema, whose Chairman and Chief Executive Officer is **Thierry Le Hénaff**.

Transactions between Arkema and Michelin represent only a very small proportion of Michelin's purchases and their contribution to Arkema's revenue is not material.

As in the previous year, the Committee also examined a possible conflict of interest that could result from the proximity of certain activities of Michelin Engineered Polymers with Arkema's Specialty Materials business. Its assessment focused on Michelin's flexible elastomer composites and Arkema's adhesives, advanced materials and coating solutions.

After examining factors such as the businesses' respective characteristics, their maturity, their main scopes and target applications/markets, the Committee decided that these factors did not lead to the conclusion that Thierry Le Hénaff was permanently exposed to a material conflict of interests.

In any event, if information about these businesses that was considered sensitive for both groups was presented to the Supervisory Board, Thierry Le Hénaff would inform the Chair of the Supervisory Board and step aside during the communications, discussions and decisions concerned, in line with the Board's internal rules.

Consequently, the Committee proposed considering that Thierry Le Hénaff's indirect business relationship with Michelin by virtue of his position with Arkema does not have a material adverse effect on his independence and does not give rise to any material conflict of interests.

(1) The choice of IT consultants is systematically based on a competitive bidding process, organized at regular intervals and managed collegially by several Michelin Group entities.

Pascal Vinet, a member of the Supervisory Board since May 17, 2024, served until December 2024 as Executive Vice-President of the Air Liquide group, overseeing the Europe Industries Hub, the Africa/Middle East/India Hub, the Industrial Merchant World Business Line and the Group Safety & Industrial Systems corporate function. The Committee therefore examined Michelin's business relationship with the Air Liquide group.

Air Liquide's industrial gas supplies to Michelin represent only a small proportion of Michelin's total purchases[(1)], and their contribution to the Air Liquide group's total sales is not material.

Consequently, the Committee proposed considering that Pascal Vinet's indirect business relationship with Michelin by virtue of his position with the Air Liquide group was not material.

The Committee examined the situation of **Wolf-Henning Scheider**, member of the Executive Committee of Partners Group AG (a private equity firm), responsible for private placements and Executive Director for Sustainability, to identify any possible conflict of interest that could result from the proximity of some of Partners Group's activities to the scope of Michelin's M&A strategy.

After examining factors such as the characteristics of Partners Group's business and its markets, and Wolf-Henning Scheider's functions within the company, the Committee decided that these factors did not lead to the conclusion that Wolf-Henning Scheider was permanently exposed to a material conflict of interests.

In any event, if information about these businesses that was considered sensitive for both groups was presented to the Supervisory Board, Wolf-Henning Scheider would inform the Chair of the Supervisory Board and step aside during the communications, discussions and decisions concerned, in line with the Board's internal rules.

Delphine Roussy and **Jean-Christophe Laourde**, Supervisory Board members representing employees, are employees of MFPM. The Committee considered that they could not be qualified as independent because of the implicit requirement for them, as Michelin employees, to demonstrate loyalty to the Group.

The Committee analyzed the situation of **Barbara Dalibard**, member of the Board of Directors of Rexel and Chair of CGEM's Supervisory Board since 2021, based on the independence criterion related to the period served on the Board.

The Committee noted Barbara Dalibard's independent mindset, her experience and her conspicuous participation in the work of the Board and the regular discussions with the Managers and the Non-Managing General Partner (SAGES).

The Committee confirmed its previous analyses and considered that since Barbara Dalibard had served on the Board for an uninterrupted period of 12 years, she could no longer be considered as independent for this reason alone.

Having reviewed the Compensation and Appointments Committee's analyses, the Supervisory Board ruled that all of its members – with the exception of the members representing employees (Delphine Roussy and Jean-Christophe Laourde), and Barbara Dalibard – are independent based on the criteria in the AFEP/MEDEF Code. These independent members represent just under 89% of total Supervisory Board members (excluding employee representatives), a significantly higher proportion than the 50% recommended in the AFEP/MEDEF Code, which states that half of the Board members of widely-held corporations without controlling shareholders should be independent.

Criteria[(1)]	Barbara Dalibard	Jean-Pierre Duprieu	Aruna Jayanthi	Anne-Sophie de La Bigne	Patrick de La Chevardière	Jean-Christophe Laourde	Thierry Le Hénaff	Monique Leroux	Delphine Roussy	Wolf-Henning Scheider	Jean-Michel Severino	Catherine Soubie	Pascal Vinet
Criterion 1: Supervisory Board member representing employees in any of the past five years	✓	✓	✓	✓	✓	✖	✓	✓	✖	✓	✓	✓	✓
Criterion 2: Cross directorships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Material business relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 4: Family ties	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: Statutory Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: More than 12 years served on the Board	✖	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: Non-executive Supervisory Board member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 8: Representative of a major shareholder	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(1) *In this table, ✓ denotes an independence criterion that is met and ✖ denotes an independence criterion that is not met.*

(1) Industrial gas supply contracts are regularly put out to tender, with the choice of supplier made collegially by several Michelin Group entities.

2.2.7 ASSESSMENT OF THE SUPERVISORY BOARD'S PRACTICES

In 2024, the Board carried out a detailed self-assessment of its practices, which was extended in early 2025 when constructive discussions took place among Board members.

This exercise followed an internal self-assessment carried out in 2023 and an external assessment carried out in 2022[1].

Issues arising from the self-assessment of the Board's practices[2] were also discussed by the independent members during the Executive Session organized by the Senior Independent Member in 2024.

The following matters were covered by the 2024 self-assessment:

- Supervisory Board practices;
- Supervisory Board membership;
- assessment of individual members' contributions, including that of the Chair;
- experience and expertise represented on the Board;
- the Board's relations with the Managers, shareholders and other stakeholders;
- practices of the Committees of the Supervisory Board.

A review of this assessment was included on the agenda of the February 11, 2025 Supervisory Board meeting. During this meeting, the findings were presented to the Supervisory Board and the Managers by the Chair of the Supervisory Board. This presentation was followed by an exchange of views and a discussion among the Supervisory Board members.

The Board's overall assessment of its practices was very positive, particularly the fact that the areas for improvement noted during the last self-assessment had all been implemented. The Board noted in particular:

- the relevance of the Board's membership and its members' skillsets in relation to the Board's mission and the Company's businesses, with outgoing Board members expressing a very positive view of the expertise contributed by new members;
- the very positive assessment of the quality of dialogue among Board members and with Group management, and of the information provided to enable the Board to carry out its duties in the best possible conditions; in this regard, it was noted that the Board is a highly engaged and collegiate body that leaves plenty of time for discussions;
- the processes for preparing succession plans and assessing management performance were considered as robust, and respondents welcomed the increasing attention paid to the skills needed to deploy the Group's strategy;
- the organization of roles and responsibilities between the Board and the Audit and CSR Committees for the implementation of the CSRD is considered to be clear and appropriate;
- in a fast-moving, highly unstable environment, the Board is keen to further strengthen and refine its thinking on strategic and M&A issues.

On the recommendation of its Chair, the Supervisory Board decided to retain the services of a leading firm of consultants in 2025 to conduct another external assessment of its practices, to be coordinated by the Senior Independent Member and the Chairman of the Compensation and Appointments Committee.

The assessment will include an analysis of each member's constructive contribution, including the contributions of the Chairs of the Board and the Committees.

(1) The results of the independent assessment are presented in the 2022 Universal Registration Document, page 99.
(2) Details of the issues discussed at this meeting are provided in section 2.2.5 of this document.

2.2.8 IMPLEMENTATION OF THE “APPLY OR EXPLAIN” RULE

In accordance with Article L. 22-10-10-4° of the French Commercial Code and paragraph 28.1 of the AFEP/MEDEF Code and the corresponding implementation guidance, the Supervisory Board considers that it complies with the recommendations of the AFEP/MEDEF Code, as adapted to the Company's structure as a French partnership limited by shares (S.C.A.), which was adopted at the time of its formation in 1863, except as explained below:

AFEP/MEDEF Code recommendation	Explanation
Material transactions outside the scope of the firm's stated strategy should be subject to prior approval by the Board of Directors (Recommendation 1.9, first bullet point)	This recommendation in Article 1.9 of the AFEP/MEDEF Code (first bullet point) is not directly applicable because of the Company's legal form as a partnership limited by shares. With this type of partnership, the Managing General Partners have unlimited personal liability and their powers are completely separate from those of the Supervisory Board, with the result that the Supervisory Board has no legal authority to become involved in managing the Company. However, to (i) ensure that the Supervisory Board exercises effective oversight of the Company's management and (ii) adhere to the spirit of the AFEP/MEDEF recommendation, since 2011 the Company has amended its Bylaws[(1)], as well as the Supervisory Board's internal rules[(1)]. These internal rules state that the Supervisory Board is responsible for examining investment and external growth transactions, off-balance sheet commitments and asset disposals, and is required to issue a formal opinion in cases where the transactions are material for the Group due to their nature or associated risks. For this purpose, “material” means transactions representing at least €100 million, or at least €50 million (enterprise value) in the case of external growth transactions. This means that the Supervisory Board is automatically consulted about all projects that are material for the Group. Moreover, as it expresses an opinion on such projects, it is clearly able to report to shareholders thereon if appropriate. This approach complies with the spirit and aims of the recommendation.
Termination of employment contract in the event of becoming a corporate officer (Recommendation 22)	Due to their status and specific responsibilities, under the long-standing compensation policy applied to Managing General Partners, these partners cease to be covered by any employment contract that may have existed between them and a Group company prior to becoming Managing General Partner. This rule applies even if they have acquired considerable seniority with the Group. Consequently, Florent Menegaux no longer has an employment contract with the Company or any of its subsidiaries since he became Managing General Partner of the Company. In addition, Yves Chapot's mandate as General Manager justifies suspending his pre-existing employment contract with a Michelin group company, for the following reasons: ■ Yves Chapot is not the most senior executive officer (Manager); he reports to the Managing Chairman who, according to the Company's Bylaws, defines the Managers' areas of responsibility and any restrictions on their powers, as well as setting their annual objectives; ■ The position of General Manager is therefore similar to that of a Chief Operating Officer or a member of the Management Board of a joint stock corporation, who are not concerned by the AFEP/MEDEF Code's recommendation; ■ Yves Chapot has acquired considerable seniority, having worked for the Michelin Group without interruption since 1992; ■ If Yves Chapot were to cease to be a Manager, any compensation for loss of office or non-compete indemnity due to him would be reduced or canceled if necessary so that the total amount payable - including the termination benefit in respect of his suspended employment contract - would not exceed his final two years' total compensation.

(1) Available from the Group's website www.michelin.com.
Article 17 of the Bylaws states that “(...) The Supervisory Board is jointly and regularly informed about the Company's situation and the key issues listed in the Supervisory Board's internal rules. The Supervisory Board reports to the Shareholders Meeting on the fulfillment of its duties (...)”.

2.2.9 AUDIT COMMITTEE[1]

5 MEMBERS

60% WOMEN MEMBERS

100% INDEPENDENCE

7 MEETINGS

100% ATTENDANCE RATE

2.2.9.1 Members[2]

The Audit Committee has at least three members appointed for their full term as Supervisory Board members. At least two-thirds of the members must be independent.

The Audit Committee comprises the following members, all of whom are independent:

- Patrick de La Chevardière, Chairman;
- Aruna Jayanthi;
- Monique Leroux;
- Wolf-Henning Scheider;
- Catherine Soubie.

The qualifications and experience of the Audit Committee members at December 31, 2024 have given them extensive expertise in financial and accounting matters:

- Patrick de La Chevardière:
  - International Management: former Asia Director in Total's refining and distribution division;
  - Finance: CFO of Total for 10 years and extensive management experience as a finance professional;
  - Manufacturing: varied experience in Exploration, Production and Refining at Total, member of the Board of Directors of SLB (ex. Schlumberger).
- Aruna Jayanthi:
  - International Management: numerous international business management positions in the Capgemini group, in India, Americas and Canada;
  - IT, AI and Cyber Security: 38 years' experience in IT services companies including Tata Consulting and Aptech, management of the Capgemini software factory in India (50,000 employees).
- Monique Leroux:
  - Finance: former CEO and Chair of the Board of the Desjardins group (Banking and Insurance), former CFO of the Desjardins group, former member of the Board of S&P Global, Fellow of the Order of Chartered Professional Accountants (CPA) of Canada and former audit partner of EY, holder of Chartered Accountant (CA) and Certified Management Accountant (CMA) degrees.
  - Environment, Climate and Biodiversity[3]: member of numerous Canadian expert committees advising on climate projects (advisor on Canadian industrial strategy, G7 Impact Task Force, etc.), author of a report on the future of corporate governance in Canada (ICD/TMX), which includes major ESG recommendations.
- Wolf-Henning Scheider:
  - International Management: former CEO of ZF Friedrichshafen and Mahle, former senior executive at Bosch;
  - Manufacturing: former CEO of ZF group and Mahle, former senior executive at Bosch;
  - Environment, Climate and Biodiversity[3]: Executive Director for Sustainability at Partners Group AG; knowledge and/or expertise covering all sustainability matters identified by the Company;
- Catherine Soubie:
  - International Management: former Deputy CEO of Rallye, former Managing Director and Head of Investment Banking at Barclays France & Benelux.
  - Finance: 22 years' experience in the finance sector, including Financial Affairs Manager at Lazard, Managing Director at Morgan Stanley and Managing Director, Head of Investment Banking for France, Belgium & Luxembourg at Barclays, President of the Clariane Audit Committee.

(1) At December 31, 2024.
(2) Since May 2024. Between January and May 2024, the Committee members were: Patrick de La Chevardière, Aruna Jayanthi, Monique Leroux and Wolf-Henning Scheider (all qualified as independent members). Biographical details and other information concerning the members of this Committee of the Supervisory Board are provided in section 2.1.3.3 of this 2024 Universal Registration Document.
(3) See also the table showing the members' expertise in sustainability matters, in section 2.1.3.3 of this report.

2.2.9.2 Role and responsibilities

The Audit Committee assists the Supervisory Board in fulfilling its oversight role. It operates as a specialized committee tasked with addressing issues related to the preparation and control of accounting and financial information, as well as sustainability information, in accordance with Articles L. 821-67 *et seq.* of the French Commercial Code.

The role and responsibilities of the Audit Committee and its interactions with the other Committees are described in its internal rules, available on the Group's website www.michelin.com.

For the first sustainability reporting exercise in application of the Corporate Sustainability Reporting Directive (CSRD), including preparation of the first Sustainability Statement, the main tasks of the Audit Committee, as defined in its internal rules referred to above, were as follows:

- Internal control and risk management
  - check that internal control and risk management systems and internal audit systems exist, covering the procedures for the preparation and processing of sustainability information, and that their effectiveness is tracked;
  - assess the effectiveness and quality of the Group's internal control procedures in helping to ensure that (i) the reported sustainability information provides a true and fair view of the operations of CGEM and the Group, and (ii) it complies with accounting standards and the sustainability reporting standards that determine the information to be disclosed;
  - assess the organization of the departments responsible for internal audit and risk management;
  - track the implementation and effectiveness of risk management procedures, including bribery and corruption, influence peddling and fraud prevention and detection systems;
  - perform an overall assessment of the application of compliance rules;
  - make recommendations to guarantee these procedures' integrity;
  - review material off-balance sheet risks and commitments;
  - ensure that corrective action is taken to resolve material weaknesses or anomalies reported to the Committee, and inform the Supervisory Board if necessary;
  - ensure that financial and sustainability communications by CGEM and the Group are relevant and of a high quality;
  - in coordination with the CSR Committee, (i) ensure that CGEM's management performs a double materiality assessment of internal or external sustainability matters (Impacts, Risks and Opportunities – IRO) affecting the Group, and (ii) analyze sustainability risks for the preparation of the risk map and double materiality matrix, as well as for other purposes as needed;
  - inform the CSR Committee of the conclusions of the Statutory Auditors tasked with certifying the sustainability information.

The Audit Committee is informed of the main observations of the Statutory Auditors and internal auditors concerning the effectiveness of the internal control and risk management systems. It receives the reports of the heads of internal audit and risk management. It is given details of the internal audit program and receives the internal audit reports or an executive summary of these reports.

- Concerning the examination of sustainability information, the Audit Committee's task is to:
  - track the process for the preparation of sustainability information and, if appropriate, make recommendations to guarantee its integrity;
  - oversee the consistency of financial and sustainability information.

At the meeting of the Committee at which the sustainability information is examined, the Statutory Auditors present the key matters identified during their audit of the information.

- Concerning the work of the external auditors, the Audit Committee's task is to:
  - ensure that the Statutory Auditors fulfill their engagement for the certification of the sustainability information;
  - lead the procedures for the selection of the Statutory Auditors (or the independent third party organizations, depending on the case) and review matters relating to the appointment, re-appointment or removal of the auditors.

In 2024, the Chairman of the Audit Committee obtained assurance that the Committee's work in 2023 and 2024 enabled it to fulfill its remit as specified in French law and the AFEP/MEDEF Code.

In view of the distance they may have to travel to attend meetings and the other business commitments not only of the Supervisory Board and Audit Committee members but also of the members of Executive Management, the Audit Committee conducts its formal review of the annual and interim financial statements at least a day before they are presented to the Supervisory Board.

2.2.9.3 Activities in 2024

The Committee met seven times in 2024, on February 8, April 22 (two meetings), July 22 (two meetings) and December 10 (two meetings), including three joint meetings with the CSR Committee (including two unscheduled meetings at the beginning of the year), with an overall attendance rate of 100%.

The main purpose of the meetings held in 2024 was to review:

- The audited parent company financial statements for 2023, the parent company projections prepared in accordance with French law, and the audited consolidated financial statements for 2023, presented by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting. It noted that the audit of the accounts had gone smoothly. The Statutory Auditors reported to the Committee on their audit, noting that they would be issuing an unqualified opinion, without any emphasis of matter, on both the separate and consolidated financial statements. They also submitted their written report to the Audit Committee.
- The interim consolidated financial statements for the six months ended June 30, 2024 and the information on the parent company projections prepared in accordance with French law, presented by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting. The Committee performed a detailed review of the Group's results for the first half of 2024 and discussed with the Statutory Auditors the nature and conclusions of their work. The Statutory Auditors reported to the Committee on their review of the interim financial statements for the six months ended June 30, 2024. Their review report did not contain any qualifications or emphasis of matter.
- Preparation of the 2024 accounts closing, based on a presentation by the Manager and Chief Financial Officer, the Deputy Chief Financial Officer and the Senior Vice President, Accounting.
- Risk management and internal control systems (covering self-assessments, controls, status of action plans, a comprehensive analysis of risks and their impacts, and the 2025 action plans), presented by the Executive Vice President, Risk Management, Internal Audit and Quality and the Head of Internal Control;
- The internal audit plan and the results of audits carried out in 2024 presented at quarterly meetings of the Committee by the Group's Internal Audit and Risk Management Director.
- The proposed Audit Committee work program for 2025.
- In early 2025, the Committee met to review the audited parent company financial statements for 2024, the parent company projections prepared in accordance with French law, and the audited consolidated financial statements for 2024, presented by the Manager and Chief Financial Officer.
- The Committee's work also covered the following areas:
  - preparation of the first Sustainability Statement in compliance with the CSRD (several joint meetings with the CSR Committee): presentation by the Finance Department's head of Sustainable Finance of the work on the indicators, the structure and wording of the report, and the discussions with the auditors responsible for certifying the sustainability information; presentation, by the auditors responsible for certifying the sustainability information (at one of the meetings), of an overview of the latest regulatory changes and their audit plan;
  - double materiality assessments (several meetings, including some held jointly with the CSR Committee): progress report and review of the double materiality assessments, comprising a comprehensive review of identified IROs and the corresponding KPIs, discussions by the Manager and Chief Financial Officer, the Group's Audit and Risk Management Director and the Head of the Corporate Sustainable Development and Impact Department with the auditors responsible for certifying the sustainability information on the status of their work and their audit plan;
  - free cash flow management: presentation by the Manager and Chief Financial Officer and the Senior Vice President, Finance of initiatives to improve the forecasting and management of the Group's working capital requirement;
  - changes to the applicable guidelines on fraud risk, content of the fraud action plan and the results of investigations carried out in 2023, discussion of significant cases of fraud, presented by the Group Chief Compliance Officer;
  - analysis of incidents reported on the Group Ethics Hotline in 2023, changes to the Group's internal investigation system, report on the activities of the Group Ethics Committee and the 2024 action plans, presented by the Group Chief Compliance Officer;
  - review of the application of the Group's transfer pricing policy and changes to this policy in response to the international corporate tax reform, presented by the Senior Vice President, Tax;
  - review of Michelin's first Tax Transparency Report, published ahead of the deadline set in the Country by Country reporting (CbCR) regulations, presented by the Manager and Chief Financial Officer and the Senior Vice President, Tax;
  - recent achievements and next steps in the Group's program to transform transactional processes (stemming from the Downstream OPE Program), presented by the OPE Program Director.

The Chairman of the Audit Committee reported to the Supervisory Board on the Committee's work on February 9, April 23, July 23 and 24, and December 11, 2024.

2.2.10 COMPENSATION AND APPOINTMENTS COMMITTEE(1)

4 MEMBERS

25% WOMEN MEMBERS

100%* INDEPENDENCE

3 MEETINGS

100% ATTENDANCE RATE

* *Excluding the employee representatives.*

2.2.10.1 Members(2)

The Compensation and Appointments Committee must comprise at least three members (including the Chair of the Committee) who fulfill the criteria for classification as independent throughout their term as members of the Supervisory Board.

The current members of the Compensation and Appointments Committee are:

- Jean-Michel Severino, independent member and Committee Chairman;
- Thierry Le Hénaff, independent member and Senior Independent Member of the Supervisory Board;
- Delphine Roussy, non-independent (non-executive) member representing employees;
- Pascal Vinet, independent member.

Considering their educational and professional backgrounds, all members of the Committee have relevant expertise in the areas covered by the Committee's terms of reference:

- Jean-Michel Severino:
  - Social Environment, Human Resources and Governance(3): Director of Phitrust Impact Investors, former Senior Independent Director of Danone and former Chairman of its Governance and Compensation Committee, former member of the Governance Committee of Orange;
  - Environment, Climate and Biodiversity(3): at the French Development Agency (AFD), management of investments in the renewable energy, water and green and inclusive growth sectors; participation in numerous expert groups on these subjects at the World Bank; member of the Investment Committee of Energy Access Ventures (an African green energy fund); Chairman of Veolia's Critical Friends Committee (set up to consider the Veolia group's exposure to environmental and social risks).
- Thierry Le Hénaff:
  - International Management: Chairman and CEO of Arkema since 2006;
  - Social Environment, Human Resources and Governance(3): Chairman and CEO of Arkema (international group with over 21,000 employees in more than 55 countries).
- Delphine Roussy:
  - Social Environment, Human Resources and Governance(3): various employee representation mandates.
  - Manufacturing: Professional experience at Philips and Michelin.
- Pascal Vinet:
  - International Management(3): Executive Vice-President of the Air Liquide Group, overseeing Group Safety & Industrial Systems;
  - Manufacturing: former CEO of Airgas (Air Liquide's Industrial Merchant and Healthcare business lines in the United States) and former Executive Vice President overseeing Air Liquide’s Europe Industries hub, the Africa/Middle East/India hub and Industrial Merchant World business line.

(1) At December 31, 2024.
(2) Since May 2024. Between January and May 2024, the Committee members were: Jean-Pierre Duprieu, Chairman, Anne-Sophie de La Bigne, Thierry Le Hénaff and Delphine Roussy (all qualified as independent members except for Delphine Roussy). Biographical details and other information concerning the members of this Committee of the Supervisory Board are provided in section 2.1.3.3 of this 2024 Universal Registration Document.
(3) See also the table showing the members’ expertise in sustainability matters, in section 2.1.3.3 of this report.

2.2.10.2 **Role and responsibilities**

The role and responsibilities of the Compensation and Appointments Committee, which are described in its internal rules available on the Group's website www.michelin.com, include the following:

- executive management appointments and compensation policy;
- talent management, diversity and inclusion policy;
- the policy concerning the appointment of Managers, including career and succession plans, developed jointly with the Non Managing General Partner (SAGES)[(1)];
- the compensation awarded to the corporate officers (Managers, the Chair of the Supervisory Board and the other Supervisory Board members), discussed with the Non-Managing General Partner (SAGES)[(1)];
- the membership of the Supervisory Board and its Committees, and the succession plans for their members and Chairs.

2.2.10.3 **Activities in 2024**

The Compensation and Appointments Committee met three times in 2024 – on February 5, April 22 and October 21, with an overall attendance rate of 100%.

The Committee's work mainly covered the following issues:

- Manager succession plan (see section 2.1.4 of this report): ongoing process conducted jointly with the Chairman of the Non-Managing General Partner (several meetings);
- review of executive officers' variable compensation. At the beginning of 2024, the Committee analyzed and submitted its conclusions to the Supervisory Board concerning the achievement rates for the performance criteria applicable to the performance-based components of compensation awarded by the Company to the Managers and the Chair of the Supervisory Board for 2023, prior to these conclusions being submitted to the General Partners (SAGES, Non-Managing Partner, and Florent Menegaux, Managing Chairman); these components were put to the vote and approved at the Annual Shareholders Meeting of May 17, 2024 (8th to 10th resolutions).

  The Committee analyzed and recommended to the Supervisory Board the 2024 compensation policy for the Managers submitted to the Annual Shareholders Meeting of May 17, 2024, which approved the corresponding resolution (6th resolution).

  In early 2025, the Committee analyzed the various components of the Managers' variable compensation and noted the achievement rates for the applicable performance objectives (annual, performance shares, etc.). It then presented its conclusions and recommendations to the Supervisory Board.
- compensation of the Supervisory Board members. Based on the Committee's recommendation, the Supervisory Board examined the compensation awarded to its Chair in 2023 and decided on the compensation components to be put to the vote at the Annual Shareholders Meeting of May 17, 2024, which approved the corresponding resolutions (8th and 11th resolutions).

  The Committee analyzed and recommended to the Supervisory Board the 2024 compensation policy for the Chair and members of the Supervisory Board (including specific compensation for the duties of the Chair of the Board), submitted to the Annual Shareholders Meeting of May 17, 2024, which approved the corresponding resolution (7th resolution).
- Supervisory Board members' independence and any conflicts of interest. The Committee performed its annual review of the Supervisory Board members' independence, by examining in particular whether there were any business relationships between the members and the Company that could be qualified as material[(2)].
- executive management succession plan. The Compensation and Appointments Committee of the Supervisory Board periodically reviews the succession plans and career plans of the Group's executive management team, the Managers and current or potential future members of the Group's Executive Committee, in order to ensure a smooth succession to these positions when the time comes or to deal with any crisis situation.

  To the above ends, for several years now the Compensation and Appointments Committee has examined (i) the performance appraisals of key executives prepared by management with the assistance of independent consultants, with whom the Committee Chairman has high quality discussions, and (ii) the components, objectives and targets of the compensation awarded to the members of the Group Executive Committee, presented by management.
- talent management, diversity and inclusion. In 2024, the Compensation and Appointments Committee reviewed the changes in the membership of the Group Executive Committee, the talent management policy and the action plans to promote diversity and inclusion, at senior management level and throughout the Group.
- Supervisory Board succession plans and the recommendations concerning the proposed election/re-election of Supervisory Board members at the Annual Shareholders Meetings of May 17, 2024 and May 16, 2025. At the Supervisory Board's request, the Committee reviewed the proposed re-elections of Supervisory Board members.

(1) As explained in section 2.1.4 above.
(2) See the detailed description in section 2.2.6 of this report.

A description of the Committee's work and recommendations to the Supervisory Board is provided in:

- section 7.2 of the 2023 Universal Registration Document (Supervisory Board's report on the proposed resolutions) for the re-elections proposed at the Annual Shareholders Meeting of May 17, 2024;
- section 7.2 of the 2024 Universal Registration Document (Supervisory Board's report on the proposed resolutions) for the elections/re-elections proposed at the Annual Shareholders Meeting of May 16, 2025; and
- section 2.2.4 of this report for the follow-up of the succession plan for Supervisory Board members.

- The employee stock ownership policy. The Committee was given a presentation of the situation regarding employee stock ownership within the Group and the main characteristics of the employee stock ownership plan launched in 2024.
- The variable compensation policy. As in prior years, the Committee reviewed the Group's variable compensation and performance share policies, as well as changes to these policies.

The Chairman of the Committee reported to the Supervisory Board on the Committee's work on February 9, April 23 and December 11, 2024.

2.2.11 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE[1]

4	25%	100%*	6	93.8%
MEMBERS	WOMEN MEMBERS	INDEPENDENCE	MEETINGS	ATTENDANCE RATE

* *Excluding the employee representatives.*

2.2.11.1 Members[2]

The Corporate Social Responsibility Committee must comprise at least three members (including the Chair of the Committee) who fulfill the criteria for classification as independent throughout their term as members of the Supervisory Board.

The members of the CSR Committee are:

- Monique Leroux, independent member and Chair of the Committee;
- Jean-Christophe Laourde, non-independent (non-executive) member representing employees;
- Jean-Michel Severino, independent member;
- Wolf-Henning Scheider, independent member.

Considering their educational and professional backgrounds, all members of the Committee have relevant expertise in the areas covered by the Committee's terms of reference:

- Monique Leroux:
  - Social Environment, Human Resources and Governance[3]: Fellow of the Institute of Corporate Directors of Canada (ICD), former Chair of the Board of Investissement Québec and Desjardins Group, which promotes investment in innovative sustainable development and climate projects, Chair of the Governance and ESG Committee of BCE/Bell.
  - Environment, Climate and Biodiversity[3]: member of numerous Canadian expert committees advising on climate projects (advisor on Canadian industrial strategy, G7 Impact Task Force, etc.), author of a report on the future of corporate governance in Canada (ICD/TMX), which includes major RSE recommendations.
- Jean-Christophe Laourde:
  - Social Environment, Human Resources and Governance[3]: Employee representative mandates at Michelin, member of the Chimie AURA trade union council;
  - Environment, Climate and Biodiversity[3]: active participant in the Shift Project, Time for the Planet. Member of the Environment section of his trade union.
- Jean-Michel Severino:
  - Social Environment, Human Resources and Governance[3]: Director of Phitrust Impact Investors, former Senior Independent Director of Danone and former Chairman of its Governance and Compensation Committee, former member of the Governance Committee of Orange;
  - Environment, Climate and Biodiversity[3]: at the French Development Agency (AFD), management of investments in the renewable energy, water and green and inclusive growth sectors; participation in numerous expert groups on these subjects at the World Bank; member of the Investment Committee of Energy Access Ventures (an African green energy fund); Chairman of Veolia's Critical Friends Committee (set up to consider the Veolia group's exposure to environmental and social risks).

(1) At December 31, 2024.
(2) Since May 2024. Between January and May 2024, the Committee members were: Monique Leroux, Anne-Sophie de La Bigne, Jean-Christophe Laourde and Jean-Michel Severino (all qualified as independent members except for Jean-Christophe Laourde). Biographical details and other information concerning the members of this Committee of the Supervisory Board are provided in section 2.1.3.3 of this 2024 Universal Registration Document.
(3) See also the table showing the members' expertise in sustainability matters, in section 2.1.3.3 of this report.

- Wolf-Henning Scheider:
  - Social Environment, Human Resources and Governance[3]: Executive Director for Sustainability at Partners Group AG.
  - International Management: member of Partners Group AG's Executive Committee responsible for private placements, former CEO of ZF group and Mahle, former senior executive at Bosch. Manufacturing: former CEO of ZF and Mahle, former senior executive at Bosch.
  - Automotive and Mobility sector: former CEO of international automotive sector companies and former member of the Board of VDA (German automotive industry association).

2.2.11.2 **Role and responsibilities**

The role and responsibilities of the CSR Committee and its interactions with the other Committees are described in its internal rules, available on the Group's website www.michelin.com.

The Committee's remit covers the various aspects of corporate social responsibility and it works closely with the other Committees of the Board on matters that are of interest to them. This includes working with the Audit Committee on matters relating to the management of CSR risks and sustainability reporting.

For the first sustainability reporting exercise in application of the Corporate Sustainability Reporting Directive (CSRD), including preparation of the first Sustainability Statement, the main tasks of the CSR Committee, as defined in its internal rules referred to above, were as follows:

- review the Group's strategy, ambitions, policies and commitments in the overall area of sustainability and particularly in the following specific areas:
  - environment and climate/decarbonization,
  - human rights,
  - health, safety and security,
  - people management and social cohesion,
  - ethics and compliance,

  and make recommendations on these matters;
- ensure that the Group's strategy is aligned with its sustainability objectives and that its initiatives are aligned with the those objectives;
- ensure that CGEM and the Group demonstrate a level of engagement concerning sustainability matters that is aligned with the expectations of the various stakeholders.

To this end, the Committee:

- ensures that the internal sustainability management system is robust and compatible with the external expectations and requirements that it has identified;
- in coordination with the Audit Committee, ensures that CGEM's management performs a double materiality assessment of internal or external sustainability matters (Impacts, Risks and Opportunities – IRO) affecting the Group, and analyzes sustainability risks, for the preparation of the risk map and double materiality matrix, as well as for other purposes as needed;
- is informed by the Audit Committee of (i) its work on sustainability matters, particularly the preparation of sustainability information and the related reports, (ii) sustainability-related internal control and risk management systems, and (iii) the Audit Committee's oversight of the Statutory Auditors responsible for certifying sustainability information;
- examines the Group's sustainability policies, guidelines and charters and ensures that they are effective;
- expresses an opinion on the completeness of the matters covered by the sustainability information included in the annual management report, and makes recommendations for future reports;
- examines the sustainability indicators presented by CGEM's management;
- performs annual reviews of the topics discussed by the Corporate Stakeholders Committee, presented by CGEM's management;
- performs annual reviews of the Group's non-financial ratings;
- tracks emerging sustainability standards and best practices.

2.2.11.3 Activities in 2024

The Committee met six times in 2024, on February 5, April 22, July 12, July 22 and December 10 (two meetings), including three joint meetings with the Audit Committee (and two unscheduled meetings at the beginning of the year), with an overall attendance rate of 93.8%.

Presentations were generally led by the Head of the Corporate Sustainable Development and Impact Department, with the participation of other department directors or managers, where appropriate.

The Committee's work mainly covered the following issues:

- Cross-committee matters:
  - oversight of work to prepare the first Sustainability Statement in compliance with the CSRD (several joint meetings with the Audit Committee), based on (i) a presentation by the Finance Department's Head of Sustainable Finance of the work on the indicators, the structure and wording of the report, and the discussions with the auditors responsible for certifying the sustainability information, and (ii) a presentation by the auditors responsible for certifying the sustainability information (at one of the meetings) of an overview of the latest regulatory changes and their audit plan;
  - evaluation of the double materiality assessments (several joint meetings with the Audit Committee), based on status reports and reviews of the double materiality assessments, with (i) detailed analyses of identified IROs and the corresponding KPIs, and (ii) discussions by the Manager and Chief Financial Officer, the Group's Audit and Risk Management Director and the Head of the Corporate Sustainable Development and Impact Department with the auditors responsible for certifying the sustainability information on the status of their work and their audit plan;
  - participation in a presentation of the principles for managing the CSR aspects of the business, which include organizing CSR governance around five themes (Environment; Human Rights; Health, Safety and Security; Ethics Committee; Sustainable Finance), supported by the work of the Corporate Stakeholders Committee;
  - ongoing tracking of regulatory developments (in particular the Corporate Sustainability Reporting Directive - CSRD), the European Sustainability Reporting Standards and the sustainability reporting standards and rules adopted within an international framework (International Financial Reporting Standards - IFRS S1 and S2), and an overview of the new rules and regulations and the resources deployed by the Company to comply with them, as presented by the Finance Department's Head of Sustainable Finance;
  - ongoing analyses of activities eligible for inclusion in the European Taxonomy, presented by the Manager and Chief Financial Officer;
  - review of changes in the value attributed to environmental externalities, mainly CO_2 emissions, Volatile Organic Compound (VOC) emissions and water withdrawal, presented by the Manager and Chief Financial Officer and the Deputy Chief Financial Officer;
  - preparation of the Committee's work program for 2025;
- Group environmental responsibility matters:
  - application of the sustainability approach on natural rubber plantations: review of current regulations including the Regulation on Deforestation-free Products (EUDR) and Corporate Sustainability Due Diligence Directive (CS3D), and their consequences for the supply chain, presented by the Head of the Environment and Natural Rubber segment of the Group Purchasing Department;
  - Tire and Road Wear Particles (TRWP) issues: review of current regulations, impacts, risks and opportunities, presented by the executive responsible for TRWP research in the Research and Development Department;
- Social and societal responsibility matters: review of the work performed during the year by the Corporate Stakeholders Committee.

The Chair of the Committee reported to the Supervisory Board on the Committee's work on February 9, July 23-24 and December 11, 2024.

COMPENSATION

2.3 MANAGEMENT AND SUPERVISORY BOARD COMPENSATION POLICIES FOR 2025

2.3.1 GENERAL PRINCIPLES

Since 2014, the compensation awarded to the Managers and the Chair(man) of the Supervisory Board has been submitted to the shareholders at the Annual Ordinary Shareholders Meeting and, since 2020, following the method and on the basis specified in the PACTE Act that came into force that year.

The General Partners and the Supervisory Board, based on the recommendation of its Compensation and Appointments Committee, will ask the Ordinary Shareholders Meeting of May 16, 2025 to approve the 2025 compensation policy applicable to (i) the Managers and (ii) the Supervisory Board.

The compensation policy applicable to the corporate officers is prepared and revised in accordance with the relevant laws and regulations.

Article L. 22-10-76-I of the French Commercial Code stipulates that the compensation policy applicable to the corporate officers must be compatible with the Company's corporate interests. It must contribute to the Company's marketing strategy as well as its long-term sustainability. This compensation policy establishes a competitive framework aligned with the Group's strategy and business environment. The policy is designed to increase medium and long-term performance and competitiveness and is therefore in the Group's best corporate interests in accordance with the AFEP/MEDEF Code.

The policy contributes to the Company's marketing strategy by requiring the Group's performance to be factored into the calculation of variable compensation, for the following reasons:

- the Managers' variable compensation (annual, long-term) represents the predominant part of their total compensation; and
- the amount they receive in variable compensation depends on the achievement of objectives related to the Group's main performance indicators, which also apply to the employees of Group companies.

The policy contributes to the Company's sustainability by requiring the Group's performance to be factored into the calculation of variable compensation, for the following reasons:

- for the Managers:
  - the performance indicators applicable to their variable compensation (annual and long-term) focus on sustainability in line with the Group's strategy,
  - under the long-term variable compensation scheme in the form of performance shares, (i) the number of shares received at the end of the vesting period depends on the achievement of performance targets to be met over several years, and (ii) a portion of the vested shares must be kept for as long as they hold the position of Manager;
- for the Managing Chairman, the compensation policy takes into account his position as General Partner with unlimited joint and personal liability for the Company's debts, allocating his annual variable compensation based on the amounts due to the General Partners out of the Company's profits (if any);
- for the members of the Supervisory Board, most of their compensation as Supervisory Board member and, if applicable, member of a Committee of the Board, is based on their attendance rate at Board and Committee meetings, which are scheduled at the start of the year.

In the decision-making process for the determination and revision of the compensation policy, the Company has chosen to take into account the compensation and employment conditions of employees of its main French subsidiary, Manufacture Française des Pneumatiques Michelin ("MFPM" or the "Scope")[1].

For 2025, the same quantitative performance criteria and indicators will apply to the annual and long-term variable compensation of both the Managers and the eligible employees of Group companies.

(1) The Company has very few employees (fewer than five, none of whom are corporate officers) and their compensation and employment conditions do not therefore represent a relevant benchmark.

Conflicts of interest are avoided in the drafting, revision and implementation of the compensation policy due to the involvement of the Supervisory Board and the Compensation and Appointments Committee, whose members are all independent (excluding the member representing employees). The procedures for managing conflicts of interest within the Supervisory Board are described in section 2.2.6.

The General Partners, in the case of the Managers, or the Supervisory Board, in the case of the members of the Supervisory Board, may not depart (within the meaning of the second paragraph of Article L. 22-10-76-III of the French Commercial Code) from the compensation policy.

The 2025 compensation policy is the subject of two proposed resolutions to be presented at the Ordinary Shareholders Meeting to be called to approve the 2024 financial statements:

- the 6th resolution concerning the policy applicable to the Managers, presented in section 2.3.2 below;
- the 7th resolution concerning the policy applicable to the members of the Supervisory Board, presented in section 2.3.3 below.

2.3.2 COMPENSATION POLICY: THE MANAGERS

This section describes the components of the compensation policy for the Managers. These components are presented in a proposed ordinary resolution approved by the General Partners and submitted for shareholder approval at the Ordinary Shareholders Meeting to be called to approve the 2024 financial statements (6th resolution).

2.3.2.1 Principles for determining compensation

The compensation of the Managing Chairman and General Partner is decided by the General Partners and is the subject of a deliberation by the Supervisory Board. Then:

- the annual variable component is deducted from the General Partners' Profit Share, as explained in section 2.3.2.3 below;
- the long-term variable component is awarded in the form of performance shares;
- the fixed component is paid by a subsidiary of the Company in exchange for his services as Chairman of that company.

The fixed and variable annual compensation of the General Manager and his long-term variable compensation (performance shares) are decided by the General Partners and are the subject of decisions by the Supervisory Board.

The Compensation and Appointments Committee also reviews all amounts and benefits due, awarded or to be awarded to the Managers for the previous year by Group companies. As part of the review, the Committee particularly verifies that the amounts paid or awarded to the Managers are proportionate and consistent in terms of (i) the Group's performance and (ii) industry and market practice.

2.3.2.2 Fixed compensation

In 2025:

- the annual fixed compensation of Florent Menegaux, Managing Chairman and General Partner, amounts to €1,100,000.00;
- the annual fixed compensation of Yves Chapot, General Manager, amounts to €770,000.00.

These amounts will remain unchanged until 2026, when their current terms expire.

2.3.2.3 Annual and long-term variable compensation

Shared principles

To align Managers' interests more closely with the Company's performance and encourage them to act with its long-term interests in mind, their variable compensation includes an annual portion and a long-term portion, both of which are subject to performance conditions.

This structure means that the Managers' variable compensation fluctuates partly in line with net income for the year and partly on the basis of several additional performance conditions related to factors that are essential for the deployment of Michelin's strategy to deliver sustainable growth.

The level and terms of the Managers' compensation take into account the positions of Managing Chairman and Managing General Partner, as well as the difference in status between a Managing General Partner and a General Manager.

Annual variable compensation

Florent Menegaux, Managing Chairman and General Partner

In light of the General Partners' unlimited joint and personal liability for the Company's debts, the General Partners are entitled to a share of annual profit (the "Profit Share") determined on the basis defined in the Company's Bylaws. This means that their interests are fully aligned with those of the shareholders, as they are paid Profit Shares only if the Company makes a profit[(1)].

Allocation method

The Profit Share is defined in Articles 12 and 30 of the Company's Bylaws, which state that:

- the portion of the Profit Share attributable to the Managing General Partner(s) is determined by reference to the objectives set in advance by the Supervisory Board;
- the portion attributable to the Non-Managing General Partner is equal to the portion attributable to the Managing General Partner(s) in respect of his or her annual variable compensation or in any other form whatsoever (including in performance shares).

In all cases, the total Profit Share due to the General Partners is capped at 0.6% of consolidated net income for the year.

Calculation method

- At the beginning of each year, the Managers propose to the Compensation and Appointments Committee performance criteria and objectives that are consistent with the guidance and information communicated to the market;
- The Compensation and Appointments Committee analyses the Managers' proposals, taking into account:
  - AFEP/MEDEF Code recommendation No. 25 concerning the calculation principles and content of compensation packages,
  - the practices of the CAC 40 companies and appropriate benchmarks,
  - the compensation and employment conditions of Michelin employees,
  - the intrinsic variability of the Company's profits,
  - projected future profits, and
  - the unusual nature of General Partner status;
- The Compensation and Appointments Committee shares its conclusions with the Non-Managing General Partner (SAGES) and presents its recommendations to the Supervisory Board;
- The Supervisory Board discusses the recommendations of the Compensation and Appointments Committee and decides on the performance criteria and objectives for the current year.
- The General Partners then meet to set the compensation policy for the Managers for the current year and to formalize, subject to adoption by the Ordinary Shareholders Meeting of the corresponding resolutions (i) for the Managing General Partner, by way of an agreement between the General Partners, the portion of the earnings for the current year that may be allocated to the Managing General Partner as annual variable compensation within the limits set by the Bylaws, and (ii) for the General Manager, by way of a decision of the General Partners, the annual compensation components concerning him; said agreement and decision taking into account and integrating the performance criteria and annual variable compensation objectives set by the Supervisory Board, after consultation and deliberation by the latter;
- The Managing Chairman, after confirming the Non-Managing General Partner's approval, submits the corresponding draft resolutions to the Ordinary Shareholders Meeting under the conditions set out in the applicable regulations.

At each year-end, the Compensation and Appointments Committee reviews the results for the applicable objectives and presents its recommendations to the Supervisory Board.

The Supervisory Board confirms the Compensation and Appointments Committee's performance assessment and shares this assessment with the Non-Managing General Partner.

The General Partners approve the components of the annual and long-term variable compensation to be paid or delivered to the Managing Chairman and General Partner based on the Supervisory Board's assessment of the achievement rate for the performance objectives and criteria.

Annual variable compensation structure

Florent Menegaux's annual variable compensation would be deducted in full from his share of the annual profit attributable to the General Partners (the Profit Share) and would comprise:

- A first component[(2)] in recognition of his financial and legal liability as General Partner, entitling him to an amount:
  - equal to 4% of the Profit Share calculation base (equal to 0.6% of consolidated net income),
  - capped at 150% of the total amount obtained in respect of the performance criteria and objectives that determine the second component (new cap introduced in the 2025 compensation policy);
- A second component calculated as a percentage of his annual fixed compensation and determined by the results of the performance criteria and objectives decided by the Supervisory Board.

(1) Substantially all of the Profit Share received by SAGES, Non-Managing General Partner, is credited to the contingency reserve set up in application of its Bylaws.

(2) The calculation of the net income criterion is adapted to take account of Florent Menegaux's liability as General Partner.

The 2025 compensation policy's criteria and objectives also apply to the General Manager and to all Group employees who are eligible to participate in the bonus scheme. They are presented in the table below, which also shows threshold, target and ceiling values. The 2024 compensation policy's criteria have been rolled over to 2025, except for the updating of the workplace accident criterion, with the Total Case Incident Rate replaced by the Total Recordable Injury Rate (TRIR), as presented in the Sustainability Statement[(1)].

	Criterion	Objective	Measurement method[(1)]	Min.	Target	Max.
Quantitative criterion and objective related to the position of General Partner/1st component	Net income	Profit	As a % of the Profit Share	N/A	N/A	N/A
			Value of the indicator (Profit Share calculation base)	4%	4%	4%[(2)]
Quantitative criteria and objectives/2nd component *(50% of the target fixed compensation)*	2025 segment operating income (SOI) *(like-for-like vs. 2024)*	Profit	As a % of fixed compensation	0%	25%	37.5%
			Value of the indicator	€3,300m	€3,700m	€3,800m
	Growth in free cash flow before acquisitions	Profit	As a % of fixed compensation	0%	25%	37.5%
			Value of the indicator	€1,700m	€2,000m	€2,200m
Total quantitative/2nd component				0%	50%	75%
Quantifiable qualitative criteria and objectives/2nd component *(30% of the target fixed compensation)*	Implementation of the strategy *(deployment of the transformations)*	Profit	Board assessment based on implementation of the Balanced Score Card			
			As a % of fixed compensation	0%	10%	15%
			Value of the indicator	N/A	N/A	N/A
	Total Recordable Injury Rate (TRIR)	People	As a % of fixed compensation	0%	5%	7.5%
			Value of the indicator	5.1	4.7	4.6
	Percentage of Group management positions held by women	People	As a % of fixed compensation	0%	5%	7.5%
			Value of the indicator	24.5%	25.5%	26.5%
	CO_2 emissions *(Scopes 1 and 2)*	Planet	As a % of fixed compensation	0%	10%	15%
			Value of the indicator	1.94 mt	1.84 mt	1.74 mt
Total quantifiable qualitative/2nd component				0%	30%	45%
Total quantifiable qualitative/2nd component (i.e., excluding net income criterion)				**0%**	**80%**	**120%**
TOTAL VARIABLE AS % OF FIXED COMPENSATION/1ST AND 2ND COMPONENTS				**0%**	**N/A**	**150%**
MAXIMUM TOTAL VARIABLE (IN €)						**1,650,000[(3)]**

(1) For each criterion of the second component, a threshold rate, target rate and capped outperformance rate are defined; for performance between the threshold rate and the target rate, or between the target rate and the outperformance rate, the variable compensation is calculated on a straight-line basis.

(2) The amount awarded in respect of the first component will be capped at 150% of the total amount obtained in respect of the performance criteria and objectives for the second component.

(3) The entire variable annual compensation would be deducted from the Profit Share.

(1) See the information presented in Chapter 4 (p.271) of the 2024 Universal Registration Document.

Yves Chapot, General Manager

Calculation method

The performance criteria and objectives applicable to the General Manager would be determined and assessed in the same way as for the Managing Chairman, except for the specific features linked to the status of General Partner.

Annual variable compensation structure

The 2025 compensation policy's criteria and objectives are presented in the table below, which also shows threshold, target and ceiling values. As for the Managing Chairman, the 2024 compensation policy's criteria have been rolled over to 2025, except for the updating of the workplace accident criterion, with the Total Case Incident Rate replaced by the Total Recordable Injury Rate (TRIR), as presented in the Sustainability Statement[1].

	Criterion	Objective	Measurement method[1]	Min.	Target	Max.
Quantitative criteria and objectives *(70% of the target fixed compensation)*	Net income	Profit	As a % of fixed compensation	0%	20%	30%
			Value of the indicator	€1,800m	€2,000m	€2,200m
	2025 segment operating income (SOI) *(like-for-like vs. 2024)*	Profit	As a % of fixed compensation	0%	25%	37.5%
			Value of the indicator	€3,300m	€3,700m	€3,800m
	Growth in free cash flow before acquisitions	Profit	As a % of fixed compensation	0%	25%	37.5%
			Value of the indicator	€1,700m	€2,000m	€2,200m
TOTAL QUANTITATIVE				**0%**	**70%**	**105%**
Quantifiable qualitative criteria and objectives *(30% of the target fixed compensation)*	Implementation of the strategy (deployment of the transformations)	Profit	Board assessment based on implementation of the Balanced Score Card			
			As a % of fixed compensation	0%	10%	15%
			Value of the indicator	N/A	N/A	N/A
	Total Recordable Injury Rate (TRIR)	People	As a % of fixed compensation	0%	5%	7.5%
			Value of the indicator	5.1	4.7	4.6
	Percentage of Group management positions held by women	People	As a % of fixed compensation	0%	5%	7.5%
			Value of the indicator	24.5%	25.5%	26.5%
	CO_2 emissions *(Scopes 1 and 2)*	Planet	As a % of fixed compensation	0%	10%	15%
			Value of the indicator	1.94 mt	1.84 mt	1.74 mt
TOTAL QUANTIFIABLE QUALITATIVE				**0%**	**30%**	**45%**
Total quantitative and qualitative excluding net income criteria				**0%**	**80%**	**120%**
TOTAL VARIABLE AS A % OF FIXED COMPENSATION				**0%**	**100%**	**150%**
MAXIMUM TOTAL VARIABLE (IN €)						**1,155,000**

(1) For each criterion, a threshold rate, target rate and capped outperformance rate are defined; for performance between the threshold rate and the target rate, or between the target rate and the outperformance rate, the variable compensation is calculated on a straight-line basis.

(1) See the information presented in Chapter 4 (p.271) of the 2024 Universal Registration Document.

Long-term variable compensation: performance share rights

In order to align the Managers' medium/long-term objectives with the objectives assigned to performance share plans for eligible Group employees, this compensation has taken the form of Michelin performance share rights since 2020.

The conditions, criteria and objectives applicable to the 2025 performance share grants have been established within the framework of the authorization to issue shares to the Managers and employees of Michelin group companies approved by Annual Shareholders Meeting of May 12, 2023[1].

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to use this authorization to roll over the 2024 compensation policy indicators in the 2025 policy. The objectives have been adjusted and the industrial Michelin Environmental Performance (i-MEP) indicator has been replaced by two Materials indicators, presented in the Sustainability Statement:

- the renewable and recycled materials rate (RRMR)[2], which is central to the transformation of Michelin's manufacturing operations and also measures the CO_2 emissions of its raw material suppliers;
- the reduction in tire rolling resistance[3], which measures Michelin's contribution to Scope 3 emissions and represents the most significant source of CO_2 emissions by tires in use.

The main specific characteristics of the performance share rights that may be awarded to the Managers in 2025 are as follows:

- the awards are decided annually by the Managing Chairman on the proposal of the General Partners, after the performance conditions and criteria have been determined by the Supervisory Board;
- the total performance shares awarded to the Managers during the period of validity of the proposed extraordinary resolution of the Annual Shareholders Meeting of May 12, 2023 will be capped at 0.1% of the Company's share capital on the date of the Shareholders Meeting at which the resolution is adopted;
- in addition, for the Managing Chairman, the number of performance shares granted in 2025 would be limited to an amount equivalent to 140% of his 2025[4] fixed compensation and, for the General Manager, to an amount equivalent to 120% of his 2025[4] fixed compensation; these levels correspond to the median rates for their counterparts in CAC 40 companies[5];
- the Managers will be required to keep 40% of the vested shares for as long as they remain in office and will be banned from hedging the equity risk on the performance shares before the end of this lock-up period;
- concerning the Managing Chairman and General Partner, the vested performance shares would be delivered to him only if the Profit Share was distributed in respect of the year preceding the one in which the shares were issued;
- if a Manager ceases to hold this position:
  - following his resignation or removal from office due to mismanagement, all the performance share rights would be forfeited,
  - for any other reason, such as the expiration of his term before the end of the vesting period, he would retain a number of performance share rights initially awarded to him prorated to the time served in office during the vesting period, and the reference three-year period would continue to run, during and beyond the end of his term[6].

(1) 14th resolution adopted by a majority of 87.04% of the votes cast. Details of this authorization are provided on pages 455 to 457 of the 2022 Universal Registration Document.
(2) See the references provided in the notes to the following table.
(3) See the references provided in the notes to the following table.
(4) Calculated on the basis of the average opening price of the Michelin share over the 20 trading days preceding the grant date, less a discount equal to the value of dividends not received during the vesting period.
(5) Based on the Compensation and Appointments Committee's 2022 analysis of the convergent results of several studies carried out by leading compensation consultants.
(6) In the event of disability or death, the total number of rights would be awarded and the reference period would not apply.

The performance criteria and targets are as follows:

Criteria	Objective	Indicator	Weighting
Share price performance	Stock performance	Michelin share price must outperform the Stoxx Europe 600 index by between 0 points (threshold) and 5 points (ceiling) between 2024 and 2027 (based on average daily closing prices for the two baseline years)	20%
Corporate social responsibility performance	Planet	The improvement in tire rolling resistance (RR)(1) must be within the range of 6% (threshold) and 7% (ceiling) in 2027 versus the 2020 baseline.	10%
	Planet	The Renewable and Recycled Materials Rate (RRMR)(1) must be within the range of 31% (threshold) and 35% (ceiling) in 2027.	10%
	People	Change in average employee engagement rate to range between 83.0 points (threshold) and 85.0 points (ceiling) on a like-for-like consolidated basis over a three-year period	20%
Operating performance	Profit	Average annual growth in revenue from non-tire and distribution activities(2) to range between 2% (threshold) and 6% (ceiling) between 2025/2024, 2026/2025 and 2027/2026	20%
	Profit	Total consolidated return on capital employed (ROCE)(3) to range between 10.5% (threshold) and 12% (ceiling) in 2027	20%

(1) See the presentations of these indicators in the following sections of the 2024 Universal Registration Document: 4.6.4.1 (pp. 255-256) for renewable materials and 4.2.1.2, 4.2.2.3 and 4.2.3 (pp. 198-202) for rolling resistance; based on reported annual figures including acquisitions as from the 4th year of inclusion in the consolidated financial statements.

(2) At constant exchange rates and based on a comparable scope of consolidation.

(3) Including acquisitions and related goodwill, and associates & joint ventures.

For all criteria, fulfillment is calculated as follows:

- performance below threshold: no shares will vest;
- if the minimum performance condition is met or exceeded, shares will vest on a gradual and proportional basis up to a certain ceiling.

2.3.2.4 Fringe benefits and directors' compensation

Each Manager has a fringe benefit in the form of a Company car.

They do not receive any compensation for serving on the Board of the Company or any Group subsidiaries.

As corporate officers of the Company or MFPM, Florent Menegaux and Yves Chapot are covered by health and death/disability insurance plans in the same way as the employees of the Company or MFPM.

2.3.2.5 Stock options

No stock options are granted to the Managers by the Company or any Group subsidiaries.

2.3.2.6 Pension plans

There is no specific supplementary pension plan set up for the Managers or the Chair of the Supervisory Board.

Florent Menegaux, in his capacity as Chairman of MFPM, and Yves Chapot, in his capacity as General Manager of CGEM, participate in the Michelin Executive Supplementary Pension Plan described in sections 2.4.3.5 and 2.4.4.5 of this 2024 Universal Registration Document.

In accordance with Government Order No. 2019-697 dated July 3, 2019, this plan has been closed to new members since July 4, 2019 and the vesting period was frozen at December 31, 2019.

Under the plan rules, the vested rights of the current two Managers entitle them to capped pension benefits corresponding to a 15% replacement rate.

If a Manager was no longer able to participate in the Michelin Executive Supplementary Pension Plan, he could be given the opportunity to either (i) participate in a new defined contribution plan, or (ii) build up a pension fund by receiving an initial seed capital award, in cash or shares, and annual payments.

The Managers participate in the PERO mandatory pension plan in the same way as all employees of CGEM and MFPM.

2.3.2.7 Compensation for loss of office

In accordance with Article 13-2 of the Bylaws, if a Manager were to be removed from office before the end of his term as a result of a change of strategy or a change of control of the Company, provided such removal was not due to gross misconduct, he would be entitled to compensation for loss of office to be decided by the Non-Managing General Partner, SAGES, subject to the prior approval of the Supervisory Board. The amount of any such compensation would not exceed the equivalent of the Manager's total compensation for the two years preceding the year of his removal from office.

By decision of the Supervisory Board, it would be based on the performance criteria used to determine his annual variable compensation and would be calculated using the following formula:

[Total compensation paid over the two years preceding the loss of office] x [the average (in %) of the achievement rates for the annual variable compensation for the three years preceding the loss of office.]

The compensation for loss of office would be reduced, if applicable, so that any other severance payments due to a Manager would not result in his receiving an aggregate severance package in excess of two years' compensation, as recommended in the AFEP/MEDEF Code.

2.3.2.8 Non-compete clause

In the same way as Michelin employees who have specific expertise that needs to be protected to prevent its use by a competitor in a manner that is detrimental to the Company's interests, each Manager is subject to a non-compete clause.

If the Company decided to apply this non-compete clause for a period of up to two years, in line with the conditions described in section 2.6.1.12 of the 2024 Universal Registration Document:

- Florent Menegaux, Managing General Partner and Managing Chairman, would be entitled to a non-compete indemnity of up to 24 months' compensation based on his most recent annual fixed compensation as Manager;
- Yves Chapot, General Manager, would be entitled to a non-compete indemnity of up to 24 months' compensation based on the compensation defined in his suspended contract of employment for the position held immediately before his election as Manager. The terms of the commitment would be amended in 2025 so that the above baseline would be indexed to the average growth in compensation of Michelin Executive Committee members since his employment contract was suspended.

In accordance with Article R. 22-10-40-III of the French Commercial Code, the above compensation would not be payable if Florent Menegaux or Yves Chapot retired on leaving the Group.

In accordance with the AFEP/MEDEF Code:

- the Company may waive application of this clause;
- if compensation for loss of office were to be awarded as provided for above (see “Compensation for loss of office” above), the non-compete indemnity would be reduced or withheld entirely, if necessary, so that the Manager's aggregate severance package, including the non-compete indemnity referred to above, would not exceed the equivalent of the aggregate of his last two years' compensation.

2.3.2.9 Exceptional compensation

There are no plans to award any exceptional compensation to either of the Managers.

2.3.2.10 Employment contract

Due to his status and specific responsibilities, under the applicable compensation policy the Managing General Partner ceases to be covered by any employment contract that may have existed between him and a Group company. This rule applies even if he has acquired considerable seniority with the Group.

Consequently, Florent Menegaux no longer has an employment contract with the Company or any of its subsidiaries since he became Managing General Partner of the Company.

In addition, Yves Chapot's mandate as General Manager justifies suspending his pre-existing employment contract with a Michelin group company for the following reasons[1]:

- Yves Chapot is not the most senior executive officer (Manager); he reports to the Managing Chairman who, according to the Company's Bylaws, defines the Managers' areas of responsibility and any restrictions on their powers, as well as setting their annual objectives;
- the position of General Manager is therefore similar to that of a Chief Operating Officer or a member of the Management Board of a joint stock corporation. The AFEP/MEDEF Code does not recommend terminating these executives' employment contracts;
- Yves Chapot has acquired considerable seniority, having worked for the Michelin Group without interruption since 1992;

(1) This exception to the full application of the AFEP/MEDEF Code’s recommendations is mentioned in the table in section 2.2.8 prepared in accordance with the “comply or explain” rule.

- if Yves Chapot were to cease to be a Manager, any compensation for loss of office or non-compete indemnity due to him would be reduced or canceled if necessary so that the total amount payable – including the termination benefit in respect of his suspended employment contract – would not exceed his final two years' total compensation.

2.3.2.11 Proposed resolution on the compensation policy for the Managers

At the Ordinary Shareholders Meeting called to approve the 2024 financial statements, shareholders will be asked to approve the following resolution:

6TH RESOLUTION

Approval of the compensation policy applicable to the Managers

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-76 II of the French Commercial Code, approves the compensation policy applicable to the Managers drawn up by the General Partners, as presented in the Corporate Governance Report set out in sections 2.3.1 and 2.3.2 of the Company's 2024 Universal Registration Document.

2.3.3 COMPENSATION POLICY: MEMBERS OF THE SUPERVISORY BOARD

This section describes the components of the compensation policy applicable to the members of the Supervisory Board. These components are presented in a proposed resolution approved by the General Partners that will be submitted for shareholder approval at the Ordinary Shareholders Meeting called to approve the 2024 financial statements (7th resolution).

An annual fixed amount of compensation may be awarded to the Supervisory Board and allocated among its members (including the Chair) on a basis decided by the Board in accordance with the compensation policy. The compensation policy has been expanded to also provide for the payment of fixed compensation to the Board's Chair.

The compensation components were determined by the Supervisory Board on the recommendation of its Compensation and Appointments Committee.

2.3.3.1 Chair of the Supervisory Board

Under French law, the Supervisory Board is responsible for exercising permanent control over the management of the business; however, the Company's Bylaws have significantly expanded the Board's role and responsibilities to include:

- assessing the quality of management;
- playing an important role in succession planning and the appointment of the Managers;
- assessing certain major transactions such as business acquisitions.

The role of the Chair of the Supervisory Board, elected by the Board members, is to:

- coordinate and lead the work of the Board, especially the activities listed in the Bylaws;
- actively participate in the Company's governance, playing a major role and devoting most of her or his time to this, in particular:
  - through continuous contact and regular meetings with the Managers, as well as with the Non-Managing General Partner (SAGES) and its representatives, to ensure seamless governance,
  - by regularly proposing and implementing better interactions, drawing on her or his experience and the proposals resulting from periodic assessments of Supervisory Board practices,
  - by talking directly to investors about the characteristics of Michelin's governance during governance roadshows.

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided (with the Chair abstaining) to roll over the 2024 compensation policy[1] for the Chair of the Supervisory Board and to set the fixed annual compensation of Barbara Dalibard as Chair of the Supervisory Board at €400,000, breaking down as compensation for her duties as Chair (€350,000[2]) and compensation as a member of the Board (€50,000, see section 2.3.3.2 below).

(1) The 2024 compensation policy is presented on page 122 of the 2023 Universal Registration Document; it was approved by the Annual Shareholders Meeting of May 17, 2024 (7th resolution, adopted by a 99.77% majority of the votes cast).

(2) This compensation amount has been set for the entire duration of Barbara Dalibard's duties as Chair of the Supervisory Board.

2.3.3.2 Supervisory Board members

The challenges facing Michelin, such as developing innovative technologies, managing risks and deploying its strategy, require its senior executives and corporate officers to increase their levels of expertise.

The Supervisory Board members devote an increasing amount of time to their Board responsibilities, not only to fulfill their legal and statutory duties, but also due to (i) the steady increase in their workload as members of the Committees of the Board (Audit Committee, CSR Committee, Compensation and Appointments Committee) and (ii) the requirement for them to participate in ongoing training, especially on emerging issues such as AI and cybersecurity, adaptation to climate change, and changes in terms of corporate social responsibility.

The conclusions of the periodic assessments of the Board's practices, the observations of its independent members as reported by the Senior Independent Member, and the growing range of topics that they are called on to examine, all attest to the Board member's high quality long-term commitment to the Company and its shareholders.

Michelin is concerned by the need to offer competitive rates of compensation to the Supervisory Board members and therefore reviews their compensation at intervals that are consistent with their terms of office, unless there is a compelling reason to bring the review forward.

To take into account the current and future increase in the number of Supervisory Board meetings, and the growing participation of its members in the work of the Committees of the Board as well as in coordinating this work, the Supervisory Board intends to recommend to the Annual Shareholders Meeting (13th resolution) an adjustment in the total amount payable to its members as from 2025 to €1,150,000 from €950,000 currently (amount set three years ago at the Annual Shareholders Meeting of May 13, 2022. The proposed new amount is below the average total compensation awarded to the boards of comparable CAC 40 industrial groups[(1)].

The new ceiling would not lead to any change in the other components of the 2025 compensation policy compared to the previously-approved policy:

- the following amounts of the individual components paid to the Supervisory Board members would be unchanged from 2024 and would not be increased:
  - allocation of a basic amount of €50,000 to each member;
  - allocation of additional amount no. 1 to each member who sits on a Committee of the Supervisory Board and participates in its work (€20,000);
  - allocation of additional amount no. 2 to each member who serves as Chair of a Committee of the Supervisory Board and participates in its work, (€35,000 or €40,000 for the Chair of the Audit Committee), (recipients of this additional amount no. 2 are not entitled to additional amount no. 1 for their participation in the Committee's work);
  - allocation of additional amount no. 3 to the Senior Independent Member of the Supervisory Board (€15,000);
  - allocation of additional amount no. 4 to Supervisory Board members who live outside France on a permanent basis (€10,000, prorated to their physical attendance at meetings of the Board and its Committees).
- payment of 60% of the total amount receivable (basic amount and additional amounts defined for no. 1 and no. 4)[(2)] will depend on the member's attendance rate at meetings of the Supervisory Board and of any Committees of which he or she is a member that are scheduled at the start of the year;
- the attendance rate and the corresponding allocation of annual compensation for a given year will be carried out by the Compensation and Appointments Committee then approved by the Supervisory Board during the first quarter of the following year;
- the compensation will be paid during the first half of the year following the one to which it relates, provided that the resolution on the disclosures required by Article L. 22-10-9 of the French Commercial Code has been approved by the Annual Shareholders Meeting called to approve the financial statements for the year preceding the one to which the compensation relates.

(1) Based on information available or estimated for the Boards of the following companies: Airbus, Air Liquide, Danone, Engie, Legrand, Stellantis, Renault, STMicroelectronics, Valeo, Wordline.

(2) In the case of the Chairs of the Committees and the Senior Independent Member, this attendance requirement would not apply to amounts no. 2 and no. 3, due to their specific duties and resulting additional workload.

2.3.3.3 Other compensation

As the Supervisory Board members do not hold any other positions within the Company or the Michelin group, they do not receive any other compensation from the Company or its subsidiaries[1].

2.3.3.4 Proposed resolution on the compensation policy for members of the Supervisory Board

At the Ordinary Shareholders Meeting called to approve the 2024 financial statements, shareholders will be asked to approve the following resolution:

7TH RESOLUTION

■ Approval of the compensation policy applicable to members of the Supervisory Board

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-76 II of the French Commercial Code, approves the compensation policy applicable to the members of the Supervisory Board, as presented in the Corporate Governance Report set out in sections 2.3.1 and 2.3.3 of the Company's 2024 Universal Registration Document.

(1) Excluding the Supervisory Board members representing employees.

2.4 INFORMATION ABOUT THE COMPONENTS OF COMPENSATION PAID OR AWARDED TO THE CORPORATE OFFICERS

2.4.1 COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD

No variable compensation was paid to Supervisory Board members in 2024.

The 2024 compensation policy for Supervisory Board members was presented to the Ordinary Shareholders Meeting of May 17, 2024 and was approved by a 99.77% majority of the votes cast.

Information about the members' attendance rates at meetings of the Supervisory Board and its Committees in 2024 is provided in section 2.2.2 of this 2024 Universal Registration Document.

The following table shows:

- Amounts paid in 2023 in respect of services to the Board in 2022;
- Amounts awarded for services to the Board in 2023, paid in 2024;
- Amounts paid in 2024 in respect of services to the Board in 2023;
- Amounts awarded for services to the Board in 2024, not yet paid.

	2024[(1)]		2023[(1)]	
Supervisory Board members	**Amount awarded** *(in €)*	**Amount paid** *(in €)*	**Amount awarded** *(in €)*	**Amount paid** *(in €)*
Barbara Dalibard	400,000[(2)]	400,000[(2)]	400,000	470,000
Jean-Pierre Duprieu[(3)]	37,619	85,000	85,000	75,000
Aruna Jayanthi	79,000	78,800	78,800	67,750
Anne-Sophie de La Bigne[(3)]	32,619	90,000	90,000	75,000
Patrick de La Chevardière	98,500	99,400	99,400	80,000
Jean-Christophe Laourde	70,000	70,000	70,000	60,000
Thierry Le Hénaff	80,714	85,000	85,000	75,000
Monique Leroux	113,875	115,000	115,000	100,000
Delphine Roussy	70,000	70,000	70,000	60,000
Wolf-Henning Scheider	86,589	80,000	80,000	57,750
Jean-Michel Severino	81,667	70,000	70,000	60,000
Catherine Soubie[(4)]	47,714	N/A	N/A	N/A
Pascal Vinet[(4)]	42,381	N/A	N/A	N/A
TOTAL	**1,240,679[(5)]**	**1,243,200[(6)]**	**1,243,200**	**1,180,500**

(1) The compensation indicated consists solely of fixed compensation for services as Supervisory Board member. No variable compensation was paid for these services and no other compensation was awarded or paid.

(2) Compensation including her €350,000 fixed compensation as Chair of the Board which is not included in the maximum total annual amount referred to in footnote 5 below.

(3) Member of the Supervisory Board until May 2024.

(4) Supervisory Board member since May 2024.

(5) The amounts allocated for the past year (2024) have been established in accordance with the Supervisory Board's 2024 compensation policy approved by the Annual Shareholders Meeting of May 17, 2024 (7th resolution, adopted by a majority of 99.77% of the votes cast), based on the maximum total annual amount of Supervisory Board compensation (€950,000) decided by the Annual Shareholders Meeting of May 13, 2022 (16th resolution, adopted by a majority of 99.58% of the votes cast), excluding the fixed compensation awarded to Barbara Dalibard in her capacity as Chair of the Supervisory Board (indicated in footnote 2 above).

(6) The amounts paid in 2024 were awarded in respect of 2023, except for the fixed compensation awarded to Barbara Dalibard in respect of 2024 (€350,000) and paid in that year, which was not included in the maximum total annual amount of Supervisory Board compensation referred to in footnote 5 above.

2.4.2 COMPENSATION OF BARBARA DALIBARD, CHAIR OF THE SUPERVISORY BOARD

The Compensation and Appointments Committee of the Supervisory Board has reviewed all the components of the compensation paid or awarded to Barbara Dalibard in her capacity as Chair of the Supervisory Board based on the 2024 compensation policy.

2.4.2.1 Compensation for Supervisory Board duties

In accordance with the 2023 compensation policy, in 2024, Barbara Dalibard received fixed compensation of €50,000 for her duties as member of the Supervisory Board in 2023.

In application of the 2024 compensation policy:

- in 2024, Barbara Dalibard received fixed compensation of €350,000 for her duties as Chair of the Supervisory Board in that year;
- in 2025, Barbara Dalibard is in line to receive fixed compensation of €50,000 for her duties as member of the Supervisory Board in 2024.

No variable compensation was paid or awarded to her during or in respect of 2024.

Information about Barbara Dalibard's attendance rates at meetings of the Supervisory Board in 2024 is provided in section 2.2.2 of this 2024 Universal Registration Document.

2.4.2.2 Other compensation

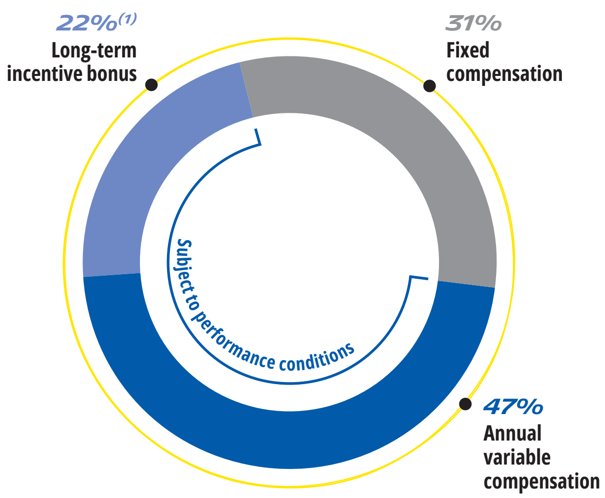
No other compensation was paid or awarded to Barbara Dalibard during or in respect of 2024.

2.4.3 COMPENSATION PACKAGE OF FLORENT MENEGAUX, MANAGING CHAIRMAN AND GENERAL PARTNER

In his capacity as General Partner of CGEM[(1)], Florent Menegaux has unlimited joint and personal liability for CGEM's debts. As consideration for this liability, the General Partners each receive a portion of the Company's profits as provided for in the Bylaws. This means that their interests are fully aligned with those of the shareholders, as they are paid this consideration only if the Company makes a profit.

The Compensation and Appointments Committee of the Supervisory Board has reviewed all the components of the compensation paid to Florent Menegaux in 2024 or awarded to him in respect of 2024, pursuant to the 2024 compensation policy. This policy is described in the Corporate Governance Report (the "2024 compensation policy") reproduced in the 2023 Universal Registration Document[(2)] and was presented to the Annual Shareholders Meeting of May 17, 2024 by the Chair of the Compensation and Appointments Committee[(3)].

COMPENSATION PAID TO FLORENT MENEGAUX DURING FISCAL YEAR 2024



(1) Long-term compensation corresponds to the number of performance shares delivered in 2024 under the 2020 allocation plan.

(1) At December 31, 2024, the Company had two General Partners: Florent Menegaux, Managing Chairman, and SAGES, Non-Managing General Partner (see section 2.1.2 of this 2024 Universal Registration Document).
(2) See sections 3.3.1 and 3.3.2 of the 2023 Universal Registration Document.
(3) See the information/presentations on the May 17, 2024 Annual Shareholders Meeting on the Company's website www.michelin.com.

2.4.3.1 Fixed compensation

In application of the 2024 compensation policy, the fixed compensation received by Florent Menegaux amounted to €1,100,000.00[(1)].

2.4.3.2 Annual variable compensation

Florent Menegaux's annual variable compensation has been determined in application of the 2024 compensation policy and the recommendation of the Supervisory Board, and is deducted in full from the General Partners' Profit Share[(2)].

All quantitative and qualitative objectives were set at the start of 2024 and were not adjusted during the year.

The Compensation and Appointments Committee carefully reviewed achievement rates for each of the criteria. In conclusion of this review, the Committee recommended that the Supervisory Board approve the compensation components presented in the table below, leading to annual variable compensation of €1,158,700.00.

Concerning the quantifiable qualitative criteria, the Committee's conclusions were as follows:

- for the “Implementation of the strategy (deployment of the transformations)” criterion, the Committee analyzed the results of the Balanced Score Card. Having noted the progress made in deploying the People, Profit and Planet aspects of Michelin’s strategy, the Committee decided that the indicator-based objectives had been 85%-met;
- concerning the “Corporate social responsibility” criterion (Total Case Incident Rate: improvements to the safety of Michelin Group employees), the Committee noted that the improvement rate of 1.03 was below the threshold rate;
- for the “Gender balance” criterion, the Committee noted that the percentage of Group management positions held by women (24.3%) was very close to the ceiling percentage;
- for the “CO_2 emissions (Scopes 1 and 2)” criterion, the Committee noted that actual emissions (2.018 mt) were higher than the target.

After discussing the matter during its meeting on February 11, 2025, the Supervisory Board approved the Compensation and Appointments Committee’s recommendations, which were then also approved by the General Partners.

(1) Compensation paid by Manufacture Française des Pneumatiques Michelin (MFPM) in consideration of his role as Chairman of the Company.
(2) See the 2nd resolution presented to the Annual Shareholders Meeting of May 16, 2025. The Profit Share is fixed in the Company’s Bylaws and is capped at 0.6% of consolidated net income for the year (see sections 2.3.2.3 and 2.10.5 of this 2024 Universal Registration Document).

	Criterion	Objective	Measurement method[1]	Min.	Target	Max.	2024 actual	Achievement rate
Quantitative criterion and objective related to the position of General Partner/1st component	Net income	Profit	As a % of the Profit Share	N/A	N/A	N/A	N/A	N/A
			Value of the indicator *(Profit Share calculation base)*	4%	4%	4%	4%	4%[1]
Quantitative criteria and objectives/2nd component *(50% of the target fixed compensation)*	2024 segment operating income (SOI)	Profit	As a % of fixed compensation	0%	25%	37.5%	-	0%
			Value of the indicator	€3,500m	€3,670m	€3,800m	€3,419m	-
	Growth in free cash flow before acquisitions	Profit	As a % of fixed compensation	0%	25%	37.5%	-	37.5%
			Value of the indicator	€1,500m	€1,800m	€2,050m	€2,225m	-
Total quantitative/2nd component				0%	50%	75%	-	37.5%
Quantifiable qualitative criteria and objectives/2nd component *(30% of the target fixed compensation)*	Implementation of the strategy (deployment of the transformations)	Profit	Board assessment based on implementation of the Balanced Score Card As a % of fixed compensation	0%	10%	15%	-	8.5%
			Value of the indicator	N/A	N/A	N/A	N/A	N/A
	Total Case Incident Rate (TCIR)	People	As a % of fixed compensation	0%	5%	7.5%	-	0%
			Value of the indicator	1.01	0.95	0.92	1.03	-
	Percentage of Group management positions held by women	People	As a % of fixed compensation	0%	5%	7.5%	-	7%
			Value of the indicator	22.5%	23.5%	24.5%	24.3%	-
	CO_2 emissions (Scopes 1 and 2)	Planet	As a % of fixed compensation	0%	10%	15%	-	11.1%
			Value of the indicator	2.14 mt	2.04 mt	1.94 mt	2.02 mt	-
Total quantifiable qualitative/2nd component				0%	30%	45%		26.6%
Total quantitative and qualitative excluding net income criteria								64.1%
TOTAL VARIABLE COMPENSATION AS % OF FIXED COMPENSATION/1ST AND 2ND COMPONENTS *(rounded to the nearest decimal)*				**0%**	**N/A**	**150%**		**105.3%**

Maximum value of all quantitative and quantifiable qualitative criteria	**150% of annual fixed compensation**
Actual overall achievement rate	105.3%
Amount awarded *(in €)*	1,158,700.00
Capped achievement rate as a percentage of the fixed reference compensation (including the amount corresponding to the compensation as General Partner)	150.00%

(1) This is a percentage of 4.0%, determined by the Supervisory Board on the basis of the Profit Share calculation (0.6% of consolidated net income for the year, in application of the 2024 compensation policy) and not by reference to fixed compensation.

2.4.3.3 Long-term variable compensation granted in 2024: performance share rights

On November 15, 2024, 58,138 performance share rights were awarded to Florent Menegaux[1]. At December 31, 2024, these rights were valued at €991,715.49 and represented less than 0.0083% of the total Michelin shares outstanding at the year-end.

This award was:

- authorized in an extraordinary resolution of the Annual Shareholders Meeting of May 12, 2023 (14th resolution);
- made on the proposal of the General Partners in application of the conditions and criteria set by the Supervisory Board that determine all the performance share awards, as presented in the 2022 Universal Registration Document and as they result from the 2024 compensation policy[2].

In application of the 2024 compensation policy, the award is subject to the following specific rules:

- the Managers are required to hold 40% of the vested shares for as long as they remain in office;
- The number of performance shares granted was limited such that their value[1] did not exceed 140% of his annual fixed compensation for 2024;
- in addition, for the period of validity of the authorization (38 months), performance share rights awarded to the Managers may not exceed the equivalent of 0.1% of the Company's capital; this is a specific sub-cap applicable to the Managers within the overall cap of 1.5% applicable to all beneficiaries as mentioned in the above-mentioned resolution.
- concerning Florent Menegaux, Managing Chairman and General Partner, the vested performance shares would be delivered to him only if Profit Share was distributed in respect of the year preceding the one in which the shares are issued.

In accordance with AFEP/MEDEF Code recommendation No. 26.3.3, the equity risk on the performance shares has not been hedged by Florent Menegaux and will not be hedged at any time during the holding period.

The performance criteria and the interim results are presented below.

Criteria		*Weighting*	Interim results		
			2024 vs. **2023**		
Share price performance	Michelin share price must outperform the Stoxx Europe 600 index by at least 5 points between 2023 and 2026 (based on average closing prices for the two years) Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points	*20%*	+7.4%		
			2024	2025	2026
Corporate social responsibility performance	Industrial-Michelin Environmental Performance – i-MEP[1] must be below 77 points in 2026 Vesting prorated to the achievement rate between the trigger point of 83 and the targeted 77 points	*20%*	82.6 points		-
	The average employee engagement rate for 2024, 2025 and 2026 must exceed 85% Result calculated on a prorated basis between 83% and 85%	*20%*	84.7%		-
Operating performance	Average annual growth in revenue from non-tire and distribution activities must exceed 8% over the 2023-2024, 2024-2025 and 2025-2026 periods Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%	*20%*	-3.5%		-
	Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) must exceed 12% in 2026 Result calculated on a straight-line basis between the threshold of 10% and the targeted 12%	*20%*	10.5%		-

(1) Annual scope based on reported figures, including acquisitions from the fourth year of consolidation in the Group's financial statements.

(1) To improve year-on-year comparability and avoid taking into account stock market performance conditions, due to the excessive volatility of this indicator, for the determination of the discount rate, the fair value used to determine the number of shares to be awarded only takes into account the dividends not received during the vesting period.

(2) See information provided in the 2022 Universal Registration Document (page 455) and the 2023 Universal Registration Document (page 119).

For all criteria, fulfillment is calculated as follows:

- performance below threshold: no shares will vest;
- performance between the threshold and the ceiling: number of vested shares calculated on a straight-line basis;
- performance equal to or greater than the ceiling: all the shares will vest.

2.4.3.4 Fringe benefits, stock options and directors' or Supervisory Board members' compensation

In line with the 2024 compensation policy, in 2024 Florent Menegaux did not receive (i) any compensation in his capacity as a member of the Board of Directors or Supervisory Board of the Company or any controlled entities, (ii) any benefits other than those listed above, or (iii) any stock options of the Company or any controlled entities.

Mr. Menegaux has a fringe benefit in the form of a Company car (see the table in section 2.6.1.2).

2.4.3.5 Pension plans

There is no specific supplementary pension plan set up for the Managers or the Chair of the Supervisory Board.

In his capacity as Chairman of the subsidiary MFPM, Mr. Menegaux participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan).

As required by Article D. 22-10-16 of the French Commercial Code, this plan, governed by Article L. 137-11 of the French Social Security Code (*Code de la sécurité sociale*) and Article 39 of the French General Tax Code (*Code général des impôts*), is described below:

- as of their retirement date, participants must have served for at least five years as a senior executive to be eligible for benefits;
- 1.50% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary's retirement). In accordance with the government order dated July 3, 2019, no rights have vested since December 31, 2019;
- the vested benefit entitlement is in addition to the replacement rate provided by all pension plans in which Florent Menegaux participates. The total replacement rate is capped at 35%;
- an evaluation is carried out in accordance with Group accounting policies;
- benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code;
- 70% of the prior year's benefit obligation is funded through a contribution to an insured plan.

Mr. Menegaux's reference compensation for 2024 was made up solely of the annual fixed compensation paid by MFPM.

Based on the assumptions in Article D. 22-10-16 of the French Commercial Code introduced by Decree No. 2019-1235, the estimated gross annual pension payable to Mr. Menegaux under this plan amounts to €165,000.

The benefit represented by the Company's contributions to the plan is taxed at the rate of 24%. The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

In consideration of his position, Florent Menegaux participates in the PERO mandatory supplementary pension plan in the same way as all employees of CGEM and MFPM.

2.4.3.6 Compensation for loss of office

No compensation for loss of office was paid to Yves Chapot in 2024[1].

2.4.3.7 Non-compete clause

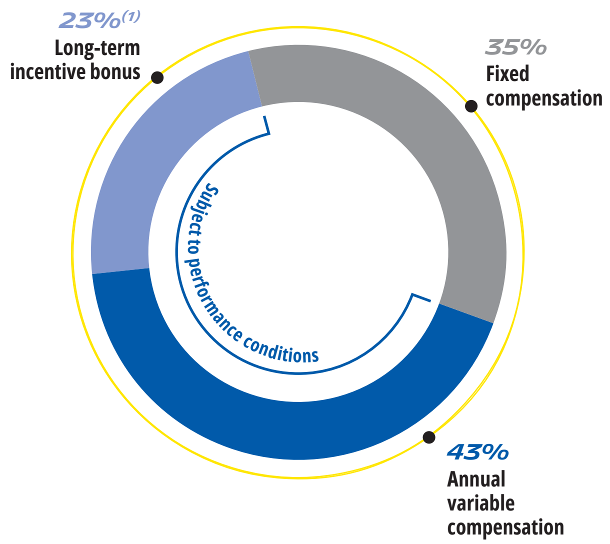
No non-compete indemnity was paid to Yves Chapot in 2024[1].

(1) See detailed disclosures in section 2.6.1.12 of the 2024 Universal Registration Document.

2.4.4 COMPENSATION PACKAGE OF YVES CHAPOT, GENERAL MANAGER

The Compensation and Appointments Committee of the Supervisory Board has reviewed all the components of the compensation paid to Yves Chapot in 2024 or awarded to him in respect of 2024 in his capacity as General Manager, pursuant to the 2024 compensation policy. This policy is described in the Corporate Governance Report (the "2024 compensation policy") reproduced in the 2023 Universal Registration Document[1] and was presented to the Annual Shareholders Meeting of May 17, 2024 by the Chair of the Compensation and Appointments Committee[2].

COMPENSATION PAID TO YVES CHAPOT DURING FISCAL YEAR 2024



(1) Long-term compensation corresponds to the number of performance shares delivered in 2024 under the 2020 allocation plan.

2.4.4.1 Fixed compensation

In application of the 2024 compensation policy, the fixed compensation received by Yves Chapot amounted to €770,000.00.

2.4.4.2 Annual variable compensation

Yves Chapot's annual variable compensation was determined in application of the 2024 compensation policy, based on the recommendation of the Supervisory Board.

All quantitative and qualitative objectives were set at the start of 2024 and were not adjusted during the year.

The Compensation and Appointments Committee carefully reviewed achievement rates for each of the criteria. In conclusion of this review, the Committee recommended that the Supervisory Board approve the compensation components presented in the table below, leading to annual variable compensation of €579,828.48.

Concerning the quantifiable qualitative criteria, the Committee's conclusions were as follows:

- for the "Implementation of the strategy (deployment of the transformations)" criterion, the Committee analyzed the results of the Balanced Score Card. Having noted the progress made in deploying the People, Profit and Planet aspects of Michelin's strategy, the Committee decided that the indicator-based objectives had been 85%-met;
- concerning the "Corporate social responsibility" criterion (Total Case Incident Rate: improvements to the safety of Michelin Group employees), the Committee noted that the improvement rate of 1.03 was below the threshold rate;
- for the "Gender balance" criterion, the Committee noted that the percentage of Group management positions held by women (24.3%) was very close to the ceiling percentage;
- for the "CO_2 emissions (Scopes 1 and 2)" criterion, the Committee noted that actual emissions (2.018 mt) were higher than the target.

After discussing the matter during its meeting on February 11, 2025, the Supervisory Board approved the Compensation and Appointments Committee's recommendations, which were then also approved by the General Partners.

(1) See sections 3.3.1 and 3.3.2 of the 2023 Universal Registration Document.
(2) See the information/presentations on the May 17, 2024 Annual Shareholders Meeting on the Company's website www.michelin.com.

	Criterion	Objective	Measurement method[1]	Min.	Target	Max.	2024 actual	Achievement rate
Quantitative criteria and objectives *(70% of the target fixed compensation)*	Net income	Profit	As a % of fixed compensation	0%	20%	30%	-	11.2%
			Value of the indicator	€1,750m	€2,000m	€2,150m	€1,890m	-
	2023 segment operating income (SOI)	Profit	As a % of fixed compensation	0%	25%	37.5%	-	0%
			Value of the indicator	€3,500m	€3,670m	€3,800m	€3,419m	-
	Growth in free cash flow before acquisitions	Profit	As a % of fixed compensation	0%	25%	37.5%	-	37.5%
			Value of the indicator	€1,500m	€1,800m	€2,050m	€2,225m	-
Total quantitative				0%	70%	105%	-	48.7%
Quantifiable qualitative criteria and objectives *(30% of the target fixed compensation)*	Implementation of the strategy (deployment of the transformations)	Profit	Board assessment based on implementation of the Balanced Score Card					
			As a % of fixed compensation	0%	10%	15%	-	8.5%
			Value of the indicator	N/A	N/A	N/A	N/A	N/A
	Total Case Incident Rate (TCIR)	People	As a % of fixed compensation	0%	5%	7.5%	-	0%
			Value of the indicator	1.01	0.95	0.92	1.03	-
	Percentage of Group management positions held by women	People	As a % of fixed compensation	0%	5%	7.5%	-	7%
			Value of the indicator	22.5%	23.5%	24.5%	24.3%	-
	CO_2 emissions (Scopes 1 and 2)	Planet	As a % of fixed compensation	0%	10%	15%	-	11.1%
			Value of the indicator	2.14 mt	2.04 mt	1.94 mt	2.02 mt	-
Total quantifiable qualitative				0%	30%	45%		26.6%
Total quantitative and qualitative excluding net income criteria								64.10%
TOTAL VARIABLE COMPENSATION AS % OF FIXED COMPENSATION *(rounded to the nearest decimal)*				**0%**	**100%**	**150%**		**75.3%**

Maximum value of all quantitative and quantifiable qualitative criteria	**150% of annual fixed compensation**
Actual overall achievement rate (quantitative and quantifiable qualitative criteria)	75.3%
Amount awarded *(in €)*	579,828.48
Achievement rate as a % of the reference fixed compensation	75.3%

2.4.4.3 Long-term variable compensation granted in 2024: performance share rights

Deferred variable compensation

On November 15, 2024, 34,883 performance share rights were awarded to Yves Chapot[1]. At December 31, 2024, these rights were valued at €595,032.71 and represented less than 0.0050% of the total Michelin shares outstanding at the year-end.

This award was:

- authorized in an extraordinary resolution of the Annual Shareholders Meeting of May 12, 2023 (14th resolution);
- made on the proposal of the General Partners in application of the conditions and criteria set by the Supervisory Board that determine all the performance share awards, as presented in the 2022 Universal Registration Document and as they result from the 2024 compensation policy[2].

In application of the 2024 compensation policy, the award is subject to the following specific rules:

- the Managers are required to hold 40% of the vested shares for as long as they remain in office;
- The number of performance shares granted was limited such that their value[1] did not exceed 120% of his annual fixed compensation for 2024;
- in addition, for the period of validity of the authorization (38 months), performance share rights awarded to the Managers may not exceed the equivalent of 0.1% of the Company's capital; this is a specific sub-cap applicable to the Managers within the overall cap of 1.5% applicable to all beneficiaries as mentioned in the above-mentioned resolution.

In accordance with AFEP/MEDEF Code recommendation No. 26.3.3, the equity risk on the performance shares has not been hedged by Yves Chapot and will not be hedged at any time during the holding period.

The performance criteria and the interim results are presented below.

			Interim results		
Criteria		*Weighting*	**2024** vs. **2023**		
Share price performance	Michelin share price must outperform the Stoxx Europe 600 index by at least 5 points between 2023 and 2026 (based on average closing prices for the two years) Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points	*20%*	+7.4%		
			2024	2025	2026
Corporate social responsibility performance	Industrial-Michelin Environmental Performance – i-MEP[1] must be below 77 points in 2026 Vesting prorated to the achievement rate between the trigger point of 83 and the targeted 77 points	*20%*	82.6 points		-
	The average employee engagement rate for 2024, 2025 and 2026 must exceed 85% Result calculated on a prorated basis between 83% and 85%	*20%*	84.7%		-
Operating performance	Average annual growth in revenue from non-tire and distribution activities must exceed 8% over the 2023-2024, 2024-2025 and 2025-2026 periods Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%	*20%*	-3.5%		-
	Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) must exceed 12% in 2026 Result calculated on a straight-line basis between the threshold of 10% and the targeted 12%	*20%*	10.5%		-

(1) Annual scope based on reported figures, including acquisitions from the fourth year of consolidation in the Group's financial statements.

(1) To improve year-on-year comparability and avoid taking into account stock market performance conditions, due to the excessive volatility of this indicator, for the determination of the discount rate, the fair value used to determine the number of shares to be awarded only takes into account the dividends not received during the vesting period.
(2) See information provided in the 2022 Universal Registration Document (page 455) and the 2023 Universal Registration Document (page 119).

For all criteria, fulfillment is calculated as follows:

- performance below threshold: no shares will vest;
- performance between the threshold and the ceiling: number of vested shares calculated on a straight-line basis;
- performance equal to or greater than the ceiling: all the shares will vest.

2.4.4.4 Fringe benefits, stock options and directors' or Supervisory Board members' compensation

In line with the 2024 compensation policy, in 2024 Yves Chapot did not receive (i) any compensation in his capacity as a member of the Supervisory Board of the Company or any controlled entities, (ii) any benefits other than those listed above, or (iii) any stock options of the Company or any controlled entities.

Mr. Chapot has a fringe benefit in the form of a Company car (see the table in section 2.6.1.3).

2.4.4.5 Pension plans

There is no specific supplementary pension plan set up for the Managers or the Chair of the Supervisory Board.

In his capacity as General Manager of CGEM, Yves Chapot participates in the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan).

As required by Article D. 22-10-16 of the French Commercial Code, this plan, governed by Article L. 137-11 of the French Social Security Code and Article 39 of the French General Tax Code, is described below:

- as of their retirement date, participants must have served for at least five years as a senior executive to be eligible for benefits;
- 1.5% of benefits vest each year, entitling participants to an annuity representing a replacement rate of up to 15% of the reference compensation (annual average of the best three years of compensation out of the last five years preceding the beneficiary's retirement). In accordance with the government order dated July 3, 2019, no rights have vested since December 31, 2019;
- the vested benefit entitlement is in addition to the replacement rate provided by all pension plans in which Yves Chapot participates. The total replacement rate is capped at 35%;
- an evaluation is carried out in accordance with Group accounting policies;
- benefit entitlement is conditional on participants ending their career at MFPM as an executive employee or executive officer, in accordance with Article L. 137-11 of the French Social Security Code;
- 70% of the prior year's benefit obligation is funded through a contribution to an insured plan.

Mr. Chapot's reference compensation for 2024 in his capacity as executive officer was made up of his annual fixed compensation and his annual variable compensation.

Based on the assumptions in Article D. 22-10-16 of the French Commercial Code introduced by Decree No. 2020-1742, the estimated gross annual pension payable to Mr. Chapot under this plan amounts to €233,139.

The benefit represented by the Company's contributions to the plan is taxed at the rate of 24%. The actual gross replacement rate represented by pension benefits paid under the plan will be well below the 45% ceiling recommended in the AFEP/MEDEF Code.

As General Manager of CGEM, Yves Chapot participates in the PERO mandatory supplementary pension plan in the same way as all employees of CGEM and MFPM.

2.4.4.6 Compensation for loss of office

No compensation for loss of office was paid to Yves Chapot in 2024[1].

2.4.4.7 Non-compete clause

No non-compete indemnity was paid to Yves Chapot in 2024[1].

(1) See detailed disclosures in section 2.6.1.12 of the 2024 Universal Registration Document.

2.4.5 COMPENSATION RATIOS OF THE MANAGERS AND THE CHAIR OF THE SUPERVISORY BOARD

Background

Unlike the corporate officers of joint stock corporations, a Managing General Partner of the Company (which is organized as a partnership limited by shares), who may also be the Managing Chairman, has unlimited personal liability for the Company's debts in the event that the Company is unable to honor its commitments, and can only be relieved of this liability by decision of the Extraordinary Shareholders Meeting. This exceptional liability justifies the payment of specific compensation.

The Company has very few employees (fewer than five, none of whom are corporate directors). The ratios of the Managers' pay and of the Supervisory Board Chair's pay to that of the Company's employees are therefore not meaningful.

For this reason, the Company has chosen to disclose these ratios for the Group's four main French companies[1], which together employed nearly 82% of the Michelin Group's total workforce in France as of December 31, 2024.

These subsidiaries are engaged in manufacturing, sales, and research and development activities and one of them hosts the vast majority of the Michelin Group's corporate departments.

Like the previous year's report, the 2024 report has been prepared by applying the "Guidelines on Compensation Multiples" published by the AFEP in February 2021.

The ratios presented below have been calculated in such a way as to disclose information related to the function, in order to guarantee, as far as possible, the relevance and consistency of comparative information across the entire reporting period. They are based on the fixed and variable compensation, benefits and other bonuses **paid** during the years indicated to (i) Managers and the Chair of the Supervisory Board and (ii) employees who were present throughout the year, as well as on the performance share rights **awarded** in those years, measured at fair value.

The increases and ratios observed in 2024 primarily reflect changes in variable compensation linked to the Group's objectives between 2022 (paid in 2023) and 2023 (paid in 2024).

The financial performance indicators selected at the level of the Michelin Group are total sales, segment operating income ("SOI") excluding changes in exchange rates, which measures the performance of the Group's operating segments, and free cash flow before acquisitions.

(1) Manufacture Française des Pneumatiques Michelin, Compagnie Générale des Établissements Michelin, Pneu Laurent, Caoutchouc Synthétique Michelin.

Ratios presented in application of Article L.22-10-9-I, paragraphs 6 and 7, of the French Commercial Code

	2024	2023	2022	2021	2020
PERCENTAGE CHANGE IN THE COMPENSATION OF THE CHAIR OF THE SUPERVISORY BOARD[(1)(2)]	**-14.9%**	**291.7%**	**0.0%**	**6.4%**	**28.7%**
Percentage change in the average compensation of employees	7.5%	-0.2%	12.3%	2.6%	2.9%
Ratio versus average employee compensation	5.9	7.5	1.9	2.1	2.1
Percentage change in the ratio versus the previous year	-21.3%	294.7%	-9.5%	0%	26.5%
Ratio versus median employee compensation	7.6	9.5	2.5	2.8	2.7
Percentage change in the ratio versus the previous year	-20%	280.0%	-10.7%	3.7%	26.8%
PERCENTAGE CHANGE IN THE MANAGING CHAIRMAN'S COMPENSATION[(1)(3)(4)(5)]	**22.5%**	**-36.9%**	**103.0%**	**-6.5%**	**-37.6%**
Percentage change in the average compensation of employees	7.5%	-0.2%	12.3%	2.6%	2.9%
Ratio versus average employee compensation	55.6	48.8	77.3	42.9	47.1
Percentage change in the ratio versus the previous year	13.9%	-36.9%	80.2%	-8.9%	-39.3%
Ratio versus median employee compensation	70.8	61.7	101.3	55.9	61.0
Percentage change in the ratio versus the previous year	14.7%	-39.1%	81.2%	-8.4%	-38.9%
PERCENTAGE CHANGE IN THE GENERAL MANAGER'S COMPENSATION[(1)(4)(5)]	**17.1%**	**-20.1%**	**40.7%**	**28.6%**	**33.0%**
Percentage change in the average compensation of employees	7.5%	-0.2%	12.3%	2.6%	2.9%
Ratio versus average employee compensation	34.4	31.6	39.5	31.5	25.1
Percentage change in the ratio versus the previous year	8.9%	-20.0%	25.4%	25.5%	29.0%
Ratio versus median employee compensation	43.8	39.9	51.7	41.0	32.6
Percentage change in the ratio versus the previous year	9.8%	-22.8%	26.1%	25.8%	30.2%
COMPANY PERFORMANCE[(6)]					
Growth in segment operating income (SOI) (excluding currency effect)	13.8%	8.3%	65.2%	-33.4%	6.5%
Growth in sales (excluding currency effect)	2%	14.0%	18.2%	-12.6%	7.8%

(1) The compensation paid to Managers for functions held during only part of the year (new Manager or Manager who was not replaced) has been annualized.
(2) The 2023 values shown for this function were adjusted to reflect the actual amount paid in 2023, as recorded in the financial statements (see explanation in section 3.4.5 of the 2023 Universal Registration Document).
(3) Only information relating to the position of Managing Chairman and General Partner is presented given that the specific role of Managing General Partner was exercised over a limited period.
(4) Deferred long-term compensation paid to Managers who no longer held the positions concerned during the reporting period has not been taken into account.
(5) Since 2020, the reference amount for variable compensation includes the book value of performance shares awarded to the Managers.
(6) To permit meaningful comparisons with the compensation paid in a given year, which depends to a significant extent on the prior year's results, the values taken into account for a given year correspond to the results achieved in the prior year.

2.4.6 PROPOSED RESOLUTION ON THE DISCLOSURES MENTIONED IN ARTICLE L. 22-10-9-I OF THE FRENCH COMMERCIAL CODE

In accordance with the applicable laws and regulations, at the Ordinary Shareholders Meeting, the General Partners and the Supervisory Board will submit to shareholders the required disclosures concerning the compensation paid or awarded in 2024 to the corporate officers.

The resolution to be presented to the Annual Shareholders Meeting of May 16, 2025 concerning all the disclosures contained in sections 2.4.1 to 2.4.5, is set out below.

8TH RESOLUTION

■ Approval of the disclosures concerning the corporate officers' compensation packages

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 I of the French Commercial Code, approves the disclosures mentioned in Article L. 22-10-9 I of the Code, as presented in the Corporate Governance Report set out in sections 2.4.1 to 2.4.5 of the Company's 2024 Universal Registration Document.

2.5 INDIVIDUAL COMPENSATION PAID OR AWARDED TO THE MANAGERS AND THE CHAIR OF THE SUPERVISORY BOARD FOR 2024

In addition to the resolution presented in section 2.4.6 above, the Annual Shareholders Meeting will be asked to adopt the following individual resolutions concerning the Chair of the Supervisory Board and each of the Managers.

2.5.1 VOTE BY SHAREHOLDERS AT THE ORDINARY SHAREHOLDERS MEETING OF MAY 16, 2025 ON THE COMPENSATION PACKAGE OF BARBARA DALIBARD, CHAIR OF THE SUPERVISORY BOARD

This section presents the components of the compensation paid or awarded in 2024 to Barbara Dalibard in her capacity as member then Chair of the Supervisory Board.

Compensation components put to the vote	Amounts paid in 2024	Amounts awarded in respect of 2024	Presentation
Compensation as Supervisory Board member and Chair	€400,000.00	€400,000.00	**The amount paid in 2024:** is due ■ for €50,000.00, as compensation for her duties as member of the Supervisory Board in 2023, determined in accordance with the 2023 compensation policy for the members of the Supervisory Board described in the 2022 Universal Registration Document (section 3.3.3) and approved by the Annual Shareholders Meeting of May 12, 2023 (7th resolution, adopted by a 99.65% majority of the votes cast), ■ for €350,000.00, as compensation for her duties as Chair of the Supervisory Board in 2024, determined in accordance with the 2024 compensation policy for the members of the Supervisory Board described in the 2023 Universal Registration Document (section 3.3.3) and approved by the Annual Shareholders Meeting of May 17, 2024 (7th resolution, adopted by a 99.77% majority of the votes cast). **The amount awarded in respect of 2024:** was determined in accordance with the 2024 compensation policy for the members of the Supervisory Board, as described in the 2023 Universal Registration Document (section 3.3.3) and approved by the Annual Shareholders Meeting of May 17, 2024 (7th resolution, adopted by a 99.77% majority of the votes cast). It breaks down as: ■ €350,000.00 due as compensation for her duties as Chair of the Supervisory Board in 2024, paid in 2024, ■ €50,000.00 due as compensation for her duties as member of the Supervisory Board in 2024, payable in 2025.
Annual variable compensation	N/A	N/A	N/A
Deferred variable compensation	N/A	N/A	N/A

Compensation components put to the vote	Amounts paid in 2024	Amounts awarded in respect of 2024	Presentation
Exceptional compensation	N/A	N/A	N/A
Stock options, performance shares and other long-term compensation (stock warrants, etc.)	N/A	N/A	N/A
Fringe benefits	N/A	N/A	N/A
Compensation for loss of office	N/A	N/A	N/A
Non-compete indemnity	N/A	N/A	N/A
Supplementary pension benefits	N/A	N/A	N/A

N/A: Not applicable.

At the Ordinary Shareholders Meeting of May 16, 2025, shareholders will be asked to approve the following ordinary resolution:

11TH RESOLUTION

■ Approval of the components of the compensation paid or awarded to Barbara Dalibard for the year ended December 31, 2024

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2024 or awarded in respect of that year to Barbara Dalibard, Chair of the Supervisory Board, as set out in section 2.5.1 of the Company's 2024 Universal Registration Document.

2.5.2 VOTE BY SHAREHOLDERS AT THE ORDINARY SHAREHOLDERS MEETING OF MAY 16, 2025 ON THE COMPENSATION PACKAGE OF FLORENT MENEGAUX, MANAGING CHAIRMAN AND GENERAL PARTNER

This section presents the components of the compensation paid or awarded to Florent Menegaux for 2024 in his capacity as Managing Chairman.

Compensation components put to the vote	Amounts paid in 2024	Amounts awarded in respect of 2024 OR Value OR Simulation	Presentation
Fixed compensation	€1,100,000.00	€1,100,000.00	The annual fixed compensation amount for 2024 was determined in accordance with the 2024 compensation policy described in the 2023 Universal Registration Document (page 115) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast).
Annual variable compensation	€1,650,000.00	€1,158,700.00 (Amount that may be awarded in respect of 2024 in application of the 2024 compensation policy, payable in 2025)	**The amount paid in 2024:** ■ was due for 2023 and was determined in accordance with the 2023 compensation policy, as described in the 2022 Universal Registration Document (pages 107 to 109) and approved by the Ordinary Shareholders Meeting of May 17, 2024 (9th resolution, adopted by an 98.08% majority of the votes cast); ■ is the subject of detailed disclosures in section 3.4.3.2 of the 2023 Universal Registration Document. **The amount awarded in respect of 2024:** ■ was determined in accordance with the 2024 compensation policy, as described in the 2023 Universal Registration Document (pages 115 to 117) and approved by the Ordinary Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.3.2 of the 2024 Universal Registration Document.
Deferred variable compensation	N/A	N/A	**No compensation awarded or paid**
Exceptional compensation	N/A	N/A	N/A
Stock options, performance shares and other long-term compensation (stock warrants, etc.)	N/A	€991,715.49 (value at December 31, 2024 of the 58,138 performance share rights awarded in November 2024)	This award was made in application of: ■ the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 119) and approved by the Ordinary Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ the 14th resolution of the Annual Shareholders Meeting of May 12, 2023 (see pages 455 *et seq.* of the 2022 Universal Registration Document), adopted by an 87.04% majority of the votes cast.
Compensation as a Director/Supervisory Board member	N/A	N/A	N/A

Compensation components put to the vote	Amounts paid in 2024	Amounts awarded in respect of 2024 OR Value OR Simulation	Presentation
Fringe benefits	€9,546.95	€9,546.95	Company car (accounting value)
Compensation for loss of office	No compensation paid	No compensation awarded	This component: ■ is an integral part of the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 120) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.3.6 of the 2024 Universal Registration Document.
Non-compete indemnity	No indemnity paid	No indemnity awarded	This component: ■ is an integral part of the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 121) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.3.7 of the 2024 Universal Registration Document.
Supplementary pension benefits	No benefits paid	No benefits awarded	This component: ■ is an integral part of the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 120) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.3.5 of the 2024 Universal Registration Document.

N/A: Not applicable.

At the Ordinary Shareholders Meeting of May 16, 2025, shareholders will be asked to approve the following ordinary resolution:

9TH RESOLUTION

■ Approval of the components of the compensation paid or awarded to Florent Menegaux for the year ended December 31, 2024

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2024 or awarded in respect of that year to Florent Menegaux, Managing General Partner and Managing Chairman, as presented in the Corporate Governance Report set out in section 2.5.2 of the Company's 2024 Universal Registration Document.

2.5.3 VOTE BY SHAREHOLDERS AT THE ORDINARY SHAREHOLDERS MEETING OF MAY 16, 2025 ON THE COMPENSATION PACKAGE OF YVES CHAPOT, GENERAL MANAGER

This section presents the components of the compensation paid or awarded to Yves Chapot for 2024 in his capacity as General Manager.

Compensation components put to the vote	Amounts paid in 2024	Amounts awarded in respect of 2024 OR Value OR Simulation	Presentation
Fixed compensation	€770,000.00	€770,000.00	The annual fixed compensation amount for 2024 was determined in accordance with the 2024 compensation policy described in the 2023 Universal Registration Document (page 115) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast).
Annual variable compensation	€945,907.24	€579,828.48 (Amount that may be awarded in respect of 2024 in application of the 2024 compensation policy, payable in 2025)	**The amount paid in 2024:** ■ was due for 2023 and was determined in accordance with the 2023 compensation policy, as described in the 2022 Universal Registration Document (pages 107 to 109) and approved by the Ordinary Shareholders Meeting of May 17, 2024 (10th resolution, adopted by an 98.22% majority of the votes cast); ■ is the subject of detailed disclosures in section 3.4.4.2 of the 2023 Universal Registration Document. **The amount awarded in respect of 2024:** ■ was determined in accordance with the 2024 compensation policy, as described in the 2023 Universal Registration Document (pages 115 to 118) and approved by the Ordinary Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.4.2 of the 2024 Universal Registration Document.
Deferred variable compensation	N/A	N/A	**No compensation awarded or paid**
Exceptional compensation	N/A	N/A	N/A
Stock options, performance shares and other long-term compensation (stock warrants, etc.)	N/A	€595,032.71 (value at December 31, 2024 of the 34,883 performance share rights awarded in November 2024)	This award was made in application of: ■ the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 119) and approved by the Ordinary Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ the 14th resolution of the Annual Shareholders Meeting of May 12, 2023 (see pages 455 *et seq.* of the 2022 Universal Registration Document), adopted by an 87.04% majority of the votes cast.

Compensation components put to the vote	Amounts paid in 2024	Amounts awarded in respect of 2024 OR Value OR Simulation	Presentation
Compensation as a Director/Supervisory Board member	N/A	N/A	N/A
Fringe benefits	€8,594.47	€8,594.47	Company car (accounting value)
Compensation for loss of office	No compensation paid	No compensation awarded	This component: ■ is an integral part of the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 120) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.4.6 of the 2024 Universal Registration Document.
Non-compete indemnity	No indemnity paid	No indemnity awarded	This component: ■ is an integral part of the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 121) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.4.7 of the 2024 Universal Registration Document.
Supplementary pension benefits	No benefits paid	No benefits awarded	This component: ■ is an integral part of the 2024 compensation policy, as described in the 2023 Universal Registration Document (page 120) and approved by the Annual Shareholders Meeting of May 17, 2024 (6th resolution, adopted by a 96.51% majority of the votes cast); ■ is the subject of detailed disclosures in section 2.4.4.5 of the 2024 Universal Registration Document.

N/A: Not applicable.

At the Ordinary Shareholders Meeting of May 16, 2025, shareholders will be asked to approve the following ordinary resolution:

10TH RESOLUTION

■ Approval of the components of the compensation paid or awarded to Yves Chapot for the year ended December 31, 2024

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2024 or awarded in respect of that year to Yves Chapot, General Manager, as presented in the Corporate Governance Report set out in section 2.5.3 of the Company's 2024 Universal Registration Document.

2.6 OTHER INFORMATION ABOUT COMPENSATION OF THE EXECUTIVE OFFICERS

2.6.1 SUMMARY INFORMATION CONCERNING THE EXECUTIVE OFFICERS

The data and tables in this section:

- present the compensation of the Managers and the Chair of the Supervisory Board;
- have been prepared in accordance with the AFEP/MEDEF Code (December 2022);
- comply with AMF recommendation No. 2012-02 (revised) on "corporate governance and executive compensation in companies that refer to the AFEP/MEDEF Code – Consolidated presentation of the recommendations contained in the AMF's annual reports".

2.6.1.1 Compensation, stock options and performance shares awarded to executive officers *(in €)* (based on Table 1 in the AFEP/MEDEF Code)

Florent Menegaux, General Partner and Managing Chairman with unlimited personal liability for the Company's debts	2024	2023
Compensation awarded for the year	2,268,246.95	2,759,755.40
Value of stock options granted during the year	0	0
Value of performance shares granted during the year	991,715.49(1)	1,047,089.10
Value of other long-term compensation plans	0	0
TOTAL	**3,259,962.44**	**3,806,844.50**
Reference CGEM consolidated net income	1,890,031,258.47	1,982,603,493.01

(1) Value at December 31, 2024 of the performance share award described in section 2.4.3.3 of this 2024 Universal Registration Document.

Yves Chapot, General Manager	2024	2023
Compensation awarded for the year	1,358,422.95	1,724,650.48
Value of stock options granted during the year	0	0
Value of performance shares granted during the year	595,032.71(1)	628,247.03
Value of other long-term compensation plans	0	0
TOTAL	**1,953,455.66**	**2,352,897.51**

(1) Value at December 31, 2024 of the performance share award described in section 2.4.4.3 of this 2024 Universal Registration Document.

2.6.1.2 Compensation paid and awarded to Florent Menegaux *(in €)* (based on Table 2 in the AFEP/MEDEF Code)

Florent Menegaux, General Partner and Managing Chairman with unlimited personal liability for the Company's debts	2024		2023	
	Awarded	Paid	Awarded	Paid
Fixed compensation[1]	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00
Annual variable compensation	1,158,700.00[2]	1,650,000.00	1,650,000.00	905,744.43
Exceptional compensation	0	0	0	0
Compensation as a Director/Supervisory Board member	0	0	0	0
Fringe benefit (car)	9,546.95	9,546.95	9,755.40	9,755.40
TOTAL	**2,268,246.95**	**2,759,546.95**	**2,759,755.40**	**2,015,499.83**
Reference CGEM consolidated net income	1,890,031,258.47	1,982,603,493.01	1,982,603,493.01	2,008,883,043.82

(1) Compensation paid by Manufacture Française des Pneumatiques Michelin (MFPM), a controlled entity, in consideration of his role as Chairman of the Company.

(2) Gross amount, calculated based on the achievement rate for the applicable performance criteria, subject to approval of the corresponding resolutions by CGEM shareholders at the Annual Meeting of May 16, 2025 (see section 2.4.3).

2.6.1.3 Compensation paid and awarded to Yves Chapot *(in €)* (based on Table 2 in the AFEP/MEDEF Code)

	2024		2023	
Yves Chapot, General Manager	Awarded	Paid	Awarded	Paid
Fixed compensation	770,000.00	770,000.00	770,000.00	770,000.00
Annual variable compensation	579,828.48[1]	945,907.24	945,907.24	574,583.33
Exceptional compensation	0	0	0	0
Compensation as a Director/Supervisory Board member	0	0	0	0
Fringe benefit (car)	8,594.47	8,594.47	8,743.24	8,743.24
TOTAL	**1,358,422.95**	**1,724,501.71**	**1,724,650.48**	**1,353,326.57**

(1) Gross amount, calculated based on the achievement rate for the applicable performance criteria, subject to approval of the corresponding resolutions by CGEM shareholders at the Annual Meeting of May 16, 2025 (see section 2.4.4).

2.6.1.4 Compensation received by the non-executive corporate officers (based on Table 3 in the AFEP/MEDEF Code)

See the table in section 2.4.1 below.

2.6.1.5 Stock options granted during the year to executive officers by the issuer and any other Group company (based on Table 4 in the AFEP/MEDEF Code)

No stock options were granted by the Company to the executive officers during the year.

No stock options have been granted to the Managers since 2012.

	Plan no. and date	Type of options (purchase or subscription)	Value of the options calculated by the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Florent Menegaux	-	-	0	0	-	-
Yves Chapot	-	-	0	0	-	-

2.6.1.6 Stock options exercised during the year by executive officers (based on Table 5 in the AFEP/MEDEF Code)

No stock options have been exercised by the Company's executive officers since 2021, when the exercise period for the last plan expired.

	Plan no. and date	Number of options exercised during the year	Exercise price
Florent Menegaux	-	0	-
Yves Chapot	-	0	-

2.6.1.7 Performance shares granted during the year to the executive officers by the issuer and any other Group company (based on Table 6 in the AFEP/MEDEF Code)

93,021 of the 3,107,516 share grants given on November 14 and November 15, 2024 pursuant to the authorization given at the May 12, 2023 Annual Shareholders Meeting were granted to the Managers.

	Plan no. and date	Number of performance share rights granted during the year	Value of the performance share rights	Vesting date	End of lock-up period	Performance conditions
Florent Menegaux	Plan 23 of November 15, 2024	58,138	€991,715.49	November 15, 2028	November 15, 2028	Detailed information is provided in section 6.5.4.c) "Interim fulfillment of performance conditions under the November 15, 2024 performance share plan"
Yves Chapot	Plan 23 of November 15, 2024	34,883	€595,032.71	November 15, 2028	November 15, 2028	Detailed information is provided in section 6.5.4.c) "Interim fulfillment of performance conditions under the November 15, 2024 performance share plan"

2.6.1.8 Performance shares granted to executive officers for which the lock-up period ended during the year (based on Table 7 in the AFEP/MEDEF Code)

Of the 80,080 performance share rights awarded on November 13, 2020 to the Managers of the Company, 40,040 rights vested in 2024.

	Plan no. and date	Number of performance shares for which the lock-up period ended during the year	Vesting conditions
Florent Menegaux	Plan 12 – November 13, 2020	24,024	Detailed information is provided in section 6.5.4.c "Fulfillment of performance conditions under the November 13, 2020 performance share plan"
Yves Chapot	Plan 12 – November 13, 2020	16,016	Detailed information is provided in section 6.5.4.c "Fulfillment of performance conditions under the November 13, 2020 performance share plan"

2.6.1.9 Past awards of stock options – Information about stock options (based on Table 8 in the AFEP/MEDEF Code)

See the table in section 6.5.3.a below.

2.6.1.10 Past awards of performance shares – Information about performance shares (based on Table 9 in the AFEP/MEDEF Code)

See section 6.5.4 (past awards, achievement rates for the performance share plan criteria).

2.6.1.11 Deferred variable compensation awarded to executive officers (based on Table 10 in the AFEP/MEDEF Code)

See the table in section 2.6.2 below.

2.6.1.12 Managers' employment contracts, supplementary pension benefits and other benefits (based on Table 11 in the AFEP/MEDEF Code)

	Employment contract		Supplementary pension benefits		Benefits or advantages due or likely to be due as a result of terminations or changes of office		Non-compete indemnity	
Executive officer	Yes	No	Yes	No	Yes	No	Yes	No
FLORENT MENEGAUX								
Position: Managing Chairman and General Partner Start date of term of office: 2018 Expiration of term of office: 2026		X(1)	X(2)		X(3)		X(4)	
YVES CHAPOT								
Position: General Manager Start date of term of office: 2018 Expiration of term of office: 2026	X(5)		X(2)		X(3)		X(6)	

(1) Florent Menegaux resigned from the position that was the subject of his pre-existing employment contract.

(2) Defined benefit pension plan set up for senior executives of MFPM and CGEM. For detailed explanations, see sections 2.4.3.5 and 2.4.4.5. In accordance with Government Order No. 2019-697 dated July 3, 2019, the supplementary pension plan set up for MFPM and CGEM senior executives (the Michelin Executive Supplementary Pension Plan) has been closed to new members since July 4, 2019 and the vesting period was frozen at December 31, 2019.

(3) Benefit defined in the CGEM Bylaws:
- set by the Non-Managing General Partner with the endorsement of the Supervisory Board; – only payable in the event of forced departure due to a change of strategy or of control; – capped at two years' fixed and variable compensation (this cap includes any other benefits payable on termination of office such as a non-compete indemnity);
- subject to performance conditions (see section 2.3.2.7).

(4) Indemnity payable in his capacity as an executive officer of MFPM:
- with the possibility for the Supervisory Board to waive implementation of the non-compete clause;
- capped at 24 months' worth of the most recent fixed compensation paid to him by MFPM;
- deducted, where appropriate, from the cap equal to two years' fixed and variable compensation applicable to all termination benefits, including compensation for loss of office payable in the event of a forced departure due to a change in the Company's strategy or control (for detailed explanations, see section 2.3.2.8).

In accordance with Article R. 22-10-40-III of the French Commercial Code, the non-compete indemnity would not be payable if the person concerned retired on leaving the Group.

(5) Suspended employment contract with MFPM.

(6) Indemnity payable under his suspended employment contract with MFPM:
- with the possibility for the Supervisory Board to waive implementation of the non-compete clause;
- capped at 24 months' worth of the most recent aggregate compensation paid to him by MFPM;
- deducted, where appropriate, from the cap equal to two years' fixed and variable compensation applicable to all termination benefits, including compensation for loss of office payable in the event of a forced departure due to a change in the Company's strategy or control (for detailed explanations, see section 2.3.2.8).

In accordance with Article R. 22-10-40-III of the French Commercial Code, the non-compete indemnity would not be payable if the person concerned retired on leaving the Group.

2.6.2 APPLICABLE LONG-TERM INCENTIVE BONUSES AWARDED TO EXECUTIVE OFFICERS IN RESPECT OF PERIODS PRIOR TO 2024

None.

2.7 TOTAL COMPENSATION AWARDED TO THE GROUP EXECUTIVE COMMITTEE

In 2024, the members of the Group Executive Committee (excluding the Managers) received aggregate gross compensation of €10,174,286 (including €4,013,969 corresponding to the variable component for 2023 paid during the first half of 2024). In 2023, the aggregate gross compensation received by Group Executive Committee members totaled €6,491,332 (including €1,756,544 corresponding to the variable component for 2022 paid during the first half of 2023). The Group Executive Committee members do not receive any compensation as members of the Boards of any Group companies.

ADDITIONAL INFORMATION

2.8 TRADING IN MICHELIN SHARES BY THE CORPORATE OFFICERS AND THEIR CLOSE RELATIVES IN 2024

Management

Florent Menegaux

24,024 performance share rights awarded under the 2020 plan vested on November 13, 2024 (vesting price per share: €31.36).

Yves Chapot

16,016 performance share rights awarded under the 2020 plan vested on November 13, 2024 (vesting price per share: €31.36).

Supervisory Board

Jean-Christophe Laourde

59 shares acquired at a price of €28.08 on October 29, 2024 under the Bib Action 2024 Group savings plan.

Delphine Roussy

478 performance share rights awarded under the 2020 plan vested on November 13, 2024 (vesting price per share: €31.36).

95 shares acquired at a price of €28.08 on October 29, 2024 under the Bib Action 2024 Group savings plan.

Catherine Soubie

1,600 shares purchased on March 25, 2024 at the reference price of €35.53 per share.

Pascal Vinet

1,200 shares purchased on March 25, 2024 at the reference price of €35.67 per share.

To the best of the Company's knowledge, no other transactions in the Company's shares were carried out by the Managing Chairman, the Managers, Supervisory Board members or their close relatives during the year.

2.9 PROCEDURE FOR ASSESSING AGREEMENTS ENTERED INTO IN THE NORMAL COURSE OF BUSINESS

In accordance with Article L. 225-39 of the French Commercial Code, referring to Article L. 226-10-1 of said Code, the Supervisory Board has established a procedure for the regular review of agreements entered into in the normal course of business, in order to obtain assurance that they are on arm's length terms. The persons directly or indirectly concerned by any of these agreements do not participate in the review. The procedure is performed by members of the Legal Department who refer to the regulatory framework governing these types of agreement.

2.10 ARTICLES OF INCORPORATION, BYLAWS AND SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

The Bylaws, in French and English, can be downloaded from the Company's website (www.michelin.com).

2.10.1 GENERAL PARTNERS (ARTICLE 1 OF THE BYLAWS)

- Florent Menegaux, Managing Chairman;
- Société Auxiliaire de Gestion – SAGES (registered in the Clermont-Ferrand Trade and Companies Register under number 870 200 466), a simplified joint stock company chaired by Vincent Montagne (see the presentation and role of this company, section 2.1.2).

2.10.2 CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

All operations and activities directly or indirectly linked to the production, manufacture and sale of rubber, at all stages of manufacture, in all forms and for all uses.

All industrial, commercial and financial operations, related in particular to:

- tires, tire components, tire accessories and manufactured rubber in general;
- mechanical engineering in all its applications, and in particular motor vehicles and industrial vehicles, components, spare parts and accessories;
- the production, sale and use of natural or synthetic chemicals and their derivatives, in particular the various sorts of elastomers, plastics, fibers and resins, and generally all activities and products of the chemicals industry, especially as related to the products and operations described above;
- the filing, acquisition, use, transfer or sale of any intangible property rights, and in particular patents and related rights, trademarks and manufacturing processes relating to the corporate purpose.

To be carried out directly, as well as through equity interests, the creation of new companies, joint ventures (*sociétés en participation*) and economic interest groups, contributions, partnerships (*commandites*), the subscription, purchase or exchange of securities, or interests, in all businesses whose activities relate to the aforementioned purposes, or by way of merger or otherwise.

And generally, all commercial, industrial, real estate, securities and financial transactions related directly or indirectly in whole or in part to any of the purposes specified above or to any similar or related purposes.

2.10.3 MANAGERS (ARTICLE 10 OF THE BYLAWS)

The Company is led by a Managing Chairman and managed by one or more Managers, who are individuals and who may or may not be General Partners.

2.10.4 FISCAL YEAR (ARTICLE 29 OF THE BYLAWS)

The Company's fiscal year begins on January 1 and ends on December 31.

2.10.5 STATUTORY ALLOCATION OF PROFITS (ARTICLES 12 AND 30 OF THE BYLAWS)

Allocation to the General Partners of a share of net income (the Profit Share), calculated as follows:

- the portion of the Profit Share attributable to the Managing General Partner(s) is determined by reference to the objectives set in advance by the Supervisory Board;
- the portion attributable to the Non-Managing General Partner is equal to the amount attributable to the Managing General Partner(s) in respect of his or her annual variable compensation or in any other form whatsoever (including in performance shares).

In all cases, the total Profit Share due to the General Partners is capped at 0.6% of consolidated net income for the year.

Net income comprises net revenue for the year less general and administrative costs and all other expenses of the Company, including any depreciation, amortization and provisions deemed necessary. Net income remaining after the allocation to the General Partners, plus any retained earnings brought forward from the prior year, is attributable to shareholders.

The shareholders may decide to make deductions from this attributable net income to be used, as recommended by the Managing Chairman, to create or increase one or more reserve or contingency funds, over which the General Partners shall not have any rights.

2.10.6 SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

Notices of Meeting (Article 21 of the Bylaws)

Notices of Meeting are issued in such form and with such advance notice as is prescribed by law.

Conditions of attendance (Articles 22 and 24 of the Bylaws)

Shareholders may attend General Meetings regardless of how many shares they own, provided such shares are fully paid up and are registered in the Company's share register at least three days before the date of the Meeting.

Exercising voting rights – attribution of double voting rights (Article 22 of the Bylaws)

Owners or proxies of owners of fully paid-up shares registered in the name of the same holder for at least four years shall have two votes per share, without limitation.

In the event of a capital increase paid up by capitalizing reserves, income or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights shall similarly carry double voting rights.

Transfer through inheritance, liquidation of marital assets, *inter vivos* transfers to a spouse or to a relative in the ascending or descending line shall not result in the loss of double voting rights or a break in the qualifying period described above.

Shares transferred for any other reason shall lose their double voting rights ipso jure.

Statutory disclosure thresholds

As of the date of this report, the Bylaws do not require shareholders to disclose their interests to the Company when certain shareholding thresholds are exceeded.

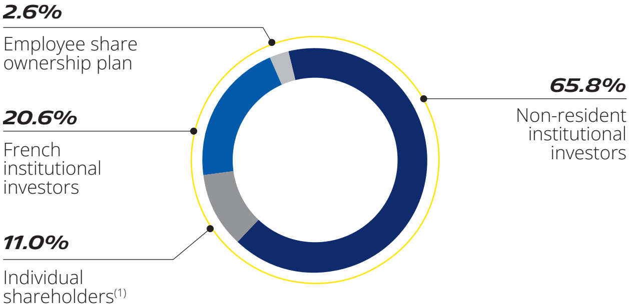
Further information is provided on the Company's website www.michelin.com.

2.11 OWNERSHIP STRUCTURE AND VOTING RIGHTS

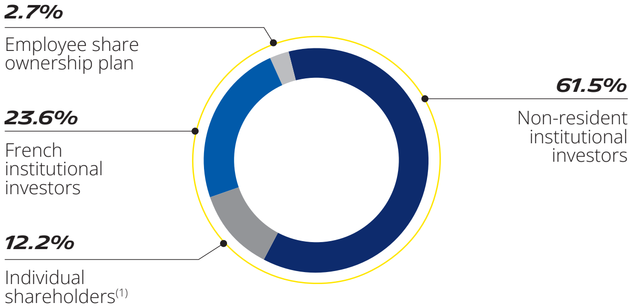
At December 31, 2024:

- share capital: €352,873,636;
- shares outstanding: 705,747,272 all fully paid up;
- voting rights outstanding: 998,581,514.

SHARE OWNERSHIP
(at December 31, 2024)



VOTING RIGHTS
(at December 31, 2024)



(1) At December 31, 2024, the percentage of shares held by individual shareholders included 1.16% held by former employees.

At December 31, 2024, 705,747,272 shares were held by the public, for which theoretical voting rights were identical to exercisable rights.

As of December 31, 2024, to the best of the Company's knowledge:

- BlackRock Inc. held 5.97% of the share capital and less than 5% of the voting rights;
- Mage Invest held 4.28% of the share capital and 6.02% of the voting rights;
- no other shareholder directly or indirectly holds more than 5% of the capital and voting rights;
- there are no shareholders' agreements or pacts.

There has been no material change in the Company's ownership structure over the last three years.

2.12 *FINANCIAL AUTHORIZATIONS*

The information presented in the following tables, in particular the number of shares, the share price and the maximum purchase price, has been adjusted to take into account the four-for-one stock split and reduction in the par value of Michelin shares from €2 to €0.50, decided on May 16, 2022 and effective on June 16, 2022.

2.12.1 GRANTED BY THE ANNUAL SHAREHOLDERS MEETING OF MAY 13, 2022

Issuance of shares and share equivalents with pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €32(1) *(in €)*	Maximum aggregate par value of shares *(in €)*	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	19th	26 months (July 2024)	■ €8 billion (ordinary shares) ■ €2.50 billion(4) (securities carrying rights to shares)	€125 million(2)(3) (less than 35% of issued capital)	None
Issuance of new shares by capitalizing reserves	24th	26 months (July 2024)	€5.120 billion	€80 million	None

(1) CGEM share price at December 31, 2024, rounded up to the nearest whole number.
(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €125 million, excluding any shares issued under the 24th and 26th resolutions (27th resolution).
(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 19th, 20th and 21st resolutions (23rd resolution).
(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 19th, 20th, 21st and 23rd resolutions not to exceed €2.5 billion (27th resolution).

Issuance of shares and share equivalents without pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €32(1) *(in €)*	Maximum aggregate par value of shares *(in €)*	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	20th	26 months (July 2024)	■ €2.240 billion (ordinary shares) ■ €2.50 billion(4) (securities carrying rights to shares)	€35 million(2)(3) (less than 10% of issued capital)	None
Issuance of shares and/or securities carrying rights to shares through an offer governed by Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*)	21st	26 months (July 2024)	■ €2.240 billion (ordinary shares) ■ €2.50 billion(4) (securities carrying rights to shares)	€35 million(2)(3)(5) (less than 10% of issued capital)	None
Determination of the issue price	22nd	26 months (July 2024)	■ €2.240 billion (ordinary shares) ■ €2.50 billion(4) (securities carrying rights to shares)	€35 million(2)(3)(5) (less than 10% of issued capital)	None
Issuance of ordinary shares in connection with a stock-for-stock offer or in payment of contributed assets	25th	26 months (July 2024)	€2.240 billion	€35 million(5)	None

(1) CGEM share price at December 31, 2024, rounded up to the nearest whole number.
(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €125 million, excluding any shares issued under the 24th and 26th resolutions (27th resolution).
(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 19th, 20th and 21st resolutions (23rd resolution).
(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 19th, 20th, 21st and 23rd resolutions not to exceed €2.5 billion (27th resolution).
(5) Amount to be included in the maximum total capital increase authorized under the 20th resolution.

Employee share issues and/or issue of shares to the Managers and the Chair of the Supervisory Board

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Issuance of new ordinary shares	26th	26 months (July 2024)	Less than 2% of issued capital	None

Share buyback program

Corporate action	Resolution	Duration (expiration date)	Limitations	Utilization during the year
Share cancellations	28th	24 months (May 2024)	10% of the current capital	None

2.12.2 GRANTED BY THE ANNUAL SHAREHOLDERS MEETING OF MAY 12, 2023

Employee share issues and/or issue of shares to the Managers and the Chair of the Supervisory Board

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Share grants and performance share plans	14th	38 months (July 2026)	■ Performance conditions over three years ■ Capped at 1% of issued capital	Issuance of 3,107,516 performance share rights[1]

(1) See section 6.5.4.

Share buyback program

Corporate action	Resolution	Duration (expiration date)	Limitations	Utilization during the year
Share buyback program	5th	18 months (November 2024)	■ Statutory limit of 10% of issued capital ■ Maximum purchase price: €55	Buyback of 2,982,980 shares[1]
Share cancellations	15th	24 months (May 2025)	10% of the current capital	None

(1) See section 6.5.6.

2.12.3 GRANTED BY THE ANNUAL SHAREHOLDERS MEETING OF MAY 17, 2024

Issuance of shares and share equivalents with pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €32[1] *(in €)*	Maximum aggregate par value of shares *(in €)*	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	17th	26 months (July 2026)	■ €8 billion (ordinary shares) ■ €2.50 billion[4] (securities carrying rights to shares)	€125 million[2][3] (less than 35% of issued capital)	None
Issuance of new shares by capitalizing reserves	22nd	26 months (July 2026)	€5.120 billion	€80 million	None

(1) CGEM share price at December 31, 2024, rounded up to the nearest whole number.
(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €125 million, excluding any shares issued under the 22nd and 24th resolutions (25th resolution).
(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 17th, 18th, 19th and 20th resolutions (21st resolution).
(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 17th, 18th, 19th and 20th resolutions not to exceed €2.5 billion (25th resolution).

Issuance of shares and share equivalents without pre-emptive subscription rights

Corporate action	Resolution	Duration (expiration date)	Maximum issue amount, based on a share price of €32[1] *(in €)*	Maximum aggregate par value of shares *(in €)*	Utilization during the year
Issuance of shares and/or securities carrying rights to shares	18th	26 months (July 2026)	■ €2.240 billion (ordinary shares) ■ €2.50 billion[4] (securities carrying rights to shares)	€35 million[2][3] (less than 10% of issued capital)	None
Issuance of shares and/or securities carrying rights to shares through an offer governed by Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*)	19th	26 months (July 2026)	■ €2.240 billion (ordinary shares) ■ €2.50 billion[4] (securities carrying rights to shares)	€35 million[2][3][5] (less than 10% of issued capital)	None
Determination of the issue price	20th	26 months (July 2026)	■ €2.240 billion (ordinary shares) ■ €2.50 billion[4] (securities carrying rights to shares)	€35 million[2][3][5] (less than 10% of issued capital)	None
Issuance of ordinary shares in connection with a stock-for-stock offer or in payment of contributed assets	23rd	26 months (July 2026)	€2.240 billion	€35 million[5]	None

(1) CGEM share price at December 31, 2024, rounded up to the nearest whole number.
(2) With the aggregate par value of shares issued in connection with all of the authorized transactions not to exceed €125 million, excluding any shares issued under the 22nd and 24th resolutions (25th resolution).
(3) This amount may be raised by up to 15% if the issue is oversubscribed, subject to the ceilings set respectively in the 17th, 18th, 19th and 20th resolutions (21st resolution).
(4) With the aggregate nominal amount of all debt securities, with or without rights to shares, authorized by the 17th, 18th, 19th and 20th resolutions not to exceed €2.5 billion (25th resolution).
(5) Amount to be included in the maximum total capital increase authorized under the 18th resolution.

Employee share issues and/or issue of shares to the Managers and the Chair of the Supervisory Board

Corporate action	Resolution	Duration (expiration date)	Comments	Utilization during the year
Issuance of new ordinary shares	24th	26 months (July 2026)	Less than 2% of issued capital	Issuance of 4,334,410 shares[1]

(1) See section 6.5.5.

Share buyback program

Corporate action	Resolution	Duration (expiration date)	Limitations	Utilization during the year
Share buyback program	5th	18 months (November 2025)	■ Statutory limit of 10% of issued capital ■ Maximum purchase price: €55	Buyback of 11,493,962 shares[1]
Share cancellations	26th	24 months (May 2026)	10% of the current capital	Cancellation of 14,477,103 shares[1]

(1) See section 6.5.6.

2.13 CHANGE OF CONTROL

Because the Company is organized as a *société en commandite par actions* (partnership limited by shares), any shareholder gaining control of the capital and corresponding voting rights could not exercise control over the Company without the approval, in accordance with the Bylaws, of the Non-Managing General Partner and/or, as the case may be, all of the General Partners and/or the Supervisory Board, which would be required to make the following decisions:

- election of new Managers;
- amendment of the Bylaws;
- election of new General Partners.

2.14 MAIN CHARACTERISTICS OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The Managers are responsible for disclosing reliable financial and accounting information. They are supported in this by various operational teams that report to the Managers (including the accounting, consolidation, budget control and financial communication teams). The accounting teams generally report to the heads of the Regions and Shared Service Centers, while the budget controllers analyze the Group's performance based on its reporting segments.

The team responsible for internal controls over accounting and financial risks reports to the Group's Corporate Finance Department, which is responsible for leading financial internal control work. This department defines the internal control procedures and standards needed for the production of reliable accounting information, and coordinates the related information systems and day-to-day management procedures. These procedures are set up at local level. These include a physical inventory of both fixed assets and stocks, segregation of tasks and reconciliation with independent sources of information.

Additional information about the internal control process relating to the preparation of accounting and financial information is provided in section 3.3 of this Universal Registration Document.

STATUTORY AUDITORS’ REPORT

2.15 STATUTORY AUDITORS’ REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 22-10-78 OF THE FRENCH COMMERCIAL CODE ON THE CORPORATE GOVERNANCE REPORT

In accordance with French professional auditing standard NEP 9510[(1)], the Statutory Auditors' review of the Supervisory Board's Corporate Governance Report, pursuant to Article L. 225-235 of the French Commercial Code, is described in the Statutory Auditors' report on the annual financial statements presented in section 5.3.3 herein.

(1) *Norme d’exercice professionnel 9510* (approved by the government order of October 1, 2018 published in France’s *Journal Officiel*, edition no. 0232, on October 7, 2018) on the subject of the Statutory Auditor’s procedures relating to the management report, other documents on the audited entity’s financial position and financial statements and information included in the Corporate Governance Report, as communicated to the members of the governance body called on to approve the financial statements.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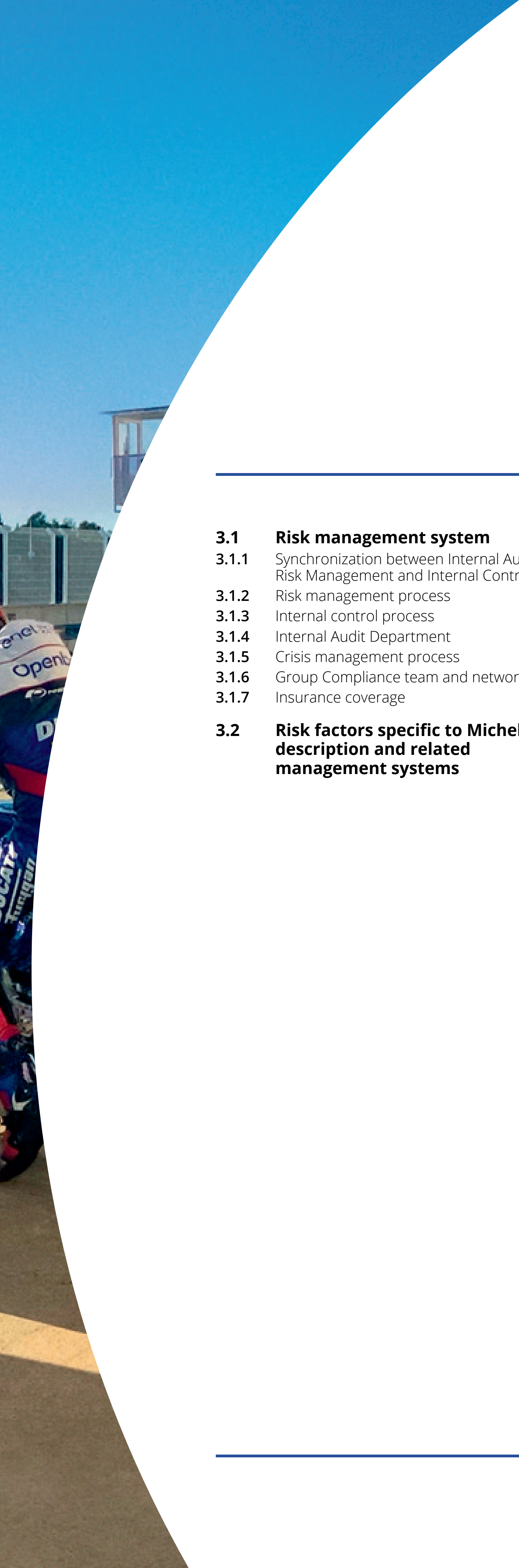

CHAPTER 03

RISK MANAGEMENT

3.1 RISK MANAGEMENT SYSTEM

In today's constantly evolving environment, the ability to foresee, manage and track risks is a core component in Michelin's corporate strategy. The Group's geographic footprint, its position as the world's leading manufacturer of life-changing composites and experiences, and the diversity of its business base all mean that it is exposed to a variety of risks, both endogenous and exogenous. Strategic, financial, industrial, commercial, environmental and people-related risks have been clearly identified and are being managed in ways that minimize their occurrence and impact. The crisis management process and the full range of prevention and protection measures have been put to the test in recent years, confirming the Group's confidence in its ability to deal with multiple crises on an ongoing basis.

To support the disciplined management of its risks and impacts, the Group has deployed a holistic, cross-functional management system that complies with the most exacting international professional standards, such as those of the Committee of Sponsoring Organizations (COSO) and the reference framework of the European Securities Market Regulator (ESMA) and the French securities regulator (AMF). The Group's system is continuously upgraded to reflect the latest regulatory changes and risk management best practices.

Definitions and method

For Michelin, risks or impacts correspond to the possible occurrence of an event whose consequences could affect either:

- its ability to meet its objectives, its financial situation or its reputation (risks);
- or its stakeholders, i.e., events or practices that could have an impact on people, the planet or society (impacts). Note that certain Impacts may also boomerang and, in return, create a risk for the Group.

The Group manages and assesses 250 risks and impacts, organized into 14 families, that reflect both stakeholder expectations and the risks deemed critical to the Group and its sustainability.

Risks and impacts are assessed on both a gross and a net basis.

The gross or inherent effect of risks and impacts is measured using worst-case risk/impact scenarios. The net or residual effect is equal to:

- the gross or inherent effect;
- less the impact of management levers, i.e., all the risk and impact mitigation measures deployed by the Group, including prevention, protection, mitigation, crisis management, risk transfer, and risk/impact governance systems. Management levers are regularly audited and assessed by the Internal Audit Department.

Gross and net risk/impact assessments are based on two impact scales:

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

Governance

Each risk/impact family is managed by a cross-functional Governance Committee comprising the Chief Executive of the business unit concerned and chaired or co-chaired by a member of the Group Executive Committee or Management Committee. These committees are tasked with defining their family's risk management policies, vetting its risk/impact map, and prioritizing or deciding on initiatives to address the related risks and impacts. Each one is responsible for delivering the risk/impact management targets defined in its policies. Lastly, each is supported by an Operational Committee responsible for tracking the definition and implementation of risk/impact management action plans.

The risk/impact management process encompasses a holistic set of resources, procedures and initiatives aligned with the characteristics of each of the Group's businesses, which together help to maintain net risk effects at tolerable levels and net impact effects in line with accountability targets. The main components of this process are presented in detail below.

3.1.1 SYNCHRONIZATION BETWEEN INTERNAL AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit, Risk Management, Internal Control and Quality activities have been brought together within a single Corporate Department, which provides a shared vision of the priority risks and challenges facing the Group. It also supports efficient follow-up and drives improvement synergies between the second (Risk Management and Internal Control) and third (Internal Audit) lines of defense across every timeframe and every Group unit.

3.1.2 RISK MANAGEMENT PROCESS

To secure and implement the Group's risk/impact management strategy, Risk Managers have been appointed in the Business Lines, Operational and Corporate Departments, Regional Organizations and other units. They are tasked with two main missions:

- helping to instill a risk culture in their unit;
- leading, deploying and overseeing the risk management process in their unit.

The Risk Manager network is led by the corporate Risk Management team in the Corporate Internal Audit, Risk Management, Internal Control and Quality Department. In addition, the corporate team is responsible for tracking risks, maintaining alignment between the Group and Regional risk maps, and managing the Group's risk/impact portfolio and the associated risk/impact policy. Group risk maps are informed solely by the assessments performed by the Corporate Internal Audit Department.

As part of the CSRD[1] project, the corporate Risk Management team has ensured that the portfolio of risks and impacts tracked by the Group as part of its risk management process is properly aligned with the double materiality matrix prepared for CSRD compliance.

3.1.3 INTERNAL CONTROL PROCESS

Objectives of the internal control process

The Group's internal control process has the following core objectives:

- application of the instructions and guidelines issued by the Managers and the Group Executive Committee;
- compliance with laws and regulations;
- the proper functioning of internal processes, particularly those relating to the protection of corporate assets;
- ensuring the reliability of financial and non-financial information.

It comprises a set of resources, procedures, practices and actions aligned with the characteristics of the Group's businesses, which:

- contribute to the control over its activities, the efficiency of its operations and the efficient utilization of its resources;
- enable the Group to assess all of its material operational, financial and legal risks appropriately.

In general, the risk management process has been designed to encourage informed, shared risk-taking in accordance with the Group's values of responsibility, integrity and ethical behavior.

Michelin intends for Internal Control to become a tool for managing both its operations and the performance of line personnel, so that it can enjoy the benefits of efficient governance and the reasonable assurance that its risks are under control.

Scope of the internal control process

The Group ensures that the internal control process is implemented in every unit:

- The system covers all the Group's operations, including every operating region and every business unit (manufacturing, sales and dealership networks). In the event of an acquisition, a dedicated internal control system is deployed in the new unit, in alignment with its business and risks. The scope of internal control is broad and extensive, covering every potential area of major risk.
- In extending the internal control process, the Group has updated and broadened it to address risks relating to the reporting of non-financial information. It will cover all the activities involved in collecting data and metrics, and in consolidating and publishing information as part of the non-financial reporting process.
- To manage this system in a cross-functional and consistent manner across all Group activities, the Internal Control Department has been integrated into the Corporate Internal Audit, Risk Management, Internal Control and Quality Department. An Internal Control network is organized and led through the Quality Network, with training and collaborative spaces made available to all the employees who participate in the network.

A detailed description of the internal control process covering the preparation of accounting and financial information is provided in section 3.3.

(1) *Corporate Sustainability Reporting Directive*, see section 4.1 of this Universal Registration Document.

3.1.4 INTERNAL AUDIT DEPARTMENT

The Internal Audit Department assesses both gross and net risks and impacts through a multi-year audit plan, whose periodic audits support the ongoing control exercised by the Internal Control Department. Like the Internal Control Department, the Internal Audit Department's remit covers the entire Group.

The Internal Audit Department assesses the robustness of risk/impact management levers to measure the residual (net) risks and impacts. If any resulting net risk/impact exceeds the standards set by the family's Governance Committee, the Internal Audit Department issues recommendations. Each internal audit assignment is championed by a sponsor with the authority to undertake action plans to implement the recommendations and bring the net effect back in line with risk policy standards. Audit findings are also used to define avenues to improvement, making the Internal Audit Department a key enabler in the Group's continuous improvement process.

In addition to risk/impact audits, the Internal Audit Department also performs the following assignments:

- post-acquisition audits;
- internal control audits;
- financial and compliance audits of Group companies;
- ad hoc audits, undertaken at the request of members of the Group Management Committee.

3.1.5 CRISIS MANAGEMENT PROCESS

The Group has also deployed a cross-functional process to manage crisis situations, which regularly emerge in the course of its business operations. Given its size, the nature of its manufacturing and commercial activities and its environmental and social responsibility, Michelin is exposed to the risk of crises that could affect its business, its customers and its reputation. To foresee, plan for and effectively respond to any such events, a crisis management process is in place and led jointly by the Corporate Internal Audit, Risk Management, Internal Control and Quality Department and the Corporate Anticipation, Prevention and Protection Department.

The system's underlying processes are regularly updated to ensure maximum effectiveness and responsiveness. It is deployed among the various management teams through simulation exercises and appropriate training seminars.

The system, which was amply stress-tested during recent crises, is supported by a network of trained crisis managers at every level of the organization, providing dense coverage in units across the entire Group.

3.1.6 GROUP COMPLIANCE TEAM AND NETWORK

The Group pays particular attention to risks arising from ethics violations or failures to comply with laws and regulations, which are governed by the Ethics Committee, chaired by the General Manager.

Ethics and compliance-related internal control audits are performed by the Compliance Support Group and led by the Chief Compliance Officer. The role of the Chief Compliance Officer, as well as the organization of her corporate-level team (the Compliance Support Group in the Group's Corporate Legal Department) and the Compliance network, are presented in the Sustainability Statement, section 4.11.1 of this Universal Registration Document.

Internal controls to detect and prevent fraud account for 40% of total internal control assignments, which cover information systems and technology, accounting, finance and legal & social processes and are conducted in every Group company.

Compliance-focused internal control activities mainly address the following issues:

- combating corruption and influence peddling: deployment of the Code of Ethics and the Anti-Corruption Code of Practice, training for all exposed employees and other stakeholders, tracking the third-party due diligence system, gifts and invitations, and regular internal audits of systems in place;
- compliance with competition rules: deployment of the dedicated competition compliance program;
- protection of personal data: deployment of the Group protection of personal data directive, compliance with the Binding Corporate Rules concerning the transfer of personal data and the processing of health data;
- processing Ethics Hotline alerts. In this case, the audits cover employee awareness and deployment of the various channels in the Group's whistleblowing system, compliance with the internal procedure for reporting alleged incidents, the processing of cases of demonstrated non-compliance and implementation of the related action plans (particularly as concerns the application of disciplinary measures).

Tests are performed by the network of internal controllers, alongside those conducted by members of the Compliance Support Group.

3.1.7 INSURANCE COVERAGE

Some risks can be transferred to insurance companies in line with the Group's insurance strategy, with different solutions used depending on the frequency of the risks concerned.

To cover high-frequency risks, integrated global insurance programs have been arranged, to the extent possible, in the insurance and reinsurance markets. These mainly concern property & casualty/business interruption, liability, accidental pollution and cyber risk insurance:

- the property & casualty/business interruption insurance program provides combined total coverage of €1.5 billion, except for machinery insurance (€750 million) and natural disaster insurance, for which the coverage limit may be lower depending on the country;
- the liability insurance program comprises three key coverage areas:
  - product liability for the manufacturing companies,
  - business liability for the marketing and services companies,
  - general business liability, offering direct coverage in European Union countries and countries where the Group operates manufacturing facilities, and umbrella coverage in excess of local cover in all other countries;
- a pollution program provides environmental liability coverage;
- a cyber risk insurance program covers damages (including additional operating costs) as well as damages to third parties, with a combined limit of €150 million per year.

These programs cover all Group subsidiaries. The joint ventures are covered by separate insurance programs that are independent from those of the two shareholders. For companies in which the Group has a non-controlling interest, the majority shareholder is responsible for purchasing appropriate insurance cover. For joint ventures and non-controlling interests, the safeguard clauses included in the Group's insurance programs protect its interests up to the amount of its investment.

The Group’s insurance process includes the use of a captive insurance and reinsurance company, which oversees insurance policy management and reduces costs by pooling risks across the Group.

In addition, Michelin is one of the founding members of a mutual insurance company dedicated to covering cyber risks.

3.2 RISK FACTORS SPECIFIC TO MICHELIN, DESCRIPTION AND RELATED MANAGEMENT SYSTEMS

In accordance with the requirements of Regulation (EU) 2017/1129, Article 16, the following twelve risk and impact factors have been identified as being specific to and having the greatest net impact on the Group. Due to the guidance issued by ESMA and the AMF on the risk factors to be discussed pursuant to the European prospectus regulation, only the main risk and impact factors identified by the Group are discussed in this chapter. Other non-specific financial and non-financial risks and impacts are discussed in Chapters 4 and 5, below.

The following twelve risk and impact factors are aggregates of the risks and impacts tracked in the Group's portfolio. They are presented:

1. **by category;**
2. **ranked from the highest to the lowest net effect.** Financial risks are ranked on the basis of their potential financial effects on annual consolidated operating income, as follows:
   - "High" = more than €450 million in annual net effect
   - "Medium" = between €150 million and €450 million in annual net effect
   - "Low" = less than €150 million in annual net effect

Risk and impact categories	Risk and impact factors	Net impact
Risks and Impacts related to Michelin's strategy, organization and governance	3 - Environmental transition risks and environmental impacts from our operations	High*
	8 – Mergers and acquisitions	Medium
	9 – Lack of employer attractiveness/employee retention	Low to medium
	10 – MICHELIN brands and reputation	Low to medium
Risks and impacts related to Michelin's operations	1 – Physical effects of climate change	High*
	2 – Supply chain	High
	4 – Manufacturing business interruption	Medium
	5 – Cyber attack	Medium
	6 – Knowledge retention	Medium
	7 – Environmental impacts from the use of our products	Medium
	12 – Tire product safety	Low
Financial risks	11 – Pension and other defined benefit plans	Low to medium

* *Projected medium- to long-term consequences.*

NB: risks are numbered based on their residual effect, from highest to lowest.

All the identified risks and impacts are specific to Michelin and have a low probability of occurring, with the exception of the risk of the physical effects of climate change, which is non-specific and certain to occur. Note, however, that managing this risk includes measures dedicated to climate change adaptation, which are specific to the Group and its geographical locations.

Risk 1 – Physical effects of climate change

Risk factors

As a global industrial player, the Michelin Group has significant interactions with the natural environment throughout the life cycle of its products and services. These risks expose it to physical risks related to climate change, i.e., to both acute and chronic risks as defined by the Task Force on Climate-Related Financial Disclosures (TCFD).

Specific nature of the risk

The global footprint of the Michelin Group's production base and supply chain exposes it to the effects of climate change, which may, however, vary in degree, variety and duration depending on the geographic location. In light of the diverse range of suppliers and the many interdependent factors necessarily involved in the manufacture of its products (infrastructure, energy, availability of labor, transportation systems, etc.), the effects of climate change may be qualified as systemic. This means that they include external events that are not taken into account in the supply chain or manufacturing business interruption risks already addressed elsewhere (see risks 2 and 4). Such effects could become systemic, for example, if employees are unable to reach their workplace due to floods, heat waves or other extreme climate events; if major infrastructure, such as production facilities, roads, ports and power, gas and co-generation grids, becomes unusable, or if demand suddenly collapses. In addition, the Group is the world's largest purchaser of natural rubber and aims to increase the proportion of sustainable materials in its tires. This increases the need for bio-based products that are sensitive to the chronic effects of climate change, such as drought and changes in growing conditions.

For more information, see section 4.2 of the Sustainability Statement, in this Universal Registration Document.

Governance and risk management response

An Environmental Governance body has been set up to provide assurance that environmental risks are understood, tracked and addressed by appropriate action plans. The body is co-chaired by the Executive Vice President, Manufacturing and the Executive Vice President, Research and Development, who are both members of the Group Executive Committee.

An internal audit of the risk in 2021 resulted in the deployment in 2022 of a multi-year action plan addressing the main management levers, which is expected to improve coverage of the major risks by the end of 2025. Its main deliverables in 2024 were:

- an analysis of 721 Group facilities and 227 facilities operated by key raw material suppliers to determine their exposure to physical climate risks in 2030 and 2050;
- a quantitative assessment of the climate change vulnerability of six Group facilities, with the goal of defining a standard vulnerability assessment methodology for deployment across the Group;
- a preliminary study to prepare for the definition and financial sizing of the Group's climate adaptation plan.

Risks concerning natural rubber supplies are covered by a resilience plan, whose main levers continued to be implemented in 2024. Further progress will be driven in the years ahead with initiatives to diversify supply sources and varietal selection and improvement programs, encourage highly resilient agricultural practices, monitor changes in climate and public health conditions in production areas, and use the most efficient materials in our products and services and reduce the carbon footprint of our operations relating to natural rubber production.

More generally, risks arising from the physical impacts of climate change are managed with the support of:

- a Business Continuity Plan that effectively addresses all the short-term risks of business interruption and supply chain disruption, whether climate-related or not;
- a robust, regularly stress-tested crisis management process;
- the identification of 36 ecosystems (suppliers, production plants, logistics facilities) within a 100 km radius that are particularly critical to the Group's business;
- a roadmap to define the necessary adaptation plans. In 2025, for example, exposure to the physical risks of climate change will continue to be assessed across the value chain and software will be developed to support the measurement of the climate change vulnerability of Group plants.

Risk 2 – Supply chain

Risk factors

Every year, Michelin purchases some €15 billion worth of goods and services from around 50,000 different suppliers. These purchases may be broken down into three families:

- raw materials;
- production inputs;
- business services.

The Group is exposed to a certain number of supply chain-related risk factors:

- geopolitical tensions;
- environment-related and other disruptions to raw materials and energy supply chains;
- imbalances between supply and demand;
- environment-related and other shortages of certain components;
- certain regulatory requirements;
- supplier failure or closure.

Specific nature of the risk

A tire is made from around 200 different products and components, a number of which are highly specific. This means that their availability is business-critical.

The risk of supplies being interrupted is particularly acute for Michelin, whose products are highly technical and whose customers expect them to perform to consistently high standards throughout their useful lives. This is why Group procedures ban any substitute supplies unless the impact on finished product performance has been tested.

Governance and risk management response

The governance body tasked with managing supply chain risk is the Materials Steering Committee, which is co-chaired by the Executive Vice President, Manufacturing and the Executive Vice President, Research & Development, who are both members of the Group Executive Committee. Its meetings are also attended by representatives of the Purchasing Department.

To more effectively anticipate and prevent supply continuity risks, procedures and measures have been introduced to manage purchasing across the Group at the most pertinent level, i.e., local, regional or global. These include raising employees' awareness of supply continuity risks, conducting audits of critical suppliers' business continuity plans, signing multi-year contracts with the main suppliers, looking for new suppliers, maintaining strategic buffer inventory for critical products and seeking substitute products when certain commodities become scarce.

Risk 3 - Environmental transition risks and environmental impacts from our operations

Risk factors

This risk concerns the possible repercussions for the Group if the environmental transition is inadequately managed, including the policy, regulatory, legal, technology, market and reputational aspects defined in the Task Force on Climate Related Financial Disclosures (TCFD) nomenclature. It also covers certain environmental impacts, potentially from our operations, such as pollution, resource depletion, biodiversity loss and impacts on water resources.

See sections 4.2 to 4.6 of the Sustainability Statement (Environmental Matters).

Specific nature of the risk

Mobility, which is the Group's main market, is a sector that has a significant impact on the environment and climate change. As a result, it is heavily regulated at both local and international levels, and is also shaped by the continuous fast pace of technical and social change. Recognizing the high expectations of stakeholders and the Group's leadership position, Michelin is firmly committed to protecting the environment. Environmental transition risks could arise, in particular, from:

- the failure or inability to comply with environmental regulations;
- failure to prepare for scientific and social changes;
- non-compliance with the Group's environmental commitments;
- third-party challenges to the Group on environmental issues.

Governance and risk management response

A governance structure is in place to address this risk factor – the Environmental Governance body (see Risk 1).

The main levers already in place for managing these risks may be summarized as follows:

- the definition of a holistic environmental policy, certain aspects of which have been shared with third-party organizations;
- policy deployment, including in new business operations, and progress towards its targets are being managed using appropriate indicators reviewed by the Environmental Governance body;
- a structured regulatory watch has been deployed to provide assurance that current and emerging regulations are identified and applied;
- long-term technological and social changes are addressed through the foresight projects carried out by the Group;
- a continuous and structured process of contact with external stakeholders (NGOs, customers, suppliers, investors) exists through the Stakeholders Committee and the systematic consideration of issues or controversies facing the Group.

Risk 4 – Manufacturing business interruption

Risk factors

This risk is primarily related to tire production, which involves two main stages. First, semi-finished products are manufactured for use as components, which are then processed and assembled to produce the finished products corresponding to the different types of tires sold by the Group. Consequently, the risk of business interruption at a semi-finished product facility could be significant, given that its output may be used by several different finished product plants.

In either type of production facility, operations could be interrupted by a variety of factors, both external (natural disasters, the impact of climate change or new legislation, geopolitical events) and internal (fires, IT outages, technical failures).

Specific nature of the risk

Business interruption risk is especially acute in the semi-finished product facilities due to Michelin's historical manufacturing model, under which semi-finished production is concentrated in certain plants that sometimes supply several different finished product facilities.

Governance and risk management response

The governance structure in place to address this risk factor comprises the Corporate Manufacturing Department, the Corporate Planning, Prevention and Protection Department and the Supply Chain Operational Department.

To anticipate this risk, Michelin has set up a specific plan focused on the following four action areas:

- strategically selecting plant locations to limit the probability of the risk occurring;
- prevention, with fire safety programs and technical inspections performed by trained personnel;
- protection, by applying preventive and corrective maintenance policies, multi-sourcing the production of finished and semi-finished products, and striking the right balance between component insourcing and outsourcing;
- preparing teams to manage crisis situations requiring the deployment of disaster recovery and business continuity plans.

Risk 5 – Cyber attack

Risk factors

Michelin's business relies on state-of-the-art information technology, systems and infrastructure (datacenters, servers, networks and cloud solutions).

Like any organization using information technology, the Group is exposed to the risk of cyber attacks, which are becoming increasingly sophisticated and a source of constant danger. Recent years have seen a sharp upsurge in the number of attacks, especially ransomware and advanced persistent threat (APT) cyber-espionage attacks. Sabotage attacks and destabilizing threats are also becoming more common, generally with the goal of disrupting operations or tarnishing the Group's image. Changing work practices, including the growing trend towards working from home, are also heightening risk exposure.

The potential consequences of a cyber attack include business interruption, threats to personal safety, theft of confidential information, breaches of employee privacy, ransom demands and reputational harm.

Specific nature of the risk

Over the past ten years, the Group has extensively overhauled its information technology and systems, building on both legacy assets and those of the successive companies acquired. Its broad geographic footprint and highly diverse business base, product ranges and procedures all make for a complex environment, with the result that its information system has several thousand applications, a thousand or so main servers and around 100 datacenters.

The Group's exposure to digital risks is increasing, due in particular to recent acquisitions, the emerging use of connected technologies and objects by production operators, the swift migration to cloud-based solutions and bring-your-own-device practices in certain countries.

Governance and risk management response

The cyber attack risk factor is managed by the Data, Digital, IT Governance body, which is chaired by the Group's General Manager, and co-chaired by the Executive Vice President of Distribution, Services & Solutions, who is a member of the Group Executive Committee. The body is led by the Group Chief Cybersecurity Officer.

To deal with the above-described information technology and systems risks, multi-year action plans have been prepared with a focus on the following measures: (i) closely tracking contractual terms and conditions to be able to respond in the event of service provider default, (ii) reinforcing the physical and logical security of IT systems, (iii) systematically reviewing IT continuity needs and putting in place IT recovery plans, and (iv) replacing obsolete components and continuously upgrading information security systems.

Penetration tests are very frequently conducted to confirm the security of the Group's IT solutions and data protection systems. In addition, the Group's Computer Emergency Response Team (CERT) stands ready to intervene at all times across all continents.

Lastly, training programs and awareness campaigns are regularly conducted for all Group employees and, in a more targeted manner, for the categories of employees the most exposed to this risk. The Group is striving to instill a "security by design" culture in its IT projects by addressing security issues across an application's life cycle, from initial design to operation and end-of-life.

The Group has also undertaken the process to earn Trusted Information Security Assessment Exchange (TISAX) certification, the gold standard for cybersecurity in the automotive industry, for some of its plants and product development units. By the end of 2024, 31 Michelin facilities had already been certified. TISAX certification is the final step in the process to ensure the highest level of data protection throughout the Group's value chain.

Risk 6 – Knowledge retention

Risk factors

One of Michelin's competitive advantages stems from the ability to sharply differentiate its products and services thanks to continuous, sustained innovation. Consequently, protecting its knowledge and expertise is a key factor in maintaining its leadership and driving its future growth. This culture of protecting knowledge and know-how is part of the Group's DNA.

Specific nature of the risk

Because Michelin invests heavily in innovation and the development of new growth businesses, protecting knowledge and expertise is essential to maintaining its technological leadership.

Sensitive information largely concerns products, services, materials, procedures and equipment, as well as techniques, methods, design, testing and manufacturing data alongside the related databases. However, information about production, research, marketing and other business strategies, as well as consumer and supplier databases, also risk being lost or stolen.

The Group is exposed to risks in its cooperation with external stakeholders, including consumers, suppliers, partners, subcontractors and academic institutions.

Likewise, it is dependent on the information systems used to store and share sensitive information. In addition, Michelin must also address the growing use of social media, the development of artificial intelligence solutions and the resulting risk of information leakage.

Governance and risk management response

A governance body is in place for this risk factor, chaired by the Executive Vice President, Group Research and Development, and co-chaired by the Executive Vice President, Manufacturing.

To prevent the risk of Michelin know-how and/or expertise being disclosed or lost:

- projects, processes and data are classified according to their sensitivity, with each classification protected by appropriate safeguards and practices. For example, cloud computing solutions are no longer used for certain categories of data and encryption levels have been raised for certain other categories;
- intellectual property is protected through our policy of obtaining patents wherever this is possible or desirable based on a broad vision of the secrets to be protected. Operating markets are monitored to ensure that our intellectual property rights are not infringed;
- sensitive information, tangible assets and intangible assets are also protected by physical security systems;
- a dedicated, purpose-designed information systems architecture is in place to securely store and share sensitive information;
- every employee is a protection enabler, with a deeply instilled security culture informed by the Group Security Charter;
- experts within the Group who have the skills that are critical for our operations are identified and afforded the recognition needed to retain their talent.

Impact 7 – Environmental impacts from the use of our products

Impact factors

Through its potentially negative environmental externalities, Michelin could possibly have an impact on the planet and on its own stakeholders. Michelin is committed to acting as a leading enabler of sustainable development and mobility. This means clearly identifying and effectively managing the environmental impacts inherent in its business operations, including the impact of products and services during the in-use phase.

The main impact factors are:

- Scope 3 CO_2 emissions from the use of sold products (see section 4.2 of the Sustainability Statement);
- the generation of tire and road wear particles (TRWP). (See section 4.3 of the Sustainability Statement);
- the impact of end-of-life treatment of sold products (see section 4.6 of the Sustainability Statement);
- tire rolling noise (see section 4.10 of the Sustainability Statement).

Today, societal expectations regarding climate change are rising and regulatory frameworks are tightening, particularly as concerns pollution, where, in the case of TRWPs, the scientific contours are still incomplete. In this environment, the above impact factors can translate into risk factors both for the Group and for the tire industry as a whole.

Specific nature of the impact

Environmental impacts are inherent to the tire itself, particularly during the in-use and end-of-life phases.

Governance and impact management response

The Environmental Governance body is tasked with managing environmental risks and impacts, including the effects of using our products (see Risk 1 above).

As a tire manufacturer that assesses the environmental impact of its products throughout their life cycles, from raw materials to end-of-life, Michelin carefully analyzes any potential impacts from its tires during the in-use phase, in full alignment with its All Sustainable vision, correlated with its Michelin in Motion strategic plan.

The main levers used by the Group to manage these impacts are:

- reducing tire rolling resistance during the design phase, which helps to improve vehicle fuel efficiency, which in turn reduces carbon emissions during the in-use phase. This process is supported by the systematic use of life cycle assessments, performed product by product, and the deployment of eco-design practices;
- reducing abrasion, by leveraging the Group's materials expertise and a long-standing design strategy focused on optimizing materials use. Moreover, by funding both in-house and external research programs, the Group is helping to deepen its understanding of the potential impacts of TRWPs, so as to develop new materials capable of attenuating them;
- organizing the collection and treatment of end-of-life tires. The Group is exercising its leverage with public and private-sector stakeholders (i) to support the efficient operation of nationwide collection and resource recovery systems; and (ii) to encourage, wherever possible, local systems to focus on materials recovery, which optimizes the reuse of tire components as secondary raw materials and offers a generally smaller carbon footprint than energy recovery. In addition, the Group itself is developing end-of-life tire recycling solutions with other market participants;
- developing services and solutions that optimize the use and management of vehicle fleets, while improving their fuel/energy efficiency.

Risk 8 – Mergers and acquisitions

Risk factors

The main risk factors inherent in the Group's merger and acquisition (M&A) activities are as follows:

- risk of overestimating the value of the target;
- pre-existing risks at the target company, such as ethical, tax, environmental, legal, product liability and cyber risks;
- risk that expected synergies may not be achieved;
- risk of losing key employees;
- risk of strategic misalignment with a joint venture partner.

Specific nature of the risk

The Group has defined a strategic model built on its core tire manufacturing business and expertise in polymer-based composites, and supported by the accelerating pace of digitalization. Acquisitions help us achieve our strategic goals and we have stepped up our efforts in this area since 2014, by acquiring Sascar, Camso, Fenner, Multistrada, Masternaut and FCG, and creating various joint ventures including TBC with Sumitomo Corporation, Symbio with Forvia and Stellantis and Solesis with Altaris. Our ability to meet our goals depends on the success of these acquisitions and alliances.

Governance and risk management response

A Governance structure is in place to manage the entire portfolio of M&A and disposal projects, along with separate governance committees dedicated to each project, under the responsibility of the Managers and supported by the Mergers and Acquisitions (M&A) Department. The M&A process was significantly overhauled in 2021, with full effect from 2022.

For each project, the risk of overestimating the value of the target is attenuated by using a variety of valuation methods (EBITDA multiples, discounted cash flow, ratios on similar deals) and comparing their results, sometimes with the support of an advisory bank. M&A projects exceeding €50 million in enterprise value are submitted to the Supervisory Board for comment.

Each acquisition is subject to thorough due diligence, including an analysis of the climate change vulnerabilities of the target's footprint, with the support of internal and/or external specialists, so as to identify all the risks in the acquired company. Post-acquisition internal audits are performed for all material acquisitions.

An integration plan led by an integration project manager is designed and implemented under the supervision of a member of the Group Executive Committee. In the case of acquisitions exceeding €50 million in value, the results are reported using an appropriate procedure and are communicated to the Supervisory Board twice a year.

Risk 9 – Lack of employer attractiveness/employee retention

Risk factors

Employees are the primary driver of our success and play a critical role in fulfilling our ambitions. At a time of shifting attitudes to work, particularly in the manufacturing industry, this risk could be manifested in hiring difficulties, high employee turnover, a lack of experience in certain key positions, and the possible loss of knowledge or skills over the longer term.

Specific nature of the risk

The Group's tire manufacturing business is highly capital-intensive. As a result, the production plants are often in operation 24/7, giving rise to workplace constraints that may reduce both the appeal of these jobs and the retention of employees trained in them in certain mature regions or markets where the Group has sited its production operations, and in certain local labor markets. In addition, the creation of shared services centers, particularly for administrative and digital technology processes, may expose the Group to a competitive talent war.

Governance and risk management response

This risk factor is overseen by the Governance Committee for the "Managing people and social cohesion" risk family, which is chaired by the Executive Vice President, Personnel, a member of the Group Executive Committee. It also comprises the management team of the Corporate Personnel Department and representatives of the Manufacturing Department and the Corporate Sustainable Development and Impact Department.

All seven personnel management policies are helping to improve the Group's employer appeal and employee retention For further details, see section 4.8 of the Sustainability Statement in this document.

More specifically, a number of levers have been or are being deployed to reduce the Group's exposure to this risk:

- highly agile compensation policies aligned with local conditions. At the same time, Michelin pays close attention to ensuring fairness among its country organizations by offering every employee profit-sharing initiatives and compensation components linked to its worldwide performance (Group bonus, employee share ownership plan);
- a best practices sharing network, covering, for example, initiatives in certain plants to improve the onboarding and training process during an employee's first year on the job;
- a proactive approach to an adequate wage and a universal social protection floor, which is also helping to strengthen the employer brand and employee pride in working for the Group;
- in addition, in the Manufacturing Department, a dedicated team has been tasked since 2023 with defining and rolling out the vision and strategy for the People component (talent development, expertise and skills, diversity and inclusion, team engagement, improving the employee experience). It is supported by a network of relay officers in the operating regions, close to the ground, to gain greater understanding of local conditions and listen more attentively to employee needs. This issue is one of the Manufacturing Department's six priorities.

Risk 10 – MICHELIN brands and reputation

Risk factors

Michelin has an excellent reputation, both in terms of its products and services and as a company. However, like any other well-known multinational corporation, it is exposed to potential damage to its reputation and brands. In addition, the constantly growing influence of social media means that the Group is exposed to online reputational risk, at a time when information is openly and rapidly circulated.

Specific nature of the risk

In light of the Michelin brand's image and reputation (the Michelin brand power score is nearly two times higher than that of its nearest competitor), an attack on the Michelin brand and reputation would have a serious adverse effect on the Group. It is vital to safeguard the Group's brand and reputational equity, which is one of its major assets.

Governance and risk management response

Michelin Brands and Reputation Risk Governance is the responsibility of the Corporate Engagement and Brands Department and the Lifestyle Business Line. With the support of the Corporate Internal Audit, Risk Management, Internal Control and Quality Department, and the Group's Legal Department together with its Intellectual Property Office, the above Governance body manages a full array of initiatives to safeguard the Group's reputation and brands. Among these efficient measures is a systematic, ongoing intelligence process that analyzes online, social and other media to identify any initiatives or comments that could spiral out of control and cause long-term damage to the Group's reputation. In addition, guidelines for the proper use of social media have been issued for all Group employees, with an update in 2022. They describe the simple rules and best practices to follow to attenuate the risks involved in using social media.

The crisis management process also helps control reputational risk.

Risk 11 – Pension and other defined benefit plans

Risk factors

In certain countries, employee benefit obligations include unfunded, partially funded or fully funded pension and other defined benefit plans that represent a long-term benefit payment obligation for the Group. The main factors impacting the amount of the obligation are returns on plan assets for the funded plans, actuarial assumptions (including the discount rate), experience adjustments, changes in legislation and plan amendments. An adverse change in one or more of these factors could increase the amount of the net obligation and consequently could require the Group to make additional contributions to make up for the funding shortfall or increase future benefit payments. The Group's main pension plans in English-speaking countries are funded and have policies in place to hedge any discount rate risk.

Specific nature of the risk

The Group's pension and other defined benefit plans mainly concern North America and Europe. The total obligation for pensions and other employee benefits amounted to €7.3 billion at December 31, 2024. At the same date, the related plan assets totaled €4.8 billion.

Governance and risk management response

Governance for this risk factor is provided by the Global Employee Benefit Board (GEBB), which is co-chaired by the Deputy Chief Financial Officer and the Executive Vice President, Personnel.

For details on provisions for employee benefit obligations and the measurement and treatment of defined benefit plan risks, see note 8 to the consolidated financial statements. Note that in September 2024, the UK pension plan completed a buy-in transaction (including an insurance policy covering a range of longevity, inflation and investment risks), thereby significantly reducing the net obligation risk (see note 8, section 5.2).

Impact 12 – Product safety

Impact factors

Most of the gross safety risk in the product portfolio stems from tires, which remain Michelin's traditional core business. It holds robust leadership positions around the world and across all three operating segments: automotive, road transportation and specialty markets.

Like all tiremakers, if defects appear in its products during their use or if they fail to comply with the applicable regulations, the Group could be faced with liability claims or be required to recall the products. This impact therefore entails material reputational and financial risks for the Group.

Specific nature of the impact

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. Updated in 2021, the Quality Statement emphasizes that "Quality remains critical to the safety of our products and services and to their compliance with applicable requirements."

Thanks to a very robust process for tracking product performance in every market, Michelin has always been able to quickly and proactively issue recalls in response to any risks that could potentially impact the safety of its customers. This is also one of the promises made in the Group's Quality Policy.

Governance and impact management response

Product performance impact is governed by the Product Performance Monitoring Board, chaired by the Corporate Internal Audit, Risk Management, Internal Control and Quality Director.

All Group employees, at every point in the value chain, are involved in managing these impacts:

- product design and development projects are managed in accordance with detailed project management procedures. Products and services are described in specifications that cover customer requirements and expressed needs, the potential impact of the particular or extreme conditions of use in a given region and all of the applicable standards and regulations. The Research, Development, Process Engineering and Quality functions are responsible for performing robust simulations and tests on new products to ensure that they comply fully with the design specifications;
- the entire production process is subject to quality assurance procedures designed to guarantee that the products comply with Michelin’s safety and performance standards;
- advice and support in the proper use of products and services is provided throughout their life cycles with technical brochures and training, including an ongoing, Michelin-led program of customer training courses;
- a network of in-field technical advisors is helping to support customers and identify changing usage practices;
- a product/service performance monitoring process based on customer experience and satisfaction ensures that even the slightest signs of a problem are detected. This process now uses artificial intelligence, forecasting and alert systems to minimize the time needed to detect a potential problem.

The current processes have been certified by independent organizations.

The Group has taken out specific insurance cover against the risk of product recalls and liability claims. The Group's insurance program is described in section 3.1.7.

3.3 INTERNAL CONTROL PROCESS RELATING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Among the various objectives of the risk management and internal control system, this section focuses on the control activities related to the process of preparing accounting and financial information. The control activities related to the process of reporting non-financial data are described in Chapter 4 below.

PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The Managers are responsible for disclosing reliable financial and accounting information. The Accounting, Consolidation, Management Control and Financial Communication Departments all contribute to the process of producing this information.

The Group's accounting teams generally report to the heads of the Regions and Shared Service Centers, while its budget controllers analyze the Group's performance based on its reporting segments.

Consolidated financial reports are prepared monthly according to the same overall process as for the annual financial statements. The internal control procedures required to produce reliable accounting information are defined at Group level and implemented locally. These include a physical inventory of both fixed assets and inventories, segregation of tasks and reconciliation with independent sources of information.

A dedicated team is in charge of aligning accounting policies throughout the Group, monitoring changes in applicable financial reporting standards, updating accounting manuals for all the subsidiaries and dealing with any issues they may raise.

Statutory and management accounting data are reported simultaneously by the subsidiaries, and programmed controls verify that the main indicators – such as revenue and operating income – are consistent between the two sets of data. Statutory accounting data received from the subsidiaries are checked for consistency and then consolidated to produce the Group's financial statements.

Monthly changes generated based on consolidated data are systematically analyzed. Differences between forecast and actual management accounting data are reviewed in detail every month by the Business Units as well as by the Group Budget Control Office, which prepares a monthly report for the Managers and the Executive Committee.

At every interim and annual closing, the Regional Directors and their Finance Managers certify in writing that, to the best of their knowledge, the separate accounts submitted by the companies in their Region provide a true and fair view of the results of their operations. This statement specifically covers a number of issues that could significantly affect the financial statements in the event of non-compliance (e.g., applicable laws and regulations and contractual provisions) or occurrence (e.g., disputes or fraud).

The Investor Relations Department, which forms an integral part of the Corporate Finance Department, is responsible for preparing and disclosing all of the Group's financial information to the investing community. Financial information is disclosed in three main forms:

- the Universal Registration Document;
- financial press releases;
- presentations to analysts and investors.

The design and preparation of the Universal Registration Document are coordinated by the Investor Relations Department and approved by the Managers, with significant input from the Corporate Legal Department and the Corporate Sustainable Development and Impact Department. The document contains extensive, high-quality information drawn from contributions by a range of specialists in the Group's main fields of operations.

Financial press releases are written by the Head of Investor Relations; those that announce earnings are also reviewed by the Audit Committee.

Presentations to analysts and investors are directly prepared by the Investor Relations Department.

MANAGEMENT OF ACCOUNTING AND FINANCE INTERNAL CONTROL

Group managers can detect any weaknesses in their internal control processes through the systems used to manage their operations. In addition, internal reviews are performed in the units by their specialized experts. Information generated by the management systems is analyzed by the budget control teams and reported to the managers concerned for inclusion in the scorecards used to manage their operations. A management scorecard is also prepared for the Group Executive Committee, enabling it to track the Group's business month by month. On a quarterly basis, similar reports are presented in an appropriate format to the Supervisory Board. The Corporate Finance Department is responsible for ensuring the relevance and consistency of this management data.

The Operational Information Processing Department is in charge of overseeing information system policies and resources. The internal control procedures contained in the Group's Quality System include rules relating to data access and protection, the development of applications, and structuring and segregating development, process engineering and production tasks.

RECURRING ASSESSMENTS OF THE ACCOUNTING AND FINANCIAL INFORMATION PREPARATION PROCESS

Self-assessments

To ensure that the work carried out to comply with France's Financial Security Act delivers lasting improvements, the Accounting and Financial Internal Control Department reports to the Corporate Finance Department. It is responsible for managing internal control processes and for overseeing work on financial internal control, with a view to providing reasonable assurance that the Group's financial information is reliable and that its assets are safeguarded.

It defines internal control standards, coordinates and sets up internal control information systems and day-to-day management procedures in coordination with the Corporate Internal Audit, Risk Management, Internal Control and Quality Department.

It also assists the network of internal controllers in the Regions and main areas of operation in implementing these systems and procedures.

Its role includes:

- standardizing internal control best practices and training regional correspondents in their use;
- regularly updating key risks by process;
- defining key controls in conjunction with the owners of the processes concerned;
- drafting control guidelines and manuals and preparing internal control tests;
- mapping the issues for which controls are applied in the different Group organizations;

- overseeing the regional managers and managers of operational areas concerned;
- structuring the internal control network;
- interfacing with the other stakeholders in the relevant processes, such as process owners, risk managers and internal and external auditors;
- advising on the implementation of transformation projects and programs.

In 2017, the worldwide application for monitoring the entire financial internal control process in place since 2009 was enhanced based on a standard commercial software solution. The new application continues to leverage the guidelines and principles defined in previous phases undertaken since 2004. The model will continue to be extended to cover additional processes and legal entities.

Post-acquisition audits are performed for newly acquired companies and sub-groups that are fully consolidated and an internal control process deployment plan is prepared based on their respective characteristics (manufacturing, sales or financial services business, information system, geographic location, organization and governance, materiality in Michelin's consolidated financial statements, control environment and culture).

An initial internal control self-assessment exercise is carried out with the new teams, in order to meet their needs and help them understand what the Group expects from their internal control process. Action plans are drawn up with the teams concerned in order to help them take ownership of the approach and related tools.

The financial self-assessment system potentially encompasses the following 16 processes:

- purchasing, from ordering to supplier payment;
- sales, from customer order to payment;
- customer credit management;
- management of inventories (raw materials, semi-finished and finished products, and spare parts);
- inventory valuations;
- financing and financial risk management;
- management of intra-Group transactions (transfer pricing and elimination of intra-Group balances);
- information systems management and administration (general IT testing);
- accounts closing;
- project and fixed asset management;
- taxes;
- people management (pay, benefits and travel expenses);
- consolidation;
- investor relations;
- mergers/acquisitions/divestments and their integration into the Group;
- management of customs affairs, including the Group's customs management processes, import/export management, supervising freight forwarders, organizing delegations of authority, customs documentation, etc.

At every company covered by the system, the key internal control activities for each process are self-assessed and improved by the line personnel concerned every year.

Internal Controller reviews

The key controls for every process are tested in every facility at least once every four years or more often if necessary, depending on the degree of risk. The results of tests conducted by internal controllers are shared with the external auditors of the Group's companies, so that they can capitalize on the findings and strengthen their own external audit procedures.

Action plans

In each company, action plans are prepared to address the identified areas for improvement and are implemented by line personnel. More generally, this approach is integrated into the continuous improvement process, which is also supported by the findings of the external and internal auditors. In addition, this self-assessment and testing system is applied to the five integrated components of the internal control process, as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO): control environment, risk assessment, control activities, information and communication, and monitoring activities.

Action plans are generally scheduled for completion within two years for a large majority of compliance shortfalls, excluding information system issues, which take longer to resolve and require more resources. Countermeasures have been implemented to mitigate risk exposure in the interim.

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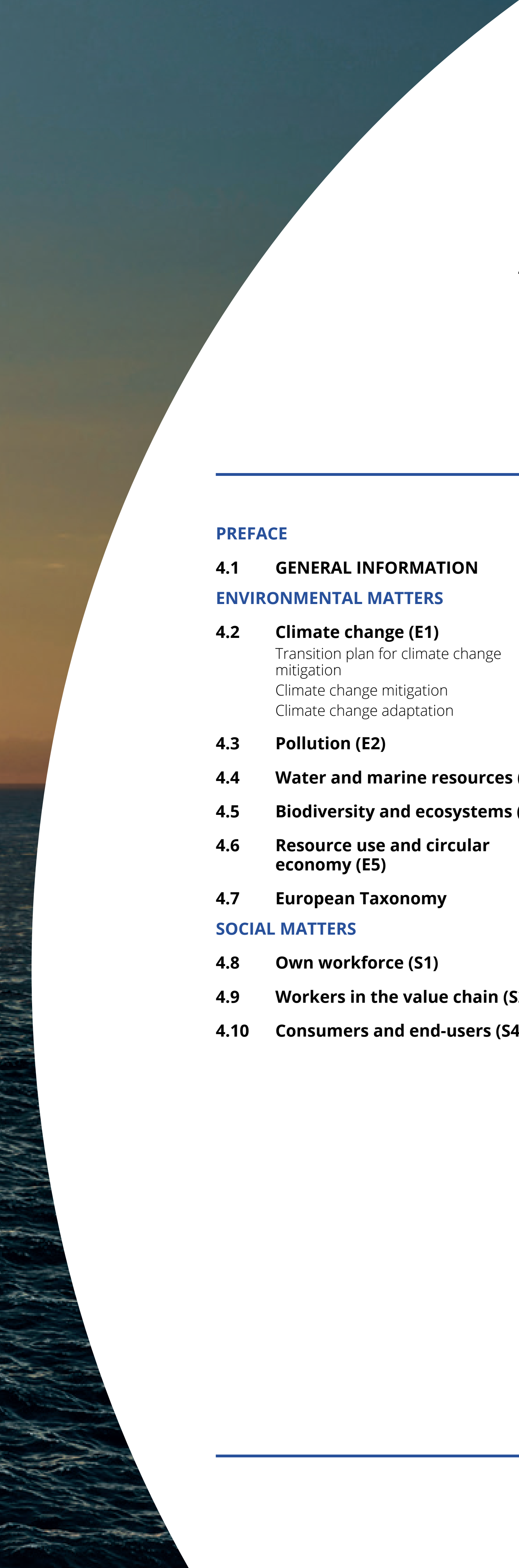


CHAPTER 04

SUSTAINABILITY STATEMENT

PREFACE

THREE QUESTIONS FOR YVES CHAPOT, GENERAL MANAGER AND CHIEF FINANCIAL OFFICER

This is Michelin's first Sustainability Statement issued in compliance with the European Union's new Corporate Sustainability Reporting Directive (CSRD). What are your initial impressions?

Well, first, we didn't wait for the CSRD to demonstrate our commitment to sustainability! Since its creation, Michelin has constantly innovated to improve the mobility of people and goods, to make it safer, more accessible, more efficient and gentler on the environment. Because we are keenly aware both of our impact on society and the environment and of the major challenges facing the world today, the Group plays a leading role in fostering sustainability.

That's why we've built a business model based on striking the right balance between people, profit and the planet and designed to create value in all three of these areas.

For you, what are the benefits of complying with these new sustainability disclosure regulations?

Like other European directives, the CSRD is well intentioned, but its implementation is still complex. It's essential to find a balance between sustainability and keeping companies competitive, so that the global playing field remains fair and level.

The directive will, however, provide investors and other stakeholders with the reliable, comparable sustainability data they need. In practice, it puts sustainability information on an equal footing with financial disclosures, which, for Michelin, is very consistent with our commitments. We therefore hope that this initial statement will support an objective comparison of our sustainability performance with our industry peers, thereby demonstrating our contribution to the emergence of a more sustainable world. On the other hand, we regret that because the CSRD currently applies only to certain European listed companies, Michelin bears significant additional costs that its non-European competitors are not subject to.

The most important thing for a Group like Michelin is to have a positive impact on its environment in the broadest sense. What are the key takeaways from this first Sustainability Statement?

The 2024 Statement highlights the progress the Group is making year after year. Our expertise and distinctive capabilities, particularly in the optimal use of materials and composites, are extraordinary enablers to advance the circular economy, conserve resources and reduce CO_2 emissions, particularly in support of low-carbon mobility. This is how we were able in 2024 to launch new products that deliver a combination of durability, energy efficiency and unrivaled abrasion performance.

Another key point I would like to emphasize concerns our deep belief that companies must play a role in society to provide collective responses to today's challenges. The Statement highlights the Group's actions on behalf of its employees, as demonstrated by the living wage initiative, but also across its entire value chain, in particular to meet the aspirations of its stakeholders.

4.1 GENERAL INFORMATION

4.1.1 GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT

Background

The following Sustainability Statement has been prepared based on the consolidated scope of Compagnie Générale des Etablissements Michelin (CGEM; hereinafter, the "Group" or "Michelin"). The reporting cycle is annual, with this year's reported data covering the 12 months from January 1 to December 31, 2024. After a review by the Supervisory Board, the Statement was authorized for issue by the Managers on February 12, 2025.

It has been prepared in compliance with the European Corporate Sustainability Reporting Directive (CRSD) requiring companies to disclose sustainability information, as transposed into French law by Government Order 2023-1142 of December 6, 2023, and in accordance with the final French language version of the European Sustainability Reporting Standards (ESRS), issued in December 2023.

The 2024 reporting exercise, the first in application of the CSRD, was shaped by interpretive uncertainties, the absence of established practices and difficulties in collecting data within the required timeframes. The Statement has therefore been prepared on the basis of the information available within said timeframes.

Scope of reporting of the Sustainability Statement

The scope of reporting is based on the scope of the Group's consolidated financial reporting. The quantitative metrics apply to **fully consolidated** companies. For substances of very high concern (E2-5, §35), the Group estimates its coverage rate at around 93%[(1)], corresponding to all the tire manufacturing operations except for the Camso brand (see section 4.3.7.3 Substances of concern (SOCs) and very high concern (SVHCs), below). Measures are underway to improve this coverage rate. For the living wage metric, the coverage rate was 96.5%[(2)] at December 31, 2024 due to a small number of companies that will be assessed in the coming Fair Wage Network[(3)] certification rounds (from 2025)[(4)] (see section 4.8.5.2 Adequate wage, below).

Companies accounted for by the equity method are not included in the scope of reporting, in as much as the Group does not exercise exclusive operational control over them. Nevertheless, in accordance with the GHG Protocol, CO_2 emissions from these companies are included in the Group's Scope 3 emissions (Category 15).

The Statement covers the Group's **upstream and downstream value chain**, including suppliers, dealerships and other own operations, employees and customers (see section 4.1.3.1 below for a presentation of the Statement's coverage of the value chain).

Note that the Statement incorporates certain information by reference[(5)].

(1) Based on total raw material purchasing volumes.
(2) Based on the total number of employees.
(3) See the list of companies in the table in Appendix D below.
(4) Fair Wage Network certification attests that a company is a "Living Wage Global Employer".
(5) See Chapter 3, section 3 of the 2023 Universal Registration Document. Note as well that the Group has not used either the option to omit specific information corresponding to intellectual property, know-how or the results of innovation or the exemption from disclosure of impending developments or matters in the course of negotiation (ESRS 2, BP-1, §5(e)).

Calculation methodology used for the metrics and main estimates

The quantitative metrics disclosed in this Sustainability Statement are calculated on the basis of actual data, except for the following, which are a composite of actual and/or estimated data:

- E3-4(28) (Water consumption) has been calculated from actual withdrawals, minus the estimated quantity of water discharged (see section 4.4.4.3 Water consumption metric (own operations), below);
- E1-6(44)(c) (Scope 3 CO_2 emissions) has been calculated in accordance with GHG Protocol recommendations, based on actual data and estimates derived from primary data from suppliers and customers, as well as from external databases. This method is inherently somewhat uncertain;
- E2-5 (Substances of very high concern) has been calculated on the basis of actual or estimated raw materials purchasing data (see section 4.3.7.3 Substances of concern (SOCs) and very high concern (SVHCs), below).

Certain external data have been also used, such as the emission factors used in the CO_2 calculations. These data present a risk of uncertainty and may vary over time.

Metrics not disclosed in 2024

Despite the efforts to collect data and develop a robust methodology, the Group has not disclosed the following metrics in this first reporting exercise:

- water pollution (E2-28(a));
- substances of concern (E2-5, 34);
- water recycled and reused (E3-4, 28(c)).

With regard to the E2-4, 28(b) metric (microplastics generated or used), it has not been disclosed because the Group does not consider tire and road wear particles to be microplastics. Information on tire and road wear particles may be found in section 4.3.3 of this document.

As part of a continuous improvement process, the Group is pursuing action plans to ensure that these metrics can be disclosed in the future (see below sections 4.3.7.2 for Water pollution, 4.3.7.3 for Substances of concern (SOCs) and 4.4.4.3 for Water recycled and reused).

This Statement does not deviate from the medium or long-term time horizons defined in ESRS 1.

Lastly, Michelin may amend or update certain reporting and disclosure procedures as needed to reflect best practices and financial authority recommendations.

Sustainability reporting standards other than ESRS (CSRD)

In addition to the ESRS used to prepare this Sustainability Statement, the Group is mindful of the emergence of international sustainability reporting standards and the expectations of stakeholders. In this evolving environment, Michelin also recognizes the GRI reporting standards and the International Sustainability Standards Board's IFRS Sustainability Disclosure Standards S1[(1)] and S2[(2)] released in June 2023. The Group applies all the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) issued on June 29, 2017 and incorporated into the ISSB standards. In 2024, it also undertook to early adopt the Task Force on Nature-related Financial Disclosures (TNFD) framework. Lastly, the Group has pledged to uphold the United Nations Global Compact and the deployment of its Sustainable Development Goals (SDGs).

(1) IFRS Sustainability Disclosure Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information.

(2) IFRS Sustainability Disclosure Standard S2 – Climate-related Disclosures.

4.1.2 GOVERNANCE OF SUSTAINABILITY MATTERS

4.1.2.1 Composition and role of the administrative, management and supervisory bodies

Details of CGEM's administrative, management and supervisory bodies (including their composition and responsibilities, and the expertise, training and skills of their members) are described in the Corporate Governance Report (see Chapter 2, sections 2.1 and 2.2 of this document.)

The Supervisory Board has set up an Audit Committee and a Corporate Social Responsibility Committee.

The Supervisory Board has 11 members, all of whom are non-executive. The information below is based on its composition at December 31 of the reporting year, as presented in the aforementioned Corporate Governance Report and reflecting the decisions taken by the relevant CGEM governance bodies (Supervisory Board, Annual Meeting of Shareholders). They concern the percentage of CGEM Supervisory Board members by gender and nationality. The latter corresponds to another aspect of diversity tracked by CGEM:

ESRS 2 GOV-1 SUPERVISORY BOARD	
Total number of Supervisory Board members	11
Number of executive members of the Supervisory Board	0
Number of non-executive members of the Supervisory Board	11
Number of women Supervisory Board members(1)	5
Percentage of women Supervisory Board members(1)	45.5%
Number of Supervisory Board members representing other aspects of diversity(2)	3
Percentage of Supervisory Board members representing other aspects of diversity(2)	27.3%
Number of independent members of the Supervisory Board(3)	8
Percentage of independent members of the Supervisory Board(3)	72.7%

(1) The percentage of women is calculated by dividing the number of women members by the total number of Supervisory Board members. This method differs from the one used to calculate the ratio presented in the Supervisory Board's Corporate Governance Report, pursuant to Articles L. 22-10-74 and L. 226-4-1 of the French Commercial Code, which does not take employee representatives on the Board into account.

(2) Based on the diversity of nationalities, whose ratio is calculated by dividing the number of non-French members by the total number of Supervisory Board members.

(3) The disclosure requirement concerns the percentage of independent members on the CGEM Supervisory Board, which is calculated by dividing the number of independent members by the total number of Supervisory Board members. This method differs from the one used to calculate the ratio presented in the Supervisory Board's Corporate Governance Report, which is based on the Corporate Governance Code for listed companies published by the AFEP and MEDEF and does not take employee representatives on the Board into account.

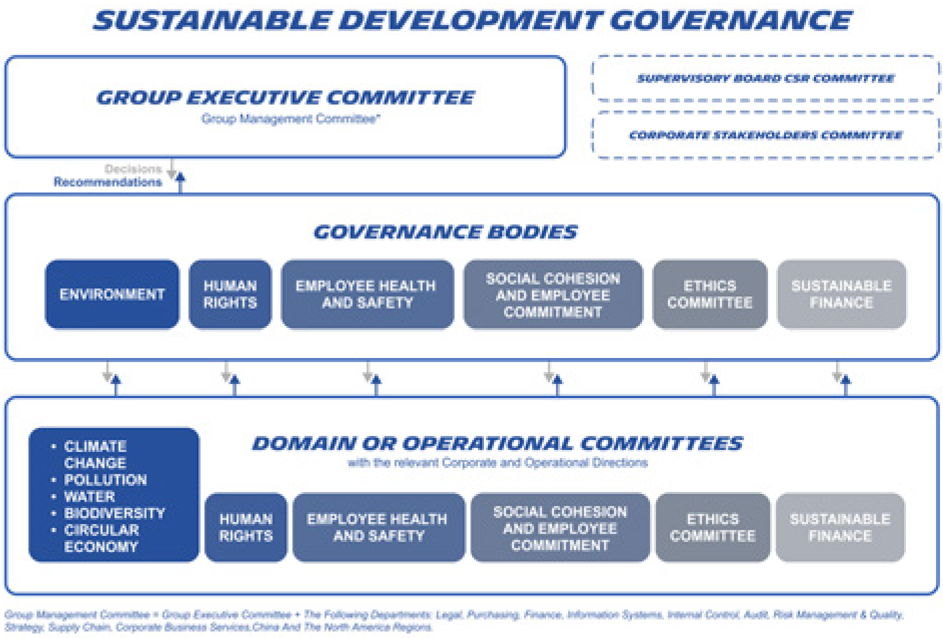
The sustainability expertise of each Supervisory Board member is presented in Chapter 2 above.

4.1.2.2 The key role of the administrative, management and supervisory bodies

The sustainability remits of the Supervisory Board's Audit Committee and CSR Committee are defined in their respective internal rules and described in sections 2.2.1, 2.2.9 and 2.2.11 of Chapter 2 of this document. The initiatives undertaken by these Committees during the reporting year are presented in these same sections.

Every four months, the CSR Committee reviews the Group's sustainability strategy, objectives, policies and commitments. During this exercise, it coordinates with the Audit Committee to ensure that the Group conducts a double materiality assessment (DMA) of the impacts, risks and opportunities (IROs) impacting either its operations or its environment and society as a whole. In 2024, the following material IROs were discussed by the CSR Committee of the Supervisory Board: the climate transition and adaptation plans, deforestation, tire and road wear particles, and human rights in the value chain. In addition, the minutes of the annual meeting with the Corporate Stakeholders Committee has been shared with the CSR Committee.

The Group has deployed a dedicated sustainable development organization to track risks and drive progress on the sustainability matters identified in the double materiality assessment. It is based on the interaction between four governance bodies: the Group Executive Committee, the Group Management Committee, the Environmental and Social Governance bodies, and the Thematic or Operational Committees.



The management of sustainability matters – strategy, policy and objectives, commitments, roadmaps, targets and metrics – is structured around six themes and their related governance mechanisms: Environment, Human Rights, Employee Health & Safety, Social Cohesion and Employee Commitment (created in 2024), Sustainable Finance and Ethics. The organization is overseen and managed by the four governance bodies, as follows.

The Group Executive Committee, including the two Managers:

- guides and impels the Group's All Sustainable approach, providing it with a big-picture vision of sustainability matters;
- reviews and approves the objectives addressing these matters;
- is informed of the overviews presented to the Group Management Committee by the Governance bodies and the Group Ethics Committee, which support its review of the Group's sustainability vision, policies, commitments and objectives;
- is informed by the Chairs of the Governance bodies and the Group Ethics Committee of any difficulties encountered in implementing action plans following internal audits.

In 2024, the Group Executive Committee approved the double materiality matrix.

The Group Management Committee, including the Group Executive Committee:

- annually reviews an overview of the Governance bodies and the Group Ethics Committee prepared by the Vice President, Sustainable Development and Impact. The overview also discusses any shortfalls in deploying post-audit action plans and delays in implementing roadmaps;
- as part of this process, the Group Management Committee determines the allocation of any resources needed by the Governance bodies and the Group Ethics Committee to perform their tasks. It also ensures that transformation project objectives are fully aligned with the Group's All Sustainable vision.

The Governance bodies and the Group Ethics Committee, which meet on a regular basis(1):

- determine the issues to put forward for approval to the Group Executive Committee, in particular the Group's vision and objectives, significant commitments and emerging strategic issues;
- review and approve prioritized strategic objectives, policies and commitments recommended by the Thematic Committees (in the case of Environmental Governance bodies) or the Operational Committees (in the case of the other Governance bodies);
- ensure the ability to lead roadmaps, with deliverables, milestones, appropriate resources and outcomes;
- alert the Managers to any shortfalls in action plans deployed following audits and delays in implementing roadmaps, and recommend appropriate corrective measures as needed. This information is included in the overview submitted to the Group Management Committee.

Thematic and Operational Committees:

- recommend Group objectives, policies and commitments to the Governance bodies and the Group Ethics Committee;
- recommend prioritized strategic objectives, policies and commitments, and submit them to the Governance bodies or the Group Ethics Committee for approval;

(1) Quarterly for the Environmental Governance bodies and the Ethics Committee; twice a year for the Employee Health & Safety, Human Rights and the Social Cohesion and People Management Governance bodies; every six weeks for the Sustainable Finance Governance body.

- own and lead deployment of post-audit roadmaps and action plans, particularly concerning the impacts, risks and opportunities (IROs), and present them to the Governance bodies or the Group Ethics Committee;
- ensure that major projects and initiatives are aligned with the Group's objectives, policies and commitments;
- identify the new capabilities needed to deploy the roadmaps;
- track emerging sustainability standards and best practices.

Lastly, to enhance and adjust objectives as needed, the Group regularly engages with stakeholders.

The issues arising from the impacts, risks and opportunities identified in the double materiality assessment are all addressed by appropriate governance bodies. Ultimately, the Group intends to gradually transfer the leadership of its sustainability metrics to line managers, who already manage its operational and financial metrics.

4.1.2.3 **Integration of sustainability-related performance in incentive mechanisms**

To align the interests of the Managers more closely with the Group's sustainability performance, their short-term (annual) and long-term (multi-year) variable compensation is subject to ESG criteria.

Annual variable compensation[(1)]

20% of this compensation depends on meeting ESG performance targets, two of which concern People (TCIR and gender balance) and one that relates to the Planet (Scope 1 and 2 CO_2 emissions). The TCIR and CO_2 emissions targets also apply to all Group employees eligible for variable annual compensation via the Group Bonus.

Deferred variable compensation[(2)]

40% of this compensation, which is awarded in the form of performance shares, depends on meeting ESG performance targets. One target, accounting for 20%, concerns the Planet (the Industrial Michelin Environmental Performance or i-MEP indicator) and the other, also accounting for 20%, concerns People (the employee engagement rate). Both criteria apply to every Group employee eligible for the performance share plan.

Sustainability-related incentive schemes are an integral part of the compensation policies for members of the administrative, management and supervisory bodies, as described in Chapter 3, section 3.3 of the 2023 Universal Registration Document. The terms and conditions of the Managers' compensation are described in detail in sections 3.3.1 and 3.3.2.

The criteria determining the Manager's variable compensation are defined by the Supervisory Board.

This information is based on the Managers' compensation for the reporting year, which is set by the CGEM's governing bodies (General Partners, Supervisory Board, Annual Shareholders Meeting) and presented in the Supervisory Board's Corporate Governance Report in Chapter 3 of the 2023 Universal Registration Document.

4.1.2.4 **Statement on due diligence**

For the eighth year in a row, in compliance with the requirements of French Act No. 2017-399 of March 27, 2017, Michelin has prepared a Duty of Care Plan[(3)] describing the impacts, risks and opportunities incurred by the Group and its value chain as regards the environment, health & safety and human rights, along with the measures taken to prevent or mitigate them, as applicable.

The Plan is an effective means of consolidating and strengthening the Group's proactive approach to deploying processes to prevent and manage risks and negative impacts in the above three areas, as well as an opportunity to 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 and values, and reflects its commitment to conducting its business responsibly with regard to all its stakeholders.

The Duty of Care Plan is based on the information and initiatives already embedded in the Group's policies, which underpin its sustainability commitment. These include the Code of Ethics, the Purchasing Principles, the Supplier Relations Code of Conduct, and the following policies: Health, the Environment, Employee Relations, Diversity & Inclusion and Human Rights.

(1) The proportion of the Managers' annual variable compensation subject to sustainability criteria is calculated by dividing the percentage of sustainability criteria by the percentage of total annual variable compensation.
(2) The proportion of the Managers' long-term variable compensation subject to sustainability criteria is calculated by dividing the percentage of sustainability criteria by the percentage of total long-term variable compensation.
(3) https://www.michelin.com/en/investors/regulatory-information

Core elements of due diligence	Sections in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	4.1 General information, 4.1.3 Strategy
b) Engaging with affected stakeholders in all key steps of the due diligence process	4.1 General information, 4.1.3 Strategy
c) Identifying and assessing adverse impacts	Environmental matters: 4.2 Climate change (E1), 4.3 Pollution (E2), 4.4 Water and marine resources (E3), 4.5 Biodiversity and ecosystems (E4), 4.6 Resource use and circular economy (E5) Social matters: 4.8 Own workforce (S1), 4.9 Workers in the value chain (S2) Governance matters: 4.11 Business conduct (G1)
d) Taking action to address those adverse impacts	Environmental matters: 4.2 Climate change (E1), 4.3 Pollution (E2), 4.4 Water and marine resources (E3), 4.5 Biodiversity and ecosystems (E4), 4.6 Resource use and circular economy (E5) Social matters: 4.8 Own workforce (S1), 4.9 Workers in the value chain (S2) Governance matters: 4.11 Business conduct (G1)
e) Tracking the effectiveness of these efforts and communicating	Environmental matters: 4.2 Climate change (E1), 4.3 Pollution (E2), 4.4 Water and marine resources (E3), 4.5 Biodiversity and ecosystems (E4), 4.6 Resource use and circular economy (E5) Social matters: 4.8 Own workforce (S1), 4.9 Workers in the value chain (S2) Governance matters: 4.11 Business conduct (G1)

In this way, the Duty of Care Plan shows how CSR risks are addressed holistically, highlighting the main aspects of both the due diligence process and the Sustainability Statement. It describes the Group's due diligence practices[1]. The Duty of Care Plan has been enhanced by the double materiality assessment, including for risks below the materiality threshold, and, conversely, the risks identified in the Duty of Care Plan have been addressed and assessed in the double materiality assessment.

(1) Preparation and tracking of the plan are coordinated by the Corporate Sustainable Development and Impact Department, which leads a dedicated working group involving the Internal Control, Risk Management, Purchasing, Human Resources, Legal and Compliance departments.

4.1.2.5 Risk management and internal controls over sustainability reporting

Non-financial reporting has been an integral part of the Group's risk management system since 2022 (see Chapter 3 on risk management in this document). The main milestones in the integration process were as follows:

- creation in 2022 of a Sustainable Finance Governance Committee, chaired by the General Manager;
- two internal audits commissioned by the General Manager and performed in 2022 and 2023 to assess the reliability of the non-financial reporting process, which led to the roll-out of two action plans;
- addition of the risk "inaccurate or unfair reporting of non-financial data" to the Group's risk database in 2023, making it an integral part of the risk management system;
- deployment in 2024 of an internal control system for the downstream phases in the non-financial reporting exercise.

In addition, the corporate risk management team has been involved in the CSRD project, helping to prepare double materiality assessments, define KPIs and their scope, and structure the internal control process.

The first internal audit, performed in 2022, charted a prioritization matrix for non-financial indicators on two axes – sustainability matter and vulnerability – at each stage in the reporting process (definition, scope, capture, collection, control, consolidation and disclosure). Since then, all the metrics disclosed by the Group have been mapped, thereby enabling the team to:

- target which of the high and very high risk and/or vulnerability metrics to audit in 2022 and 2023;
- prioritize the initial stages in the internal control process.

To mitigate the risks identified in the internal audits, a variety of action plans were undertaken to provide quality assurance for the reporting of quantitative and qualitative metrics, zero-base and re-equip the reporting process, inventory and identify materiality in every subsidiary, and design the internal control process.

The fundamentals and control of sustainability data are now an integral part of the Group's internal control exercise. As described in Chapter 3 of this document, internal control is performed through self-assessments (first line of defense) and testing (second line of defense), which may identify cases of non-compliance. If so, within three months, corrective action plans are deployed under the leadership of line managers, with their alignment and outcomes validated by the Internal Control teams. Their effectiveness is measured the following year, using the internal control action plan performance metric.

For the first year's exercise, self-assessments were organized in association with the managers of the relevant data and internal controllers, to determine a shared baseline and to prepare the corrective action plans required to eliminate any cases of non-compliance.

The findings of the 2022 and 2023 audits were presented to the Supervisory Board's Audit Committee and their action plan outcomes were assessed and presented to the Audit Committee in July 2024. Every year, the preceding year's internal control results and outcomes of the related action plans are presented to the Audit Committee in April. Lastly, note that the material matters identified in the 2024 double materiality assessment have been analyzed to identify gaps with the portfolio of risks and impacts tracked in the Group risk management system, thereby guaranteeing the comprehensive, seamless alignment between the two processes.

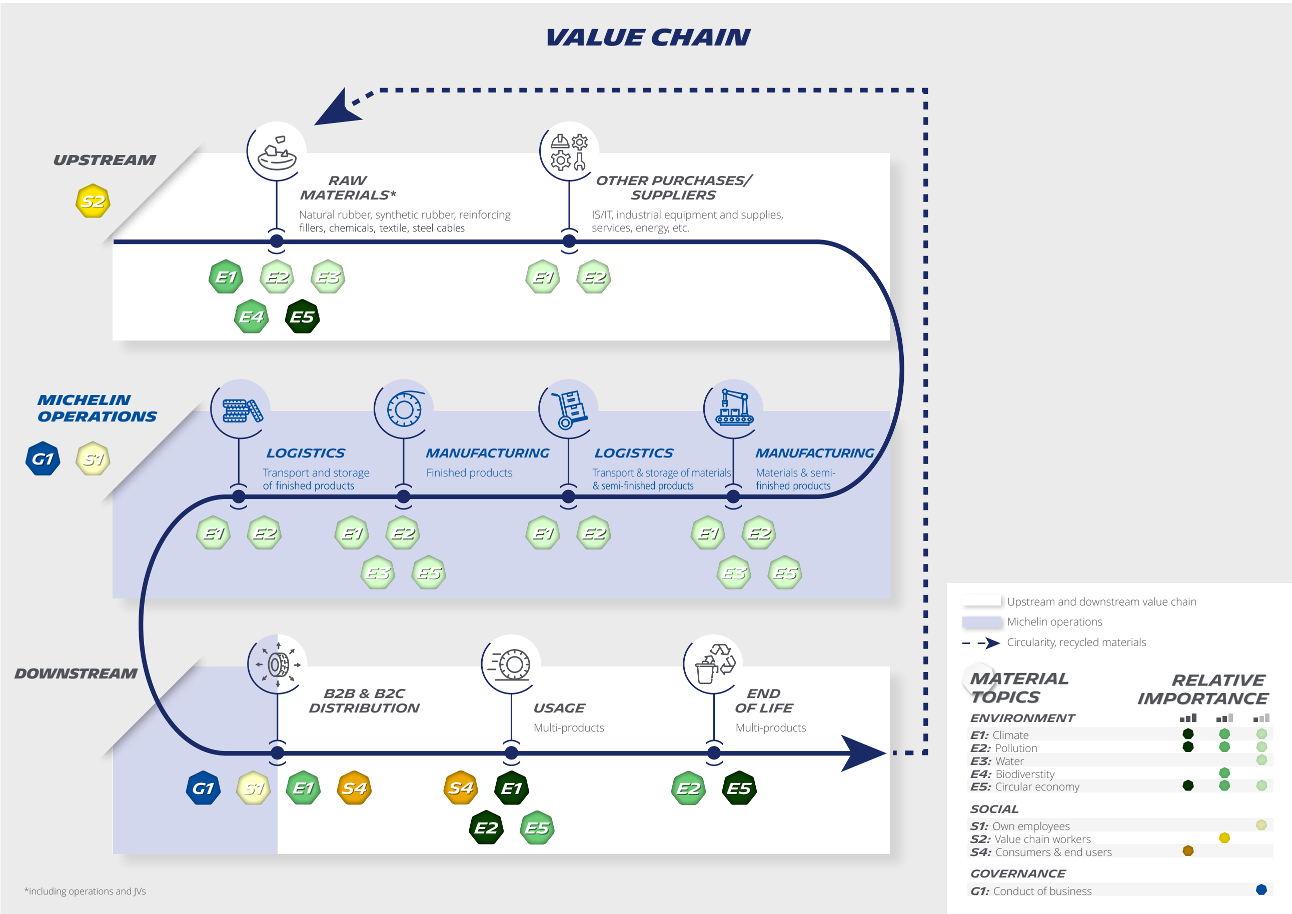
4.1.3 STRATEGY

4.1.3.1 A sustainability driven strategy, business model and value chain[1]

For 130 years, the Group's powerful innovation drive has made it one of the world's foremost tire manufacturers, with leadership positions backed by its materials expertise and ability to combine materials to create composite solutions for a wide array of needs. Thanks to its unique capabilities, Michelin is building a world-leader in life-changing composites, so that it can make a decisive contribution to human progress and a more sustainable world.

In 2021, Michelin launched the Michelin in Motion strategic plan with an ambitious roadmap for 2030 and a clear vision for 2050. In seamless alignment with the Group's All Sustainable commitment, the plan lays the foundations for sustainable growth through the rest of the decade. *"That's because we believe that tomorrow, everything will be sustainable at Michelin"*. This vision of the future, deeply rooted in our history, already informs all our decisions aimed at striking the right balance between People, Profit and the Planet – the triple bottom line that lies at the heart of the Group's growth dynamic.

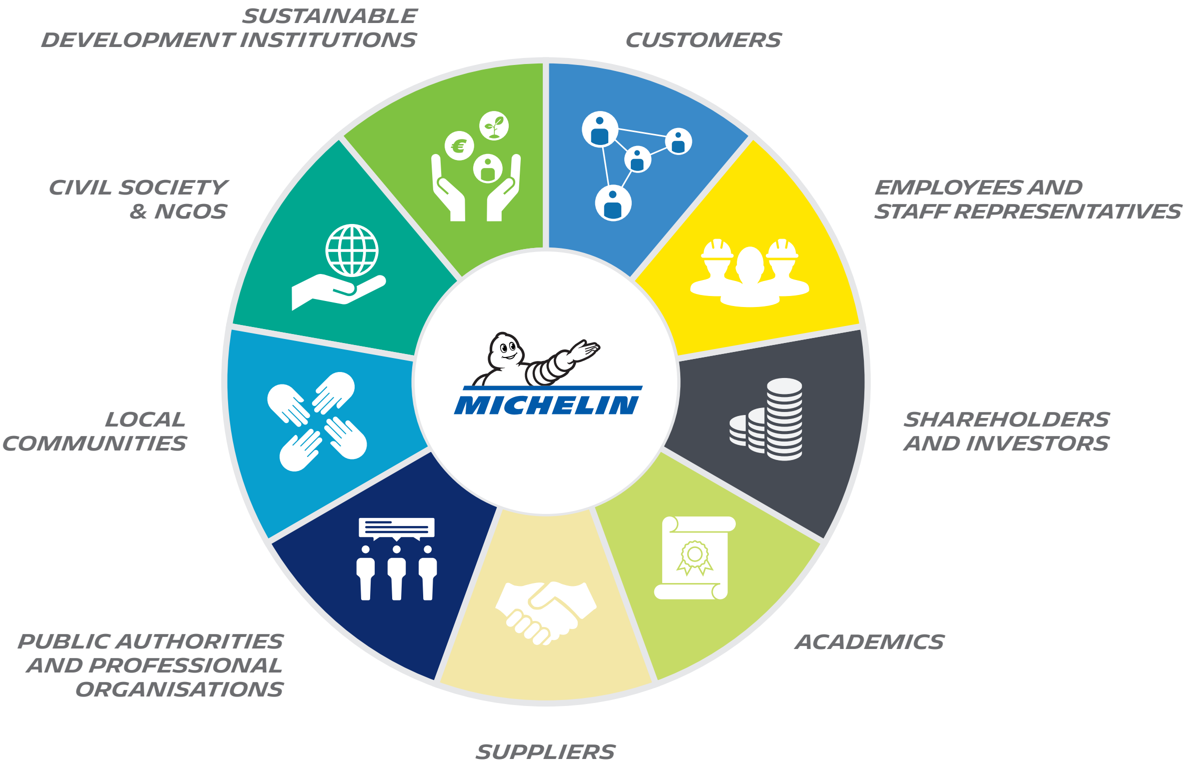
This strategy is being deployed across a globalized value chain extending from the purchase of raw materials and services to the distribution, use and disposal of products. Each of these stages has been assessed for double materiality. The following diagram ranks material matters across the Group's value chain.



(1) See Chapter 1 above for a presentation of Michelin's strategy and business model.

4.1.3.2 Constant, careful attention to the interests and views of stakeholders

By stakeholders, Michelin means the people or groups of people who are impacted by its business or who may impact it in return, to ensure that its corporate strategy is always mindful of their needs and expectations. Building trust-based relationships with stakeholders is an opportunity for the Group to improve its ability to plan and align its sustainability commitments and initiatives, while strengthening its duty of care process:



Michelin has long nurtured sustained dialogue with all its stakeholders – customers, investors, employee representatives, suppliers, public authorities, local communities, international organizations and NGOs – with dedicated, regularly scheduled meetings organized every year for each category by the Group's corporate and local departments.

Why and with whom is the Group engaged?	How and on which issues?	2024 initiatives addressing the interests and views of stakeholders
CORPORATE STAKEHOLDERS COMMITTEE		
Created in 2016, the Corporate Stakeholders Committee is a reflection of civil society that acts as a think tank for the Group and its senior management. It is enhancing Michelin's All-Sustainable vision by supporting the over-the-horizon perception of emerging societal challenges, in particular by factoring stakeholder opinions and comments into Group policies and actions. **Committees for shareholders outside Paris are currently being set up.**	■ An annual two-and-a-half day meeting organized in one of our production or office sites ■ Special-purpose sessions dedicated to specific issues of strategic importance to the Group. **Leading issues:** impact, sustainable performance, the double materiality matrix, recycled and renewable materials, the adequate wage commitment, etc.	In 2024, the Group organized two events: ■ an online presentation of the double materiality matrix in March 2024; ■ an in-person meeting on November 12 and 13, 2024 focused on sustainable product performance and on recycled and renewable materials.
CIVIL SOCIETY AND NGOS		
The Michelin Group includes a dedicated corporate unit in charge of relations with civil society and fosters ongoing dialogue with NGOs, such as the WWF, the European Federation for Transport and Environment and the FIDH, in a commitment to raising awareness of the Group, soliciting NGO feedback and continuously improving its environmental, social and governance policies and initiatives, including through co-developed projects.	■ Ongoing dialogue with appropriate discussion meetings on an issue-by-issue basis. ■ The Natural Rubber Stakeholder Committee, which has met every two years since 2015. ■ A strategic partnership agreement with the WWF. ■ Discussions between regions, countries and Michelin sites. **Leading issues:** human rights, anti-corruption, the value chain, natural rubber, climate change, biodiversity and the circular economy.	In 2024, the Group engaged with NGOs, including the WWF, European Federation for Transport and Environment and the European Climate Foundation, on technical issues concerning production plant decarbonizing plans, biomaterials and deforestation.
CUSTOMERS		
The Group pays particular attention to customers, who play a central role in realizing its strategic vision and meeting its objectives. Extensive engagement with our customers enables us to understand their needs and foresee emerging market trends. We protect our customers by guaranteeing the quality and safety of our products and by complying with all applicable laws, regulations and policies. The Group continues to deploy and improve the maturity of its Customer Promise Guarantee to meet their needs more effectively.	■ Customer CSR requests. ■ Audits. ■ Customer rooms, to capture customer dissatisfaction and then respond with initiatives that fulfill the customer promise. ■ Key account management relationships. ■ Trade shows. ■ Independent assessments of the maturity of the customer promise, supporting a robust end-to-end customer experience **Leading issues:** safety, longevity, rolling resistance, braking, climate change, energy, water, human rights, responsible purchasing and EU taxonomy.	In 2024, the Group continued to: ■ measure customer satisfaction; ■ build long-term relationships with key customers and partners; ■ nurture the development of strategic partnerships with key B2B customers; ■ run workshops in host regions and countries.
EMPLOYEES AND EMPLOYEE REPRESENTATIVES		
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 European Works Council (CEEM) and Michelin Global Works Council (MWC). ■ Member of the Global Deal initiative. ■ Annual engagement survey. **Leading issues:** the employee relations aspects of the All Sustainable vision.	The Global Works Council met once in 2024. Note that in July 2023, the Michelin Global Works Council began its second three-year term by broadening its membership, with new representatives from India, Sri Lanka, Indonesia and Australia.

Why and with whom is the Group engaged?	How and on which issues?	2024 initiatives addressing the interests and views of stakeholders
SHAREHOLDERS AND INVESTORS		
The Investor Relations team nurtures ongoing communication and dialogue with Group shareholders to keep them as well informed as possible about the Group's strategy and its financial and non-financial performance.	▪ In-person roadshows. ▪ Online roadshows. ▪ Automotive and ESG conferences. ▪ Shareholder events. ▪ Rating agency questionnaires. **Leading issues:** the All Sustainable vision, materials and composites, and technological leadership.	In 2024, the Group organized a number of events for shareholders and investors, including: ▪ the Capital Markets Day in May: ▪ an annual roadshow in October, dedicated to governance issues; ▪ A roadshow addressing ESG issues in November.
SUPPLIERS		
Engaged discussions on the Group's vision and objectives, with Supplier Relationship Management (SRM) reviews addressing the sustainability issues impacting each purchasing category and supplier. The findings of these reviews support the deployment of joint improvement plans, in particular with strategic suppliers and for natural rubber and other raw materials.	▪ Supplier segmentation reviewed annually. ▪ Key supplier relationships tracked through regularly scheduled SRM reviews. ▪ Strategic relationships with certain suppliers, in particular to support the CO_2 roadmap. ▪ A dedicated natural rubber roadmap. ▪ A CSR questionnaire for other raw material suppliers. **Leading issues:** the All Sustainable vision, responsible purchasing, natural rubber, raw materials, climate, CO_2 and energy, human rights, health and safety.	2024 highlights included the following initiatives: ▪ "Responsible Supplier Relations and Procurement" label renewed during the year; ▪ developing a CSR questionnaire for suppliers of raw materials other than natural rubber.
PUBLIC AUTHORITIES AND TRADE ORGANIZATIONS		
Through its Public Affairs Department, the Group engages in ongoing dialogue with public authorities, trade associations and non-governmental organizations (NGOs) in a commitment to (i) raising the quality of public debate and decision-making; (ii) helping to promote, expand and defend the Group's interests; (iii) capturing as far upstream as possible positive or negative developments likely to impact the Group; and (iv) proactively responding to potential crises.	▪ Initiatives undertaken either directly by the Group or indirectly through organizations in which it is a member. These include (i) tire industry trade associations, such as the European Tyre and Rubber Manufacturers' Association (ETRMA) and the US Tire Manufacturers' Association (USTMA); (ii) cross-industry associations such as the Association Française des Entreprises Privées (AFEP), the European Round Table of Industrialists and Plateforme de la Filière Automobile (PFA) in France; and (iii) various French and European chambers of commerce. **Leading issues:** product regulations, the circular economy, our manufacturing footprint, the value chain, the non-financial reporting process and sustainability standards.	Among the positions defended by the Group in 2024 were: ▪ supporting, alongside the California state government, the introduction of minimum rolling resistance performance standards that would ban the least energy-efficient tires from sale; ▪ supporting the introduction of minimum tire abrasion standards in the Euro 7 Regulation to reduce tire and road wear particle emissions; ▪ supporting the removal of legal status of waste for end-of-life tires, to speed the transition to greater circularity in Europe; ▪ supporting the creation of a global carbon price; ▪ submitting proposals for the operational implementation of the EU Deforestation Regulation, to ensure effective enforcement without any negative impacts on the value chain.

Why and with whom is the Group engaged?	How and on which issues?	2024 initiatives addressing the interests and views of stakeholders
ACADEMIA		
The Group nurtures a wide variety of relationships with academia to enlighten and enrich its strategy and initiatives, particularly as part of its R&D commitment or with regard to certain impact matters such as sustainable mobility or materials. These relationships also help to improve our ability to understand and explore emerging issues and developments.	■ Partnership agreements (IDDRI, CIRAIG, the Ellen MacArthur Foundation, ITF, etc.). ■ Dedicated dialogue programs to explore certain sustainability matters (Carbone 4, Institut des Sciences Politiques, HEC, World Resources Institute, etc.). **Leading issues:** life cycle assessments, natural rubber, sustainable mobility, materials, measuring our social footprint, value sharing, technical decarbonization levers, biodiversity, water, pollution and tire and road wear particles (TRWP).	In 2024, the Group worked with academia on a wide range of issues, including: ■ ongoing or new programs on such emerging issues as biomaterials, avoided emissions, social life-cycle assessments and value sharing; ■ understanding the latest trends in sustainable mobility during the Corporate Business Partnership (CBP) with researchers from the OECD's International Transport Forum.
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. **Each host region's organization has forged close ties with one or more institutions, with a focus on the Global Compact's national networks.**	■ Sharing best practices among companies, globally (the World Business Council for Sustainable Development – WBCSD; the International Chamber of Commerce – ICC), at the European level (GreenBiz) and nationally (Entreprises pour l'Environnement – EpE; Entreprises pour les droits humains – EDH, Orée, the French Sustainable Development Executives Association – C3D). ■ Lobbying for sustainability (WBCSD and the Global Compact), including efforts to drive the tire industry's alignment on sustainability issues (the Tire Industry Project – TIP as part of the WBCSD). **Leading issues:** the full range of ESG issues.	In 2024, the Group actively participated in a number of networks exploring sustainability issues, including: ■ projects undertaken under Michelin's presidency of the Global Compact France Network to deploy the SDGs in France by deepening local engagement; ■ participating in the Climate Week event in September 2024, including the UN Global Compact Leaders Summit; ; ■ participating in the COP16 Biodiversity Conference, through Orée; ■ actively contributing to the EpE 2030 environmental transition working group.
LOCAL COMMUNITIES		
Michelin believes that relationships with local communities, especially those that host its production sites, offices and rubber plantations, are of paramount importance. The Group is deeply engaged in developing and promoting its host regions, by respecting and addressing the expectations and interests of local and nearby communities (e.g., the community of stakeholders around the Blanzy plant in France). **It also strives to create local jobs and develop the local economy, while participating harmoniously in community life through its employees.**	■ Impact studies for new sites. ■ Dedicated dialogue processes for each country and location. ■ On-site initiatives with local communities (training, etc.) in every country. **Leading issues:** Community development, equal opportunities, biodiversity, architectural and cultural heritage, diversity, the local economy and human rights.	In 2024, the Group began to craft a holistic strategy for the affected communities. In addition, it is continuing to track certain key metrics, such as the number of hours devoted to volunteer initiatives.

Lastly, Michelin presented the CSRD and the preparation of the Sustainability Statement to the European Works Council (CEEM) on October 15, 2024[1]. A further consultation is planned for 2025.

(1) See Section 4.8 Own workforce (S1), below, for a presentation of the European Works Council.

4.1.3.3 Financial effects of the Group's material risks and opportunities

The current financial effects of the Group's material risks and opportunities are presented in their respective sections below. All 2024 figures are aligned with the amounts shown in the consolidated financial statements.

Material capital expenditure, both current and budgeted over the next five years, is presented below and in the respective sections.

The capital expenditure portfolio has been analytically segmented and aligned with the various material sustainability matters, enabling the Group to manage its contribution to each lever in the All-Sustainable strategy. **In 2024, 18% of the Group's total capital expenditure was committed to sustainability matters.**

Financial resources allocated to sustainability matters *(in € millions)*	2024	Future
E1 – Climate change	**226**	**> 1,000**
Climate change mitigation (Scopes 1 and 2)	*107*	*> 400*
Climate change mitigation (Scope 3)	*119*	*> 600*
E5 – Resource use and circular economy	**12**	**> 200**
S1 – Own workforce	**133**	**> 450**
Employee attraction and retention	*76*	*> 300*
Employee health and safety (OP)	*56*	*> 150*
Financial resources (non-material) allocated to other sustainability matters	**24**	**> 100**
TOTAL	**395**	**> 1,850**

OpEx allocated to action plans

Operating expense figures are taken from the consolidated financial statements. However, breaking them down by CSRD matter is not applicable, as these outlays are directly tied to the operation of our business sites.

4.1.3.4 Number of Group employees by region

The Group's workforce breaks down by region as follows:

ESRS 2 SBM-1 HEADCOUNT OF EMPLOYEES BY GEOGRAPHICAL AREA	
Total number of employees in Europe	62,239
Total number of employees in the Americas	36,306
Total number of employees in the Africa-Asia-Pacific region	31,287
TOTAL NUMBER OF EMPLOYEES (WORKFORCE)	**129,832**

4.1.4 DOUBLE MATERIALITY ASSESSMENT

Sustainability is an integral part of Michelin's history and corporate DNA. Since its founding, it has always upheld mobility as a fundamental right and source of human progress. In the same way, the Group is committed to helping to shape a more desirable future by fostering balanced growth in its operations, capable of reconciling business performance, people development and environmental stewardship. For Michelin, the success of any growth strategy depends on considering the limits of our planet and genuinely acting responsibly towards employees and society. The Group also believes that no transformation is possible without a concomitant creation of value.

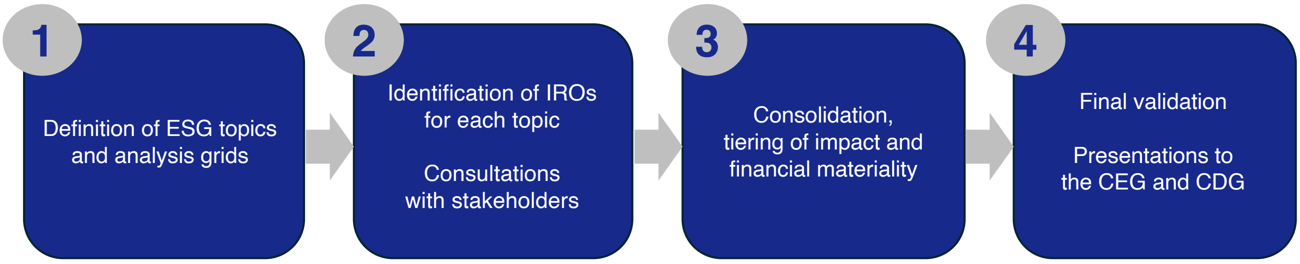
With this in mind, Michelin generally measures its initiatives against the United Nations Sustainable Development Goals (SDGs), so as to respond more effectively to rising stakeholder sustainability expectations and to gain greater insight into its future challenges. The illustration below highlights 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.

4.1.4.1 Methodology

As part of its environmental and social responsibility commitment, the Michelin Group has plotted a **double materiality matrix** using a methodology based on the disclosure requirements described in the European Sustainability Reporting Standards (ESRS), particularly ESRS 1, section 3. The materiality matrix was approved and a materiality threshold defined by the Group Executive Committee in April 2024.

The assessment is carried out across the entirety of the Group's value chain and worldwide business base, including the operations of recently acquired entities. When assessing materiality, the location of each impact was identified in either the upstream or downstream value chain.

The assessment process comprises four steps:



The stakeholders consulted when assessing each impact's materiality are a faithful, comprehensive representation of all the stakeholders in Michelin's business operations:

- **internal stakeholders:** a large number of internal stakeholders were consulted to provide input, analyze and elaborate on the outcomes as needed. They included members of Management and of the Investor Relations, Finance, Human Resources, Purchasing, Legal and Compliance, Risk Management and Strategy departments;
- **the Corporate Stakeholders Committee.**

Impacts, risks and opportunities (IROs) were first identified and assessed for probability and severity, and then consolidated in the matrix. To position each matter, the Group used the following assessment grids:

- **financial materiality**, which assesses the likelihood of occurrence and the potential severity of the financial effects of financial risks and opportunities on a scale of 1 to 5 (from less than €50 million to more than €900 million);
- **impact materiality**, which assesses the negative and positive impacts, as follows:
  - assessing negative impacts:
    - for actual impacts: materiality depends on their severity, i.e., their magnitude, extent and irremediability,
    - for potential impacts: materiality is determined by severity and probability. In the case of a potentially negative human rights impact, the severity of the impact takes precedence over its likelihood,
  - assessing positive impacts:
    - for actual impacts, materiality depends on the scale and scope of the impact, and
    - for potential impacts, materiality depends on the scale, scope and likelihood of the impact.

To finalize the matrix, the Group devised a scenario for each IRO identified, based on selected criteria. This approach prompted Michelin to reason in terms of "gross" risk (before the impact of mitigation initiatives) over the following time horizons: short term (less than a year), medium term (between one and five years) and long term (more than five years).

The assessment was performed with the support of a third party with the expertise needed to ensure that the methodology was meaningful and reliable.

To determine the materiality of sustainability matters, the Group symmetrically defined a threshold for both financial and impact materiality above which the matter is deemed to be material. In other words, any IRO whose score exceeds the defined threshold is considered to be material. The threshold was validated by the Group Executive Committee, enabling the most material matters to be prioritized.

In this way, Michelin determined that ESRS S3 regarding affected communities is not material. Given its global footprint, the Group engages with all the people who live or work near its production and office sites, as well as with communities around its upstream or downstream value chain.

Other matters fell short of the materiality threshold, in particular the IROs related to diversity, equity and inclusion issues and the social dialogue process. These matters, which are core values of the Group and an integral part of its social responsibility commitment, are discussed qualitatively elsewhere in this Statement

The IROs resulting from the double materiality assessment were reviewed against the Group's risk map. Going forward, a similar comparison between the risk map and the double materiality assessment will be performed every time the latter is updated.

A wide range of data was used to establish the IROs, including existing regulations for the tire and automotive industries, reports from international organizations and industry associations (e.g., the Tire Industry Project globally and ETRMA in Europe) and the latest available scientific knowledge and in-house expertise, particularly in the field of materials.

All these sources are available and duly explained below.

A list of the ESRS Disclosure Requirements with which this Sustainability Statement complies may be found in Appendix D below.

4.1.4.2 The relationship between the double materiality assessment and the Michelin Group's business model

The most material matters resulting from the double materiality assessment have been fundamentally integrated into the Group's business model. In 2024, the double materiality matrix comprised twenty-six impacts, risks and opportunities deemed to be material to the Group. The following matrix presents the materiality of the matters according to the most significant IROs for each one.

SUSTAINABILITY STAKES FROM THE DOUBLE MATERIALITY ASSESSMENT

Impacts, Risks and Opportunities (IROs)		Brief description
Upstream value chain / Downstream value chain / OP Own operations / Short-term / Medium-term / Long-term		
E1 – CLIMATE CHANGE		
Climate change mitigation		
Higher energy performance standards for tires		Standards are being raised both by market demand and through regulations.
Downstream, Medium-term	**Opportunity**	Tires account for 15% to 30% of an internal combustion vehicle's fuel consumption. As mobility goes electric, the focus is expected to shift to certain products or components that are harder to decarbonize, such as tires. Original equipment manufacturers are looking for tires with low rolling resistance, while fleets prefer long-lasting, high-mileage products. Urbanization and the emergence of new mobility solutions will heighten the role of fleets. Regulatory standards governing rolling resistance and other energy performance factors are tending to become stricter around the world, along the lines of European Union legislation.
Rising demand for a wider range of electric vehicles		Michelin is positioned as a leading manufacturer of high-performance, long-lasting, energy-efficient tires that play a critical role in optimizing the EV experience. According to the International Transport Forum, an estimated 40% of new vehicles will be electric in 2027, representing a tripling of their market share in just five years and offering the Group new opportunities.
Downstream, Medium-term	**Opportunity**	
Contributing to climate change through direct and indirect greenhouse gas emissions (Scopes 1 and 2)		Michelin is a global manufacturer with a broad industrial footprint. Greenhouse gases are emitted by our own operations and by the energy used in our production and other sites. The impact covers Scope 1 and 2 emissions.
Upstream, OP, Medium-term	**Negative impact**	
Contributing to climate change through direct and indirect greenhouse gas emissions and land use change (Scope 3)		Scope 3 emissions comprise two main categories: ■ GHG Protocol required Scope 3 emissions, which come from purchased raw materials, upstream logistics activities, upstream purchased energy and a variety of other sources. This category is significantly larger than Scope 1 and 2 emissions; ■ GHG Protocol optional Scope 3 emissions from the use of sold products, which in the case of Michelin corresponds to the 15% to 30% of a vehicle's fuel or electricity used to overcome tire rolling resistance. This makes their contribution critically important, with Scope 3 use-phase emissions representing more than 90% of Michelin's carbon footprint (115 million tonnes of CO_2 in 2024). Michelin is a leader in rolling resistance performance.
Downstream, Upstream, Medium-term	**Negative impact**	
Facilitating greater energy efficiency by offering services to optimize the use and management of vehicle fleets and accelerating the transition to zero-emission mobility		Michelin is a leading sustainable mobility enabler. In addition to tires, the Group offers solutions to optimize fleet management and support hydrogen-powered and other forms of zero-emission mobility. The Group promotes sustainable mobility, in particular through international forums and networks such as Movin'On and the World Bank's Sum4All initiative.
OP, Medium-term	**Positive impact**	
Climate change adaptation		
Impact of physical climate risks on business activities, assets, employees, raw materials, delays and logistics costs		Michelin has operations around the world that could be impacted by the increased frequency of adverse climate events, such as storms, floods, droughts and other risks. In light of the diverse range of suppliers and the many interdependent factors necessarily involved in the manufacture of its products (infrastructure, energy, availability of labor, transportation systems, etc.), the effects of climate change may be qualified as systemic.
OP, Medium-term	**Risk**	
E2 – POLLUTION		
Water, soil, air and noise pollution		
Tightening standards limiting the impact on water, soil and air pollution from microplastics (tire and road wear particles – TRWP) and substances (e.g., 6PPD)		More stringent pollution regulatory standards could lead to lower maximum tire abrasion limits and stricter regulation of particles (TRWP) and substances (6PPD) and other substances, as well as to impacts on Michelin services. Insofar as Michelin tires are well known for their superior abrasion performance compared to their premium competitors, this could represent an opportunity for the Group.
Downstream, Medium-term	**Risk**	
Water, soil and air pollution from the use of tires (TRWP)		Friction between tires and the road generates wear particles (TRWP), influenced by a variety of factors. Since 2010, certain studies have demonstrated their presence in the environment and their potential impact. However, scientific knowledge of the impact and behavior of these tire and road wear particles (TRWP) needs to be improved. Michelin and the entire industry, through the Tire Industry Project (TIP) have engaged a proactive approach to TRWP.
Downstream, Medium-term	**Negative impact**	

Impacts, Risks and Opportunities (IROs)	Brief description
Water, soil and air pollution from upstream activities Upstream **Negative impact**	Pollution in the upstream value chain primarily stems from the production of bio-sourced and other raw materials. Given its size, the natural rubber value chain can result in pollution, particularly soil contamination from pesticides and fertilizers.
Water and air pollution from direct operations, including substances of very high concern and VOCs OP **Negative impact**	Water and air pollution from the Group's indoor and outdoor operations may include: ▪ wastewater discharge from its own manufacturing operations; ▪ substances of concern and very high concern; ▪ air pollution, including volatile organic compound (VOC) emissions, both indoors and outdoors, from rubber product, rubber-compound product and tire manufacturing processes.
Pollution from the end-of-life treatment of sold tires Downstream **Negative impact**	Used tires can be collected and disposed of in different ways, albeit with a focus on recovering and reusing their component resources. Research shows that this could result in a number of varying environmental impacts, which could include ozone depletion, acidification, abiotic resource depletion, the formation of photochemical ozone and environmental load from the concentration of materials.
E3 – WATER RESOURCES	
Water management	
Water consumption Upstream OP **Negative impact**	Climate change and human water use are disrupting the water cycle and, in particular, may be contributing to the depletion of local water resources (e.g., the drying up of aquifers).
E4 – BIODIVERSITY AND ECOSYSTEMS	
Ecosystems and biodiversity	
Actual and potential deforestation from the expansion of rubber tree farms, the production of bio-based materials and the extraction of other materials Upstream **Negative impact**	Converting land to rubber tree farming, in response to the growing demand for natural rubber, can potentially lead to deforestation. The Group's natural rubber purchases represent around 7% of world demand.
Contributing to the loss of habitat and land degradation, soil erosion and biodiversity loss Upstream OP **Negative impact**	Single-crop natural rubber farming and the production of other biosourced raw materials could harm habitats and contribute to biodiversity loss. The use of process water, the discharge of wastewater and the mismanagement of end-of-life tires could worsen soil degradation and negatively impact the biosphere.
Contributing to eutrophication through the use of fertilizers in rubber tree farming Upstream OP **Negative impact**	Eutrophication occurs when nutrients accumulate in a soil or aquatic environment or habitat. Among the leading causes is runoff from nitrogen fertilizers used in the cultivation of rubber trees and other crops.
E5 – RESOURCE USE AND CIRCULAR ECONOMY	
Resources and waste	
Helping to develop industry-wide recycled and renewable material sourcing capabilities Upstream OP Downstream **Positive impact**	The growing use of recycled and renewable materials requires new value chains to attenuate risks and decouple economic growth from resource use while maximizing their value and reuse. By 2022, renewable and recycled materials will account for 30% of Michelin tire components, with a target of 40% by 2030.
Resource inflows and their contribution to resource depletion Upstream **Negative impact**	Tire manufacturing involves the use of large quantities and a wide variety of resources, which must be managed with care to avoid their depletion.

Impacts, Risks and Opportunities (IROs)	Brief description
Waste produced from end-of-life tires (ELT)	Every year, one billion tires reach the end of their useful lives, adding to the four billion already landfilled and causing the potential destruction of natural habitats and the production of methane, CO_2 and other polluting gases. Landfills could leak, contaminating water tables and damaging ecosystems with hazardous substances.
Downstream, Medium-term – **Negative impact**	
Human health impacts from the mismanagement of end-of-life tires (ELT)	Disposal of end-of-life tires can potentially attract rodents carrying zoonotic pathogens and create breeding grounds for mosquitoes, forming stagnant pools and increasing the spread of vector-borne diseases. They can also cause fires.
Downstream, Medium-term – **Negative impact**	
S1 – OWN WORKFORCE	
Attracting and retaining talent	
Deterioration of the employer brand and talent turnover; shortage of talent on the market	Talent turnover issues may arise due to the nature of the industry (many production plants operate 24/7) and to the geographical location of Michelin facilities.
OP, Medium-term – **Risk**	
Employee health, safety and well being	
Deaths, disabilities and injuries	In all the Group's office, production, research, logistics and retail facilities, employees may be exposed to the risk of accidents involving mechanical or electrical installations, materials and finished products handling, chemicals, tooling and shopfloor movements. These risks could result in injuries of varying degrees of severity. Traffic accidents during business travel have also been identified as risks.
OP, Short-term – **Negative impact**	
Occupational illnesses caused by exposure to chemicals and harmful substances, including substances of concern and very high concern	The tire industry uses a number of potentially hazardous compounds, as well as substances of concern or very high concern. Employees working in research or manufacturing operations are at risk of exposure to chemicals that, if unmitigated, could ultimately lead to illness. This may concern certain products and substances used to make tires, as well as certain compounds that may be found in process fumes.
OP, Short-term – **Negative impact**	
Social protection	
An adequate wage and a social protection floor	Adequate wages and social protection benefits for Michelin employees around the world
OP, Short-term – **Positive impact**	
S2 – WORKERS IN THE VALUE CHAIN	
Human rights	
Violation of the rights of workers in the value chain, including child labor, forced labor and illegal labor practices	Forced labor, child labor and illegal labor practices are risks in agricultural supply chains, including in the natural rubber industry.
Upstream, Medium-term – **Negative impact**	
S4 – CONSUMERS AND END-USERS	
Quality and safety of products and services	
Improving the safety of drivers and other road users, including by improving tire industry quality and safety standards	Since its creation, Michelin has nurtured a culture of quality, which is critical to improving the mobility of people and goods. Every employee at every link in the value chain is trained and committed to ensuring the quality and safety of our products and services. This engagement reinforces personal safety.
Downstream, Medium-term – **Positive impact**	
G1 – BUSINESS CONDUCT	
Business ethics and corporate culture	
Fines, litigation and reputational damage due to unethical business practices	Potential unethical business practices include corruption, fraud, bribery, environmental violations and exploitive conditions in the supply chain.
OP, Medium-term – **Risk**	

Upstream: Upstream value chain; Downstream: Downstream value chain; OP: Own operations; Short-term; Medium-term; Long-term

These impacts, risks and opportunities mesh with the sustainability issues already identified by the Group, either through the previous materiality assessment and the accountability-based[(1)] risk mapping exercise, or through the systems used to assess the impact of our products.

However, the double materiality assessment has provided a more granular, targeted view of certain impacts, risks and opportunities, particularly as regards water consumption and water and air pollution in operations and the value chain.

Overall, the double materiality matrix demonstrates that the full range of environmental, social and governance matters are being addressed. It is noted that certain matters have a positive impact on society and the environment and, as such, are a core component in the Michelin Group's business model.

4.1.4.2.1. Coverage of environmental, social and governance matters

Environmental matters

The most material environmental matters correspond to the main impacts identified in the product life cycle assessments (LCAs).

- *Climate change mitigation – Scope 3 (E1).* The Scope 3 use-phase impact of Michelin products is factored into corporate strategy. Energy efficiency is deeply embedded in the DNA of the Group, which pioneered the development of low rolling resistance tires. Today, we remain as committed as ever to continuously improving product performance, as illustrated by the target of reducing rolling resistance by a further 10% by 2030 compared with 2020. Energy efficiency also plays a decisive role in extending an EV's range, bringing it to the forefront as mobility becomes increasingly electric. This means that it is both a Group commitment and one of our products' key performance features, delivered without compromising on any other areas of performance.
- *Resource depletion (E5).* The increasing depletion of fossil fuels and other resources is one of the core factors shaping the strategy and business model of the Group, where the frugal use of raw materials has always been top-of-mind.
- *Tire and road wear particles (E2).* Tire and road wear particles (TRWP) from tire abrasion are a major focus of attention for the Group. In this regard, Michelin tires are recognized as the market's top performers[(2)].

The double materiality assessment revealed a certain number of impacts, risks and opportunities that are already addressed by Group policies, initiatives and disclosed targets, such as climate change mitigation in Scopes 1 and 2 (E1), deforestation/loss of habitat (E4), and end-of-life tire management (E5). It also highlighted a risk – climate change adaptation (E1) – that is covered by a policy issued in 2024, backed by initiatives and targets with defined time horizons.

Social matters

The most material social impacts, risks and opportunities are intrinsically linked to the industrial nature of Michelin's business and to its global footprint and complex value chain.

- *Attracting and retaining talent (S1).* Every society around the world is undergoing deep-seated change, in particular in ways that are transforming our relationship with work. The risk concerning the ability to attract and retain talent is considered material for the Group, given that certain production processes, plant locations or other constraining factors may dull employer appeal.
- *Employee health and safety (S1).* Personal health and safety are critical concerns for the Group, whose employees work in a wide variety of environments subject to potential health and safety risks, both in production facilities, with extensive human-machine interaction, and in logistics hubs, dealerships and service centers.
- *Human rights in the value chain (S2).* The complexity of the Group's natural rubber and other value chains also incurs a potential material risk of human rights violations.

Governance matters

The primary material governance matter concerns *business ethics (G1)*, which is an unavoidable issue given the size of the Group, the geographic scope of its business base and the risks of damage to its reputation.

(1) 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.

(2) See the 2021 ADAC study, Tyre wear particles in the environment; Allgemeiner Deutscher Automobil-Club, Tyre abrasion: wear and burden on the environment/31940 RMU, updated in March 2022.

4.1.4.2.2. Positive impacts embedded in the business model

Zero-emission mobility (E1) and the quality and safety of products and services (S4)

For Michelin, mobility is a universal right and a vector of human development that Michelin is committed to safeguarding, while making it more sustainable and safer. As part of its strategic plan, the Group is continuing to consolidate its technological leadership in safety and support the transition to low-carbon mobility for people and goods, in particular by:

- designing products that are safe and ultra-energy efficient throughout their life cycle, from production and use to end-of-life recycling;
- developing services and solutions that shrink the environmental footprint of vehicle fleets and promote the functional economy;
- leading the emergence of new mobility solutions, thanks to ecosystem-driven innovation, in particular to help develop the hydrogen mobility value chain.

Product circularity (E5)

The circular economy is both a strategic challenge and a growth driver for the Group. Applying circular principles helps to make our products, services and solutions more sustainable, with eco-designs that address environmental impacts over their entire life cycle, by limiting resource consumption and increasing the proportion of renewable and recycled materials (to a targeted 40% by 2030 and an ambitious 100% by 2050). As a pioneer in materials science, Michelin is playing a leading role in creating and upscaling recycled and renewable materials value chains, to supply both its tire operations and Polymer Composite Solutions.

Social protection (S1) (own operations)

A human saga for more than 130 years, Michelin has always upheld a strong, widely recognized corporate culture and value set, while placing people firmly at the heart of its corporate mission and strategy. The Group is committed to safeguarding the health and safety of people in the workplace, to developing a universal social protection floor for every member of the corporate community, and to ensuring that each employee is paid an adequate wage to meet the basic needs of his or her family.

4.1.5 HOLISTIC MANAGEMENT OF THE GROUP'S IMPACTS, RISKS AND OPPORTUNITIES

4.1.5.1 Summary of key policies

4.1.5.1.1. Environmental matters

The Group's Environmental Policy is described in a publicly available reference document (www.michelin.com) issued in 2021 and currently being revamped for an update in 2025.

To support its operational implementation, the Policy is organized into several different chapters, using a life cycle approach which covers product (and service) design, raw material sourcing (suppliers), production sites and other sites (R&D centers and offices), logistics/supply chain and end-of-life tires.

It addresses the Group's material matters arising at each phase in the life cycle (Energy, CO_2, Water, VOCs, Waste, Biodiversity, Soils, Dust, TRWPs).

The Environmental Policy is designed to reduce the Group's environmental footprint and manage pollution risks to the point of impact neutrality, by prioritizing its action levers according to the following hierarchy:

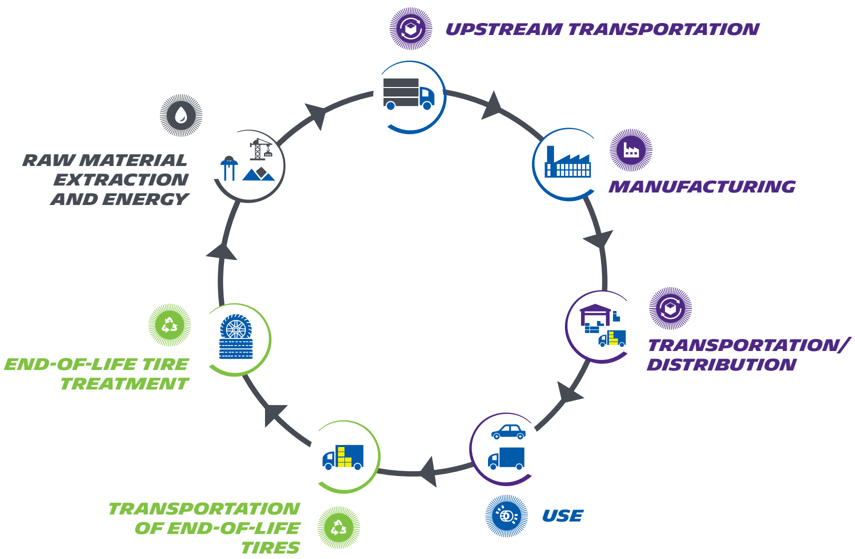
The Policy also expresses the 2050+ vision for the years beyond 2050, the 2050 objectives (including reaching net-zero and making tires entirely from renewable or recycled materials) and the Group's 2030 Commitments.

Life cycle assessments (LCA)

The Environmental Policy is informed by the product life cycle assessment (LCA) process, which is helping to identify and prioritize impacts and drive cross-cutting improvements. The Group's primary source of data, LCAs provide measurable, multi-criteria assessments of the impact of human activity on the environment. In particular, they offer the advantage of assessing several types of impact at each stage in the life cycle of a product or service. This makes them a decision-support tool presenting a comprehensive, holistic view of the impacts from a given product or service, whose findings can be used, for example, as part of an eco-design process. These assessments support the mapping of 16 environmental impacts across every stage in the product life cycle, from the extraction and processing of raw materials to product use and end-of-life recycling.

Stages in the life cycle

The "cradle to grave" LCA carried out by the Group covers the entire life cycle, from raw material extraction through to end-of-life collection and treatment, taking into account manufacturing, the different transportation stages and product use along the way.



LCAs are being increasingly used across the Group, in particular for each new product range and service line, to improve their environmental ratings. Impacts are assessed using the EF 3.0 method developed by the European Commission. The Group has chosen to measure 16 environmental impacts.

The SMEP environmental and risk prevention management system in the production plants

Deployed in every production plant, the SMEP is a proprietary system that assesses environmental risks in compliance with ISO 14001 standards. As such, it plays a key role in addressing a number of environmental matters, including climate change, pollution and water resources. It is structured around five processes:

- comply with applicable standards;
- analyze risks and assess their management;
- implement operational management procedures and test emergency plans;
- respond to anomalies;
- inform, communicate and consult.

4.1.5.1.2. Social matters

In 2022, a Master Policy on Human Rights was issued and distributed across the Group and is scheduled for an update in 2025. It can be found on the Michelin website[1].

Covering both the Group's own operations and its value chain, the Policy is an integral part of the duty of care commitment and sets out the Group's expectations regarding human rights.

Its principles are directly guided by the Group's values, Code of Ethics and international law, particularly the fundamental conventions of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights. They have also been shaped by input from the many working sessions held with the United Nations Global Compact and other organizations dedicated to these issues.

(1) Respect for people, a fundamental Michelin value.

4.1.5.1.3. Governance matters

The Group's ethical standards are expressed in the Michelin Code of Ethics, which applies to all Group employees and people working on Group sites or on behalf of a Group entity (see section 4.11 Business conduct (G1), below, for a presentation of the Code).

4.1.5.1.4. Cross-cutting policies concerning suppliers and the upstream value chain

In June 2024, the Group updated its Sustainable Purchasing Policy, which defines the main responsible sourcing guidelines and commitments in such areas as the environment, human rights and ethics[1]. The Policy is built on three of the Michelin Purchasing Department's fundamental reference documents:

Michelin Purchasing Principles *Issued in 2012 and revised in 2020*	**Supplier Relations Code of Conduct** *Issued in 2021*	**Sustainable Natural Rubber Policy** *Updated in 2021*
Specifies the Group's environmental, social and ethical standards and expected performance. Included in every Group procurement contract and the general terms and conditions of purchase.	Concerns all Group employees involved in supplier relations. An integral part of the Group's Code of Ethics.	Focuses on natural rubber and covers Michelin's own operations, joint ventures and its entire upstream supply chain Informs decision-making processes, systems and performance metrics.

4.1.5.2 Cross-reference table of IROs, policies and initiatives

ESRS	Impact, risk or opportunity	Framework policies	Specific policies	Initiatives
THE ENVIRONMENT				
E1	Higher energy performance standards for tires	**Environmental Policy (by life cycle stage)** **Sustainable Purchasing Policy**	Eco-design policy (RDI)	Transition plan (TCFD) Decarbonization plan
	Rising demand for a wider range of electric vehicles			
	Contributing to climate change through direct and indirect greenhouse gas emissions (Scopes 1 and 2)		Net-zero emissions targets	
	Contributing to climate change through direct and indirect greenhouse gas emissions and land use change (Scope 3)			
	Facilitating greater energy efficiency by offering services to optimize the use and management of vehicle fleets and accelerating the transition to zero-emission mobility			
	Impact of physical climate risks on business activities, assets, employees, raw materials, delays and logistics costs		Climate change adaptation policies (TCFD)	Adaptation plan
E2	Tightening standards limiting the impact on water, soil and air pollution from microplastics (tire and road wear particles) and substances (e.g., 6PPD)			The TRWP Program
	Water, soil and air pollution from the use of tires (TRWP)			
	Water, soil and air pollution from upstream activities		Sustainable Natural Rubber Policy	The COV Program
	Water and air pollution from direct operations, including substances of very high concern and VOCs		Chemical risk management policy	
	Pollution from the end-of-life treatment of sold tires			See section 4.6 Resource use and circular economy (E5)
E3	Water consumption		Sustainable Natural Rubber Policy Climate change adaptation policy	Water program The 2020-2030 Water Roadmap The LEAN Water process

(1) It may be downloaded from https://purchasing.michelin.com/en/sustainable-purchasing/.

ESRS	Impact, risk or opportunity	Framework policies	Specific policies	Initiatives
E4	Actual and potential deforestation from the expansion of rubber tree farms and the extraction of bio-based and other materials Contributing to the loss of habitat and land degradation, soil erosion and biodiversity loss Contributing to eutrophication through the use of fertilizers in rubber tree farming		Sustainable Natural Rubber Policy	Supporting the zero-deforestation commitment Rubber tree farming conservation and restoration plan Reducing pesticide and fertilizer use on the natural rubber plantations. Pesticide-free groundskeeping program and biodiversity management plans for the production sites.
E5	Helping to develop industry-wide sustainable material sourcing capabilities Resource inflows and their contribution to resource depletion		Eco-design policy and recycled and renewable materials Sustainable Natural Rubber Policy	RRMR roadmap Targeted collaborations and partnerships (BioButterfly, EMPREINTE and other projects) Retreading
	Waste produced from end-of-life tires (ELT) Human health impacts from the mismanagement of end-of-life tires (ELT)		End-of-life tires (ELT) section in the Environmental Policy	Contribution to developing ELT collection and resource recovery systems (through eco-organizations)
SOCIAL				
S1	Deterioration of the employer brand and talent turnover; shortage of talent on the market	Master Policy on Human Rights		Talent planning Life-long learning mindset Zero tolerance for discrimination
	Deaths, disabilities and injuries		Health, Safety and Quality of Worklife Policy Climate Change Adaptation Policy	Health and Safety Statement Life Saving Rules
	Occupational illnesses caused by exposure to chemicals and harmful substances, including substances of concern and very high concern		Health, Safety and Quality of Worklife Policy Chemical Risk Management Policy	Health and Safety Statement Life Saving Rules
	An adequate wage and a social protection floor		Employee and Team Compensation and Social Protection Policy	Living wage and Michelin One Care programs
S2	Violation of the rights of workers in the value chain, including child labor, forced labor and illegal labor practices		Sustainable Natural Rubber Policy	Mapping by at-risk purchasing category Ethics hotline Projects to develop the skills of village smallholders
S4	Improving the safety of drivers and other road users, including by improving tire industry quality and safety standards	Quality Policy	Quality Statement	Group Incident Tracking Directive Customer Promise Guarantee Statement Customer centricity
GOVERNANCE				
G1	Fines, litigation and reputational damage due to unethical business practices	Code of Ethics	Anti-Corruption Code of Conduct Anti-Corruption Compliance Program (ACCP)	Alert mechanisms and procedures Prevention and detection of corruption and bribery

List of EU legislation datapoints

The list of datapoints in cross-cutting and topical standards that derive from other EU legislation may be found in Appendix B below.

ENVIRONMENTAL MATTERS

4.2 CLIMATE CHANGE (E1)

THREE QUESTIONS FOR PIERRE-MARTIN HUET, VICE PRESIDENT, SUSTAINABLE DEVELOPMENT AND IMPACT

"In terms of impact and corporate strategy, the Group's two core challenges are the climate transition and the adaptation to physical risks."

What can you say about 2024 with regard to your climate commitments?

2024 represented a major milestone in our climate transition plan. Not only did we steadily reduce our emissions in line with our commitments, but we also earned SBTi approval for our new, much more ambitious CO_2 targets for 2030. We're now aiming to cut Scope 1 and 2 emissions by 47.2% versus 2019, i.e., an additional 20 points more than our previous target. This firmly aligns us with a 1.5°C compatible scenario, as defined by the IPCC. What's more, we're extending our targets to required Scope 3 emissions (excluding the use phase), with the objective of reducing them by 27.5%.

In addition to the Group's own operations, how are you helping to decarbonize the trucking industry?

We're making a real difference by leveraging our unrivaled expertise in composite materials to supply the market with products that significantly improve our customers' energy efficiency and reduce their carbon footprint. We're also continuing to innovate to meet our 2030 target of delivering a further 10% improvement in energy efficiency. The trucking industry accounts for a quarter of all global emissions, this means that Michelin is making a major contribution to the Planet.

And how is the Group adapting to climate change?

While reducing greenhouse gas emissions is the main thrust of our strategy, we're also taking a proactive approach to adapting to climate change. In 2024, a diagnosis was carried out of 700 of our production plants, logistics hubs and dealerships around the world, to get a better grasp of their current and future exposure to drought, heat waves, floods and other extreme climate events. We then built on these reviews with on-site audits of a few pilot sites, so that we could begin crafting their initial multi-year adaptation plans. We've also got our main suppliers engaged in this process, which we will pursue in 2025.

Introduction

In line with the Task Force on Climate-Related Financial Disclosures (TCFD), the Michelin Group's climate strategy is organized around two core 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 impacts of climate change.

Both components have already been disclosed in the Group's prior-year non-financial information statements.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Michelin has been part of the "Race to Zero" campaign since July 2021, 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. The Group's transition plan is designed to achieve net-zero emissions by 2050 in Scopes 1, 2 and required Scope 3 (i.e., excluding use-phase emissions)[1]. It also includes interim commitments for 2030 to reduce CO_2 emissions from (versus 2019):

- the entire production base;
- the upstream purchased energy supplied to Group sites;
- the supply chain with raw material suppliers;
- logistics operations.

In addition to its own operations, Michelin is helping to foster the low-carbon mobility of goods and people.

4.2.1 DECARBONIZATION TARGETS

4.2.1.1 Achieve net-zero emissions

The transition plan is designed to enable an understanding of the Group's past, present and future mitigation efforts, to ensure that its strategy and business model are compatible with the transition to a low-carbon economy. Over and above the debates on decarbonization pathways at the scale of an undertaking, Michelin chose to submit its targets to the Science-Based Targets initiative (SBTi), which in June 2024 approved them as consistent, according to its definition, with a pathway limiting global warming to 1.5°C in line with the Paris agreements[2].

Scope of application	Short term: 2030 (vs. 2019[1])	Long term: 2050 (vs. 2019)
Scopes 1 and 2	-47.2%	-90%
Required Scope 3 (excluding use-phase emissions)	-27.5% in the purchased raw materials, logistics and upstream purchased energy categories	

(1) Because 2020 was not a representative year, due to the Covid health crisis, the baseline for the SBTi-approved targets is 2019.

For Michelin, setting course to net zero means:

- reducing CO_2 emissions from its own operations and the operations of its value chain by 90% by 2050;
- preparing longer term solutions to capture and store enough CO_2 to offset each year's residual emissions.

This is aligned with the Corporate Net Zero Standard defined by SBTi in October 2021.

4.2.1.2 Designing energy-efficient products

Using a tire on an internal combustion vehicle requires additional energy that entails the burning of fuel and therefore the release of greenhouse gases. After reducing the rolling resistance of its tires by 50% between 1992 and 2020, Michelin's objective now is to further reduce it by 10% in 2030 compared with 2020. **As of end-2024, rolling resistance had been improved by 4.3%, in line with the target.**

(1) According to the GHG Protocol Corporate Standard, the benchmark for corporate carbon accounting, measuring CO_2 emissions from tires in-use is optional because they only have an indirect impact on vehicle fuel efficiency. Nevertheless, Michelin is helping to attenuate the carbon impact of the use phase by designing ultra-energy efficient tires. Therefore, on the one hand, there is the "required" Scope 3 composed of all Scope 3 categories except for the Scope 3 use phase, and on the other hand, the Scope 3 use phase that is "optional" under the GHG Protocol.

(2) Based on the cross-sector method, version 5.1 updated in April 2023.

4.2.2 DECARBONIZATION LEVERS

The table below describes the levers that Michelin is activating to meet its 2030 SBTi-approved decarbonization targets.

			2019	2023	2024	2030
Scopes 1 and 2		Michelin emissions *($MtCO_2$ Scopes 1 and 2)*	3.2	2.3	2.0	1.7
		Total gains *($MtCO_2$)*		(0.9)	(1.2)	(1.5)
		Reduction vs. 2019		-28%	-37%	-47.2%
Scope 3	Raw material procurement	Michelin emissions *($MtCO_2$ 85% of Scope 3 cat. 1)*	8.8	7.7	7.2	6.3
		Total gains *($MtCO_2$)*		(1.1)	(1.6)	(2.5)
		Reduction vs. 2019		-13%	-18%	-27.5%
	Transportation and distribution	Michelin emissions *($MtCO_2$ 29% of Scope 3 cat. 4 and 100% of cat. 9)*	1.4	1.0	1.0	0.98
		Total gains *($MtCO_2$)*		(0.34)	(0.34)	(0.38)
		Reduction vs. 2019		-25%	-26%	-27.5%
	Upstream purchased energy	Michelin emissions *($MtCO_2$ Scope 3 cat. 3)*	0.57	0.47	0.43	0.42
		Total gains *($MtCO_2$)*		(0.10)	(0.14)	(0.15)
		Reduction vs. 2019		-18%	-25%	-27.5%

4.2.2.1 Scopes 1 and 2: Energy sufficiency and the energy transition

Michelin is pursuing its decarbonization strategy with the goal of reducing Scopes 1 and 2 CO_2 emissions from the operations of its production plants.

The strategy is based on the prioritizing hierarchy of levers, which represents a fundamental principle shaping every aspect of the Group's Environmental Policy, including the climate strategy.

- **Scrutinize the need** (design and size).
- Instill an **"energy-efficient" culture.**

Energy efficiency levers

- Reduce by doing more with less. *Use insulation, automation, and 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.

The principle translates into:

- consuming less, to encourage energy sufficiency;
- consuming better, to pursue efforts to further the energy transition.

The first practice is being instilled through an energy sufficiency plan designed to optimize energy efficiency in the production plants by applying best practices and deploying such technical solutions as challenging needs in the project design phase, tightening fluid leakage controls and managing production shutdowns and restarts.

The second practice combines two types of action levers:

- technical levers, which involve upgrading heating and cooling infrastructure to use less carbon-intensive energies. For example, boilers burning coal, natural gas or other fossil fuels are being replaced with installations using renewable energies, such as biomass-fired boilers or electric boilers powered by renewable electricity;
- market levers, which involve purchasing less carbon-intensive energies. The Group is exploring a wide array of sustainable solutions to use renewable sources to generate both electricity and heat and cooling.

In addition to these levers, a process electrification program is underway to replace tire curing presses powered by steam generated mainly by gas-fired boilers with electric presses. This considerably reduces energy use by making the curing process six to eight times more efficient, while also supporting the energy transition by purchasing electricity from certified renewable sources.

4.2.2.2 Required Scope 3: Optimizing the purchased raw materials, transportation and upstream purchased energy action plans

In the case of Scope 3, Michelin is focusing on reducing emissions from purchased raw materials, transportation and the purchased energy used in its production plants.

Reducing emissions from purchased raw materials

The Group has taken a proactive approach to identifying the purchasing categories and suppliers representing the largest sources of GHG emissions. The resulting initiatives are primarily aimed at raw material suppliers, inasmuch as they represent approximately 85% of the emissions from the Group's purchased goods and services. 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 material suppliers to participate in it, encouraging them to measure and disclose their greenhouse gas emissions and to develop strategies to reduce them. This exercise has been conducted every year since 2020.

The Group also encourages suppliers to set ambitious science-based emissions reduction targets. Lastly, to measure its emissions more granularly and to further engage its raw material suppliers, the Group asks the latter to provide either life cycle assessment data or carbon footprint data (in tCO_2eq/t) for products purchased by the Group. In 2024, 55% of total emissions were calculated from supplier data.

To shrink the carbon footprint of its purchased raw materials, Michelin and its suppliers are activating the following levers:

- increasing the percentage of renewable or recycled materials used in production;
- increasing the percentage of low-carbon energy used to produce raw materials;
- preparing dedicated decarbonization roadmaps for each supplier, to support energy efficiency, waste reduction, internal recycling and process optimization;
- focusing procurement on low-carbon suppliers or products;
- developing new low-carbon technologies for the production of raw materials.

In 2024, the CDP recognized the Michelin Group's ability to engage its suppliers in reducing CO_2 emissions with a 2023 ***CDP Supplier Engagement Leader*** award.

Reducing emissions from Michelin's transportation operations

Michelin optimizes its transportation resources by focusing on multimodal solutions and scaling back the use of air freight. This commitment concerns logistics operations under Michelin's direct control, from the inflow of raw materials to the delivery of finished products.

The Group's strategy is structured around three levers:

- **Transporting less, a fundamental lever** focused on improving the effectiveness of logistics operations by analyzing where inventory should be ideally located to improve product availability and reduce 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 2024, the volume of intercontinental finished product deliveries was reduced by around 11% year-on-year, thereby avoiding the release of some 11,000 tonnes of CO_2;
- **Transporting better, an operational lever** focused on improving the efficiency of logistics operations based on a number of pathways:
  - 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,
  - promoting and developing multimodal solutions: Michelin is continuing to shift to more efficient modes of transportation. In 2024, for example, nearly 24% of the Group's intra-regional shipments in North America were carried by rail, while in Europe, a new modal shift-inducing corridor opened at year-end between Luxembourg and Romania, for a targeted gain of around 1,500 tonnes of CO_2 a year;
- **Transporting differently, an innovation lever** focused on implementing innovative solutions, informed by two main processes:
  - collaborating with outside organizations: Michelin is continuing to play a leading role in a number of organizations, such as France Supply Chain, the New Energy Coalition and Movin'On, etc. Proactive involvement 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. For example, Michelin takes an active part in discussions about the future of logistics, in a commitment to promoting and deploying innovative technologies. In Europe, the first electric semi-truck (44t) has begun operating on the Lasarte-Vitoria route in Spain, while in France, electric rigid and light vans (16t and 3.5t) have been deployed for last-kilometer delivery since late 2024.

Reducing emissions from the purchased energy used in our production plants (upstream purchased energy)

In parallel with the levers activated to reduce Scope 1 and 2 emissions, two other primary levers are helping to reduce energy consumption and gradually make greater use of renewables, based on the assumption that the upstream generation and delivery of energy from renewable sources generally releases less CO_2 than fossil fuels.

4.2.2.3 Scope 3 emissions from the use of products

NB: It is difficult to demonstrate a direct link between a tire's rolling resistance and a vehicle's CO_2 emissions, which depend on many other factors, such as its weight, horsepower, powertrain and conditions of use (driving practices, type of roads, tire inflation and wear, etc.).

The Group's levers essentially correspond to the improvements we deliver in reducing tire rolling resistance, without being able to demonstrate any direct correlation between them and a reduction in emissions.

Reducing a tire's rolling resistance helps to improve a vehicle's fuel efficiency, which in turn reduces both CO_2 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 30 years or more, Michelin has reduced the rolling resistance of its tires by half, without ever compromising on other performance factors. These gains will continue apace between now and 2030, in particular through eco-design practices.

A large number of product ranges already demonstrate this commitment, which is an integral part of the Group's strategy and business model:

- Improvements in the **rolling resistance of passenger car and light truck** 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 CO_2 emissions by 5g/km, which throughout the life of the tire represents 174kg in avoided CO_2 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 CO_2 emissions.
- In **truck tires**, a myriad of technological advances is delivering not only improvements in fuel efficiency and concomitant reductions in CO_2 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[(1)]. With the introduction of the MICHELIN X® Incity™ EV Z tire, MICHELIN is supporting the electrification of **city buses**, with improved rolling resistance and load bearing capacity. To further the environmental transition in the road transportation industry, Michelin is supporting the deployment of **future zero-emission vehicles** (ZEV) by forging partnerships with its OEM customers.
- The development of **services and solutions that optimize the use and management of vehicle** fleets is a significant Michelin contribution to the functional economy, which is helping to drive the transition to a low-carbon economy. This pathway 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 factors; or (ii) providing a stand-alone service that helps to streamline fleet operations (e.g., by digitizing tire inspections) and make driving more efficient, safer and greener. Today, the Michelin Connected Solutions business line is designing, developing and prototyping new, data-enabled solutions that help fleets to optimize their management and improve their safety performance and margins, while reducing their carbon footprint[(2)].

(1) Brought to market in 2016, the MICHELIN X® LINE™ ENERGY™ tires for long-haul trucks were the first tire family to be rated A in energy efficiency under EU tire-labeling rules. In addition, the rating was for any axle, enabling an entire rig to be outfitted. Since then, Michelin has pursued its innovation commitment by broadening both the MICHELIN X® LINE™ ENERGY™ and the MICHELIN X® MULTI™ ENERGY™ ranges.

(2) MICHELIN Connected Fleet helps to reduce empty kilometers to optimize fleet operations and vehicle use. It also offers an innovative CO_2 dashboard that improves energy efficiency and reduces the carbon footprint. Watèa by MICHELIN is 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 that facilitates 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.

4.2.3 FINANCIAL RESOURCES ALLOCATED

While the Michelin Group's carbon footprint reduction targets are stated in absolute terms, in line with the 1.5°C objective, and are therefore not impacted by output volumes, the related action plans are adjusted each year according to market realities. Consequently, the following financial resources are designed to secure the Group's ability to meet these targets, in alignment with its corporate strategy.

For Scopes 1 and 2, capital expenditure committed across the Group to the plan to decarbonize the production plants amounted to €107 million in 2024, and is budgeted at more than €400 million over the next five years.

For the Scope 3 use of sold products category, €119 million was invested in 2024 to support the deployment of technologies to improve the rolling resistance of tires, and more than €600 million has been budgeted over the next five years.

4.2.4 GOVERNANCE AND MONITORING OF THE TRANSITION PLAN

Michelin's climate strategy is overseen by the Managers with the support of the Group Executive Committee (CEG). The Environmental Governance body, comprising members of the Group Executive Committee and representatives of various departments, makes the decisions needed to meet decarbonization targets and manage climate change risks.

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.

A portion of the variable pay paid both to the Managers and to every Group employee is tied to the achievement of Scope 1 and 2 CO_2 emission reduction targets.

4.2.5 ALIGNMENT OF THE TRANSITION PLAN WITH THE GROUP'S BUSINESS STRATEGY

As a global manufacturer, Michelin has a significant impact throughout the life cycle of its products and services. The main climate change impact factors identified by the materiality assessment concern the CO_2 emissions from the Group's direct operations (Scopes 1 and 2) and from its transportation operations, the operations of its suppliers and the use of its products (Scope 3 use-phase).

In this regard, offering efficient solutions without compromising on safety is the very heart of Michelin's past, present and future positioning, as expressed in products and services that lead the market in energy efficiency, CO_2 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 and to demonstrate its leadership in high-tech materials, 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 the development of hydrogen mobility and ecosystem-driven innovations.

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

4.2.6 RESILIENCE OF THE STRATEGY

The Group has prepared four climate change/societal scenarios for how its business environment could evolve under the impact of climate change and the policies likely to emerge as a result. Each scenario 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 metrics[(1)] and a set of public metrics representative of each scenario that enable identifying their implications and assessing their materiality over time;
- forward-looking scenarios mapped against IPCC warming scenarios, from the best to the worst case;
- a global map displaying the scenario or blend of scenarios deemed most likely for each country.

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

- strategic fundamentals are validated in every scenario;
- regardless of the scenario, connectivity and outside partnerships will play an important role;
- trends in vehicle fleets, urban mobility, micro-mobility and intermobility will have a favorable impact;
- environmental degradation will have adverse knock-on effects. For example, climate change may harm biodiversity, which in turn could pose a risk to rubber tree farming, which could then have an impact on Michelin's natural rubber procurement;
- 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;
- there are benefits in continuing to develop CO_2 emissions reduction solutions for the Group's customers and upgrade operations across the value chain to manage physical and transition risks more effectively;
- climate scenarios should continue to be analyzed and the five-year strategic plan adjusted accordingly.

The Group Executive Committee has decided to reassess the Group's strategy in light of these scenarios at least every three years. Initiated in 2024 with the Strategy, Sustainable Development and Strategic Anticipation Departments, the latest exercise supplemented the forward-looking scenarios with a variety of shocks – social, environmental, legislative, resource depletion. The shocks helped to identify the risks and opportunities for the Group in each scenario and to design proactive responses. The Group is currently reviewing the reassessment, which is based on the following new assumptions:

- the coexistence of four CO_2 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, degradation of biodiversity, impact of various forms of pollution).

(1) For a discussion of the Kaya identity in French, see enseignementsup-recherche.gouv.fr | Ressource pédagogique : 8. L'équation de Kaya.

CLIMATE CHANGE MITIGATION

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain · Downstream value chain · OP Own operations · Short-term · Medium-term · Long-term	
E1 – CLIMATE CHANGE	
Climate change mitigation	
Higher energy performance standards for tires **Opportunity**	Standards are being raised both by market demand and through regulations. Tires account for 15% to 30% of an internal combustion vehicle's fuel consumption. As mobility goes electric, the focus is expected to shift to certain products or components that are harder to decarbonize, such as tires. Original equipment manufacturers are looking for tires with low rolling resistance, while fleets prefer long-lasting, high-mileage products. Urbanization and the emergence of new mobility solutions will heighten the role of fleets. Regulatory standards governing rolling resistance and other energy performance factors are tending to become stricter around the world, along the lines of European Union legislation.
Rising demand for a wider range of electric vehicles **Opportunity**	Michelin is positioned as a leading manufacturer of high-performance, long-lasting, energy-efficient tires that play a critical role in optimizing the EV experience. According to the International Transport Forum, an estimated 40% of new vehicles will be electric in 2027, representing a tripling of their market share in just five years and offering the Group new opportunities.
Contributing to climate change through direct and indirect greenhouse gas emissions (Scopes 1 and 2) OP **Negative impact**	Michelin is a global manufacturer with a broad industrial footprint. Greenhouse gases are emitted by our own operations and by the energy used in our production and other sites. The impact covers Scope 1 and 2 emissions.
Contributing to climate change through direct and indirect greenhouse gas emissions and land use change (Scope 3) **Negative impact**	Scope 3 emissions comprise two main categories: ▪ GHG Protocol required Scope 3 emissions, which come from purchased raw materials, upstream logistics activities, upstream purchased energy and a variety of other sources. This category is significantly larger than Scope 1 and 2 emissions; ▪ GHG Protocol optional Scope 3 emissions from the use of sold products, which in the case of Michelin corresponds to the 15% to 30% of a vehicle's fuel or electricity used to overcome tire rolling resistance. This makes their contribution critically important, with Scope 3 use-phase emissions representing more than 90% of Michelin's carbon footprint (115 million tonnes of CO_2 in 2024). Michelin is a leader in rolling resistance performance.
Facilitating greater energy efficiency by offering services to optimize the use and management of vehicle fleets and accelerating the transition to zero-emission mobility OP **Positive impact**	Michelin is a leading sustainable mobility enabler. In addition to tires, the Group offers solutions to optimize fleet management and support hydrogen-powered and other forms of zero-emission mobility. The Group promotes sustainable mobility, in particular through international forums and networks such as Movin'On and the World Bank's Sum4All initiative.

Introduction

Determining Michelin's impact on climate change begins by measuring its carbon footprint based on the GHG Protocol – a practice initiated several dozen years ago. Transition risks are assessed using scenarios prepared by the Group's Strategic Anticipation Department, while business strategy is assessed against the best and worst-case warming scenarios.

To address the impacts and opportunities identified in the double materiality assessment, the Group's climate strategy is organized around two core components:

- a transition plan comprising initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 and 3) and a strategic plan to build resilience and foster a low-carbon economy;
- an adaptation plan to prepare for the physical impacts of climate change, which is governed by a dedicated policy in place since March 2024.

The Group's climate strategy is informed by three principles addressing impacts, risks and opportunities:

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

4.2.7 CLIMATE CHANGE MITIGATION POLICIES

4.2.7.1 Environmental and Climate Policy

In 2020, the Group expressed its commitment to environmental stewardship by defining and issuing the Michelin Environmental Policy, which is designed to manage pollution risks and draw down the environmental footprint to total neutrality. The policy comprises a number of dedicated sections transposing the objectives and guidelines related to each environmental issue, starting with climate. It is also supported by a separate document defining the procedures for reducing Scope 1 and 2 CO_2 emissions from the operations of our production plants.

4.2.7.2 Decarbonization plan

The decarbonization plan is designed to meet the 2030 and 2050 targets approved by the SBTi in June 2024 for the entire scope of reporting. In accordance with GHG Protocol guidelines, Scope 1, 2 and 3 inventory is calculated for an overall base corresponding to the Group's consolidated financial reporting.

In alignment with the scope of the SBTi targets, the reporting process covers at least 95% of total Group emissions, based on an inventory covering all the companies in the consolidated scope.

- Excluded Scope 1 and 2 emissions accounted for an estimated 2.4% of the Group total[1].
- Excluded required Scope 3 emissions (i.e., other than use phase) accounted for an estimated 2.5% of the Group total[2] in 2024.

4.2.8 MITIGATION ACTIONS AND RESOURCES EMBEDDED IN OUR BUSINESS MODEL

4.2.8.1 Rolling resistance, a key differentiating factor at a time of higher tire energy performance standards

Using a tire on an internal combustion or electric vehicle requires additional energy that entails either the burning of fuel (and therefore the release of greenhouse gases) or the use of the car's engine battery. Customer expectations for an effective response are growing year by year, with tenders from original equipment manufacturers (OEM) and fleet managers now including specifications in this regard. To meet them, the main lever for action is to reduce tire rolling resistance.

4.2.8.2 Expanding the line-up of EV tires

Michelin fully supports the development of electric vehicles, whose weight, engine torque and mission-critical range requirements make them much more demanding on tires. These features heighten the role played by tires in an EV's overall performance, enabling Michelin to demonstrate once again its technological leadership and exceptionally proficient understanding of usage parameters. All the MICHELIN-brand tire lines may be fitted on EVs, with their Total Performance technology offering 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 all the world's leading carmakers.

To seize these two opportunities (*stricter customer specifications for tire energy performance* and *expanding the line-up of EV tires*), Michelin is focusing on the same response: solutions that improve the energy efficiency of tires and their longevity, either through their design or through services to optimize their use.

(1) Scope 1 and 2 exclusions include emissions from (i) wholesale and retail operations other than Euromaster; (ii) the operations of the Michelin transportation company; (iii) the operations of CFF, currently in the process of being acquired; (iv) test runs and trials on Group-owned vehicles; (v) other GHGs such as methane (CH_4) and nitrous oxide (N_2O); (vi) logistics hubs owned by the Group or for which it has operational control; and (vii) certain office, R&D and other non-industrial sites owned by the Group or for which it has operational control.

(2) Scope 3 exclusions concern emissions from the Allopneus, Masternaut, Ihle and Sascar subsidiaries, as well as from all the subsidiaries involved in digital operations.

4.2.8.3 A key contribution to climate change through direct and indirect GHG emissions

In accordance with Group guidelines, the levers are based on two major pathways to improvement: energy sufficiency and energy transition:

- **Energy sufficiency**: each site tracks its energy performance using a metric measuring energy used per tonne of product. On the other hand, the amount of released CO_2 is consolidated and tracked separately, in absolute terms, at the highest corporate level.
- **The energy transition** also depends on using energy more efficiently, by activating market levers. This has resulted in an assertive approach to developing projects and purchasing renewable heat, cooling and electricity:
  - 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 but also, to a lesser extent, through the purchase of unbundled guarantees of origin.
  - Electricity with energy attribute certificates (EACs) has been purchased in Brazil, Serbia and China since 2021, and in Thailand since 2022. In 2024, the Group pursued its strategy of purchasing renewable electricity in Mexico, the United States and Indonesia. In all, these contracts represented more than 2,900,000 MWh, for which the corresponding 2024 EACs were duly canceled, and covered more than 61% of electric power consumed during the year.
  - This sustainable procurement approach also applies to heat and cooling purchases, albeit to a lesser extent because the commercial supply of sustainably produced biogas and biomass is not growing as quickly as the supply of electricity from guaranteed renewable sources.

By 2024, 70 production plants, representing 84% of Scope 1 and 2 CO_2 emissions, had prepared a 2050 net zero emissions roadmap combining purpose-designed energy efficiency and transition levers, capable of enabling each site to contribute to meeting the Group's targets.

The related projects and initiatives are being led by each plant's technical advisor, assisted by a network of corporate experts who coordinate issues in their remit. In 2024, a plan was launched to upskill and increase the workforce to deal with water and energy issues.

In all, more than 350 projects and initiatives were carried out during the year, requiring the commitment of €107 million in capital expenditure. Capital expenditure on the program over the period covered by the five-year strategic plan is estimated at more than €400 million. Examples in 2024 include:

- in France, in the first quarter, the Golbey site commissioned two new heat pumps powered by electricity from guaranteed renewable sources;
- at the Bad Kreuznach plant in Germany, a new 5 MWp rooftop photovoltaic array is now supplying power to the site;
- in Hungary, since mid-2024, renewable sources have accounted for 91% of Nyiregyhaza's electricity consumption, thanks to a comprehensive program to electrify the curing presses, install heat pumps and commission two electric boilers to generate the steam still required by the manufacturing process.

In addition, while coal accounted for only 621,000 MWh or around 6% of the Group's total energy consumption in 2024, an ambitious decarbonization initiative is underway to phase out its use as a primary energy source by 2030, with a dedicated roadmap being pursued at the remaining five production sites concerned[1]. Progress is being tracked and led by an internal metric measuring the percentage of residual coal in produced or purchased heat and cooling.

4.2.8.4 Scope 3 action levers – reducing emissions from purchased raw materials and components

See the "Transition plan for climate change mitigation" in section 4.2 Climate change (E1), above.

4.2.8.5 Scope 3 action levers – reducing emissions from Michelin's transportation operations

See the "Transition plan for climate change mitigation" in section 4.2 Climate change (E1), above.

(1) The five sites are located in Pirot, Bassens, Louisville, Shenyang and Olsztyn. With the exception of Shenyang, which purchases coal-fired steam, they all burn coal directly in their own boilers.

4.2.8.6 Michelin as an accelerator of solutions for the transition to low-carbon mobility

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

Symbio, which the Group acquired before turning it into a joint venture with Forvia in 2019 and selling a stake to Stellantis, is dedicated to producing hydrogen fuel cells and impelling the faster deployment of a form of clean mobility that contributes to preserving the environment and human health. In line with its objectives, in 2023 Symbio inaugurated SymphonHy, comprising both its first gigafactory and its center of technological and industrial excellence, in Saint-Fons, in France's Auvergne-Rhône-Alpes region.

Also in 2023, Watèa by Michelin, a Group subsidiary in which Crédit Agricole Leasing & Factoring has also invested, 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 a network of 20 hydrogen charging stations for light and heavy vehicles.

4.2.9 METRICS AND TARGETS

In response to the "higher energy performance standards for tires" opportunity, the Group is committed to improving the rolling resistance of its tires by 10% over the 2020-2030 period. As of end-2024, rolling resistance had been improved by 4.3%, in line with the target.

To seize the "rising demand for a wider range of electric vehicles" opportunity, the Group's target is to design all its tires to be fully compatible with both internal combustion and electric vehicles, which was already the case in 2024.

With regard to the positive impact of "facilitating greater energy efficiency by offering services to optimize the use and management of vehicle fleets and accelerating the transition to zero-emission mobility," the Group has not yet identified a target.

To mitigate the negative impact of "contributing to climate change through direct and indirect Scope 1, 2 and 3 GHG emissions," Michelin has, since June 2024, been pursuing new, more ambitious emissions reduction targets. As mentioned in the transition plan, these targets have been approved by the SBTi as being consistent with a 1.5°C global warming scenario.

4.2.9.1 Short-to-medium term (according to the SBTi)

The short-term Scope 1 and 2 target is a 47.2% reduction in absolute terms over the 2019-2030 period.

To meet it, the Group is pursuing since 2019 two ambitious objectives for 2030:

- improve production plant energy efficiency by 24% versus 2019 (metric: MWh used per tonne produced);
- eliminate the use of coal to generate own or purchased heat or cooling (metric: percentage of coal in our heat and cooling sources).

The percentage of renewable energy is not a target as such, but instead a projection of what is needed to meet the CO_2 emissions reduction targets in absolute terms by 2030.

The required Scope 3 (excluding use-phase emissions) target is a 27.5% reduction in absolute terms over the 2019-2030 period. It covers the three categories – purchased raw materials, upstream and downstream transportation, and upstream purchased energy – that accounted for more than 70% of required Scope 3 emissions in 2019.

4.2.9.2 Long term

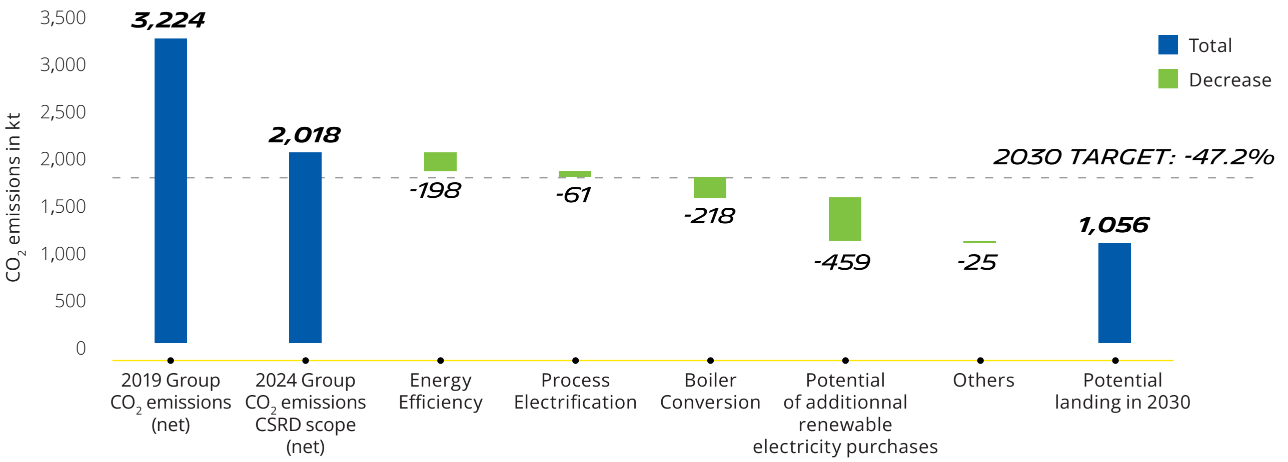
The long-term Scopes 1 and 2, and required Scope 3 (excluding use-phase emissions) target is a 90% reduction in absolute terms over the 2019-2050 period. It applies to the entire Group, whose overarching goal is to achieve net-zero CO_2 emissions by 2050.

4.2.9.3 Targets and quantitative contributions by lever over the 2019-2030 period (Scopes 1 and 2)

The following chart shows the reduction in CO_2 emissions in absolute value between 2019 and 2024, corresponding to a 37% decline. It also indicates the projected reduction in these CO_2 emissions over the 2025-2030 period[1], with the quantitative contribution, in kilotonnes, from each lever defined in the roadmap.

In line with the SBTi target, their total contribution will amount to at least a 47.2% reduction in 2030. The roadmap is periodically reviewed by the Scopes 1 and 2 CO_2 Sector Committee, which ensures the alignment and sustained progress of lever-driven actions[2].

ROADMAP FOR REDUCING SCOPE 1 ET 2 CO_2 EMISSIONS - 2019-2030



The chart presents both the contributions of levers activatable over the 2026-2030 period, assuming constant sales volumes, and the currently projected outcomes. Note that renewable energy purchases remain an adjustment variable.

CO_2 emission reduction actions have been organized into four levers:

- "Energy efficiency" refers to the legacy energy sufficiency technical levers and best practices deployed in the production sites;
- "Process electrification" refers to projects to convert steam-powered curing presses to electricity;
- "Boiler conversion" corresponds to projects to transition utilities to the use of less carbon-intensive energies; e.g., carbon exit.
- "Renewable energy purchasing" refers to the potential for purchasing additional renewable electricity duly backed by EACs. Actual purchases will depend on changes in the geopolitical environment and on possible revisions to the accounting rules for emissions from renewable power sources.

In this way, the projects and initiatives undertaken in compliance with the roadmap should enable the Group to fulfill its 2030 commitment.

4.2.9.4 Projected levers for the 2050 time horizon

Residual emissions

Internal projections indicate that heat and cooling will still account for a significant proportion of total energy use in 2050, which could represent a residual source of Scope 1 and 2 CO_2 emissions. This reflects the complexity of electrifying certain processes, as well as uncertainties concerning the sustainable availability of renewable sources, such as biomass or biogas.

All the levers capable of enabling the Group to meet its net-zero emissions target and their technical feasibility are currently being identified and assessed. As part of this process, for example, the Group is defining project families based on technologies that are not yet mature (e.g., high-temperature heat pumps) or that are mature but not yet deployed in-house (e.g., geothermal energy), while also carefully tracking emerging technologies.

The climate strategy is being executed without using any carbon credits to offset CO_2 emissions from the Group's direct or indirect activities, in line with SBTi standards. In line with the prioritizing hierarchy of levers, actions are geared exclusively towards reducing CO_2 emissions.

(1) To ensure consistency with internal management applications, data in the chart are stated as net values, with the slight difference between gross and net figures (less than 0.5% in 2024) corresponding to the energy resold by the Group. This methodology is clearly defined in an internal standards manual.

(2) The 2026-2030 projection is based on constant output volumes.

Locked-in emissions

The Michelin Group owns a number of potentially CO_2 emitting assets whose useful lives can exceed several decades (e.g., a gas-fired boiler used to supply heat in a production plant). However, their ownership does not compromise the Group's ability to meet its 2030 decarbonization targets.

Beyond 2030, the identification of new technology families is expected to enable the Group to upgrade these assets to meet its 2050 targets. Indeed, the energy transition strategy to phase out the use of coal by 2030 illustrates the Group's ability to proactively address these transformations.

4.2.9.5 Energy consumption and mix

Methodology

Group production plants use mainly three types of energy: (i) fuel burned to generate steam, hot water or electricity on-site; (ii) purchased steam or hot water; and (iii) electricity.

Basic energy consumption data are measured by each production site in a proprietary format via a centralized IT system, and then consolidated and analyzed at Group level using an automated system.

Periodic reviews conducted at different levels of the Group help to ensure that reported data are consistent.

Energy consumption and mix	2023		2024	
Fuel consumption from coal and coal products (E1-5-38a)	680,258	MWh	620,827	MWh
Fuel consumption from crude oil and petroleum products (E1-5-38b)	66,904	MWh	44,211	MWh
Fuel consumption from natural gas (E1-5-38c)	3,893,250	MWh	3,452,706	MWh
Fuel consumption from other fossil sources (E1-5-38d)	-	MWh	-	MWh
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (E1-5-38e)	2,793,997	MWh	2,444,544	MWh
TOTAL ENERGY CONSUMPTION FROM FOSSIL SOURCES (E1-5-37A)	**7,434,409**	**MWH**	**6,562,287**	**MWH**
Share of fossil sources in total energy consumption (%)	*68%*		*63%*	
TOTAL ENERGY CONSUMPTION FROM NUCLEAR SOURCES (E1-5-37B)	**470,505**	**MWH**	**358,356**	**MWH**
Share of consumption from nuclear sources in total energy consumption (%)	*4%*		*3%*	
Fuel consumption from renewable sources (E1-5-37c (i))	134,282	MWh	305,375	MWh
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (E1-5-37c (ii))	2,945,711	MWh	3,181,865	MWh
Consumption of self-generated non-fuel renewable energy (E1-5-37c (iii))	-	MWh	-	MWh
TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES (E1-5-37C)	**3,079,993**	**MWH**	**3,487,241**	**MWH**
Share of consumption from renewable sources in total energy consumption (%)	*28%*		*34%*	
TOTAL ENERGY CONSUMPTION RELATED TO OWN OPERATIONS (E1-5-37)	**10,984,907**	**MWH**	**10,407,884**	**MWH**
Energy intensity based on net revenue (E1-5-40)	**388**	**MWh/€m**	**383**	**MWh/€m**
Energy intensity, based on net revenue, associated with activities in high climate impact sectors[1] (E1-5-40)	**388**	**MWh/€m**	**383**	**MWh/€m**

(1) All the Group's manufacturing activities are associated with NACE codes A to H, with a majority corresponding to NACE code C22.1.1 (manufacture of rubber tires and tubes, retreading and rebuilding of rubber tires).

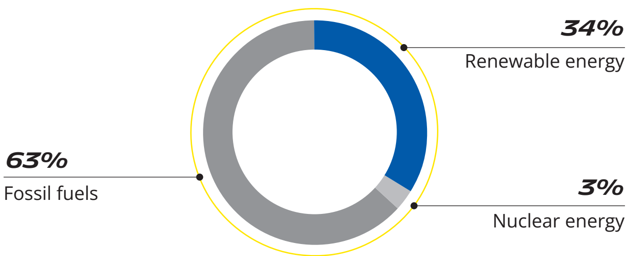
The data in this table are stated as gross values.

Reducing production plant energy use is the leading energy sufficiency lever presented in the prioritizing hierarchy of levers. In absolute terms, energy consumption declined by 5.3% year-on-year in 2024[1].

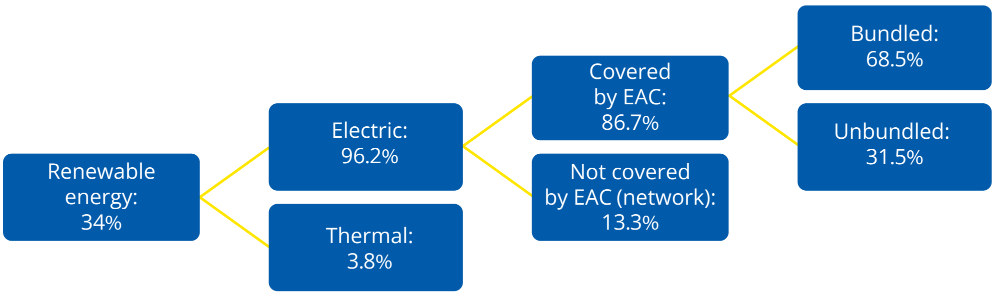
However, the decline in output in 2024 had a significant impact on the energy performance of the manufacturing sites, which led to a 0.35% deterioration in the energy efficiency ratio over the period. Despite the plants' ongoing deployment of best practices (e.g., tightening fluid leakage controls or recommending seasonal thermostat settings), the outcome fell short of the expected 3% reduction target for the year.

The underperformance primarily stemmed from fixed energy use, as volatile production volumes led to unexpected shutdowns and restarts in certain sites. Managing these production shutdowns represents a genuine challenge.

THE ENERGY MIX IN 2024



The energy mix chart shows that renewable sources have been steadily rising as a percentage of total energy consumed. In 2024, renewable energy accounted for more than a third (34%) of the Group's total energy mix (compared with 28% in 2023). The 2024 percentage may be analyzed as follows



Electricity accounts for most of the renewable energy used (more than 95% in 2024).

In line with the market-based method, purchased electricity is considered to be of renewable origin and CO_2 emissions-free only if each MWh is covered by a bundled or unbundled[2] energy attribute certificate (EAC) attesting to a renewable source. Such sources supply more than 85% of the renewable electricity used, or 61% of total power consumption. The proportion of renewable heat and cooling in renewable energy use rose from 1.7% in 2023 to 3.8% in 2024.

The 63% of fossil energy in the mix corresponds to the fossil fuels burned either on-site to supply heat and cooling to the production units or off-site to generate the electricity purchased from the grid. Its percentage is trending downward as (i) production plant boilers are steadily converted through 2030 to less carbon-intensive fuels and (ii) the Group pursues its strategy of purchasing EAC-backed renewable electricity. The use of coal in the Group's own utilities declined by 9.6% year-on-year in 2024, primarily due to a significant reduction in coal consumption at the Bassens plant.

The share of nuclear energy in the mix, which stems solely from the electricity purchased from the grid, is also set to decline with the strategy of purchasing EAC-backed renewable electricity.

(1) At comparable scope of reporting, i.e., the data do not include the energy used by Euromaster and RLU, which will only be included in CO_2 outcomes in 2024, in line with the SBTi scope of reporting.

(2) The term bundled means that the MWh of energy and its related EAC were purchased from the same supplier. 69% of renewable electricity purchases were backed by bundled EACs, in the form of Guarantees of Origin (GOs) or International Renewable Energy Certificates (I-RECs). Unbundled means that the electricity was first purchased from one supplier and then the EAC from another. This system represented 31% of all EACs, in the form of GOs, I-RECs and green electricity certificates (GECs).

4.2.9.6 Gross Scope 1, 2, 3 and Total GHG emissions

Scope 1 and 2 methodology

In accordance with GHG Protocol guidelines, Scope 1 and 2 CO_2 emissions are calculated using raw energy data (see ESRS E1 Disclosure Requirement E1-5) and recognized emission factors. They are calculated automatically, in an IT application, by multiplying the energy consumed by the related emission factor.

Scope 1 and 2 CO_2 emissions from Michelin-managed sites are presented, by default, according to the market-based method, which expresses the progress made in reducing CO_2 emissions driven by the Group's commitment to the energy transition (the "Renew" lever in the Environmental Policy).

The 2024 scope of reporting includes emissions from Michelin's legacy manufacturing and R&D sites, as well as from (i) Camso, Fenner and Multistrada, which were already included in 2023; (ii) the Lehigh production plants, reincluded in 2024; (iii) the RLU production site; and (iv) Euromaster, which until 2023 was not included in the target SBTi scope of reporting (95% coverage).

	Retrospective data				Reduction milestones and targets		
Total GHG emissions	**Baseline 2019** *(tCO_2e)*	**2023** *(tCO_2e)*	**2024** *(tCO_2e)*	**% change 2024/2023**	**2030 vs. 2019**	**Annual milestone over the 2019-2030 period** *(%)*	**2050 vs. 2019**
SCOPE 1 GHG EMISSIONS							
Gross Scope 1 GHG emissions (E1-6-48a and E1-6-50a)	1,725,839	1,049,930	956,909	-8.9%			
Scope 1 GHG emissions from regulated emission trading schemes (E1-6-48b)	808,242	445,211	343,448				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (E1-6-48b)	46.8%	42.6%	35.9%				
SCOPE 2 GHG EMISSIONS							
Gross location-based Scope 2 GHG emissions (E1-6-49a and E1-6-50a)	2,044,611	2,035,084	1,972,949	-3.1%			
Gross market-based Scope 2 GHG emissions (E1-6-49b and E1-6-50a)	1,713,199	1,271,594	1,069,582	-15.9%			
SCOPE 1 AND 2 GHG EMISSIONS							
Gross location-based Scope 1 and 2 GHG emissions	3,770,450	3,085,014	2,929,858	-5.0%			
Gross market-based Scope 1 and 2 GHG emissions	3,439,038	2,321,524	2,026,491	-12.7%	-47.2%	-4.2%	-90%
GROSS REQUIRED AND OPTIONAL DISCLOSURE SCOPE 3 GHG EMISSIONS (E1-6-51)							
Gross required disclosure Scope 3 GHG emissions	14,933,938	13,536,955	12,652,988	-6.5%			-90%
Gross optional disclosure Scope 3 GHG emissions			115,000,000				
TOTAL LOCATION-BASED SCOPES 1, 2 AND REQUIRED SCOPE 3 GHG EMISSIONS (E1-6-52A)	**18,704,388**	**16,621,969**	**15,582,846**	**-6.3%**			
TOTAL MARKET-BASED SCOPES 1, 2 AND REQUIRED SCOPE 3 GHG EMISSIONS (E1-6-52B)	**18,372,976**	**15,858,479**	**14,679,479**	**-7.4%**			

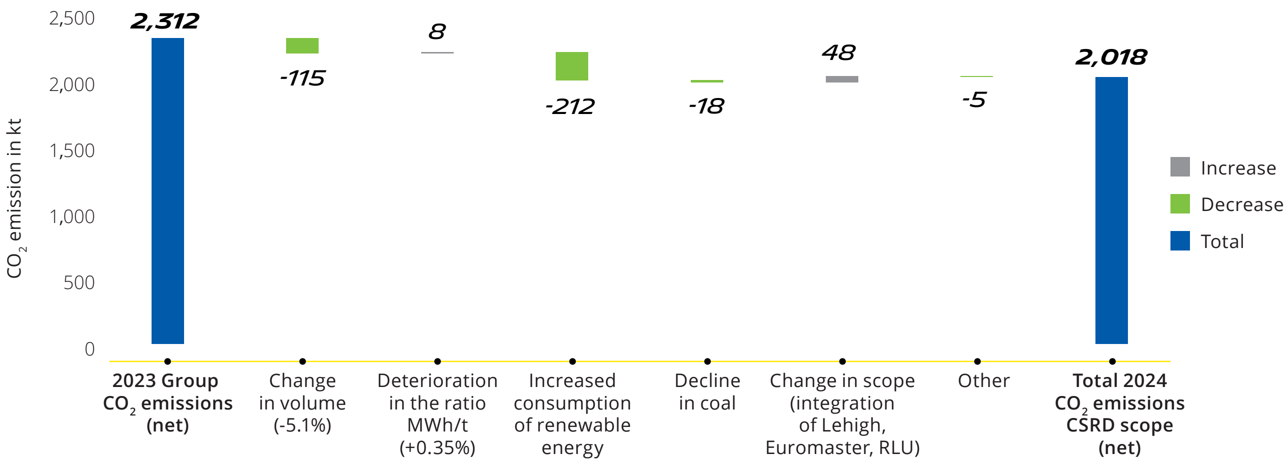
GHG emissions intensity based on net revenue	**2023**	**2024**	**% change 2024/2023**
Location-based GHG emissions intensity (E1-6-53)	586 tCO_2e/€m	573 tCO_2e/€m	-2.3%
Market-based GHG emissions intensity (E1-6-53)	560 tCO_2e/€m	540 tCO_2e/€m	-3.5%

In 2024, biogenic CO_2 emissions from the combustion of biomass to generate heat or cooling represented around 21,400 tonnes in Scope 1 and some 41,200 tonnes in Scope 2[1]. The Group is not aware of any biogenic CO_2 emissions from its Scope 3 categories.

Gross fossil CO_2 emissions from the Group's manufacturing sites declined by 12.7% year-on-year in 2024, reflecting the energy sufficiency process described in section 4.2.8.3 A key contribution to climate change through direct and indirect GHG emissions, above, and the additional purchases of EAC-backed renewable electricity described in section 4.2.9.3 Targets and quantitative contributions by lever over the 2019-2030 period (Scopes 1 and 2), above.

QUANTITATIVE CONTRIBUTION OF EACH LEVER TO THE YEAR-ON-YEAR IMPROVEMENT IN 2024 [2]

Reduction in CO_2 emissions over the year



(1) These biogenic CO_2 emissions are disclosed separately from fossil emissions, in compliance with current accounting rules. Scope 2 calculations do not include biogenic emissions from the purchased biomass-generated electricity backed by non-specific EACs. An action plan is underway to phase out this type of electricity, which is not aligned with the Group's policy of purchasing electricity from renewable sources.

(2) To ensure consistency with internal management applications, data in the chart are stated as net values. The year-on-year decline stood at 12.7%.

SCOPE 3 EMISSIONS

Scope 3 GHG emissions by category	Retrospective data: Baseline 2019 *(tCO_2e)*	2023 *(tCO_2e)*	2024 *(tCO_2e)*	% change 2024/2023	Reduction milestones and targets: 2030 vs. 2019	Annual milestone over the 2019-2030 period *(%)*	2050 vs. 2019
SIGNIFICANT REQUIRED DISCLOSURE SCOPE 3 GHG EMISSIONS BY CATEGORY							
Category 1: Purchased goods and services (E1-6-51)	10,507,887	9,474,812	9,015,849	-4.8%			
Category 2: Capital goods (E1-6-51)	564,142	569,102	549,634	-3.4%			
Category 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (E1-6-51)	574,953	466,416	426,756	-8.5%			
Category 4: Upstream transportation and distribution (E1-6-51)	1,291,871	1,189,177	874,072	-26.5%			
Category 5: Waste generated in operations (E1-6-51)	61,708	118,672	108,140	-8.9%			
Category 6: Business travel (E1-6-51)	43,327	30,570	38,656	26.5%			-90%
Category 7: Employee commuting (E1-6-51)	213,483	224,134	223,512	-0.3%			
Category 8: Upstream leased assets (E1-6-51)	40,238	41,237	40,257	-2.4%			
Category 9: Downstream transportation and distribution (E1-6-51)	981,722	737,473	720,445	-2.3%			
Category 12: End-of-life treatment of sold products (E1-6-51)	270,820	247,043	239,797	-2.9%			
Category 14: Franchises (E1-6-51)	233,588	250,584	260,746	4.1%			
Category 15: Investments (E1-6-51)	150,199	187,735	155,124	-17.4%			
TOTAL REQUIRED DISCLOSURE SCOPE 3 EMISSIONS	**14,933,938**	**13,536,955**	**12,652,988**	**-6.5%**			
CO_2 emissions from the SBTi 2030 target scope[1]	10,766,859	9,201,524	8,659,577	-5.9%	-27.5%	-2.5%	
SIGNIFICANT OPTIONAL SCOPE 3 GHG EMISSIONS							
Category 10: Processing of sold products (E1-6-51)	Not applicable to Michelin						
Category 11: Use of sold products (E1-6-51)	115,000,000						
Category 13: Downstream leased assets (E1-6-51)	Not applicable to Michelin						

(1) The SBTi 2030 target scope covers raw material procurement, i.e., 85% of category 1; energy-related activities, i.e., 100% of category 3; and Michelin-operated transportation sources, i.e., 29% of category 4 plus 100% of category 9 (percentages based on the 2019 baseline).

Scope 3 methodology and performance assessment

In accordance with GHG Protocol guidelines, Scope 3 CO_2 emissions are calculated for each category as follows:

	Category description and boundary	Analysis of main changes in 2024 versus 2023
Category 1	Category 1 comprises all purchases of goods and services, with raw materials accounting for the lion's share (85% in 2019). The 2030 SBTi target concerns only raw materials, i.e., 85% of the category. Purchasing data are taken from internal databases, while emission factors are provided by suppliers or, by default, taken from recognized external databases.	The change primarily reflected the decline in raw materials-related emissions, stemming from the reduction in input volumes and the improved awareness of suppliers' emission factors. In this way, emissions from raw material procurement declined from 7.7 $MtCO_2$ in 2023 to 7.2 $MtCO_2$ in 2024, which represented an 18% reduction from the baseline 8.8 $MtCO_2$ in 2019, in line with the SBTi target.
Category 2	Category 2 includes all purchases of capital goods (CapEx). Purchasing data are taken from internal databases, while emission factors are taken from recognized external databases.	There was little change over the year, since this category tracks the Group's CapEx.
Category 3	Category 3 comprises emissions from the purchased energy used on the Group's sites (upstream purchased energy). Emissions in this category are therefore calculated using the cradle-to-gate method. The 2030 SBTi target concerns 100% of this category.	The change stemmed from the reduction in energy consumption, combined with an increase in the percentage of renewables, which have a smaller carbon footprint. In this way, emissions from purchased energy declined from 0.46 $MtCO_2$ in 2023 to 0.43 $MtCO_2$ in 2024, which represented a 26% reduction from the baseline 0.57 $MtCO_2$ in 2019. This is well in line with the SBTi target of a 2.5% reduction per year (i.e., a total 12.5% decline from 2019 to 2024).
Category 4	Category 4 includes all emissions from the upstream transportation of raw materials and semi-finished products. In 2019, 71% of these emissions came from sources operated by raw material suppliers and 29% from sources operated by Michelin (natural rubber and semi-finished products). The 2030 SBTi target concerns only Michelin-operated transportation sources, i.e., 29% of the category.	The year-on-year change reflected improved estimates of transportation emissions from our raw material suppliers, resulting from a decline in volumes carried, the use of transportation modes with smaller carbon footprints and improved estimates of intercontinental tonnages.In this way, emissions from Michelin-operated upstream transportation stood at 0.30 $MtCO_2$ in 2023 and 0.30 $MtCO_2$ in 2024, representing a 25% reduction from the baseline 0.40 $MtCO_2$ in 2019. This is well in line with the SBTi target of a 2.5% reduction per year (i.e., a total 12.5% decline from 2019 to 2024).
Category 5	Category 5 includes emissions from all waste generated in manufacturing operations, measured according to the GHG Protocol cut-off method (carbon accounting stops before the waste is recovered).	There was little change in 2024.
Category 6	Category 6 comprises CO_2 emissions from business travel by air, rail and rental car. Emissions from hotel rooms are not calculated due to a lack of data.	The change stems from the increase in air travel during the year.
Category 7	Category 7 emissions include commuting emissions estimated for each employee, with emission factors by country.	The change reflected the reduction in the Group's workforce over the year.
Category 8	Category 8 includes emissions from upstream leased cars, real estate, IT equipment and handling equipment.	There was little change in 2024.
Category 9	Category 9 includes emissions from transportation and distribution operations downstream from the production plants, excluding warehouse emissions (already included in Scopes 1 and 2). The 2030 SBTi target concerns 100% of this category.	The change primarily reflected the decline in volumes sold over the year. In this way, emissions from downstream transportation operations declined from 0.74 $MtCO_2$ in 2023 to 0.72 $MtCO_2$ in 2024, which represented a 27% reduction from the baseline 0.98 $MtCO_2$ in 2019. This is well in line with the SBTi target of a 2.5% reduction per year (i.e., a total 12.5% decline from 2019 to 2024).
Category 11	See the section on Scope 3 Use of sold products, below.	The year-on-year decline from 130 $MtCO_2$ to 115 $MtCO_2$ was due to the use of a new, more accurate calculation method rather than to a reduction in emissions, which are difficult to assess.

	Category description and boundary	Analysis of main changes in 2024 versus 2023
Category 12	Category 12 includes emissions from the collection of end-of-life tires, using the cut-off method. The same method is used to calculate emissions from the small number of tires landfilled without any recycling or energy recovery.	The change primarily reflected the decline in volumes sold over the year.
Category 14	Category 14 includes emissions from franchised tire and vehicle service centers, estimated from measurements at a sample of Euromaster outlets.	The change was led by an increase in the number of franchised service centers.
Category 15	Category 15 includes emissions from investments in equity-accounted companies. For these investments, the Group measures emissions from their energy use and, in the case of natural rubber companies, from rubber tree farms. Land use change is not calculated, in accordance with the SBTi.	The change mainly stemmed from the decline in distribution company sales.

Categories 10 and 13 are not material to Michelin.

According to the GHG Protocol Corporate Standard, the benchmark for corporate carbon accounting, measuring CO_2 emissions from tires in-use is optional because they only have an indirect impact on vehicle fuel efficiency. On the one hand, there is the "required" Scope 3 composed of all Scope 3 categories except for the Scope 3 use phase, and on the other hand, the Scope 3 use phase that is "optional" under the GHG Protocol.

Scope 3 Use of sold products

Category 11 Scope 3 emissions are particularly difficult to estimate due to the wide variety of vehicle (and therefore tire) usage scenarios and the relative lack of actual usage data. Nevertheless, Michelin made progress in 2024, both in estimating emissions from each type of tire in use and in increasing the number of products in the scope of reporting.

Scope of reporting

Data are reported for emissions from the use of (i) Passenger car, Light truck and Truck tires; (ii) specialty tires (mining, aircraft, beyond-road); and (iii) tires from other manufacturers sold through Euromaster.

Calculation methodology

Use-phase emissions of each tire range are calculated based on:

- usage data from life cycle assessments;
- the most credible average mileage assumptions based on Michelin usage data (taking into account premature replacement practices and the possibility of reselling the used tires);
- powertrain assumptions (internal combustion versus electric).

In accordance with the GHG Protocol, and contrary to LCA practices, use-phase emissions are calculated on a tank-to-wheel (TTW) basis, rather than well-to-wheel (WTW). This means that CO_2 emissions from the upstream vehicle energy phases are not included.

NB: There is no standard, industry-wide methodology for calculating category 11 Scope 3 CO_2 emissions from the use of sold products.

Only the Japan Automobile Tyre Manufacturers Association Inc. (JATMA) has issued a methodology, but few manufacturers use it. However, while it is interesting as a calculation method, JATMA's proposed parameters do not seem to reflect actual conditions of use. For example, the mileage lifespan parameter is much lower than the actual useful lives measured by Michelin.

Consequently, for the sake of plausibility, in 2024 Michelin used parameters based on its own usage statistics.

Had the JATMA methodology been used instead, Scope 3 CO_2 emissions from the use of sold products would have been approximately 30% to 40% lower than those disclosed below.

Outcome

The reduction from 130 $MtCO_2$[1] in 2023 to 115 $MtCO_2$ in 2024 did not result from any improvement in emissions, which are difficult to assess.

Instead, it reflected:

- a broader scope of reporting, which now includes specialty tires;
- the use of a new, more accurate calculation method.

Application of the new method will enable progress to be tracked in future disclosures.

(1) As disclosed in the 2023 Universal Registration Document.

4.2.9.7 Carbon allowances

Created in 2005, the CO_2 Allowance Management Committee tracks legislation governing carbon markets and taxes in all the countries where Group production sites are located. Its role is to define carbon allowance management principles and guidelines, ensure their proper application and conduct the necessary forecasting studies.

GHG removals and GHG mitigation projects financed through carbon credits

The Group's ambitions are compatible with the net-zero emissions target for 2050, which is being pursued without using any carbon credits to offset CO_2 emissions from its direct or indirect activities, in accordance with SBTi standards. As a result, the carbon credits derived from projects undertaken by the Group's investee funds are not set off against the Group's carbon footprint.

Internal carbon pricing

Since 2016, the Group has applied a standard internal carbon price, both to address carbon issues in capital projects and to steer capital expenditure towards low-carbon solutions and prepare for the introduction of a global carbon price.

Applicable to any capital project likely to have a material positive or negative impact on the Group's Scope 1 and 2 CO_2 emissions, the price is a factor in two decision-support programs used to:

- calculate the return on investment of projects undertaken by any Group entity. The price simulates the impact of monetizing an investment's carbon credits on its financial rate of return;
- consolidate projects with a major impact on energy efficiency (curing press insulation, lighting upgrades, etc.). This program is applicable to capital projects undertaken by entities in the legacy scope of the tire business, which accounted for 97% of the Group's Scope 1 and 2 emissions in 2024.

The internal carbon price is also used by the Scope 3 logistics entities as a baseline for assessing carbon-free solutions.

The price is based on:

- carbon allowance market price trends in Europe and five and ten-year projections;
- an analysis of the carbon price's sensitivity to the ROI of energy and logistics projects;
- an external benchmark based on prices used by other companies[1].

It is set by the Managers on the proposition of the Environmental Governance body and periodically revised as needed. For example, from the original €50 per tonne in 2016, it was raised to €100 per tonne in 2021 and to €200 per tonne in 2023.

(1) Based on replies to the Carbon Disclosure Project (CDP) questionnaire.

CLIMATE CHANGE ADAPTATION

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain · Downstream value chain · OP Own operations · Short-term · Medium-term · Long-term	
E1 – CLIMATE CHANGE	
Climate change adaptation	
Impact of physical climate risks on business activities, assets, employees, raw materials, delays and logistics costs OP **Risk**	Michelin has operations around the world that could be impacted by the increased frequency of adverse climate events, such as storms, floods, droughts and other risks. In light of the diverse range of suppliers and the many interdependent factors necessarily involved in the manufacture of its products (infrastructure, energy, availability of labor, transportation systems, etc.), the effects of climate change may be qualified as systemic.

Introduction

Climate change impacts are already visible and are expected to worsen over the medium term, according to the Intergovernmental Panel on Climate Change (IPCC). Michelin's approach to managing these impacts is described in detail in Chapter 3 on risk management, above. These risks arise from the following aspects of the Group's operations and value chain:

- **The Group's business activities, assets and employees:**

  Michelin has operations around the world, any of which could be considerably impacted by the increased frequency or intensity of heat waves, storms and hurricanes, floods, droughts and other natural disasters exacerbated by climate change. Failure to adapt to these conditions could result in business interruptions, property damage and risks to personal health and safety;
- **Raw materials:**
  - climate change could increase the cost of extracting and producing raw materials and impact their availability,
  - production infrastructure may be damaged, which could lead to higher costs. Extreme weather events may also cause shortages of raw materials and increase their prices;
- **Natural rubber**:

  Climate change is having a major impact on four climate parameters that play a key role in natural rubber production: average temperatures, cumulative rainfall, number of dry months and number of cold months.
  - a 2022 study commissioned by Michelin from Forest AI and the CIRAD (*Cartographie des impacts du changement climatique sur le caoutchouc naturel*) has identified a potentially major, industry-wide impact of global warming on natural rubber production, particularly over the 2050-2100 period. In the IPCC's "middle-of-the-road" shared socioeconomic pathway (SSP2), this impact could reduce the yield potential in all the current producing regions by an average 5-20% and more so in the drier regions,
  - climate change is likely to increase the length of a rubber tree's immature phase by impacting immature growth, as dry seasons are likely to be longer and/or more intense,
  - extreme droughts, heat waves and water shortages, as well as climate change-induced heavy rains and floods, will also tend to increase rubber tree mortality and reduce yields. In Thailand in 2024, for example, heavy rains caused crop losses,
  - changes in climate conditions could also have an impact on where certain pests and diseases could spread and affect production regions;
- Delivery **delays** and **logistics costs**:
  - extreme weather conditions (heat waves) and water cycle disruptions (water stress) can damage transportation infrastructure and disrupt supply chains, resulting in delivery delays and higher logistics costs, with a potential impact on Michelin's revenue,
  - in addition, Michelin's value chain comprises a myriad of interdependent inputs required to manufacture and distribute its products (infrastructure, energy, labor, transportation systems, etc.). This complexity increases the severity of the risk as well as the number of single points of failure.

4.2.10 A REVIEW OF THE GROUP'S EXPOSURE TO THE PHYSICAL RISKS OF CLIMATE CHANGE

A review of the future physical climate risks likely to impact people and property comprises two steps to assess: (i) their exposure to projected climate-related hazards and (ii) their vulnerability to these hazards. Exposure stems from the geographical location of the people and property, while vulnerability expresses the likelihood, and to what degree, that they may be adversely impacted by future climate hazards.

Michelin assessed the exposure to both current climate conditions and projected conditions in 2030 and 2050 of 721 Group facilities or sites of interest, including dealerships, and 227 key raw materials supplier sites. The main factors in selecting the Michelin sites for review were the presence of employees and the facility's criticality to business continuity. The main factor in selecting raw materials supplier sites was their importance to business continuity. The assessments were based on two disaggregated IPCC scenarios, SPP2-4.5, which estimates the median global temperature rise at 2.7°C by 2100, and SSP5-8.5, which estimates it at 4.4°C. The climate-related hazards addressed included dry and humid heat, water stress/drought, floods, strong winds and landslides. The sites' exposure to these climate-related hazards, both actual and projected, is consistent with the predicted climate change in each geographic zone.

Based on the review findings (undergoing detailed analysis), the main climate-related hazards to which the Group and supplier sites are exposed are heat, flooding, water stress and strong/very strong winds (tornadoes, typhoons and hurricanes).

4.2.11 PHYSICAL CLIMATE RISKS ADAPTATION POLICY ISSUED IN 2024

Aligned with Michelin's CSR policy, the Physical Climate Risks Adaptation Policy[(1)] reflects the Group's best efforts to "manage the unavoidable," by improving the value chain's resilience to physical risks,

The Policy applies to every Group entity and covers the entire value chain. It reflects the systemic, societal and multidimensional nature of climate risk impacts, which are prompting the Group, wherever and whenever necessary, to exert leverage or collaborate with stakeholders outside its value chain. Influencing initiatives are designed to spur external stakeholders to engage on the path to adaptation. Collaborative initiatives enable the Group to support adaptation measures already undertaken by external stakeholders.

4.2.12 DEDICATED INITIATIVES AND RESOURCES WITH A STRUCTURED ROADMAP TO 2030

Michelin is committed to assessing the climate risk exposure of all its own sites and other key sites in the value chain from 2025. A roadmap will be prepared during the year to identify the sites requiring a vulnerability assessment by 2030. The related metrics, which have yet to be defined, will be tracked by the Environmental Governance body.

Initiatives undertaken in 2024 included:

- reviewing exposure to projected climate conditions in 2030 and 2050 of 721 Group facilities or sites of interest and 227 key raw material supplier sites, based on the criteria described above;
- assessing the macro-vulnerability to climate-related hazards of the first six Michelin sites, with projected risks and impacts in 2030 and 2050 and identification of any required adaptation measures. These first six reviews are also intended to develop a method for quantitatively measuring such vulnerability, which can eventually be used on the other sites as needed;
- deploying climate change and climate change adaptation awareness-building and training resources.

Natural rubber sourcing risks are addressed by an action plan that was pursued in 2024 and will continue in the years ahead with actions to diversify sources, improve varietal selection and encourage highly resilient farming practices.

(1) Available on the Michelin Group website, https://www.michelin.com/en/sustainability/company/planet/climate-action

The following actions **planned for 2025** and beyond will support the launch of vulnerability assessments on at-risk Group sites and the preparation of an action plan for suppliers:

- reviewing exposure to projected climate conditions in 2030 and 2050 of the still unassessed Michelin sites, Euromaster centers, key customer sites, key transportation infrastructure and key end-of-life tire recovery and reuse facilities;
- finalizing the method for assessing the climate change vulnerability of Michelin sites and identifying any necessary adaptation measures;
- developing and trialing an in-house IT application based on this same method to enable Michelin sites to conduct their own vulnerability assessments and identify any necessary adaptation measures;
- prioritizing the Michelin site vulnerability reviews to be performed over the next three years;
- defining and rolling out an action plan to get the main raw material suppliers engaged in adaptation programs on their own sites by 2030.

By 2030, Michelin sites requiring a vulnerability assessment, based on the findings of the exposure assessments, will have performed such assessments to the appropriate depth and identified any necessary local adaptation measures. Subsequently, the selected actions will be progressively supported by appropriate adjustments to the capital expenditure and operating expense budgets.

By 2050, depending on the sites' exposure to climate-related hazards at that time, the Group intends to finance and implement the necessary on-site adaptation measures and, if need be, to influence or collaborate with external stakeholders to deploy adaptation measures. All these key actions are supporting the operational implementation of Michelin's adaptation policy.

4.2.13 METRICS AND TARGETS UNDER CONSTRUCTION

Targets for tracking implementation of the Adaptation Policy are expected to be defined in 2025. Once completed, the adaptation plan will be integrated into the Group's strategic process and will evolve in the following years. Its tracking and deployment metrics will be defined with annual and multi-year targets, including milestones for 2030 and 2050. The risk management process offers the guarantee that the commitment is fulfilled, and will ensure that reviews are performed and the adaptation plan is prepared. As part of this process, internal audits will then assess implementation.

The supporting metrics remaining to be defined will be tracked by the Environmental Governance body.

4.2.14 ANTICIPATED FINANCIAL EFFECTS: INITIAL ESTIMATES OF THE COST OF ADAPTATION MEASURES

As described above, Michelin intends to carry out by 2030 a vulnerability assessment of the sites requiring it and identify any relevant local adaptation measures. These reviews will also help to estimate the anticipated financial effects of the material physical risks, with trigger points for initiatives to support the preparation of on-site projects, as needed and in line with existing safety and security policies for people and property. The Group is reviewing any potential financial effects and based on the pilot reviews, will gradually be able, as from 2025, to prepare an initial estimate of the cost of the adaptation measures.

4.3 POLLUTION (E2)

THREE QUESTIONS FOR CYRIL DUPUCH, VICE PRESIDENT, MATERIALS RESEARCH & DEVELOPMENT

"The health, safety and environmental impact of our products and operations is an absolute priority for Michelin, integrated into all our processes."

What does pollution represent for Michelin? In particular, what is the Group's position on the issue of tire and road wear particles released during the use phase?

Life-cycle assessments have shown that the third largest impact of our tires stems from the release of Tire and Road Wear Particles (TRWP) during use. While these particles are very different from microplastics, they represent a significant environmental issue and in response, Michelin is taking action in a number of ways to abate their emissions. Our unrivaled materials expertise is enabling us to steadily reduce abrasion by developing new materials and designing our tires to be made with less raw material. In March 2022, for example, the German Automobile Association (ADAP) acclaimed Michelin as the undisputed leader in abrasion performance in tests of 143 summer, winter and all-season tires[(1)].

Because there is still so much to learn and do with regard to TRWP, we're pursuing our own mitigation research and engaging the entire tire industry to step up its commitment in this area. We're working with both partners and other actors within the market, as attested by the creation in late 2023 of a joint laboratory, BioDLab, in association with France's CNRS national research institute, to improve understanding of TRWP degradation in the environment.

As part of the European Tyre & Rubber Manufacturers Association (ETRMA), we cooperated extensively to help define a standardized particle measurement method. We are also engaging with regulatory agencies and support legislation that will set tire abrasion limits.

Michelin also uses chemicals in its products. How is the Group responding, particularly to the issue of substances of concern and very high concern?

Twenty years ago, we set up an environmental observatory to keep abreast of the latest scientific knowledge and to analyze public information about chemicals in each of these two classes. As soon as we are aware of the science, and without waiting for any new regulations governing the use of these substances, we initiate research programs to develop alternative solutions capable of delivering the same performance in our products.

These are often long-term programs, because we have to make sure that substituting a component won't alter product performance, particularly in terms of safety. In this way, more than 20 years ago we undertook a research program to replace resorcinol and formaldehyde in textile adhesives. Today, we're using new adhesives, with risk-free chemicals, in our own products. In fact, this innovation has had a much broader impact because, after being taken up by our textiles suppliers, its use is expanding beyond the tire industry thanks to its marketing by our ResiCare subsidiary[(2)].

Lastly, one of Michelin's air pollution impacts comes from volatile organic compound (VOC) emissions. What is the Group doing to reduce them?

We are committed to eliminating volatile organic solvents in our tire manufacturing operations by 2050, with an intermediate milestone of reducing their use per tonne of semi-finished and finished product by 50% in 2030 compared with 2019.

To meet this ambitious goal, we're simultaneously investing in a number of research pathways to eliminate volatile and organic solvents, develop alternative, solvent-free solutions and optimize the manufacturing process. In addition to technological innovations, Michelin is also strongly emphasizing cultural change and the application of best practices in the production plants, which together have driven a fast, significant 25% drop in VOC use over the past three years.

(1) See the 2021 ADAC study, Tyre wear particles in the environment (Allgemeiner Deutscher Automobil-Club, Tyre abrasion: wear and burden on the environment/31940 RMU), updated in March 2022.
(2) ResiCare develops and markets high-performance resins dedicated to industrial applications.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain / Downstream value chain / OP Own operations / Short-term / Medium-term / Long-term	
E2 – POLLUTION	
Water, soil, air and noise pollution	
Tightening standards limiting the impact on water, soil and air pollution from microplastics (tire and road wear particles – TRWP) and substances (e.g., 6PPD) Downstream — **Risk**	More stringent pollution regulatory standards could lead to lower maximum tire abrasion limits and stricter regulation of particles (TRWP) and substances (6PPD) and other substances, as well as to impacts on Michelin services. Insofar as Michelin tires are well known for their superior abrasion performance compared to their premium competitors, this could represent an opportunity for the Group.
Water, soil and air pollution from the use of tires (TRWP) Downstream — **Negative impact**	Friction between tires and the road generates wear particles (TRWP), influenced by a variety of factors. Since 2010, certain studies have demonstrated their presence in the environment and their potential impact. However, scientific knowledge of the impact and behavior of these tire and road wear particles (TRWP) needs to be improved. Michelin and the entire industry, through the Tire Industry Project (TIP) have engaged a proactive approach to TRWP.
Water, soil and air pollution from upstream activities Upstream — **Negative impact**	Pollution in the upstream value chain primarily stems from the production of bio-sourced and other raw materials. Given its size, the natural rubber value chain can result in pollution, particularly soil contamination from pesticides and fertilizers.
Water and air pollution from direct operations, including substances of very high concern and VOCs OP — **Negative impact**	Water and air pollution from the Group's indoor and outdoor operations may include: ■ wastewater discharge from its own manufacturing operations; ■ substances of concern and very high concern; ■ air pollution, including volatile organic compound (VOC) emissions, both indoors and outdoors, from rubber product, rubber-compound product and tire manufacturing processes.
Pollution from the end-of-life treatment of sold tires Downstream — **Negative impact**	Used tires can be collected and disposed of in different ways, albeit with a focus on recovering and reusing their component resources. Research shows that this could result in a number of varying environmental impacts, which could include ozone depletion, acidification, abiotic resource depletion, the formation of photochemical ozone and environmental load from the concentration of materials.

Introduction

As a manufacturer, the Michelin Group is extremely mindful of the risks of pollution, particularly in its production and other operations. To mitigate it, the Group's core response is to reduce pollutants at source, with a process focusing on the riskiest substances and replacing them with substitutes whenever technically and financially feasible. Risks arising from pollution of soil, water or air are effectively controlled through the Group's Environmental Management System.

In addition, it must be emphasized that Michelin manufactures safety products that are exposed to a wide variety of external aggressions (temperature, soil, ozone, sun, etc.), and the Group uses substances that ensure absolute safety when its products are used by its customers. Lastly, Michelin pays particular attention to the risks of pollution from the use of its products, in sync with prevailing legislation and the rising expectations of civil society. This is particularly true for tire and road wear particles (TRWP), the tire industry's most material pollution matter. A tire's grip is a vitally important factor in safe driving, but one of its consequences is the creation of wear particles from the friction, or abrasion, between the tire and the road surface. As a leader in abrasion performance, the Group is fully committed to capitalizing on its materials expertise to mitigate the emissions and encouraging the introduction of stricter abrasion limits

4.3.1 IDENTIFYING MATERIAL POLLUTION MATTERS

Material pollution matters were identified using life cycle assessments (see section 4.1.5.1 Summary of key policies, above) rather than LEAP (locate, evaluate, assess and prepare) assessments. The related impacts, risks and opportunities may be described as follows:

- **the use phase** is the most impactful, partly because of TRWP emissions:
  - TRWP generation is influenced by many factors, including tire and vehicle design, road curviness and surface, driver behavior and weather conditions. Since 2010, studies have demonstrated the presence of these particles in the environment and provided an initial assessment of their impact. Projects are also underway to test the effectiveness of potential impact mitigation measures. The current state of industry knowledge has been consolidated in the Tire Industry Project's white paper[1],
  - stricter TRWP emissions standards could lead to an increase in product design and new product development OpEx and perhaps CapEx. This could be both a risk as well as an opportunity for an industry leader like Michelin;
- **raw materials** are the second most impactful factor, primarily due to the ecotoxicity of biosourced raw materials stemming from the use of fertilizers and pesticides. Today, the Group's most widely used biosourced raw material is natural rubber;
- **the treatment of end-of-life tires** (ELTs) was not addressed in the LCAs, but rather in the ELT section of the Environmental Policy[2]. The Group is nevertheless aware of the risk of pollution, particularly soil contamination from the leaching of landfilled ELTs;
- **the production phase** has a more limited impact. However, a preliminary assessment points to a risk of emission exceeding the indicated threshold for some substances[3]. The following section will discuss air and water emissions from the Group's manufacturing operations, as well as the use of substances of concern and very high concern in certain tire formulations. While the contributions of substances of concern are insufficiently addressed in current LCA applications, they are nevertheless considered material insofar as some of these substances are used in formulations and/or generated by the Group's operations.

4.3.2 GENERAL POLICIES RELATED TO POLLUTION

Impacts, risks and opportunities are closely intertwined and systemically addressed in pollution prevention and control strategy. In particular, they are covered by the Group's Environmental Policy, which identifies and assesses pollution risks, some among them are the subject of specific policies or dedicated programs.

The riskiest substances are identified and assessed by a Chemical Risk Management Policy that seeks to replace them with substitutes wherever technically feasible. The policy is supported by restrictions on substance use and an HSE approval process for new raw materials.

By focusing on eliminating chemical pollution sources in the design stage, Michelin's approach is helping to abate both industrial pollution from its own operations and diffuse pollution from the use of its products.

The section of the Environmental Policy concerning manufacturing sites is designed to mitigate impacts by managing the risks of chronic or accidental pollution, in particular by deploying an ISO 14001-compliant environmental management system. The policy specifies the following process to manage pollution risks:

- identify the environmental risks;
- attenuate the risks to a tolerable level by reducing them at source or, failing that, treating the pollution (prevention and protection, in normal and faulty operating conditions);
- comply with regulations.

The policy pays particular attention to emissions of volatile organic compounds (VOCs), which are the main source of air pollution from the Group's own operations. The Group is committed to ensuring that, by 2050, no organic solvents are used in the production of its tires.

While the policy does not yet specifically address the issue of wear and abrasion particles, a dedicated section is being drafted as part of the TRWP program set up in mid-2023.

Each pollution-related impact, risk and opportunity is covered in dedicated sections describing the policies, actions and targets for TRWP, air and water pollution in the Group's own operations, chemicals, and pollution in the upstream value chain.

(1) See the TIP white paper on TRWP mitigation, https://tireindustryproject.org/news/tire-industry-project-commitment-to-addressing-tire-and-road-wear-particles/.
(2) See section 4.6 Resource use and circular economy (E5), below.
(3) There are no chronic releases into the soil from Michelin's own operations, so this issue is considered immaterial.

4.3.3 THE GROUP'S LONG-STANDING TRWP OBJECTIVE, BACKED BY DEEPER ENGAGEMENT WITH THE TIRE INDUSTRY AND OTHER SUPPORT RESOURCES

TRWPs are micro-particles comprising around 50% elastomer fragments from the tire and 50% minerals and road dust. This means that scientifically, they are not microplastics, even though they are considered as such in European regulations[1].

They have a number of characteristics – degradability, size, composition, density – that are very different from the usual microplastics that come from everyday plastics, such as bottles, packaging and clothing. Although few scientific articles have been published on the subject, they seem to biodegrade much more quickly than microplastics, Further studies are needed on this subject, which is why Michelin set up the BioDLab with French research institution CNRS in 2023.

An ambitious TRWP program and Michelin's differentiating abrasion performance

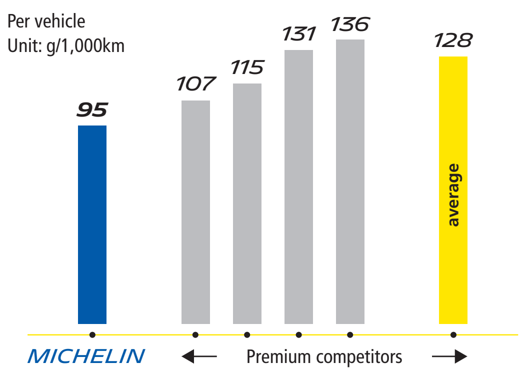
The TRWP program is informed by a commitment to taking action and encouraging the entire tire industry and its ecosystems to embrace Michelin's "all-sustainable emissions" vision for TRWPs[2]. It is dedicated to formulating an aligned, holistic strategy, translating it into action plans and supporting decision-making processes. By funding both in-house and external research programs, the Group is seeking to deepen its understanding of potential TRWP impacts, so that new materials capable of mitigating them can engineered. An initial strategy will be proposed when the Environmental Policy is updated in 2025.

Michelin has long been committed to reducing tire abrasion emissions by leading the way in tire durability and longevity, with an approach built on its materials expertise and a design strategy unceasingly focused on optimizing the use of raw materials. Michelin is recognized as the market leader in abating particulate emissions, far ahead of its premium competitors, as illustrated by tests conducted by the German Automobile Association (ADAC) in 2022[3].

PARTICULATE EMISSIONS ARE BEING REDUCED WITH EACH NEW RANGE

(1) According to the definition of the European Chemicals Agency (ECHA).
(2) The tire industry and its ecosystems (OEMs, roadbuilders, water managers, NGOs, local authorities, academia, etc.), guided by Michelin if necessary.
(3) See the 2021 ADAC study, Tyre wear particles in the environment (Allgemeiner Deutscher Automobil-Club, Tyre abrasion: wear and burden on the environment/31940 RMU), updated in March 2022.

TRWP EMISSIONS: MICHELIN VS. OTHER PREMIUM TIREMAKERS



Stepped up TRWP initiatives and resources

Michelin is actively engaged in TRWP issues, with a global action plan comprising both in-house and external initiatives at various levels, from avoiding at source to reducing potential impacts:

- Important in-house initiatives led in 2024:
  - The Group developed SAMPLE, a system that captures, sorts, counts and characterizes emitted particles very close to the tire in use, with unequaled precision and reproducibility. Unveiled at Tire Technology Expo 2024 and now fully operational, the system is sharing its findings both with the scientific community, via the California Air Resource Board (CARB) and the University of California, Riverside, and the global tire industry, in a commitment to deepening our knowledge of TRWPs and attenuating their environmental impact.
  - BioDLab, a joint laboratory between Michelin and France's national research institute CNRS created in 2023, pursued its tire rubber degradation and biodegradation research programs, with the goal of understanding this process to reduce its environmental impact. An initial scientific paper[1] has been published, describing how the polymers in TRWPs are degraded over time.
- External initiatives undertaken in 2024:
  - One of the key challenges for the Group is to explore alternatives to potential substances of concern, based on the latest scientific knowledge. This is why Michelin, as a member of the consortium led by the U.S. Tire Manufacturers Association (USTMA) since 2022, is supporting alternative analysis research[2] on a variety of replacements for 6PPD, a substance used in almost every tire formulation that performs the essential function of protecting rubber against reactions with ozone and oxygen. At year-end 2020, a study was published alleging that 6PPD-quinone, a 6PPD transformation product, could have an impact on certain fish species under specific conditions in the northwestern United States. No such impacts on aquatic life have been alleged or reported in Europe. While research on this issue is ongoing, Michelin is already diligently working with a variety of tire industry trade associations to develop viable 6PPD replacements. After a preliminary study of sixty candidate replacements, only five were selected for further testing in 2024. A formal summary of results is scheduled for mid-2026 to help select the best 6PPD replacement. Dedicated costs and resources are being shared among the participating tire manufacturers.
  - Michelin supports the introduction of abrasion threshold legislation that would remove the worse performing tires from the global marketplace. In line with this commitment, the Group is working with other members of the European Tyre and Rubber Manufacturers' Association (ETRMA) to help define a standardized TRWP emissions testing method as part of the Euro 7 regulation. In 2024, a variety of passenger car tires were the subject of a cross-testing campaign, whose findings will be used to define acceptable limits in 2025 for implementation as from 2028.

(1) "Study of sequential abiotic and biotic degradation of styrene butadiene rubber," Science of the Total Environment, Volume 926, May 20, 2024, 171928.
(2) Conducted by the California Department of Toxic Substances Control (DTSC).

- To drive faster progress in scientific research, Michelin joined with nine other tiremakers years ago as founding members of the Tire Industry Project (TIP, https://tireindustryproject.org/), which has since conducted studies to collect, characterize and understand both TRWP composition and flow, as well as to assess their potential impact on the environment and explore mitigation measures. In 2024, the Chief Executive Officers of the ten TIP member tire manufacturers approved a new work plan for 2024-2025[1]. In addition to ongoing research programs, the plan addresses the mitigation of potential impacts, with a commitment to launching pilot projects before the end of 2025 (e.g., to collect and filter roadside runoff and stormwater).

In 2024, these initiatives required a financial investment, in addition to the time allocated by members of the TRWP program and the Group's Pollution Sector Committee. In addition, the capital expenditure plan for the next five years has budgeted funds for projects to continue deploying the Group's strategy in this area.

A TRWP target and metric currently being defined

Once metrics have been defined to measure TRWP emissions and their known impacts, objectives will be set for both. To measure gains, the TRWP program tracks the milestones reached in the planned deliverables.

According to the ESRS disclosure requirement[2], the TRWP metric is directly linked to sales volumes and not to a tire's environmental performance. In addition to being highly approximative, the metric does not encourage progress, nor does it support an objective comparison with competitors over time. To enable effective tracking of the continuous improvement in this highly complex impact, the Group has been working with the TRWP program to define a more suitable metric that could be shared with the industry[3]. Such a metric should be based on abrasion data measured as part of a standardized framework, such as the Euro 7 Regulation emissions standards. However, these data will not be available before 2025, and then only for passenger cars and only in the European Union. As a result, the scope of the approach has to be broadened so that a meaningful, industry-wide metric can be calculated.

4.3.4 MITIGATING AIR AND WATER POLLUTION FROM GROUP OPERATIONS

The Group is pursuing its strategy of preventing and controlling pollution by managing the resources needed to activate the Group's Environmental Policy's prioritizing hierarchy of levers (Avoid – Reduce – Reuse – Recycle – Renew).

To help Group facilities to embrace this process, a directive has been issued specifying the Policy's principles, objectives and guidelines applicable to their operations, as part of the Group's commitment to safeguarding the environment at every stage in the product life cycle. The directive is being implemented primarily through the deployment of Environmental Management Systems (EMS) in the legacy production plants and research centers, which is delivering continuous gains in the identification and mitigation of environmental impacts both day-by-day and over the long term. The EMS is fully compliant with ISO 14001 standards[4].

To manage and mitigate pollution in its own operations, Michelin financed capital projects in its production facilities in 2024. In addition, the capital expenditure plan for the next five years has budgeted funds for projects to continue deploying the Group's strategy in this area.

4.3.4.1 Air pollution: focusing on volatile organic compounds (VOCs)

4.3.4.1.1. A VOC program built around an ambitious objective and a 2030 milestone

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 solvent use by 50% compared to 2019. To meet these targets, levers have been defined by a VOC program underway since 2017. The Group sites' Environmental Policy addresses this impact and specifically mentions the program's 2030 milestone. The program is managed by tracking the quantity of solvents used in kilograms per tonne of finished product.

(1) Tire Industry Project Commitment to Addressing Tire and Road Wear Particles, a white paper on TRWP mitigation issued in April 2024.
(2) See ERSR E2 Disclosure Requirement E2-4, paragraph 28(b).
(3) See the 2021 ADAC study, Tyre wear particles in the environment (Allgemeiner Deutscher Automobil-Club, Tyre abrasion: wear and burden on the environment/31940 RMU), updated in March 2022.
(4) It covers prevention and protection procedures, in normal and faulty operating conditions, as well as compliance with local regulations. Group guidelines dictate that every new or upgraded production facility, research center or natural rubber processing plant must earn ISO 14001 certification within five years of start-up.

4.3.4.1.2. Initiatives and resources clearly targeted on VOCs

The VOC program is primarily focused on reducing solvent use to reach the 2030 milestone and on avoiding emissions at source to meet the 2050 objective.

Deploying best practices

Deploying good manufacturing practices to optimize solvent use enables Michelin to meet its objectives by improving process efficiency and mitigating the environmental impact. By tracking quantities used, precisely adjusting the solvent applicators and using just the right amount of solvent, the Group is maintaining its manufacturing performance and the performance of its products, while reducing solvent use and VOC emissions.

In 2024 and beyond, key initiatives in the tire business include:

- equipping plants with portable flowmeters to measure solvent use in real time and optimize solvent application by machine, size and product. In combination with other usage tracking mechanisms, this helps to align practices for optimal solvent use;
- optimizing spray nozzle sizes for more efficient solvent application is expected to reduce solvent use by around 20-25%;
- partially refreshing product interfaces to apply just the right amount of solvent is expected to reduce quantities used by 20%. Qualitative and quantitative progress is measured by the quantity of solvents used in kilograms per tonne of finished product.

Deploying VOC-free technologies

Eliminating VOCs in tire production demands the widespread deployment of new VOC-free technologies, based on solvent replacements, inorganic or non-volatile solutions, or thin rubber films inserted between tire components. Before deployment, these solutions have to be selected and tested on tires, a process that can take several years. They are currently in the exploratory or process engineering phase, with deployment governed by a planned development schedule extending beyond 2030.

Deploying VOC treatment technologies

To reduce VOC emissions from the elastomer production plants, the Group has identified the least impactful technologies for recycling and, when necessary, treating process VOCs. A roadmap is planned for their installation by 2028.

Measures to reduce NO_x and SO_x emissions have been undertaken in every Group manufacturing site. In particular, Michelin plans to phase out the use of coal by 2030. Apart from that measure, however, the reduction in NO_x and SO_x emissions is a direct result of the initiatives deployed as part of the energy-saving roadmap (energy efficiency, fuel transition, process electrification).

4.3.4.1.3. The 2030 milestone for VOC reduction initiatives

The effectiveness of VOC reduction actions is being measured by two main metrics: the total amount of solvents used per production plant and the ratio in kilograms per tonne of finished product. These metrics track improvements and support decisions about prioritizing reduction actions. The VOC reduction targets include dedicated objectives for each business line, which must make 50% of progress between 2019 and 2030.

Since 2019, the implementation of optimized technologies and practices has driven the ratio steadily downwards to the halfway mark in 2024. The effectiveness of initiatives is measured by analyzing historical trends and comparing outcomes against industry benchmarks.

The targeted 50% reduction in 2030 compared with 2019 has been defined in direct correlation with the overall objectives of the Environmental Policy[1].

The scope of application covers all the plants producing finished products and synthetic elastomers. The period covered runs from 2019 to 2030, with the baseline values referring to solvent use and ratios in 2019.

Targets are defined using calculation methods based on the quantity of VOCs emitted or solvents used per unit volume of the plant's output. For the finished product production plants, each kilogram of VOC solvent used is assumed to evaporate completely; for the synthetic elastomer plants, emissions are measured and the ratios calculated on an actual basis. In this way, targets are based on historical solvent use or VOC emission data.

(1) Targets are expressed in absolute terms (quantity of VOC emitted in kilograms) and relative terms (kilograms of VOCs emitted or solvents used per tonne of finished product or synthetic elastomer). This means that progress can be tracked in terms of both the total reduction in emissions and the efficiency of the mitigation process.

4.3.4.2 Water pollution: rolling out an initial approach to understanding the Group's impact

4.3.4.2.1. Actions and resources currently being defined

Water pollution initiatives undertaken in 2024 focused on understanding the potential impact of effluent discharged from the Michelin production plants, with the goal of setting a meaningful mitigation target.

For example, during the year, material water pollutants from the tire production plants[(1)] were identified and assessed, with the findings used to deploy a measurement plan for the tire production operations. Given the stakes involved, this method offers the advantage of enabling reporting in 2025 and, more importantly, of quantifying the impact of our process effluent more accurately. Over the medium term, the assessment scope will be extended to the Group's other operations.

In 2024, with a view to understanding the impact of its discharges, the Group carried out a comparative study of two water pollution target-setting methodologies at three production plants on three different continents. The first method is derived from the freshwater "Measure, Set & Disclose" technical guidance issued by the Science-Based Targets Network (SBTN), while the second is inspired by the EU Water Framework Directive's guidelines on "the compatibility of effluent with the receiving environment." Feedback from the pilot projects will help the Group to define an appropriate target for effluent quality that is intrinsically shaped by each site's local conditions and exceeds applicable standards or guidelines.

Lastly, to preserve biodiversity, the Group is combating pollution from the pesticides and herbicides used on its manufacturing sites by deploying a plan to stop the use of such products. The goal is for every Group site to complete the switchover to pesticide and herbicide-free groundskeeping by 2030. Michelin is leveraging the active engagement of its service providers, recommending, for example, the use of low maintenance groundskeeping techniques, mechanical alternatives or burning. By the end of 2024, 45 Group sites were maintaining their grounds without using any pesticides or herbicides, compared with 22 in 2023.

4.3.4.2.2. Defining dedicated targets

Michelin believes that water quality targets can be set only for each watershed in which it operates. It is therefore working on a target definition method compatible with both the Group's international footprint and each site's local and environmental conditions. At the same time, the Group's priority is to deploy a measurement plan for the material substances, so that their impact and the effectiveness of the related initiatives can be effectively tracked.

4.3.5 MANAGING CHEMICAL RISKS

4.3.5.1 A corporate Chemical Risk Management Policy

As part of its Chemical Risk Management Policy, the Group is gradually eliminating substances that are potentially harmful to human health or biodiversity in the manufacturing and use phases. The policy is based on the application of the following fundamental principles:

- plan for emerging risks and avoid introducing risks from new chemicals or processes;
- identify and assess the existing human health and environmental risks of chemicals;
- manage these risks by implementing and maintaining effective practices, with a priority focus on substitution whenever technically feasible, without ever comprising the product's safety and other performance features;
- confirm the application and effectiveness of these management practices.

Risks that may arise from a chemical's reasonably foreseeable conditions of use are addressed across the life cycle of Michelin products, to the extent that such information is available in the Group. Objectives and action plans are prioritized to respond first to the most serious risks, based on the objectives, commitments, perceived stakeholder expectations and feasibility of medium-term initiatives. Depending on the risk, the prioritized order is approved by the Environmental Governance body or the Employee Health and Safety Governance body.

The policy is supported by a Health, Safety and Environment (HSE) chemical use approval process, which specifies the ground rules for each chemical's use and management based on its hazard class, including substances of very high concern (SVHC) on the REACH candidate list.

In addition, to guarantee that its products deliver superior endurance, grip and safety performance, Michelin has long vertically integrated the production of synthetic elastomers, fabric or metal reinforcements and certain other components.

(1) Excluding facilities operated by the former Camso.

4.3.5.2 Prioritizing actions and resources

A highly skilled, multi-disciplinary team is in place to actively monitor the latest chemicals-related regulatory and scientific developments. This supports a prioritization process that focuses diagnostics, strategic recommendations and the Group's R&D programs on the chemicals with the highest HSE risks.

This process prioritizing the highest risk chemicals and the mitigation of their risks is currently being formalized. It covers the chemical raw materials used to manufacture tires, as well as their impurities and/or their by-products generated during manufacture or use. In addition, in 2024, a study was undertaken to determine the need for digital tools to support the HSE risk prioritization and mitigation process, with the same scope of application. The necessary resources and timeframes are currently being determined.

As regards substances of concern or very high concern (SOC/SVHC), the Group does not currently have any targets for preventing and reducing their use. The continually changing state of knowledge concerning the toxicology and ecotoxicology of these substances makes it difficult to set absolute targets. The Group is stepping up its R&D commitment to identify and develop replacements wherever possible, in line with the European Commission's objectives. Note, however, that every new raw material used in tire manufacturing is subject to approval by the in-house teams, which guarantees that by default, it does not contain any substance listed in REACH annexes XIV and XVII or on the REACH candidate list.

4.3.6 A HOLISTIC UNDERSTANDING OF POLLUTION IN THE UPSTREAM VALUE CHAIN

4.3.6.1 Framework policies: Sustainable and responsible purchasing, Natural rubber and Pollution

In the Group's upstream value chain, the Group's responsible and sustainable Purchasing Policy, supported by the Supplier Code of Conduct, specifies a number of prerequisites and recommendations, covering such areas as the preservation of ecosystems, the reduction and management of waste and packaging, and the mandatory disclosure of REACH information and SVHC certificates. The natural rubber policy is more closely focused on the impact of fertilizer and pesticide use in rubber tree farming, with one of its five sections in particular addressing the judicious use of pesticides, chemical fertilizers and other chemicals. Neither of these documents target any pollutants or substances in particular, apart from SVHCs.

4.3.6.2 Initiatives and a target on pesticide use

Michelin has deployed the following resources to measure and mitigate the negative impacts of pollution:

- The RubberWay application[1], used to map risks in the natural rubber supply chain, includes questions concerning the use of pesticides and other chemicals, the management of chemical waste, and the odor-abatement treatment of gaseous effluent from natural rubber processing plants;
- projects undertaken in the natural rubber supply chain to develop the skills of village smallholders include environmental impact training with a focus on pesticides and waste;
- annual or biennial audits of natural rubber processing plants performed as part of quality system assessments address such environmental issues as odors, wastewater treatment and waste management. If the results fall short of compliance, a remedial action plan is requested;
- third-party assessments (usually desktop reviews) of the CSR maturity of the leading Tier 1 suppliers include questions on pollution. If the answers fall short of compliance, action plans are requested;
- on-site audits of raw material suppliers conducted as part of supplier quality system assessments include questions relating to environmental policies, regulations and waste management. If the answers fall short of compliance, remedial action plans are requested.

In 2024, the Group also prepared a biodiversity questionnaire for its main suppliers of raw materials other than natural rubber, whose pilot deployment will be launched in 2025. It includes a series of pollution-related questions to determine how well the issue is managed by the supplier.

(1) See section 4.9 Workers in the value chain (S2) for a presentation of the RubberWay application.

The Group is actively curtailing the use of pesticides in its natural rubber farming operations, with the goal of reducing pesticide use per hectare on plantations operated by the Michelin Group and its joint ventures by a milestone of 50% in 2025 and a target of 70% in 2030 (both versus 2019). The voluntary target has been set as part of the Group's commitments to Act4Nature International (see section 4.5 Biodiversity and ecosystems (E4)).

4.3.7 AIR AND WATER POLLUTION METRICS

4.3.7.1 Air pollution

E2-4 Air pollution (E2-4-28a1)

(1)	Non-methane volatile organic compounds (NMVOCs) emitted	3,825t
(2)	Nitrogen oxides (NO_x/NO_2) emitted	693t
(3)	Sulfur oxides (SO_x/SO_2) emitted	610t

The above tonnages correspond to the total plant emissions that exceed the applicable threshold values specified in Annex II of Regulation (EC) 166/2006.

(1) VOC data are compiled on the basis of calculated emissions for the synthetic elastomer production plants and actual solvent use for the tire production plants. They exclude R&D activities and the remilling operations that process raw latex or cup lumps into bales of natural rubber for the manufacturing industry. The compilation of tire production plant data is based on the assumption that VOC emissions are equal to solvent use, which is a generally unfavorable method for reporting VOC data. Data are not validated by a third party, but by a simple data verification process involving consistency testing at the local and corporate levels using the internal application.

(2) (3) SO_x and NO_x emissions data all relate to the Group's boiler plants, as defined by local regulations. The quantification method: data are taken from actual measurements, or based on emission factors recognized by local authorities, or derived from a mass balance calculation based on laboratory measurements or supplier data (SO_x from burning coal). To facilitate data reporting, plants that are not legally required to calculate or measure emissions use the emission factors in the Group's internal standards manual. Plants that do not have any measured or calculated data reported to local authorities used the following emission factors to calculate their emissions based on energy use:

Fuel	**Emission factor – NO_x**	**Emission factor – SO_x**
Natural gas	60g/GJ (45g/GJ if the burner is low-NO_x)	1g/GJ
Coal (grate firing)	160g/GJ	1,000g/GJ
Heavy fuel oil	170g/GJ	1,000g/GJ
Heating oil	100g/GJ	50g/GJ

In accordance with French regulations, including circulars of December 24, 1990 and circular 95-83; *Organisation et Méthodes des Inventaires Nationaux des Emissions Atmosphériques en France* (Ominea), 11th edition, 2014.

Performance assessment

The 46% year-on-year increase in NO_x emissions in 2024, at constant scope of reporting, was primarily due to a measurement error at the plant in Louisville, Kentucky in 2023, which caused emissions to be underestimated that year. This was not the case in 2024, when measurements were properly performed, resulting in the apparent increase. However, the increase also reflected the higher coal consumption at the plant in Olsztyn, Poland during the year.

The 9% year-on-year decline in SO_x emissions in 2024, at constant scope of reporting, was due to a significant reduction in the use of coal and heavy fuel oil at the plant in Pirot, Serbia, which offset the increase in coal consumption at the Olsztyn plant.

The 13% decrease in VOC emissions in 2024 was attributable to the reduction in VOC use over the year at four plants, an improvement in the VOC use ratio at the plants in the 2024 CSRD scope of reporting, and a decline in finished product output.

4.3.7.2 Water pollution

In 2024, a materiality assessment was undertaken to determine which substances listed in Annex II of Regulation (EU) no. 166/2006 are likely to generate emissions in excess of the indicated thresholds from the facilities in the tire production scope of operations. The assessment process comprised three steps:

- verification of the absence or presence of the substance in the raw materials used to manufacture a tire;
- if the substance is present, estimation of the quantity emitted annually by the production sites;
- determination of the substance's materiality, based on the results of steps 1 and 2, the Annex II thresholds and Michelin's expertise.

Seven substances were deemed material and included in a measurement plan deployed during the year by an independent laboratory in all the facilities in the tire production scope of operations.

		Operations concerned			
Substance	All facilities	Synthetic elastomers	Metal reinforcements	Assembly and curing	Rubber compound preparation
Total nitrogen	X				
Total phosphorus	X				
Chemical oxygen demand	X				
Zinc and zinc compounds			X	X	X
Copper and copper compounds					X
Lead and lead compounds			X		
Nickel and nickel compounds			X		

The materiality assessment will be pursued in 2025, to extend it to other business operations and to further analyze substances in the tire production business base whose materiality could not be assessed due to a lack of data. The consolidated emissions of these substances in 2024 was not disclosed this year, as the Group did not have enough data for a comprehensive assessment. The Group's international footprint means that implementing the plan in every host country is a complex process, although there is a possibility that the consolidated amounts may be disclosed in the 2025 Sustainability Statement.

4.3.7.3 Substances of concern (SOCs) and very high concern (SVHCs)

Substances of concern (SOC)

Michelin is initially focusing on measuring the amounts of SVHCs in its operations. To be able to disclose a sufficiently reliable SOC metric, a feasibility study is scheduled for early 2025 to help identify the digital and other tools needed to support an SOC reporting process. The Group believes that in 2025, it will be able to indicate when it will be able to disclose SOC amounts.

Substances of very high concern (SVHCs)

To comply with this disclosure requirement, and in line with related European regulations[1], a minimum SVHC content of 0.1% has been set as the threshold in assessing both purchased raw materials and products placed on the market. Bear in mind that the Group processes around three million tonnes of raw material every year.

Michelin does not produce any SVHCs, but an analysis of the raw material portfolio shows that some materials contain SVHCs in excess of 0.1%.

Potential emissions from the production plants are covered by the materiality assessment of the substances listed in Annex II of Regulation (EU) no. 166/2006. Unmounted tires placed on the market by Michelin contain no SVHCs in excess of 0.1%. The amount of disclosed SVHCs corresponds to the amount of SVHCs in these raw materials.

E2-5 Substances of very high concern

Total amount of substances of very high concern procured (E2-5-35)	2,047t

Historically, to guarantee superior product performance, Michelin has vertically integrated the production of elastomers, fabric or metal reinforcements and certain other components. The in-house production of these components accounts for most of the SVHC tonnages used. However, because they are consumed during the manufacturing process, none of these SVHCs are present in excess of 0.1% in any finished product.

SVHC content has been calculated based on the raw material safety data sheets and purchasing data for the tire operations (excluding Camso). Depending on the substance, purchasing data may be actual or estimated, with estimates covering less than 9% of the total tonnage. The Group will gradually integrate the former Camso operations and other currently excluded activities.

(1) In particular the following: CLP Regulation (EC) 1272/2008 on the classification, labeling and packaging of substances and mixtures; Regulation (EC) 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); and Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on establishing a framework to facilitate sustainable investments.

4.4 WATER AND MARINE RESOURCES (E3)

THREE QUESTIONS FOR GUILLAUME AYRIGNAC, VICE PRESIDENT, MANUFACTURING PERFORMANCE

“Fair, sustainable water use is an important challenge for our Group, to secure the long-term viability of our operations in water-stressed regions.”

What makes the 2050 objective of eliminating all impacts on water availability for local communities such a challenge?

This is indeed a major issue, because it’s about focusing on the natural water cycle to attenuate disruptions from our operations, and we know that only 1% of all freshwater on Earth is actually accessible to us.

That’s why, to ensure water availability, the major challenge is to translate our objective into precise water withdrawal and quality targets aligned with the watersheds where we operate.

For that, we absolutely need granular knowledge of hydrological conditions in the watershed and its ability to support withdrawals, use and discharges. To do so, we must:

- strengthen our expertise and work in concert with all the stakeholders in each local economic community and water basin to optimize, recycle and equitably share available water resources;
- develop nature-based and regenerative hydrology solutions, enabling us to become impact-neutral in the water basins where we operate;
- deepen our understanding of water availability issues in the value chain, including water-stress risks at our suppliers.

How can water-related risks impact Michelin’s production plants?

Water cycle disruptions feed through to alternating risks of droughts, high water and floods. And everywhere in the world, water supply is becoming a major issue that can restrict and sometimes shut down operations.

At Group level, an internal water price, multiplied by the local water-stress coefficient, is a key parameter in our capital spending decisions. This tends to encourage water-saving projects, particularly in the most at-risk regions. We have defined ambitious targets for reducing water withdrawals by our production and R&D sites. We are also deploying a solid, result-oriented roadmap on each site, to support judicious water consumption in the host community and meet the needs expressed by external stakeholders.

How is the Group progressing on its 2030 commitment to reduce water withdrawals by 33% compared with 2019, weighted for each site’s water-stress coefficient?

Group-wide, we’ve already cut water withdrawals by more than 15%, weighted for each site’s water stress coefficient, compared with our target of 33% (metric: water-stress coefficient multiplied by cubic meters of water withdrawn per tonne of semi-finished and finished product).

We remain highly confident in our ability to sustain this progress in the years ahead and to hit our target. To do so, we’re pursuing a robust, financially supported program, built around a team of experts to support the implementation of projects playing a critical role in meeting our objectives.

We’re also instilling best practices in close collaboration with outside partners, developing new solutions based on scholarly and bibliographical studies, and working with local associations and partners to train all our employees and raise their awareness, for example through conferences and local sensitivity campaigns.

The Group does not have a material impact on marine resources as it does not withdraw or use any seawater in its operations nor derive any of its raw materials from marine resources. For water pollution matters, see section 4.3 Pollution (E2).

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream: Upstream value chain; Downstream: Downstream value chain; OP: Own operations; Short-term; Medium-term; Long-term	
E3- WATER RESOURCES	
Water management	
Water consumption Upstream OP Medium-term **Negative impact**	Climate change and human water use are disrupting the water cycle and, in particular, may be contributing to the depletion of local water resources (e.g., the drying up of aquifers).

Introduction

Although the tire industry is not very water-intensive in relation to other industries like chemicals or agrifoods, it has long paid particular attention to water. Michelin is certainly well aware of the growing scarcity of this vital resource and is pursuing an ambitious strategy in response.

In general, the production plants use water primarily to convey heat and cooling, for example, to cure tires or to cool installations or products. Farther up the value chain, natural rubber plantations and other raw material production plants also use water in their operations. Since 2016, Michelin has responded to the CDP Water Security questionnaire to disclose its water withdrawals by source and by water-stress area (in line with GRI-303-3). The Group received a score of A- in 2024.

Since 2020, the annual valuation of the Group's environmental impacts has included the total cubic meters of water withdrawn, both used and discharged, underscoring the importance of this issue to the Group.

4.4.1 IDENTIFYING ISSUES USING A VARIETY OF LOCALIZED APPLICATIONS

In addition to the risk assessment procedure, the impact of Michelin's own operations on water resources has been identified by:

- applying the international Science-Based Targets for Nature (SBTN) guidance[(1)], whose first two steps were tested in 2021 and 2022 to identify the Group's biodiversity-related dependencies and material impacts (including water management), locate them geographically and define priority actions to address them;
- assessing water stress at every Group production site using the WRI Aqueduct (Baseline Water Stress) tool[(2)], the World Wildlife Fund (WWF) Water Risk Filter (water depletion[(3)]), and a local water resources risk assessment application. In this way, each site has been classified on a low/medium/high scale of water stress;
- using the proprietary Environmental and Risk Prevention Management System (SMEP) to assess environmental risks at every tire production plant, in compliance with ISO 14001 standards. The SMEP is updated at least once a year;
- identifying the production sites of raw material suppliers (except natural rubber) deemed most at risk for their water resources, by performing a dedicated review in 2022 using the Water Risk Filter and Aqueduct applications.

A SMEP process is also in place to identify the interests of each site's stakeholders. To take water awareness to the next level, in 2023, Michelin deployed Step 3 in the SBTN technical guidance (Setting Freshwater Quantity targets) at three pilot sites. The step includes mapping local-level stakeholders involved in water issues and consulting with the most impactful among them.

Ultimately, the goal is to ensure that any conflicts of interest concerning water resources are addressed at the watershed level. Such conflicts will then be analyzed to determine how water resources can be managed in harmony with nature and with local communities and other users.

(1) For more information, see https://sciencebasedtargetsnetwork.org/.
(2) See https://www.wri.org/aqueduct.
(3) See https://riskfilter.org/water/home.

4.4.2 TARGETED WATER RESOURCE POLICIES

4.4.2.1 The Group's Environmental Policy and water matters

Material water matters are addressed in the Group's Environmental Policy. In managing these matters, the Environmental Governance body is supported by the Water Committee, one of its five committees.

Underscoring the importance of these matters, the Environment Policy specifically affirms the 2050 water objective that Michelin aims to not have any impact on water availability in local communities. The policy is organized by life-cycle stage, with water-related impacts, risks and opportunities covered in two sections:

- a section on sustainable purchasing addresses matters related to raw materials and the upstream value chain;
- a section on production plants, research and development centers, offices and other operating sites.
  - This section attests to the Group's commitment to conducting its business sustainably, while protecting the environment on and around its sites by identifying environmental opportunities and risks, improving environmental performance and reducing impacts.
  - Each site's performance is managed through an environmental management system and tracked by a composite indicator that includes a water withdrawal metric.
  - The own operations section also specifies the Group's 2030 water impact target, i.e., a 33% reduction in water withdrawals versus 2019, weighted for each site's water-stress coefficient (metric: water-stress coefficient multiplied by cubic meters of water withdrawn per tonne of semi-finished and finished product).

Managing water consumption in our operations

Water consumption is managed by the Water Program, supported by a multi-disciplinary team of experts. Note that the Environmental Policy prohibits any newly built site from withdrawing water from non-renewable underground sources. For every site, the Environmental Policy is grounded in its prioritizing hierarchy of levers (Avoid – Reduce – Reuse – Recycle – Renew). Purpose-specific levers for reducing water withdrawals include:

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

While the Environmental Policy stipulates that water sufficiency is the priority pathway to a more sustainable sourcing of water, water treatment technologies are also needed to meet our objectives. Major water-saving projects undertaken in 2024 included the closure of once-through cooling circuits, the installation of adiabatic towers, the detection and replacement of damaged water pipes, and the installation of reverse osmosis systems to recycle wastewater.

During the product and service design phase, Michelin activates a number of levers to reduce each one's environmental impacts, including life cycle assessments (see section 4.1.5 Holistic management of the Group's impacts, risks and opportunities) and eco-design processes[1].

Because the metric used to track the Group's performance is based on a water-stress coefficient specific to each site, the priority focus is on the sites suffering from the most water stress.

4.4.2.2 Addressing water matters in the Physical Climate Risks Adaptation Policy

The 2024 Physical Climate Risks Adaptation Policy covers the risk of water stress and is applicable to all the fully consolidated subsidiaries (see section 4.2 Climate change (E1)).

(1) 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.

4.4.2.3 The growing problem of water in the value chain and the policies in place to address it

In addition to the policies governing the Group's own operations, the following policies address water-related risks in the upstream value chain, particularly natural rubber sourcing:

- the Sustainable Purchasing Policy, which addresses such water-related issues as complying with ruling environmental regulations, deploying an environmental management system, and safeguarding water resources and ecosystems;
- the Sustainable Natural Rubber Policy includes a section on environmental protection and, more specifically, the preservation of surface and groundwater. The policy calls for preventing water contamination from chemicals, treating wastewater from the first stage in rubber processing, maximizing water recycling in production processes and, when necessary, implementing plans to ease water intensity.

Through these policies, the Group is undertaking to assess the sustainability performance of its suppliers and reserves the right to reduce sourced volumes or curtail business relations with suppliers who refuse to respond or to implement the requested action plans.

4.4.3 AN ARRAY OF ACTIONS AND RESOURCES COMMITTED TO WATER RESOURCES

4.4.3.1 Tighter management in our own operations

4.4.3.1.1. Key initiatives

The Group's 2030 objective is to reduce water withdrawals, weighted for each site's water-stress coefficient, by 33% compared to 2019 (metric: water stress multiplied by cubic meters of water withdrawn per tonne of semi-finished and finished product).

To meet it, gains are being driven by initiatives reflecting a changing attitude to water resources and a greater awareness of conservation practices. They are backed by purpose-designed levers to reduce water withdrawals and optimize water recycling and/or reuse. At every site, Michelin expects to use less freshwater and more recycled water for cooling and heating, particularly in water-stressed regions and water-intensive communities.

To identify the most effective solutions for each site, the Group has developed a number of applications for the units in the tire production scope of operations:

- The Group Transformations Program[1]:
  - Water issues are an integral focus of the environmental transformation process, which is designed to deploy our actions more quickly. As part of this commitment, it was decided in 2024 to sharpen the competencies in this field and reinforce the teams of experts;
- the LEAN Water process:
  - Launched in 2022, the Lean Water process provides a methodological foundation for meeting the 2030 water milestones more effectively. Following the phases in the Define, Measure, Analyze, Implement and Control (DMAIC) continuous improvement 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.
  - The tools created in 2023 (basic best practices, metering handbook, mapping and sharing of equipment performance) were rolled out in all the tire production plants in 2024. Suggestions for improvement have been integrated into the process. Deployment has driven further progress in applying best practices and the quality of measures;
- The 2020-2030 Water Roadmap:
  - In 2020, a Group-level 2020-2030 Water Roadmap was defined based on the potential gains from each lever. Since 2021, the tire production sites have been preparing their own 2030 water roadmaps, using the Group levers, shared best practices and site-specific diagnostics or workshops.
  - Site water roadmaps are consolidated to ensure alignment with the Group Roadmap. In 2024, a prioritization matrix was charted for water projects costing more than €1 million, with the amount of water stress as one of the key criteria;

(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. They engage every internal stakeholder and support the management of sustainability matters by the Group's governance mechanisms.

- the Group Water Program:
  - Led by the Water Expert Team (WET) of 20 water stakeholders and experts, the Group Water Program is identifying levers to reduce water withdrawals, possible synergies with energy-related initiatives, and organize the deployment of the identified levers and practices.
  - The Program, which is supported by the LEAN Water tools and methods, helps to track and update the Roadmap;
- The water recycling and reuse study:
  - In 2023 and 2024, a study was conducted to identify the most effective water recycling and reuse technologies for four main types of activities involved in tire production.
  - It analyzed and categorized water flows with similar characteristics to find cases where effluent could be collectively and judiciously treated and recycled for reuse, and then defined the appropriate technologies. The findings are now being reviewed.

Water consumption by the non-tire industrial operations is now consolidated at Group level. These sites, which account for less than 3% of the Group's total consumption, will define their own water impact reduction roadmaps.

4.4.3.1.2. Examples of significant projects

The following examples illustrate how levers were activated in 2024 to support the Group's commitment to reducing water withdrawals.

- **Resende, Brazil:** improving flow control systems to optimize management of water volumes passing through the metal cord baths, saving 27,500 cubic meters of water a year, or 7% of the plant's annual water withdrawals;
- **Mexico City, Mexico:** installing a hybrid finned heat exchanger system to upgrade the existing cooling tower. When completed in 2025, the project is expected to save 78,000 cubic meters of water a year, or around 30% of the plant's current annual withdrawals (installation in progress);
- **Fort Wayne, United States:** installing a reverse osmosis system to improve the quality of water used to top up cooling baths and cooling towers. The expected savings in 2025 stand at 49,000 cubic meters of water a year, or around 16% of the plant's annual withdrawals;
- **Shanghai, China:** abating Class I pollutants by recycling wastewater with normal-temperature rinsing. The system, comprising multi-stage filtration, vacuum evaporation and a crystal sludge filter press, reduces rinse water use by 95.2%. Around 3,000 cubic meters of water have been recovered since the system came on line in June 2024, corresponding to around 10% of the plant's annual withdrawals;
- **Montceau-les-Mines, France:** recovering and treating wastewater effluent for reuse in boilers, saving 70,000 cubic meters of water a year, or 43% of the plant's annual water withdrawals. The improvements should start to appear in 2025.

In 2024, several other projects were carried out in Europe to close open cooling circuits, resulting in the following savings:

- **Cuneo, Italy:** 877,000 cubic meters of water a year, or 26% of the plant's annual withdrawals;
- **Troyes, France:** 52,000 cubic meters of water a year, or 13% of the plant's annual withdrawals;
- **Olsztyn, Poland:** 60,000 cubic meters of water a year, or 3% of the plant's annual withdrawals.

4.4.3.1.3. Resources

In 2024, Water Program projects required the commitment of capital spending, while the capital expenditure plan for the next five years has budgeted funds for other projects to continue deploying the Group's strategy in this area. These include actions to reduce, reuse and recycle water resources, especially in areas exposed to water risks.

High water-stress sites are particularly addressed in the Water program and the Roadmap through two mechanisms:

- weighting water withdrawals by a site's water-stress coefficient. In this way, one cubic meter of water withdrawn from a high water-stress site impacts the metric as if the site had withdrawn 1.5 cubic meters;
- applying an internal water price of €5 per cubic meter, to support water-saving projects. The price is multiplied by the project site's water-stress coefficient, to give priority to capital investments in high water-stress areas.

Michelin encourages its stakeholders – universities, research institutes and NGOs – to collaborate with other users of its water basins in practicing sustainable water management. The Group is helping to develop tools (i) to identify the main pressures exerted by business activities on biodiversity, including pressures on water resources (quantitative and qualitative impacts and dependencies across its value chain), and (ii) to share its experience with other companies. In particular, Michelin consulted the World Wildlife Fund (WWF) during the pilot SBTN Step 3 study conducted on three of its host watersheds in the United States, Romania and Thailand.

4.4.3.2 Increasing attention to water matters in the upstream value chain

The following initiatives have been deployed to mitigate water risks in the upstream value chain:

- **identifying the production sites of raw material suppliers** (except natural rubber) deemed most at water-related risk during a dedicated review performed in 2022 using the Water Risk Filter and Aqueduct applications.
  - The findings were updated in 2024 as part of the mapping of sites at physical climate risk (water stress, flooding, water levels), which includes both our own operations and the main production plants of our raw material suppliers. Projects to approve new raw material suppliers or new raw material supplier sites include an assessment of the above-mentioned physical climate risks during the opportunity phase;
- **mapping risks in the natural rubber supply chain** with RubberWay to identify the highest-risk areas among the raw rubber processing plants, brokers, large plantations and village smallholders, and to share the findings with suppliers so that they can undertake remedial action and deploy improvement plans. The application includes water-related questions, which go into greater depth for the processing plants (see sections 4.5 Biodiversity and ecosystems (E4) and 4.9 Workers in the value chain (S2));
- **assessing the CSR maturity of the leading Tier 1 suppliers. These audits, which are generally desktop reviews, are conducted by a third-party,** Ecovadis, and suppliers are expected to earn a minimum overall compliance score. The audits also address water-related issues. If supplier answers fall short of compliance, action plans are requested. These assessments apply to all types of inputs and are prioritized according to the sourcing country's level of risk and the category and value of the purchases.
- On-site audits of raw material suppliers conducted as part of supplier quality system assessments include questions relating to environmental policies, regulations and the use of water consumption and other metrics.
- Annual or biennial audits of natural rubber processing plants performed as part of quality system assessments address environmental issues, with a particular focus on water treatment. If the findings fall short of compliance, remedial action plans are requested.
- In addition, in 2024, the Group prepared a biodiversity questionnaire for its main suppliers of raw materials other than natural rubber. Scheduled for pilot-launch in 2025, the questionnaire includes a series of water-related queries that will help to gauge the assessed supplier's water maturity. Selected suppliers will also be interviewed to explore these issues in greater depth. By 2030, 80% of suppliers will be covered by the biodiversity questionnaire.

Resources primarily concern the time spent by purchasing teams, Group CSR experts and on-site auditors, as well as the costs associated with CSR assessment platforms. Note that the initiatives cut across several CSR issues and are not specific to water resources.

4.4.4 WATER METRICS AND TARGETS

4.4.4.1 Water resource targets

Michelin has defined a target for reducing water withdrawals in all its production sites. It is based on withdrawals because the tire industry is not a particularly heavy user of water compared to other industries.

The Group's 2030 target is to reduce withdrawals, weighted for each site's water-stress coefficient, by 33% compared to 2019 (metric: water stress multiplied by cubic meters of water per tonne of semi-finished and finished product). It is aligned with the Group's commitment to having "zero impact on water availability for local communities" by 2050, as affirmed in the Group's Environmental Policy.

The target, which exceeds prevailing local standards, is part of an assertive initiative, with the plants enjoined to comply, at the very least, with the requirements of their operating permits.

The target has been set internally, as an initial milestone towards the Group's 2050 objective. For the time being, there are no plans to change targets or metrics between now and 2030. The Group's annual reductions in water withdrawals indicate that it is on track to reach this milestone.

4.4.4.2 Water-related targets in the upstream value chain

Water consumption targets have not yet been set for the upstream value chain. The Group must first review the findings of the assessments of the suppliers of raw materials other than natural rubber and the data in the RubberWay application (see section 4.4.3.2 above).

4.4.4.3 Water consumption metric (own operations)

	Water consumption	2024	
	Total water consumption (E3-4-28a)	7,036,605	cu.m
(1)	Amount of water withdrawn	22,468,460	cu.m
	Amount of water discharged	15,431,855	cu.m
(2)	Water consumption in high water-stress areas (E3-4-28b)	419,666	cu.m
(3)	Water intensity based on net revenue (E3-4-29)	259	cu.m/€m

(1) ***Total water consumption, in cubic meters***

Water consumption corresponds to the estimated proportion of withdrawn water that is not discharged.

Volumes withdrawn are determined on the basis of invoices or meters whose reliability has been verified. In the case of discharges, however, some sites are not yet able to provide reliable data, either because they are not metered or invoiced, or else because they do not have a separate network for rainwater runoff, which is therefore reported as discharge. The Measures step in the LEAN process calls for the ongoing installation of meters in 2025 and the definition of estimation methods. These resources will be gradually deployed on-site, thereby improving data reliability by 2026 and 2027.

To calculate the metric, a Group consumption rate was estimated based on the average consumption rate of 31 plants that (i) are capable of measuring use and (ii) do not discharge more water than they withdraw. These 31 sites account for 59% of withdrawn water volumes in the scope of reporting.

The average rate was then applied to the total volume of water withdrawn across the scope of reporting.

(2) ***Total water consumption in water-stressed areas, in cubic meters:***

Water consumption in water-stressed areas is calculated by applying the estimated Group consumption rate to the total volumes withdrawn by sites located in water-stressed areas assessed as high by Michelin.

Each site's water stress is determined on the basis of:

- recognized external tools, such as Aqueduct (Baseline Water Stress) from the World Resources Institute (WRI) and the Water Risk Filter from the World Wildlife Fund (WWF);
- on-site knowledge of local water resources and availability-related risks.

(3) ***Water intensity***

- Water intensity corresponds to total water consumption in cubic meters per million euros of sales.

The scope of these metrics covers all the production sites of the companies included in the 2024 Sustainability Statement.

Concerning total water stored and changes in storage, Michelin's operations do not require any pumping of water during high-water periods for storage and later use during low-water periods. As a result, this metric is not material for Michelin.

With regard to recycled and reused water, the metric and its materiality will be reviewed in coming years, based on an analysis of all our activities and the ability to deploy sufficiently reliable measurement systems.

Water withdrawal performance

Tire production plants (i-MEP including the former Camso operations):

- despite the contraction in production volumes over the year, the ratio of water stress multiplied by cubic meters of water withdrawn per tonne of semi-finished and finished product decreased by 3.3% in 2024, in line with the Group's 2030 target of reducing water withdrawals per tonne of semi-finished and finished product by 33% compared with 2019, weighted for each site's water stress coefficient;
- water withdrawals fell by a significant 7.3%, half of which was due to the decline in output and the other half to project-driven gains, the deployment of best practices, and the hiring of water experts in the production plants.

Withdrawals also decreased in the Polymer Composite Solutions business, led by the highest use site, which is equipped with open-loop systems. It reduced its withdrawals by 30% over the year, as a result of the 18% decline in output and more efficient withdrawals from the local river.

4.5 BIODIVERSITY AND ECOSYSTEMS (E4)

THREE QUESTIONS FOR ANTOINE SAUTENET, CHIEF SUSTAINABILITY OFFICER

"An analysis of our dependencies and impacts on nature leads us to prioritize our initiatives in the natural rubber value chain. "

How does Michelin come to grips with an issue as complex as biodiversity and what are the Group's commitments in this area?

Biodiversity is indeed an issue that is hard for companies, especially manufacturers, to get a handle on. There are two main reasons for this. One is that determining a company's biodiversity footprint requires an understanding of local impacts, without any standardized metrics, such the tonnes of CO_2 used for climate-related matters. The other is that a company's dependencies on nature have to be assessed on several levels, in the upstream value chain (e.g., raw materials supply) but also indirectly (e.g., dependence on one or more watersheds to supply water to a production plant).

With this in mind, in 2018, Michelin formally expressed its commitment to biodiversity by joining the Act4nature international initiative[1], with the goal of easing the pressures from its operations across the value chain. Based on an assessment of Michelin's dependencies and impacts, these commitments were renewed in 2024, in three main areas:

- **raw materials.** The Group is committed to having all the natural rubber it uses assessed as deforestation-free in 2030. For the other raw materials, the Group is going to review its suppliers' biodiversity preservation policies;
- **research and development.** In 2030, life cycle assessments, using biodiversity criteria from the most mature LCA methods, will be performed for every new product or service brought to market.
- **production and research sites.** The Group is committed to limiting the environmental footprint of every site and to preserving the animal and plant life on and around their sites. This has been expressed in two major 2030 targets for all the sites: to eliminate the use of pesticides and herbicides in groundskeeping and to implement a biodiversity management plan.

Michelin is also one of the early adopters of the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), to align itself with the targets defined by the Kunming-Montreal Global Biodiversity Framework at the COP15 and to enhance its transparency in disclosing the impact of its operations on nature. In this way, Michelin hopes to make a difference as an engaged stakeholder striving to exert its influence with companies, public authorities and local communities at the global, regional and national levels.

What is the Group's policy on sustainable natural rubber, one of Michelin's core biodiversity commitments?

Michelin's business is fundamentally dependent on biodiversity and ecosystem services, particularly the ones that support the production of natural rubber – a sustainable, renewable resource that accounts for around 21% of the raw materials used by the Group.

As one of the world's leading purchasers of natural rubber, Michelin is well aware that growing global demand can lead to bad practices. That's why it has long been engaged in supporting an equitable, eco-responsible, ultimately deforestation-free supply chain. Our Sustainable Natural Rubber Policy issued in 2015, and updated in 2021, addresses both social and environmental matters, with a particular focus on improving farming practices and safeguarding forests.

Here too, Michelin is engaged and exerting its influence, in particular through its leadership role in the Global Platform for Sustainable Natural Rubber (GPSNR) and its strategic partnership with WWF to protect biodiversity.

What are some of Michelin's impactful initiatives to support biodiversity?

The example of the Group's rubber plantation in Indonesia, operated by Royal Lestari Utama (RLU), offers a compelling illustration of our positive, results-oriented approach to biodiversity. The plantation comprises 88,000 hectares of concessions on Sumatra and Borneo in regions that had been severely degraded and deforested prior to Michelin's involvement in 2015. Its operations offers a compelling demonstration of our vision, with the development of sustainable natural rubber production. At the same time, the Group has undertaken to preserve and restore a further 15,000 hectares over the next 20 years, backed by a dedicated budget.

(1) See the initiative's website, at https://www.act4nature.com/.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain; Downstream value chain; OP Own operations; Short-term; Medium-term; Long-term	
E4 – BIODIVERSITY AND ECOSYSTEMS	
Ecosystems and biodiversity	
Actual and potential deforestation from the expansion of rubber tree farms, the production of bio-based materials and the extraction of other materials Upstream; Medium-term — **Negative impact**	Converting land to rubber tree farming, in response to the growing demand for natural rubber, can potentially lead to deforestation. The Group's natural rubber purchases represent around 7% of world demand.
Contributing to the loss of habitat and land degradation, soil erosion and biodiversity loss Upstream; OP; Medium-term — **Negative impact**	Single-crop natural rubber farming and the production of other biosourced raw materials could harm habitats and contribute to biodiversity loss. The use of process water, the discharge of wastewater and the mismanagement of end-of-life tires could worsen soil degradation and negatively impact the biosphere.
Contributing to eutrophication through the use of fertilizers in rubber tree farming Upstream; OP; Medium-term — **Negative impact**	Eutrophication occurs when nutrients accumulate in a soil or aquatic environment or habitat. Among the leading causes is runoff from nitrogen fertilizers used in the cultivation of rubber trees and other crops.

Introduction

The double materiality assessment identified rubber tree farming as the source of the main factors shaping Michelin's impact on biodiversity and ecosystems. Grown primarily by our suppliers, rubber trees underpin the production of natural rubber, a critical raw material used in the manufacture of tires. Natural rubber accounts for around 21% of the raw materials used by the Group and is not currently replaceable in industrial quantities.

The majority of the Group's natural rubber inputs are sourced from village smallholders in the tropical regions of Asia (Thailand, Indonesia and Sri Lanka), West Africa (Côte d'Ivoire, Ghana and Liberia) and South America (Brazil). Michelin also directly operates two rubber plantations, in Brazil and Indonesia.

This section focuses exclusively on the identified impacts and risks of rubber tree farming, including deforestation, eutrophication and habitat degradation. The other impact factors that can degrade natural habitats, such as water consumption in high water-stress areas and water pollution from Michelin production operations, the emission of tire and road wear particles (TRWP) during the tire use phase and the mismanagement of end-of-life tires, are addressed in sections 4.3 Pollution (E2), 4.4 Water and marine resources (E3) and 4.6 Resource use and circular economy (E5) of this document.

4.5.1 STRATEGY: ADDRESSING BIODIVERSITY IN THE TRANSITION PLAN AND THE BUSINESS MODEL

Michelin is well aware of its dependency on ecosystem services and the need to preserve natural resources and restore biodiversity in order to conduct its business sustainably. As such, it has been engaged with the Act4nature international initiative since 2018, in a commitment to easing the pressure on biodiversity from its operations across the value chain by setting 2030 targets for research and development, natural rubber and other raw material sourcing, and its production and research sites.

The Group's biodiversity strategy, policies, vision, commitments, roadmaps, targets and metrics are all defined and managed by the Biodiversity Sector Committee as part of the Group's Environmental Governance body[1]. The assessment of the resilience of the Group's strategy and business model and its findings are presented in section 4.2.6 Resilience of the strategy for climate change mitigation, above. While certain biodiversity aspects were addressed in 2021 (integrating biodiversity protection into climate change scenarios and the natural rubber value chain) and 2024 (integrating resource preservation issues into stress tests), a holistic assessment of the biodiversity-related resilience of the business model and strategy will be performed in 2025.

(1) See section 4.1.2 Governance of sustainability matters, above.

Although most natural rubber is sourced from suppliers, Michelin directly owns two rubber plantations in Brazil and Indonesia.

Activity E4-1-16a i.	Site E4-1-16a	Sensitive areas E4-1-16a iii.	Impacts E4-1-16a ii.	Dependencies E4-1-16a ii.	Negative impacts E4-1-16b E4-1-16c
Rubber tree farming	Plantações Michelin da Bahia, Brazil.	Atlantic Forest/ Michelin Ecological Reserve, Brazil.	▪ Land-use change. ▪ Natural habitat degradation. ▪ Eutrophication.	▪ Soil quality. ▪ Freshwater supply. ▪ Pollination.	b) Land-use change and habitat degradation due to farming. c) Threatened species (IUCN Red List) identified in the activity area.
	Lestari Asri Jaya and Wanamukti Wisesa, Jambi, Indonesia.	Bukit Tigapuluh National Park.			
	Multi Kusuma Cemerlang, East Kalimantan, Indonesia.	Bukit Panjang - Bukit Siguntang. Kutai National Park.			

Excluding the natural rubber plantations, the impact of Group sites on ecosystems has not been identified as material. However, the Group is mindful of the biodiversity sensitivity of its production and research sites which, since 2013, have inventoried their surrounding areas classified as protected under supranational, national or local legislation. These inventories are updated every five years. The latest, performed in 2023, shows that a number of production or research sites are located in or close to one or more protected areas.

Each site's environmental risk assessment, performed using the process defined in the SMEP Environmental and Risk Prevention Management System[1], 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).

For sites located in or near biodiversity-sensitive areas, potential biodiversity risks are rated higher and the most likely are covered by mitigation action plans. Each new project on a site is also subject to an environmental risk assessment, whose findings are factored into the site's overall environmental risk assessment during its regular update in compliance with the ISO 14001 standard.

These assessments are part of the following processes:

- Michelin's engagement with the Act4nature international initiative;
- ISO 14001 certification of the production sites and the continuous upgrades in Group standards, aimed at ensuring the proper application of the Group's environmental policy.

4.5.2 IDENTIFYING BIODIVERSITY AND ECOSYSTEM ISSUES: THE CRITICAL ROLE OF NATURAL RUBBER

To identify the material impacts, risks and dependencies of its operations, Michelin has carried out the first two steps in the Science-Based Targets for Nature (SBTN) guidance: 1. Assess and 2. Interpret & Prioritize. The criteria used were frequency, time interval and impact severity or degree of dependency. The assessment reflected conditions in local ecosystems, e.g., the amount of forest conversion in Michelin's primary natural rubber sourcing countries or water stress levels in its production plants' host communities. Tools such as ENCORE, Altitude Axa-Climate and the WWF Biodiversity Risk Filter, as well as life cycle assessments and IUCN databases were used to carry out the following steps:

- Geographically locating operations, both own and in the value chain, that interface with nature, along with the biodiversity-sensitive areas they impact. In addition to the above-mentioned tools, this step uses the inventories carried out by the sites since 2013 of areas located within a five-kilometer radius that are classified as protected under supranational, national or local legislation;
- Identifying and assessing dependencies and impacts using the above-mentioned methodologies.

(1) See section 4.1.5 Holistic management of the Group's impacts, risks and opportunities, above.

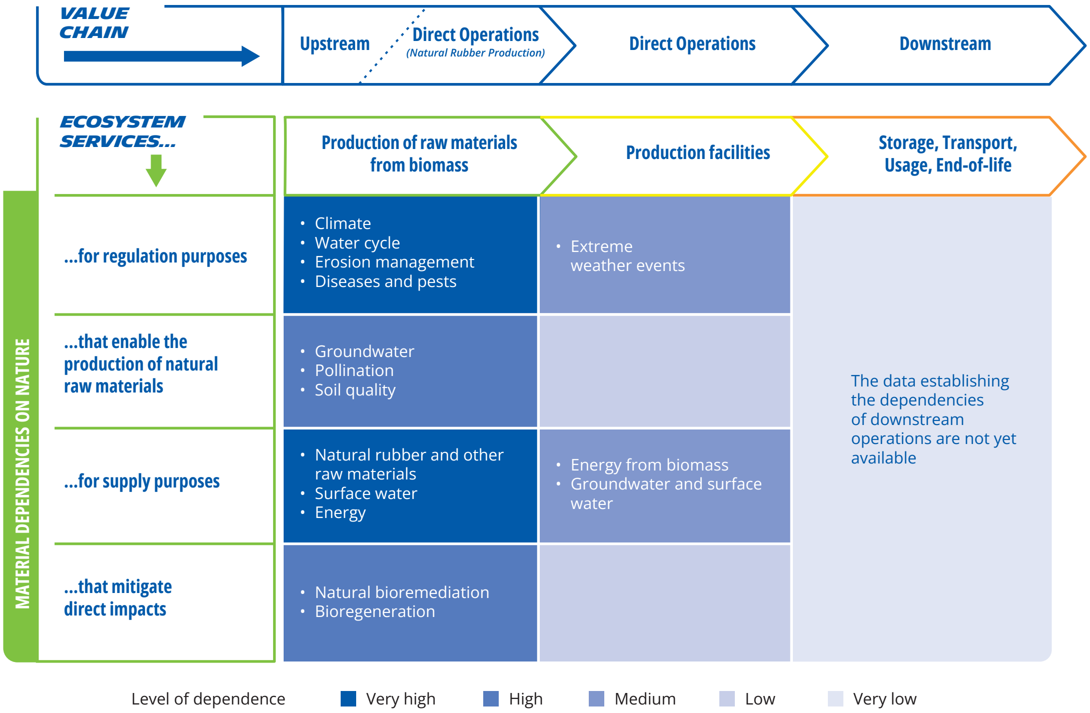
The current and potential impacts of Michelin's operations on biodiversity are presented in the following chart:

VALUE CHAIN		EXAMPLES OF ACTIVITIES THAT CAN HAVE SUCH AN IMPACT		
		Upstream / Direct Operations *(Natural Rubber Production)*	Direct Operations	Downstream
Pressions (according to IPBES)	**Current and potential impacts**	**Natural rubber and other raw material production**	**Industrial plants**	**Logistics warehouses, distribution, transport, produce use and end-of-life**
Land use change	• Deforestation • Biodiversity loss • Habitat loss	• Unsustainable rubber farming • From mining other raw material production	• Artificialization and sealing of soils • Fragmentation of natural areas • Biomass energy use	• Artificialization and sealing of soils • Fragmentation of natural areas
Resources overexploitation (Water use)	• Depletion of water resources	• Water consumption in natural rubber transformation sites • Nursery irrigation	• Water withdrawal and consumption for manufacturing	
Climate Change (CO_2 emissions)	• Increased concentration of CO_2 in the atmosphere	• Fossil raw material production, transformation and transport • Biomass raw material production and transport	• Fossil energy use	• Vehicle fuel consumption induced by tires • Product transport
Air, water and soil pollution	• Increased concentration of atmospheric pollutants • Water and soil pollution • Eutrophication	• Use of pesticides, fertilizers and other chemical products to produce natural rubber • Use of chemicals • Wastewater discharges from natural rubber processing sites	• Use of chemicals • Atmospheric emissions • Wastewater discharges • Waste generated	• Landfilling and poor management of end-of-life tires • Release of tire and road particles due to abrasion from contact with the road
Invasive species	• Biodiversity loss • Habitats loss	• Introduction of invasive species		• Transport

Impact Materiality: Very high · High · Medium-high · Medium-low · Low

Source: Internal analyses and SBTN Steps 1&2 tests results.

The dependencies of Michelin's operations on ecosystem services are presented in the following chart:



The above chart is not exhaustive. Weak dependencies are not included.

To fulfill the Group's commitment to the Task Force on Nature-related Financial Disclosures (TNFD), a project is underway to use and expand on the related LEAP-based assessments to improve the action prioritization and resource allocation processes.

The double materiality of biodiversity and ecosystem-related impacts, risks and opportunities has been identified and assessed by applying the criteria of probability, irremediability and scale, according to the process described above (see section 4.1.4 Double materiality assessment, above).

Material negative impacts and physical risks identified in the Group's upstream value chain and rubber tree farming operations:

- **actual and potential deforestation from the expansion of rubber plantations and the production of biosourced materials and the extraction of other materials**: Land-use change to create new cropland is one of the main drivers of deforestation in rubber-producing countries, such as Indonesia, China, Thailand, Brazil and certain West African countries.

  Most natural rubber farms have expanded in or around tropical forests, which are biodiversity-rich ecosystems.

  Deforestation can degrade natural habitats, cause biodiversity loss and disrupt essential ecosystems, such as water cycles, disease regulation and soil carbon sequestration. These impacts directly affect neighboring communities, which depend on such ecosystems for their social and economic stability.

  The extraction of mining raw materials is also a contributing factor in deforestation;
- **contributing to the loss of habitat and land degradation, soil erosion and biodiversity loss**: rubber trees are primarily single-cropped, a practice that tends to homogenize the environment, which causes biodiversity loss and increases the risk of disease outbreaks, in turn leading to the greater use of pesticides;
- **contributing to eutrophication through the use of fertilizers in rubber tree farming and the production of other biomass-derived materials**: fertilizer use is one of the main causes of eutrophication in soil and aquatic ecosystems. Although rubber trees can grow on impoverished soils, fertilizers may be used, in particular during a plantation's initial development phase, to promote tree growth and optimize plot yield.

Transition risks:

The assessment concluded that none of the below-mentioned transition risks are material for the Group.

The double materiality assessment addressed the transition risks related to:

- the future introduction of regulations (i) limiting access to or increasing the price of raw materials with negative ecosystem and biodiversity impacts and/or seeking to protect and restore ecosystems and biodiversity; (ii) limiting soil sealing; or (iii) requiring full traceability and/or certification models for natural raw materials;
- litigation and/or fines in the event of negative impacts on biodiversity;
- stigmatization of the tire industry or reputational damage to the Group due to its inability to meet stakeholders' biodiversity-related expectations (e.g., zero deforestation).

Systemic risk reviewed:

The destruction or degradation of tropical forests causes a loss of local biodiversity, thereby weakening ecosystems and making them less resilient. Deforestation also degrades ecosystem services, such as carbon sequestration and the water cycle, which aggravates global warming and locally alters the conditions required for growing food crops and farm commodities. Rubber tree farming could therefore be impacted by these systemic changes, with the emergence of new diseases or pests that could sharply reduce yields. In turn, this could reduce village smallholder income, worsening the living and economic conditions in the local communities. Declining output could also give rise to tensions between natural rubber supply and demand, which could drive up prices.

Outreach to communities impacted by natural rubber production:

Agricultural operations on the Group's natural rubber production sites could affect its host communities by adversely impacting wildlife, plant life and surface and groundwater resources. In response, Michelin is committed to proactively reaching out and consulting with its stakeholders and the leading civil society organizations involved in these issues. The Group also regularly partners with local NGOs, researchers, academics and government agencies to assess and mitigate the impact of its operations on the environment and affected communities.

In place since 2021, an easily accessible grievance mechanism[1] compliant with United Nations Development Program criteria and OECD guidelines enables stakeholders and affected communities to express their grievances independently.

Furthermore, a Sustainable Natural Rubber Stakeholders Committee, in place since 2015, is providing a forum for constructive, open dialogue with civil society organizations and other value chain stakeholders from various backgrounds. It also keeps the Group attuned to the needs and expectations of society, while opening up new growth prospects. Formal meetings are held around every two years, with videoconferences organized as needed to address specific issues. The last formal meeting was held in 2022, but a special meeting was organized in May 2024 to discuss the implementation of the European Union Deforestation-free Regulation (EUDR).

To avoid the negative impacts of deforestation on essential ecosystem services to local communities, Michelin has since 2015 pursued a "zero deforestation" commitment in its own natural rubber production operations and its natural rubber sourcing. In addition, the Group has deployed traceability systems and controls to ensure that its purchased natural rubber volumes come from deforestation-free areas.

To avoid or attenuate the impacts on animal and plant life, wetlands and watercourses, the Group has undertaken a variety of preservation and restoration actions in its rubber tree farming operations in Brazil and Indonesia, including the deployment of forest rangers, active restoration programs in degraded areas and the creation of riparian buffers. In addition, a roadmap to curtail pesticide use by 2030 has been deployed in both the Group's direct operations and in its joint ventures.

(1) See the dedicated website, https://purchasing.michelin.com/en/natural-rubber-sustianbility-grievances/

4.5.3 CORE BIODIVERSITY AND ECOSYSTEM POLICIES

To manage the environmental impact of its operations across the value chain, Michelin applies the general framework defined in the Group Environmental Policy[1].

The specific issues raised by the farming, harvesting and processing of natural rubber, including deforestation and habitat degradation, are addressed by the Sustainable Natural Rubber Policy, which applies to both the Group's own operations and its natural rubber suppliers.

In addition, the Sustainable Purchasing Policy is designed to attenuate the environmental impact of suppliers in general, including suppliers of other raw materials.

4.5.3.1 The Group Environmental Policy and biodiversity and ecosystems

The Group Environmental Policy is aimed at managing pollution risks and drawing down the Group's environmental footprint to impact-neutrality, including in biodiversity matters (at each stage in the life cycle).

4.5.3.2 Biodiversity, a key component of the Sustainable Natural Rubber Policy

The Sustainable Natural Rubber Policy that 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. 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.

The Policy covers the Group's direct rubber tree farming operations, including farms in or near biodiversity-sensitive areas. It is also appended to every Group natural rubber purchasing contract, and suppliers are encouraged to cascade it down their respective supply chains and publicly disclose the resulting impacts and improvements.

It is supported by a roadmap to 2025[2] that describes the actions and objectives guiding its implementation. The Group Purchasing Department is responsible for ensuring the Policy's application, assessing suppliers and approving any action plans.

The Policy complies with the framework defined by the Global Platform for Sustainable Natural Rubber (GPSNR) and approved by its members in 2020.

Through the Policy, the Group is committed to encouraging compliance, in its sites and by its joint ventures, suppliers and their subcontractors, with the main principles set out in the ruling international reference documents[3].

Drafted with input from environmental and human rights NGOs and other stakeholders, it is now a contractual reference document for Group suppliers. It is appended to every Michelin natural rubber supply contract and is available for download from the Group website[2].

To manage the potential impact of rubber tree farming and natural rubber processing on biodiversity and natural ecosystems, the Policy includes a zero-deforestation commitment[4], whereby Group sites, joint ventures and suppliers agree to (i) ensure compliance with national forest protection laws; (ii) protect and preserve primary forests, high conservation value (HCV) areas[5] and high carbon stock (HCS) areas[6]; and (iii) ensure that natural ecosystems are not converted to farming.

In identifying these areas using participatory mapping and defining suitable management methods, the concerned local and indigenous communities, national civil society organizations and international stakeholders are to be consulted to ensure that economic, social and environmental needs are addressed and that the proposed farming practices are socially and environmentally acceptable.

(1) See section 4.1.5 Holistic management of the Group's impacts, risks and opportunities, above.
(2) See https://natural-rubber.michelin.com/fr/committments-and-transparency/overall-approach.
(3) Principles of the Convention on Biological Diversity (CBD, 1992); Convention on International Trade in Endangered Species of Wild Fauna and Flora (1979); New York Declaration on Forests of the United Nations (2014); WHO Recommended Classification of Pesticides by Hazard; International Code of Conduct on Pesticide Management (FAO); Annex III of the Stockholm Convention on Persistent Organic Pollutants (POPS); Annex III of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; the Montreal Protocol on Substances that Deplete the Ozone Layer; and the other documents listed in Appendix 2 of the Policy.
(4) See section 4.3.6.2 Initiatives and a target on pesticide use, above.
(5) As defined by the HCV Resource Network (HCVRN) https://www.hcvnetwork.org/.
(6) As defined by the HCS Approach Steering Group http://highcarbonstock.org/.

It also mandates practices to (i) preserve surface and groundwater resources and create environmental buffer zones around bodies of water; (ii) make judicious use of pesticides and fertilizers; (iii) responsibly manage waste; and (iv) avoid the introduction of potentially invasive alien species.

In applying the Policy, Michelin is committed to:

- protecting plant and animal life, including rare, threatened, endangered and critically endangered species; restoring or supporting the restoration of landscapes previously deforested and degraded by rubber tree farming; and preserving biodiversity by raising the awareness of local communities and stakeholders;
- implementing, sharing and supporting sustainable farming practices, through capacity-building programs for village smallholders that improve working conditions, reduce production costs, diversify livelihoods and increase yields per hectare without adding more cropland. This helps to reduce the risk of deforestation by easing land pressure on forest areas and cropland, while attenuating the land-use impacts of natural rubber production.

As part of the Group's duty of care, the Policy supports the development natural rubber traceability at every level of the upstream supply chain: from village smallholders and brokers to large estates and processing plants, and at an appropriate jurisdictional level(1). In this way, the geographical origin of the purchased materials can be identified, the related social and environmental risks (deforestation, use of pesticides, degradation of biodiversity, etc.) determined and any necessary mitigation measures implemented.

Progress on the metrics measuring biodiversity conditions in the directly owned operations, such as the contribution to the conservation of environmentally, biologically and culturally important areas and the reduction in pesticide use, is regularly tracked and disclosed annually in the results report of the Sustainable Natural Rubber Roadmap 2020-2025, downloadable from the Michelin Purchasing website(2). Michelin also discloses its progress through its annual report to the Global Platform for Sustainable Natural Rubber(3) and its replies to the CDP Forest and SPOTT questionnaires(4).

To avoid any adverse social or economic impacts on local or indigenous communities dependent on natural resources or forests, the Policy asserts the Group's commitment that it will not engage in any land grabbing or contribute directly or indirectly to actions that could lead to the illegitimate appropriation of land, forests or natural resources, to the detriment of local or indigenous communities. Michelin has also undertaken to address grievances expressed by the impacted communities through a readily accessible grievance mechanism and to remedy any adverse outcomes caused by its natural rubber production or supply operations.

Given the issue's lack of materiality, the Group has not defined a policy concerning the preservation of oceans and seas.

4.5.3.3 **The Sustainable Purchasing Policy and biodiversity**

Addressing purchasing in general and Tier 1 suppliers in particular, the Sustainable Purchasing Policy covers the purchase of natural rubber, mined raw materials and other inputs.

The purpose is to define the Group's main sustainable purchasing principles and commitments, including those relating to environmental stewardship. The Policy describes the fundamental documents, initiatives, objectives and key metrics underlying the sustainable purchasing process, including its environmental stewardship aspects.

As part of its Act4nature international commitments, the Group has undertaken to assess the biodiversity policies and practices of its suppliers of raw materials, other than natural rubber, that are likely to have the greatest impact on biodiversity in 2030. A pilot assessment will be launched in 2025.

(1) Jurisdictions correspond to the administrative regions in each country (approximately 100 km x 100 km), as defined by GPSNR.
(2) See https://purchasing.michelin.com/en/roadmap-2020-2025/.
(3) See https://sustainablenaturalrubber.org/gpsnr-reporting-requirements/.
(4) See https://www.spott.org/natural-rubber/.

4.5.4 BIODIVERSITY AND ECOSYSTEM INITIATIVES

Michelin did not use any biodiversity offsets in its action plans in 2024. Key initiatives undertaken to prevent, mitigate and remediate identified negative impacts and to meet the Group's objectives and targets are as follows:

4.5.4.1 Actions undertaken in the Group's direct operations

4.5.4.1.1. Supporting the zero-deforestation commitment

The first tire manufacturer to publish a zero deforestation commitment in 2015, Michelin ensures that its directly owned plantations are deforestation-free and engaged in conservation and restoration programs.

4.5.4.1.2. Conserving and restoring biodiversity sensitive areas

The Michelin Ecological Reserve (REM) in Bahia, Brazil

Created in 2004, the 3,950-hectare Michelin Ecological Reserve is located in the Bahia Center of Endemism, in the heart of the Atlantic Forest. It is one of the world's most species-rich yet most endangered biotopes, as well as a key biodiversity ecosystem.

An action plan defined and undertaken to protect the area from deforestation has already reduced hunting pressure by more than 85%. This has helped to spur an almost 117% increase in the wildlife population over the past 20 years, including certain species classified as critically endangered by the International Union for the Conservation of Nature (IUCN). More than 110,000 trees spanning some 340 species have been planted to restore 300 hectares of degraded land. These programs have resulted in a survival rate of close to 70%, while recreating environmental corridors to reconnect the various forest areas, thereby strengthening the ecosystem's resilience and seamlessness.

Royal Lestari Utama (RLU)

A wholly owned Michelin Group subsidiary since 2022, RLU is committed to fostering sustainable natural rubber production on 88,000 hectares of concessions (70,000 hectares in the province of Jambi, Sumatra and 18,000 hectares in the province of East Kalimantan, Borneo), which had been severely degraded and deforested prior to Michelin's involvement in 2015.

The Group is assertively developing deforestation-free natural rubber production on the concessions. It has also undertaken to preserve and restore more than 15,000 hectares, including around 3,000 prioritized for active restoration, over the next 20 years with a dedicated roadmap and budget.

The pilot active restoration project was launched in 2018 with the first phase focused on performing forest trials, collecting seeds and creating nurseries. To date, more than 15,000 trees have been planted over an area of around 100 hectares, with a more than 70% survival rate.

4.5.4.1.3. Reducing pesticide and fertilizer use on the plantations

Compared with other crops, rubber trees do not require the intensive use of pesticides. However, such use may sometimes be necessary, in particular to treat certain plant diseases.

In its own operations, the Group prohibits the use of pesticides that have been banned by the Stockholm and Rotterdam Conventions and the Montreal Protocol, including in countries where these conventions and protocols have not yet been adopted. It also bans the use of WHO class Ia and Ib products and paraquat, including in countries where these products have not yet been banned, and ensures that the risks of contaminating water resources with natural or artificial chemicals are carefully controlled.

The Group has set a target for abating pesticide use on its own and its joint ventures' plantations by 2030.

Rubber trees do not require rich soils to grow and are fairly well adapted to soils previously degraded by other crops. Michelin cooperates with industry stakeholders through the French Rubber Institute to support the science-based reduction in fertilizer use.

4.5.4.2 Actions undertaken in the Group's supply chain

4.5.4.2.1. Combating deforestation

Since 2017, as part of its duty of care commitment, Michelin has worked with its suppliers to map the social and environmental risks in its natural rubber supply chain, including the risk of deforestation, with the RubberWay application, whose collected data is used to map at-risk jurisdictions. The application has been deployed in every Michelin source country (Indonesia, Thailand, Malaysia, Vietnam, Sri Lanka, Côte d'Ivoire, Ghana, Guinea, Nigeria, Liberia and Brazil).

Since 2023, Michelin has worked with its natural rubber network and suppliers to geolocate all the smallholder rubber farms across its supply chain, in line with the European Union Regulation on Deforestation-free Products. **As of end-December 2024, 98% of the natural rubber suppliers' farm lots had been geolocated.** The farms have been assessed with the Global Forest Watch Pro (GFW Pro) satellite monitoring system to confirm their compliance with EUDR requirements concerning plot geolocation, demonstrating the absence of any deforestation after January 1, 2020 and compliance with local regulations.

The results are shared with direct Michelin suppliers and can be used to prepare improvement plans or deploy mutually designed risk mitigation projects.

To drive faster progress toward a more sustainable natural rubber supply chain, in 2018, Michelin worked with a diverse group of stakeholders to launch the multi-stakeholder Global Platform for Sustainable Natural Rubber (GPSNR)[1]. Today, the platform is 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.

4.5.4.2.2. Promoting more sustainable, environmentally friendly farming practices

Michelin, its joint ventures and its leading natural rubber suppliers are all working together with local associations to encourage farmers to embrace more sustainable farming practices. Awareness-building programs on agroforestry techniques, reducing pesticide and fertilizer use, preserving biodiversity and deforestation issues are being deployed in natural rubber sourcing regions in Southeast Asia, West Africa and Brazil[2].

4.5.5 METRICS AND TARGETS

4.5.5.1 Biodiversity and ecosystem targets

To mitigate its material biodiversity and ecosystem impacts in line with the Sustainable Natural Rubber Policy's objectives of zero deforestation and reduced pesticide use in the natural rubber operations, as well as to progress toward the objectives of the Kunming-Montreal Global Biodiversity Framework, in 2024 Michelin renewed its existing Act4nature international commitments and added the following two new undertakings:

Impact/Risk	Commitment	Scope of application	Geographic scope	2024 performance	2030 target
Deforestation	Natural rubber volumes used by the Group assessed as deforestation-free[1]	Direct operations and natural rubber suppliers	Thailand, Sri Lanka, Indonesia, Côte d'Ivoire, Ghana, Liberia and Brazil	98%[2]	100%[3]
Pollution from pesticide use	Reduction in pesticide use per hectare (2019 baseline)	Direct operations: natural rubber plantations owned by the Group and its joint ventures[4]	Brazil, Indonesia, Côte d'Ivoire, Ghana, Liberia and Nigeria	-52%	-70%

(1) According to the definitions and requirements of the European Union Deforestation-free Regulation (EUDR) or other means of proof concerning plot geolocation, demonstrating the absence of any deforestation and compliance with local regulations.
(2) Excluding certain Polymer Composite Solutions operations.
(3) Excluding changes in the scope of consolidation.
(4) Bahia, Brazil and PT Royal Lestari Utama, Indonesia. Joint venture: SIPH, West Africa, in which Michelin owns a minority interest.

(1) https://sustainablenaturalrubber.org/.
(2) https://purchasing.michelin.com/wp-content/uploads/2024/08/Sustainable-Natural-Rubber-Roadmap-2020-2025-2023-Results-V1.3_20240917.pdf.

The targets and supporting roadmaps were defined in consultation with the internal stakeholders and units represented on the Biodiversity Sector Committee. The Committee, which is a part of the Group's governance mechanism (see the dedicated section, particularly concerning environmental governance), is also tasked with tracking the related metrics and ensuring that the deployed initiatives are aligned with the Group's environmental, sustainable natural rubber, sustainable purchasing and other policies. It brings together experts from the units concerned at least six times a year.

The targets were approved by the Act4nature international Steering Committee after a cross-review between Michelin and the initiative's committee of partner organizations, comprising at least one business network, an NGO and a scientific body, tasked with assessing the SMART nature of the commitments[1].

4.5.5.2 Impact metrics related to biodiversity and ecosystems change

Material owned, leased or managed sites in or near biodiversity sensitive areas where they are having a negative impact:

- Plantações Michelin da Bahia, Brazil:
  - Number of sites: 1,
  - Total surface area: 4,578 hectares, of which a 3,950-hectare wildlife conservation area and 626 hectares planted with rubber trees.
  - *Conversion over time of land cover:*

    No land cover has been converted to farming or deforested in the last five years. Around 400 hectares of rubber trees were fallowed during this period and converted into permanent protected areas. Title to the former cropland is currently being transferred to the conservation area.

    Over the past five years, 20 hectares of fallowed rubber tree cropland have been reforested.
- PT Royal Lestari Utama, Indonesia:
  - Number of sites: 2,
  - Total surface area: 88,645 hectares, of which more than 15,000 are dedicated to biodiversity preservation or restoration,
  - *Conversion over time of land cover:*

    No land cover has been deforested by RLU in the last five years. The rubber trees were planted on plots that had been deforested or degraded prior to Michelin's involvement in 2015. Since 2022, 1,025 hectares have been added to the conservation or restoration areas.

(1) SMART commitments are Specific, Measurable, Additional, Realistic and Time-bound.

4.6 RESOURCE USE AND CIRCULAR ECONOMY (E5)

THREE QUESTIONS FOR FABIEN GABORIAUD, SENIOR VICE PRESIDENT, SOLUTIONS FOR MATERIALS CIRCULARITY

"Circular materials are a powerful lever for reducing our environmental footprint and supporting a sustainable economy." "

How is the development of new renewable or recycled materials a challenge for the Group?

It's a huge challenge, but it's also our responsibility to reduce our environmental footprint while limiting the use of natural resources. In our industry, this means replacing two-thirds of the materials used today, which are derived from fossil or non-renewable sources. However, most of these new materials are not yet available in industrial quantities. That's why we need to structure and support their emergence in existing value chains, as well as in new value chains involving other industries.

This is also a collective challenge, because cross-industry synergies and coalitions have to be identified, and that's the role Michelin wants to play.

In practice, how is the Group integrating the circular economy into its business model?

We're activating four action levers at different stages in the tire life cycle as part of the Michelin Avoid+4R process: Avoid, Reduce, Reuse, Recycle and Renew. Their outcomes are measured through our eco-design processes and systematic life-cycle assessments.

To successfully meet our collective challenge, the Group has created a new operating unit tasked with orchestrating the transition to circularity with other Group units and outside ecosystems. Specifically, it is supporting the emergence of value chains based on end-of-life tire recycling, such as the Enviro/Antin joint venture, or on renewable resources like ethanol, with the BioButterfly project.

What is Michelin doing for the treatment of end-of-life tires?

The Group has been addressing this issue for many years through the Tire Industry Project (TIP), other trade associations and the various eco-organizations set up in certain countries to ensure the collection and treatment of end-of-life tires. Thanks to this collective commitment, the TIP estimates that 88% of end-of-life tires are collected[1].

Of course, we have to further increase this percentage, but tomorrow's challenge will be to prioritize the recovery of end-of-life tires for use as secondary raw materials, particularly in closed loop recycling systems, which generally offer a smaller carbon footprint than burning them as fuel to recover heat and power.

(1) Source TIP 2019, covering 53 representative countries.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain · Downstream value chain · OP Own operations · Short-term · Medium-term · Long-term	
E5 – RESOURCE USE AND CIRCULAR ECONOMY	
Resources and waste	
Helping to develop industry-wide recycled and renewable material sourcing capabilities Upstream · OP · Downstream · Medium-term — **Positive impact**	The growing use of recycled and renewable materials requires new value chains, to attenuate risks and decouple economic growth from resource use, while maximizing their value and reuse. By 2022, renewable and recycled materials will account for 30% of Michelin tire components, with a target of 40% by 2030.
Resource inflows and their contribution to resource depletion Upstream · Medium-term — **Negative impact**	Tire manufacturing involves the use of large quantities and a wide variety of resources, which must be managed with care to avoid their depletion.
Waste produced from end-of-life tires (ELT) Downstream · Medium-term — **Negative impact**	Every year, one billion tires reach the end of their useful lives, adding to the four billion already landfilled and causing the potential destruction of natural habitats and the production of methane, CO_2 and other polluting gases. Landfills could leak, contaminating water tables and damaging ecosystems with hazardous substances.
Human health impacts from the mismanagement of end-of-life tires (ELT) Downstream · Medium-term — **Negative impact**	Disposal of end-of-life tires can potentially attract rodents carrying zoonotic pathogens and create breeding grounds for mosquitoes, forming stagnant pools and increasing the spread of vector-borne diseases. They can also cause fires.

Introduction

With its manufacturing operations requiring around three million tonnes of raw materials a year, Michelin is confronted with the major issue of resource depletion. This environmental challenge calls both for a significant transformation of manufacturing practices across the entire tire value chain and for continuous, agile realignment to address environmental matters.

In response, the Group is deploying strategies that use as few resources as possible and incorporate an increasing proportion of renewable and recycled materials, while optimizing tire design. Thanks to this commitment, Michelin tires deliver longer-lasting performance while requiring less material to manufacture, thereby contributing to the more sustainable use of available resources.

- The definition of renewable or recycled materials is currently being validated by the Tire Industry Project (TIP). However, the Group currently considers as renewable any biosourced materials whose stocks are constantly replenished through natural growth or other recurring process at a rate consistent with the pace of their depletion and use. In other words, they are replenished or regrown faster than they are harvested or extracted.
- Recycled materials are materials that have been reprocessed, either before or after use, from recovered or reclaimed materials and transformed by a manufacturing process into a final product or component for reuse in a new product.

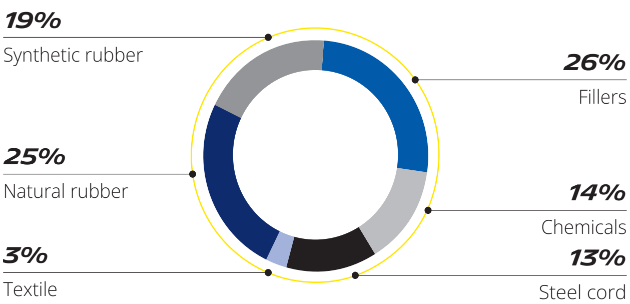
The circular economy model is both a strategic challenge and a growth driver for the Group. Circular practices address the twin imperatives of responding to the environmental emergency and securing the sustainability of the Group's business operations. The application of this model, which Michelin calls Avoid+4R, for Avoid, Reduce, Reuse, Recycle and Renew, is also helping to make its products, services and solutions more sustainable. It involves eco-designing solutions that address environmental impacts over the entire life cycle and using recycled and renewable materials, with a vision of achieving full circularity in Michelin products by 2050.

Mindful of the environmental and health impacts of end-of-life tires, Michelin also pays careful attention to their management and disposal. In many countries around the world, for example, the Group is involved in tire collection operations and is actively supporting the development of recycling value chains. Michelin is working with partners to invest in and also develop extremely innovative, disruptive technologies capable of transforming end-of-life tires or tire waste into secondary raw materials.

4.6.1 WIDELY IDENTIFYING MATERIAL CIRCULARITY IMPACTS, RISKS AND OPPORTUNITIES

Michelin has in recent years steadily assessed and addressed the environmental impact of its operations across the entire value chain, primarily based on data from life cycle assessments (LCAs). This process was completed in 2024, with the result that the materiality of impacts related to the use of resources and their circularity has been assessed across the Group and its entire value chain The material resources used by the Group, other than energy and water, are the raw materials used in the manufacture of its products, which may be categorized as follows:

BREAKDOWN OF RAW MATERIALS USED IN 2024 BY WEIGHT (TOTAL: 3.08 MT)



Maintaining a linear economy entails a number of important material impacts and risks, including (i) the significant environmental impacts from the **depletion of natural resources** due to overharvesting (ii) economic risks that can jeopardize business continuity (iii) the accumulation of waste and adverse social impacts, such as the deterioration in living conditions.

The circular economy, on the other hand, offers a wide array of opportunities. A core aspect is innovation, which drives the development of new, more sustainable ways of producing products and using resources, while extending product lifetimes. Circularity also helps to develop industrial-scale capacity to supply sustainable materials, fostering a more responsible, environmentally friendly future.

The transition to a circular economy can carry risks, including high initial investments and questionable profitability. The lack of a regulatory framework could also hold back the take-up of these practices, while in the supply chain, companies must make complex adjustments. Lastly, environmental and social issues, as well as resistance to change, represent major challenges to be overcome.

Mismanagement of end-of-life tires can pose significant risks to human health and cause soil pollution. Abandoned tires can become breeding grounds for mosquitoes that potentially carry diseases like malaria and dengue fever. In addition, the chemicals released by decomposing tires can leach into soil and groundwater, impacting water quality and local biodiversity.

4.6.2 AMBITIOUS RESOURCE USE AND CIRCULAR ECONOMY POLICIES

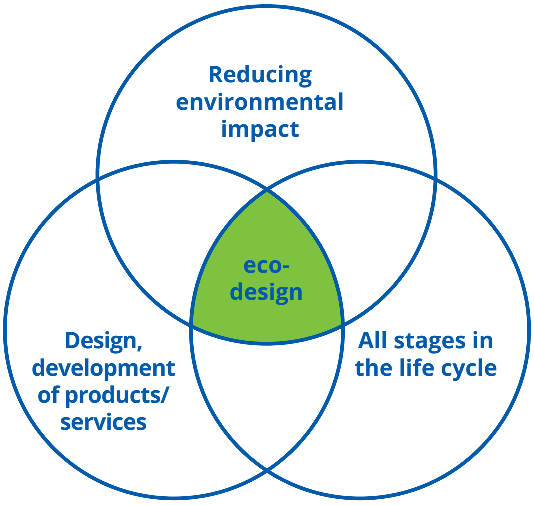
Michelin has defined several policies to address the issues of resource depletion, the circular economy and end-of-life tire management. By deploying a sustainable, responsible sourcing model, eco-designing products and incorporating recycled and renewable materials, Michelin is assertively engaged in the circular economy. These initiatives are part of a holistic strategy designed to meet the rising expectations of stakeholders for more sustainability.

4.6.2.1 The Group Environmental Policy and the circular economy

The Group's Environmental Policy represents the framework that underpins all the other policies related to environmental matters, including the circular economy. In this regard, it incorporates the Michelin Avoid+4R process, which encompasses all the actions undertaken to avoid, reduce, reuse, recycle and renew resources in response to the challenges of the circular economy and the preservation of resources. All these issues are addressed throughout the product life cycle.

4.6.2.2 The Eco-design Policy

The Eco-design Policy is embedded in the heart of Michelin's commitment to making more sustainable use of resources and enhancing the circularity of its products. It requires a systemic, methodical focus on attenuating environmental impacts throughout the product life cycle, without transferring any impacts from one stage to another or from one type of impact to another.



Applicable across the Group, the Policy defines key eco-design principles, based on the ISO 14006: 2020 and NF X30-264: 2013 standards and the use of life cycle assessments. The LCA application used by the Group was developed in close collaboration with the International Reference Center for Life Cycle Assessment and Sustainable Transition (Ciraig) and is consistent with ISO 14040 and the European Commission's PEF 3.0 methodology.

For tires, eco-design means improving mass efficiency, so that products can be designed and manufactured with less material, while maintaining or improving their performance and durability. This not only optimizes the use of resources, it also reflects a circular economy vision, where waste reduction and sustainable resource management are paramount.

The eco-design process implies that every Group unit follows the same basic rules applicable to every type of project, whether related to research, products, services or processes. R&D teams are being trained in recycled and renewable materials, LCAs and the eco-design process, with more than 90% of employees trained by the end of 2024.

4.6.2.3 Objectives of the Recycled and Renewable Materials commitment

The Recycled and Renewable Materials commitment supports the Group's eco-design policy and the circular economy process by focusing on increasing the use of secondary resources. It formally expresses Michelin's dedication to acting effectively to preserve natural resources by phasing out the use of non-renewable natural resources and increasing the percentage of recycled and renewable materials in its purchased manufacturing inputs.

4.6.2.4 The Sustainable Purchasing Policy and the Sustainable Natural Rubber Policy

These two Policies[1] are designed to ensure that Michelin sources its raw materials in an ethical, sustainable manner, by mandating compliance with materials traceability standards.

4.6.2.5 End-of-life tire management in the Environmental Policy

The management of end-of-life tires is a priority for Michelin, which has created an internal section in its environmental policy to ensure that its products are sustainably managed at the end of their useful lives. This component promotes the "Lansink's Ladder" hierarchy[2] of waste management options, with a priority focus on prevention, reuse, materials recovery (recycling) and energy recovery rather than incineration, landfill or other forms of disposal. By encouraging materials recovery and reuse, Michelin is helping to reduce waste and foster a circular economy, while attenuating the environmental impacts from new tire production. Note, however, that burning end-of-life tires to recover heat and power can be beneficial in some cases, to avoid the use of fossil fuels.

Efficiently collecting and treating end-of-life tires also helps to prevent their attendant environmental pollution and human health risks. Mismanagement, for example, can exert harmful pressures on ecosystems and local populations, particularly through storage risks, such as fires and the proliferation of rodents, mosquitoes and other pests that can spread disease.

When the Environmental Policy is revised in 2025, end-of-life tire guidelines will be defined.

(1) See section 4.1.5 Holistic management of the Group's impacts, risks and opportunities.
(2) For more on Lansink's Ladder, see "Challenging Changes – Connecting Waste Hierarchy and Circular Economy", October 2018, Waste Management & Research, 36 (10), p. 872.

4.6.3 TOWARDS A PARADIGM SHIFT: SIGNIFICANT CIRCULARITY INITIATIVES AND RESOURCES

4.6.3.1 Resource depletion

Michelin takes a proactive approach to the issue of using resources sustainably (for initiatives undertaken specifically to mitigate the depletion of natural rubber resources, see the Biodiversity section). In 2023 and 2024, for example, the ADO Biomaterials corporate program helped to define selective or destructive criteria for sourcing renewable biomaterials. This led to a set of recommendations to guide purchasing towards more ethical and sustainable choices, thereby reducing the impacts from resource depletion. They will be deployed beginning in 2025.

4.6.3.2 Resource circularity

The Group is making a significant contribution to the circular economy and sustainable resource use through a number of innovative projects advancing its renewable or recycled materials roadmap. This is updated every year to ensure that the 2030 milestone will be met and that the Group is on track for 2050. This commitment is being bolstered by strategic partnerships with various organizations that are developing disruptive material sourcing and recycling technologies. In this way, Michelin is strengthening its sourcing capabilities while promoting a shift towards more sustainable manufacturing practices.

Investments committed to projects to support resource circularity represented €12 million in 2024 and are budgeted at more than €200 million over the next five years.

The leading resource circularity actions and projects are as follows:

4.6.3.2.1. Retreading

The "Reuse" phase of the Avoid+4R process is being supported by solutions such as repairing, regrooving and retreading tires, which help to conserve raw materials by extending a casing's useful life and using less raw material than manufacturing a new tire. They primarily concern truck and aircraft tires.

MICHELIN-brand truck tires are designed to be retreaded or regrooved, thereby further extending their useful lives. For example, a truck tire with a theoretical lifespan of 100,000km can last another 25,000km with regrooving and then a further 100,000km with subsequent retreading, all while using only a quarter of the amount of material as a new tire. Moreover, depending on the tire's condition, it can be regrooved and retreaded several times. In all, these technologies enable a truck tire to last 2.5 times longer than a new tire with only around 30% additional material.

In 2024, Michelin's worldwide truck tire retreading business reused more than 220,000 tonnes of casings. That corresponds to around 7% of the total amount of materials used by the Group in all its operations over the year.

Compared with a single-life, non-retreadable, non-regroovable tire, the solution offers benefits that are (i) economic, by lowering cost per kilometer; (ii) environmental, by significantly reducing raw materials use; and (iii) social, by stimulating the local economy with new retreading/regrooving-related services (collection, inspection, maintenance, sales, etc.).

4.6.3.2.2. The BioButterfly project

In sync with the "Renew" phase of the Avoid+4R process, the BioButterfly project is seeking to produce butadiene using ethanol derived from plant biomass to replace butadiene made from petrochemical feedstocks. This innovation could play a crucial role in developing more environmentally friendly synthetic rubbers, to meet growing demand while preserving natural resources.

Coordinated by Michelin in partnership with Axens and IFPEN, BioButterfly started up in January 2013 for an initial period of eight years, extended to 2024. To date, the project represents a total investment of €80 million. In January 2024, an industrial-scale demonstrator unit capable of producing bio-based butadiene was inaugurated at the Michelin plant in Bassens (France), marking a pivotal milestone in the development of a new industrial source of bio-synthetic elastomers.

In 2025, Michelin will pursue the project by using the pilot installation to produce tire demonstrators. The ultimate goal is for the partners to build a full-scale production unit.

4.6.3.2.3. The Empreinte Project

To take its All-Sustainable approach to the next level, in late 2020, Michelin launched the Empreinte project to develop effective solutions for recycling or biosourcing materials and eco-designing products. These solutions will improve the overall environmental footprint of tires while still delivering performance aligned with the expectations for new vehicles and emerging mobility needs. The innovations primarily concern novel processes for producing recycled and renewable raw materials and the development of demonstrator tires made with these materials.

Their renewable or recycled materials could be more widely deployed in some of the tires on the market starting in 2025. In addition, tires with even higher renewable or recycled materials ratios are already being engineered in the project to prepare for the next stage in 2024-2025.

4.6.3.2.4. The BlackCycle and WhiteCycle projects

Michelin's BlackCycle and WhiteCycle projects are designed to develop innovative materials recycling solutions, making them seamlessly aligned with the "Recycle" phase of the Avoid+4R process.

- Coordinated by Michelin and financed by the European Union's Horizon 2020 program, the BlackCycle project brought together 13 European organizations to reduce CO_2 emissions by developing an ecosystem for recycling end-of-life tire feedstock into high-quality secondary raw materials. Among the resulting technologies have been tire deconstruction machines and pyrolysis processes, which recycle granulated rubber into pyrolysis oils and regenerated carbon black.
- Also coordinated by Michelin and financed by the European Union's Horizon program, the €9.6 million, 16-partner WhiteCycle project is focused on recycling complex textiles-based plastics into high value-added materials. Its primary objective is to recycle more than two million tonnes of PET waste a year by 2030, in ways that reduce its environmental impact.

These two projects attest to Michelin's engagement in a strategic recycling process, supporting its commitment to using 100% renewable or recycled materials in its tires by 2050, while enhancing resource circularity across the tire industry.

4.6.3.2.5. Partnership with Enviro

Another example of a recycling project is the partnership with Swedish company Enviro, formed in 2020 to develop and mass produce a pyrolysis technology capable of recovering high-quality products like carbon black, pyrolysis oil, steel and gas, which can then be re-incorporated into the production cycle of various industries.

In 2023, Enviro set up a joint venture with the Antin Infrastructure Partners investment fund to build several end-of-life tire recycling plants in Europe. The first such site is scheduled to come on stream in Sweden, with capacity to recycle 35,000 tonnes a year. The joint venture plans on building plants throughout Europe, targeting a total annual recycling capacity of one million tonnes of ELTs. Antin and Enviro have already agreed to a financing plan for the construction of these installations.

4.6.3.3 End-of-Life Tires (ELTs)

In 2024, Michelin pursued the initiatives underway to support the systematic management of end-of-life tires, in line with the above-mentioned Policy.

The first initiative focuses on **developing collective end-of-life tire collection, recovery and reuse systems**. Michelin strengthened its commitment to these solutions during the year by collaborating with a variety of trade associations. Among them, the Tire Industry Project (TIP) has organized discussion sessions since 2021 in Europe, the United States, China and India, with Michelin's active participation. These discussions bring together value chain stakeholders to gain greater insight into local end-of-life tire management and recycling issues and identify pathways to improvement. They have supported the preparation of 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 marketing of secondary raw materials derived from end-of-life tires.

In addition, Michelin is working with such tire industry associations as ETRMA, USTMA and JATMA to ensure **the proper collection and treatment of end-of-life tires**. The Group supports the concept of extended producer responsibility and is exercising its influence to encourage materials recovery, which generally offers a smaller carbon footprint than energy recovery.

The second initiative is developing closed-loop end-of-life tire recovery and reuse systems, capable of securing the supply of the resulting secondary raw materials.

4.6.4 METRICS AND TARGETS

4.6.4.1 Resource inflows

The Group's material resource inflows are the six categories of raw materials used to manufacture its products: synthetic rubber, natural rubber, textiles, reinforcing agents, chemicals and cables. "Critical materials" are defined by the Group[1] by reference to the SASB. Rare earths and packaging disclosures are not material.

E5-4 Resource inflows

(a)	Overall total weight of products and technical and biological materials used during the reporting period (E5-4-31a)	3,077,541t
(b)	Overall total weight of products and technical and biological materials used during the reporting period (E5-4-31a)	800,791t
	Percentage of biological materials used to manufacture the undertaking's products and services that is sustainably sourced (E5-4-31b)	26%
(c)	Weight of the secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (E5-4-31c)	152,690t
	Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (E5-4-31c)	5%
	RENEWABLE OR RECYCLED MATERIALS RATIO (RRMR)	**31%**

The above metrics are calculated for the tire manufacturing scope of reporting, as follows:

a) The total weight of raw materials received over the period (January 1 to December 31).

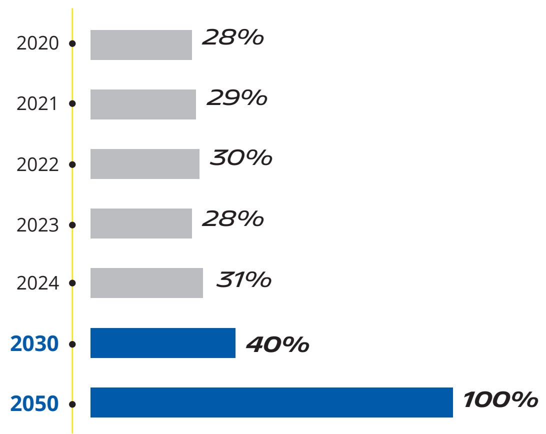
b) The weight of **renewable** materials, calculated for each raw material received over the period. This weight is calculated on the basis of the total weight of material received and the percentage of renewable content in each material. For each raw material, the percentage of renewable content is disclosed on a supplier certificate. The percentage of renewable content is equal to the aggregate weight of renewable materials divided by the total weight of raw materials received over the period.

c) The weight of **recycled** material, calculated for each raw material received over the period. This weight is calculated on the basis of the total weight of material received and the percentage of recycled content in each material. For each raw material, the percentage of recycled content is disclosed on a supplier certificate. The percentage of recycled content is equal to the aggregate weight of recycled materials divided by the total weight of raw materials received over the period.

Based on these metrics, the Group is committed to using 100% renewable or recycled materials in its tires by 2050, building on a milestone of 40% by 2030.

Progress towards these goals is measured by the Renewable or Recycled Materials Ratio (RRMR), calculated for the tire production scope of reporting by dividing the weight of renewable and recycled materials received by the total weight of raw materials received. In this way, it tracks the reduction in the use of primary materials and the increase in materials circularity. Since its introduction, the RRMR may be analyzed as follows:

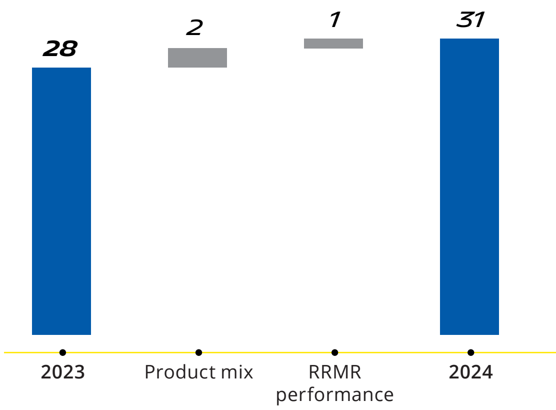
PERCENTAGE OF RENEWABLE AND RECYCLED MATERIALS



The RRMR rose by three points year-on-year in 2024, to 31%, with two points of the gain coming from the greater use of natural rubber, whose percentage had fallen sharply in 2023, and one point from the increased volumes of other renewable and recycled materials. The Group is on track and confident that it will meet its milestone of using 40% renewable and recycled materials in 2030.

(1) 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. "

ANALYSIS OF THE YEAR-ON-YEAR IMPROVEMENT IN RRMR IN 2024



A second target, concerning eco-design, was met in 2024, when every new tire range[(1)] was eco-designed with the support of life cycle assessments. The objective represented a milestone towards the Group's 2030 target of eco-designing all its products and solutions. These targets are voluntary.

4.6.4.2 Resource outflows

Product durability

For many years, Michelin has been designing products based on circular economy principles. Its regrooving and retreading solutions, for example, help to extend the useful lives of tire casings, while reducing the quantity of raw material inputs.[(2)]

Michelin tires are designed to deliver guaranteed optimum performance from the first to the last mile, a fundamental source of product durability. In 2019, the Group demonstrated its commitment to road safety by actively supporting a European initiative to introduce minimum safety performance standards for tires in worn condition.

Product repairability

Tire repairability depends on a number of factors, including the location and severity of the damage and the overall condition of the tire. At present, there is no particular rating system in place to assess tire repairability.

The rates of recyclable content in products and their packaging

A tire is fully recyclable, within the meaning of both ESRS E5-5-36c (rate of recyclable content is 100%) and United Nations and other regulations[(3)].

In addition, a 2019 TIP study found that 88% of ELTs could be collected and reused either as new material (recycling) or as fuel (energy recovery)[(4)].

In 2024, the Group did not set targets for the recovery and reuse of end-of-life tires, given that several recovery technologies are emerging and it is too soon to determine appropriate targets for each one. As mentioned above in discussing the various actions underway[(5)], a number of value chains are seeking to recover and reuse ELTs as materials and/or fuel. These processes are expected to eventually replace landfilling and/or incineration as treatment measures.

The amount of packaging is not significant, therefore the rate of its recyclable content is not applicable.

(1) Michelin-brand radial tires and Camso-brand tracks.
(2) See section 4.6.3.2.1 above on retreading.
(3) See UNECE, Agreement Concerning the Adoption of Uniform Technical Prescriptions for Wheeled Vehicles, Equipment and Parts which can be Fitted and/or be Used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of these Prescriptions (Revision 2, including the amendments which entered into force on October 16, 1995), Addendum 132 – Regulation No. 133. Date of entry into force as an annex to the 1958 Agreement: June 17, 2014. Uniform provisions concerning the approval of motor vehicles with regard to their reusability, recyclability and recoverability. The issue is also addressed by Directive 2005/64/EC and the ISO 22628 standard of December 2002.
(4) Source TIP 2019, covering 53 representative countries.
(5) See above, section 4.6.3 "Towards a paradigm shift: significant circularity initiatives and resources".

4.7 *EUROPEAN TAXONOMY*

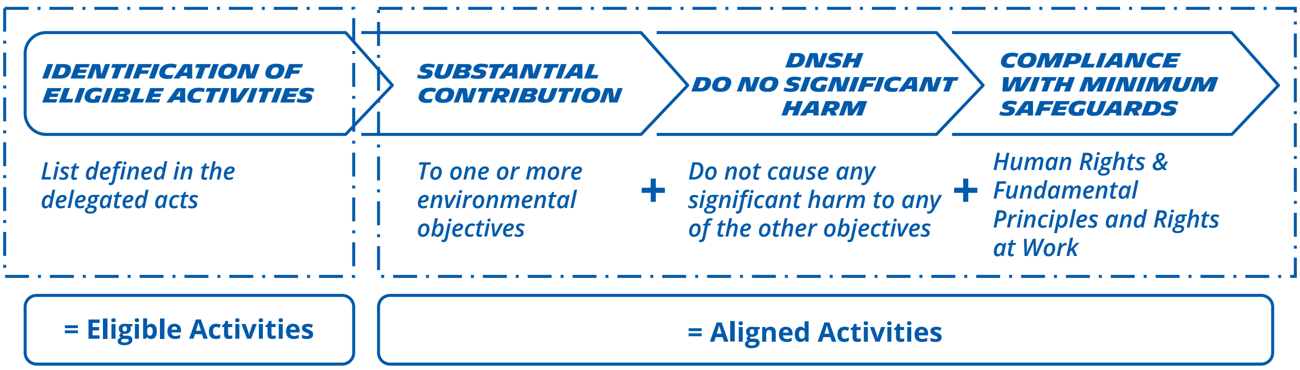
4.7.1 INTRODUCTION AND METHODOLOGY

Regulation (EU) 2020/852 of June 18, 2020 (the "Taxonomy Regulation"), supplemented and amended by the Climate Delegated Regulations (EU) 2021/2139 and 2023/2485 and the Environment Delegated Regulation (EU) 2023/2486, 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.

In 2024, for the first time, taxonomy-related data are disclosed in the Group's CSRD Sustainability Statement.

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



4.7.2 ASSESSING ELIGIBILITY

4.7.2.1 2024 scope of reporting

In the 2024 reporting exercise, companies had to disclose the proportion of their economic activities deemed to be eligible for Taxonomy assessment and the proportion deemed to be aligned with the Taxonomy's six 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, and protection and restoration of biodiversity and ecosystems). The Group performed a multi-objective assessment of its tire manufacturing activities in relation to the climate change mitigation (CCM) and climate change adaptation (CCA) objectives.

The sales, capital expenditure and operating expenses reviewed for the purpose of this report concern all the Group's worldwide operations, corresponding to the scope of consolidated financial reporting for the year, in accordance with the provisions of the Delegated Act. The reporting period is the same as for the Sustainability Statement, i.e., from January 1 to December 31, 2024.

Because disclosures must be aligned with IFRS financial statements, 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 (concerning the scope of consolidation, see the corresponding note to the financial statements in Chapter 5 below).

4.7.2.2 Identifying eligible activities in 2024

CCM and CCA activity 3.6 – Manufacture of other low-carbon technologies

As noted in previous years, 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 participate in meeting the transport industry's greenhouse gas emission reduction targets.

In response, pending recognition of this economic activity and the related screening criteria, Michelin has identified, for reporting purposes, economic activity "3.6 Manufacture of other low-carbon technologies," as corresponding to its tire manufacturing activities, which contribute to the first two environmental objectives, CCM and CCA. This reflects the fact that activity 3.6 comprises the "manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy." These economic activities "could be associated with several NACE codes, in particular from C22 (...) in accordance with the statistical classification of economic activities established by Regulation (EC) 1893/2006."

Rolling resistance, a factor in reducing greenhouse gas emissions

Pending clarification from the European Commission, and based on recital (10) of Delegated Regulation (EU) 2023/2485, the Group is using tire **rolling resistance** as the **technical screening criterion** for activity 3.6.

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. 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. As in prior years, passenger car, light truck and truck tires in the first four rolling resistance classes [A, B, C and D] are considered as eligible for activity 3.6 with regards to the objective of contributing to climate change mitigation. As in 2023, tires with the lowest class E rolling resistance rating are excluded from eligibility.

The Group has reviewed the climate change adaptation objective in relation to activity 3.6. It found that CapEx contributing specifically to climate change adaptation was eligible, but deemed that it was still immaterial at the present time (see, however, section 4.2 Climate change (E1)). This outcome did not have any impact on the key performance indicators.

CE activity 5.1 – Repair, refurbishment and remanufacturing

In 2024, as in 2023, truck tire retreading services and other activities, excluding retreading activities licensed (e.g., Recamic in Europe) or franchised (e.g., Michelin Retread Technologies in North America) by the Group[1], are considered eligible for the transition to a circular economy objective, as they meet the definition of activity 5.1 of Delegated Regulation C(2023)3851 of June 27, 2023 on the environmental objectives.

CCM activity 8.2 – Data-driven solutions for GHG emission reductions

In 2024, as in 2023, the Services and Solutions activities comprise the Masternaut, Sascar and Nextraq companies. These connected solutions businesses focus on lowering their customers' fuel bills, for example by offering solutions to optimize routes or driving practices. As a result, they are eligible as contributing to the climate change mitigation objective.

CCM and CCA activity 7.2 – Renovation of existing buildings

Although renovation work on office buildings to make them more energy efficient is eligible as contributing to the climate change mitigation objective, it is immaterial in the Group's CapEx budget.

(1) Because in these cases, Michelin does not sell the retreaded tires.

4.7.2.3 Conclusion concerning eligible activities in 2024

The following table shows all the Group activities identified as eligible (excluding the activities of joint ventures and associates), presented by impacted environmental objective[1]:

European Taxonomy		Corresponding Michelin Group activity	Substantial contribution to one of the environmental objectives			Reported KPIs		
Economic activity	**Description**	**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			X[1]	
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	
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	
7.2 Renovation of existing buildings	Construction and civil engineering works or preparation thereof	Renovation of head office buildings	X	X			X[1]	

(1) This activity is immaterial and therefore has not been included in the figures in Appendix C.

4.7.2.4 Change in reported Taxonomy-eligible activities, 2023-2024

Based on the 2023 scope of taxonomy reporting (activities 3.6, 5.1 and 8.2), in 2024, the Group can report that:

- 53% of sales were Taxonomy-eligible (54% in 2023);
- 55% of CapEx was Taxonomy-eligible (59% in 2023);

To improve the reliability of reported data, in 2024, the eligible portion of sales does not include any estimated adjustment, which explains the change from 2023.

As concerns the OpEx of Taxonomy-eligible activities in 2024, given the low materiality of the OpEx KPI, the Group claims exemption from the OpEx reporting obligation as specified in article 8 of the Taxonomy regulation.

The decline in the CapEx of Taxonomy-eligible activities primarily reflects the wider scope of consolidation.

4.7.2.5 Analysis of Taxonomy-non-eligible Group activities

Based on Michelin's understanding of 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.

(1) The detailed tables of these indicators, which comply with Delegated Regulation (EU) 2021/2178 rules concerning the content and presentation of Taxonomy-related disclosures, are presented in Appendix C below.

- Agricultural, mining, aircraft and two-wheel 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 CO_2 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 CE activity 5.5 because it does not meet the criterion of the service provider retaining ownership of the product.

Michelin has not identified any activities eligible for the other three Taxonomy objectives, i.e. the sustainable use and protection of water and marine resources, the prevention and control of pollution, and the protection and restoration of biodiversity and ecosystems.

4.7.3 ASSESSING ALIGNMENT

Michelin has assessed the alignment of its activities in 2024, according to the following procedures. Information concerning minimum safeguards is presented in the Sustainability Statement sections dealing with human rights, business ethics and preventing corruption.

CCM and CCA activity 3.6 "Manufacture of other low-carbon technologies" and CE activity 5.1 "Repair, refurbishment and remanufacturing"

The chemicals-related Do No Significant Harm (DNSH) principle ("*Pollution Prevention and Control*" objective) now applies to both the CCM and CCA 3.6 activity and the CE 5.1 activity, after its scope was significantly broadened in 2024 by integrating the criteria described in article 57 of Regulation (EC) 1907(2006)

Chemicals play a core role both in Michelin's 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 (see section 4.3 Pollution (E2)). In particular, prioritized action plans are defined and deployed to restrict the use of the highest-risk chemicals or replace them whenever technically feasible. As in 2023, the policy also addresses substances of very high concern (SVHC) on the Registration, Evaluation, Authorization and restriction of Chemicals (REACH) candidate list.

With regard to the applicable criteria for reporting 2024 DNSH to pollution prevention and control data, Michelin cannot realistically and reliably assess compliance with the criterion in the last paragraph of Appendix C (substances with a specific hazard class that could be recognized as SVHC in the future). The text does not provide the conditions for an assessment ensuring data access and comparability (number of substances deemed disproportionate for a DNSH criterion, an unusable, constantly changing Chemical & Labeling database, reference to harmonized and non-harmonized classifications).

As a result, and pending clarification of the text by the European Commission, Michelin cannot validate compliance with the DNSH criterion concerning chemicals.

According to the Taxonomy principle, an activity's alignment is based on compliance with three fundamental conditions: substantial contribution to the environmental objective, compliance with DNSH criteria and compliance with minimum social safeguards. **Given that the DNSH criteria cannot be met, none of CCM and CCA activity 3.6 or CE activity 5.1 was aligned in 2024.**

CCM activity 8.2 "Data-driven solutions for GHG emission reductions"

In the case of **CCM activity 8.2**, as in the prior year, 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[1].

(1) Concerning materiality, see the answer to question 13 in Commission notice C/2023/305 of October 20, 2023.

4.7.4 CALCULATION PRINCIPLES AND TABLES

The following paragraphs present in detail the principles used to calculate the three key performance indicators required by the European Taxonomy Regulations.

4.7.4.1 Sales KPI

For CCM activity 3.6, the percentage of eligible sales is determined by dividing the sales of passenger car, light truck and truck tires in rolling resistance classes A to D by total consolidated sales, as shown in the consolidated financial statements (see the consolidated income statement in Chapter 5 of this document).

For CE activity 5.1, the percentage of eligible sales is determined by dividing the sales of truck tire retreading services (as defined in section 4.7.2.2 above) by total consolidated sales for the year (see Chapter 5 of this document). Similarly, the percentage of eligible sales of CCM activity 8.2 is calculated by dividing the sales of Masternaut, Sascar and Nextraq (see section 4.7.2.2 above) by total consolidated sales for the year (see Chapter 5 of this document).

4.7.4.2 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 allocated to each activity (e.g. outlays committed to introduce technologies that improve tire rolling resistance). 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 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.

4.7.4.3 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. On this basis, the total Taxonomy-eligible OpEx amounts to 7.5% of the Group's total operating expense in 2024 (see section 5.2.1 2024 consolidated financial statements of this document).

As mentioned above, given the OpEx KPI's lack of materiality, the Group claims exemption from the OpEx reporting obligation, as specified in article 8 of the Taxonomy regulation.

The tables presenting Taxonomy disclosures concerning sales, CapEx, OpEx and gas and nuclear activities) may be found in Appendix C below.

SOCIAL MATTERS

4.8 OWN WORKFORCE (S1)

THREE QUESTIONS FOR ALEXANDER LAW, CHIEF SOCIAL DEVELOPMENT OFFICER

"In response to widespread internal and external change, our strategy is focused on fostering employee engagement and attracting and retaining talented people"

How would you describe the Group's commitment to an adequate or a "living wage"?

Michelin's overall performance and sustainable viability are grounded in its ability to strike the right balance between the People, Profit and Planet bottom lines. Our commitment is to guarantee that every Group employee is paid at least the equivalent of the living wage benchmark. This is critical to meeting the Sustainable Development Goals defined in the UN Global Compact, which Michelin has pledged to uphold since 2010. The Group ensures that every employee, regardless of host country or company, is paid at least the equivalent of the living wage benchmark.

What are the challenges involved in attracting and retaining talented people?

Employee turnover and shortages of the skills we need, including to support the environmental transition, are important risks for Michelin. That's why we must absolutely strengthen our ability to attract and retain talented people. This is a major challenge for the Group's operations, in particular to cope with the disaffection with shift work, and for its ambitious 2030 objectives, which is why we've deployed a Group-wide action plan focused on three main objectives: defining critical jobs and prioritizing initiatives to retain and/or attract talented people to them, managing appeal through cross-cutting governance, and nurturing the employee experience.

The action plan expands on other fundamental risk-management practices being deployed, such as talent planning programs, adequate wage standards, a universal social protection floor and fair pay reflecting each employee's performance and level of responsibility. Other business-critical processes include personal development, upskilling, hiring, promoting from within and succession planning.

What are your main employee health and safety objectives?

Employee health and safety is naturally a priority for Michelin, which is being addressed with a three-pronged strategy. First, we're focusing on prevention, to ensure that everyone stays safe and healthy, in particular by constantly striving to maintain a high-quality work environment. Secondly, we need to help attract and retain talented individuals by continuously strengthening a culture of prevention and supervision, with a special emphasis on ergonomics. And lastly, Michelin takes care that new technologies, in whatever form, are introduced for the benefit of people, both to support their personal growth and to protect their health and safety.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream Upstream value chain; Downstream Downstream value chain; OP Own operations; Short-term; Medium-term; Long-term	
S1 - OWN WORKFORCE	
Attracting and retaining talent	
Deterioration of the employer brand and talent turnover; shortage of talent on the market OP **Risk**	Talent turnover issues may arise due to the nature of the industry (many production plants operate 24/7) and to the geographical location of Michelin facilities.
Employee health, safety and well being	
Deaths, disabilities and injuries OP **Negative impact**	In all the Group's office, production, research, logistics and retail facilities, employees may be exposed to the risk of accidents involving mechanical or electrical installations, materials and finished products handling, chemicals, tooling and shopfloor movements. These risks could result in injuries of varying degrees of severity. Traffic accidents during business travel have also been identified as risks.
Occupational illnesses caused by exposure to chemicals and harmful substances, including substances of concern and very high concern OP **Negative impact**	The tire industry uses a number of potentially hazardous compounds, as well as substances of concern or very high concern. Employees working in research or manufacturing operations are at risk of exposure to chemicals that, if unmitigated, could ultimately lead to illness. This may concern certain products and substances used to make tires, as well as certain compounds that may be found in process fumes.
Social protection	
An adequate wage and a social protection floor OP **Positive impact**	Adequate wages and social protection benefits for Michelin employees around the world

Introduction

Michelin's corporate purpose is to "offer everyone a better way forward." This vision unites everyone in the corporate community through individual and collective initiatives inspired by the Group's ambitious objectives for 2030.

Respect for people is one of Michelin's founding values and the Group has always been particularly mindful of the well-being of its employees. Today, it is more aware than ever of its responsibility to employees and other stakeholders. For Michelin, business performance is closely tied to employee fulfillment and high-quality social dialogue.

4.8.1 A STRATEGY GROUNDED IN EMPLOYEE ENGAGEMENT

Michelin's vision and strategy have always been people-driven, which is why it is so strongly committed to upholding and promoting human rights. The Group's strategy is deeply grounded in both the engagement and the development of people and teams, which together are one of its differentiating strengths and a decisive factor in meeting its 2030 objectives. Every employee is empowered to grow at Michelin, both professionally, in terms of skills and leadership, and personally, with fulfilling work, health and safety protection, and the guarantee of equal opportunity regardless of social background, gender, age, ethnic origin, sexual orientation, religious beliefs, disability or physical appearance.

Regular assessments of employee engagement (via the annual "Moving Forward Together" survey, see below) and inclusive, constructive social dialogue are key success factors in the strategy, which is designed to drive sustainable, balanced performance. Employee share ownership is also an important component in the engagement strategy.

The principles embodied in the Group's workforce policies are informed by international legal instruments[(1)] and directly guided by its ethical values.

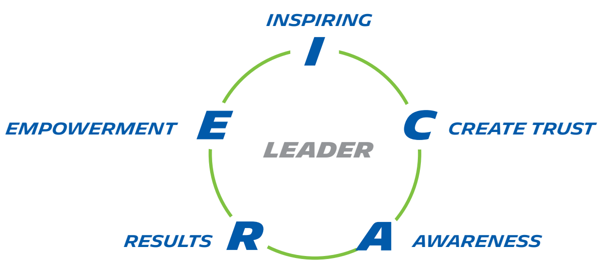
(1) These include the fundamental conventions of the International Labour Organization, the UN Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights. The principles have also been shaped by input from the many working sessions held with the United Nations Global Compact and other organizations dedicated to these issues.

4.8.2 DEPLOYING THE STRATEGY THROUGH A CONSISTENT SET OF POLICIES AND THE ICARE LEADERSHIP MODEL

The Group's workforce strategy is overseen by the Corporate Personnel Department, which is led by the Chief Personnel Officer, a member of the Group Executive Committee. The Department is tasked with defining workforce policies, ensuring their implementation and sharing its expertise. Deployment of the strategy is based on a foundation of seven policies designed to foster social cohesion and equity through respect for people and facts, support Michelin's employer appeal and sustainable employability for everyone, and ensure compliance with applicable regulations and international standards. These foundational policies align with the impacts and risks identified in the double materiality assessment and the related governance mechanisms as follows:

Impacts, risks, and opportunities				
Attracting and retaining talent	**Living wages and social protection floor**	**Employee health and safety**	**Policies**	**Governance mechanisms**
			1. Recruitment and hiring	Social cohesion
			2. People development	Social cohesion
			3. Employee and team compensation and social protection	Social cohesion
			4. Diversity, equity and inclusion (DEI)	Social cohesion
			5. Employee relations	European Works Council
			6. Health, safety, quality of worklife	Employee health and safety
			7. Anti-harassment	Human Rights/Ethics Committee

In recent years, these core procedures have been supported by a leadership model known as ICARE (I for "Inspiring", C for "Create Trust", A for "Awareness", R for "Results" and E for "Empowerment"). It is designed to ensure collective accountability, so that employees at every level of responsibility are empowered to act as leaders.



4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY

The Group nurtures active, ongoing dialogue with employees throughout the year. Personal and team engagement, one of Michelin's differentiating strengths, plays an important role in driving operational excellence and meeting business objectives, while fostering empowerment of the engaged teams. By improving engagement conditions and perception of the employee value proposition, the Group is also enhancing its employer appeal.

The Moving Forward Together survey, a key social dialogue lever

Employee engagement is tracked through the annual global Moving Forward Together survey, which enables employees to express their views on the Group's progress towards its strategic goals and on their daily employee experience. The annual findings provide a key lever for managers at every level to foster constructive social dialogue and drive continuous improvement.

The steady increase in the engagement rate over the years attests to the ongoing efforts to instill a stimulating, inclusive workplace environment. Calculated based on four Moving Forward Together survey questions, the rate has risen from 80% in 2019 to 84.7% in 2024 (up one point from 2023). This means that it has already met the target for 2030 and must now be consolidated.

A global governance system supporting dialogue with employee representatives

Social dialogue begins by listening to employees, through the "Moving Forward Together" survey (see above), whose findings, over time, demonstrate the commitment of managers to using it as a lever to support dialogue and drive continuous improvement.

More generally, Michelin fosters open, transparent, constructive social dialogue as a powerful source of sustainable performance. Managers receive training in the legal aspects of labor relations. The social dialogue process is designed to address employee ideas and viewpoints and encourage their free expression in the production plants, offices, country organizations and regional organizations. Dialogue with employees and their representatives is conducted in accordance with the principles of freedom of association and the right to collective bargaining, without any form of discrimination. The information provided to employee representatives is negotiated with them and complies with the legal requirements in each country. Particular attention is paid to dialogue in countries where the local culture and/or legislation is not conducive to employee input.

Sharing and dialogue are also facilitated by two Group employee representation organizations:

- The **European Works Council** (CEEM), set up in 1999, meets twice a year in plenary session. It represents a forum for information and consultation, where employee representatives are kept regularly informed of the Group's strategic objectives, financial results, highlights of the preceding six months, the main health, safety, environment and prevention metrics, and changes in the workforce.
- The **Global Works Council**, in place since 2020 and led by the Director of Employee Relations, meets once a year in plenary session. Its remit is to share the Group's strategic objectives and results transparently in every country where Michelin has a significant presence and to help co-construct fundamental policies to support the Group's transformations in such areas as competitiveness, social protection, diversity (particularly inclusion and disability) and sustainability. It includes representatives from the various host countries and focuses on labor relations and other aspects of the employer-employee experience. In July 2023, the Global Works Council began its second three-year term by broadening its membership, with new representatives from India, Sri Lanka, Indonesia and Australia.

An **Employee Relations** Policy (2024), overseen by the Corporate Personnel Department, describes the Group's general principles governing its employee relations engagement:

- To support a clear understanding of actual opportunities and challenges, the social dialogue process strives to ensure that employee ideas and viewpoints are addressed.
- Management plays a key role in this process by sharing technical and business information with employees or their representatives, enabling them to understand the true nature of the Group's situation and thereby contribute to constructive dialogue.
- Engagement with employees and/or their representatives is organized and conducted in accordance with the principles of freedom of association and the right to collective bargaining.
- Social dialogue leads to co-construction and compromises that foster a sustainable balance between People, Profit and the Planet, and therefore the interests of the Group, its employees and its shareholders.
- As part of this process, employees and/or their representatives have the right to express themselves freely, including to management, in accordance with our corporate values.
- Employees or their representatives are not subject to any form of discrimination nor suffer any negative effects on the management of their careers or advancement as a result of their actions as representatives.

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.

Michelin is thus strongly committed to upholding and promoting human rights, measuring and improving employee engagement, and practicing inclusive, constructive social dialogue to drive sustainable, balanced performance.

Michelin's commitment to human rights

Since 2010, Michelin has actively supported the United Nations Global Compact, integrating its principles into its global operations in compliance with local legislation. The Group embraces human rights principles and upholds the major international conventions. This commitment is also expressed in the Group's support for the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, as well as in its compliance with a number of the fundamental conventions of the International Labour Organization (freedom of association and protection of the right to organize; the elimination of discrimination in employment and occupation; the abolition of forced and child labor; and the right to a safe and healthy working environment).

Michelin's human rights policy and strategy are approved by the dedicated Human Rights Governance body which meets twice each year, which is co-chaired by the Executive Vice President & Chief Personnel Officer and the Executive Vice President, Engagement and Brands.

4.8.4 SOCIAL PROTECTION, HEALTH AND SAFETY, AND ATTRACTING AND RETAINING TALENT: THREE CORE ELEMENTS OF MICHELIN'S WORKFORCE STRATEGY AND ITS DEPLOYMENT

4.8.4.1 An adequate wage and social protection

Fair Wage Network certification granted in 2024

The promise that employees will be paid compensation that enables them and their families to live with dignity has long been deeply embedded in Michelin's value system.

The recently deployed Adequate Wage and Universal Social Protection Floor programs were both designed around the objective of ensuring that they cover every Group employee around the world. In this way, they are fostering the long-term personal growth of employees and helping to enhance the Group's appeal and ability to retain talent. Employee compensation today must enable a family of two adults and two children to meet their basic needs, save for the future and purchase standard consumer goods (depending on each country's standard of living). This adequate wage-based compensation is largely higher than a host country's legal minimum wage.

To fulfill this commitment, Michelin worked with the Fair Wage Network, an independent NGO specializing in adequate wage issues, whose methodology is recognized by IDH-The Sustainable Trade Initiative and many other NGOs[1]. As a result, Michelin was one of the first companies to earn the Fair Wage Network's "Living Wage Global Employer" certification in February 2024.

The Group's living wage commitment is an integral part of the Employee and Team Compensation and Social Protection Policy, supported by a standards manual explaining the methodology and implementation process. When a company is acquired, the living wage commitment is quickly deployed within three years, except in special cases[2].

A heritage of social protection: Michelin One Care

In addition to a living wage, the Group has deployed the Michelin One Care program to provide every employee with a universal social protection floor, comprising a set of basic social protection benefits to supplement host country social security systems.

Designed in 2021 and covering 98% of the worldwide workforce at the end of 2024, Michelin One Care includes the following measures:

- **New child leave:** a minimum of 14 weeks maternity/adoption leave and four weeks paternity leave, both at full pay
- **Access to health care:** health care cover not only for hospitalization and emergencies, but also for maternity care, doctors' visits and outpatient care
- **Family protection in the event of an employee's death:** payment of a death benefit equal to at least one year's salary, with coverage from the first day on the job

On January 1, 2026, the Michelin One Care program will be enhanced with the introduction of an education annuity for the children of deceased employees.

Reflecting their importance at Michelin, employee benefits programs are overseen by a dedicated governance body, the Global Employee Benefits Board (GEBB), which is co-chaired by the Corporate Finance Department and the Corporate Personnel Department. It is especially tasked with supporting a comprehensive, holistic approach to the Group's benefits commitment, ensuring that it is properly factored into corporate strategy and operations management, and approving changes in Group benefits policies or strategy and tracking compliance.

The process for engaging with the workforce and their representatives with regards to these issues is presented above.

(1) In referring to adequate or decent pay, "living wage" is the term preferred by the United Nations Global Compact, the International Labor Organization and other international bodies. Ensuring that Group employees are paid at least the equivalent of the living wage benchmark is a key factor in meeting the Sustainable Development Goals defined in the UN Global Compact.

(2) For example, if special in-field reviews are needed when the Fair Wage Network cannot provide data for a given company's host community.

4.8.4.2 Employee health and safety: an absolute priority in every decision

A core strategy and policies

In all the Group's office, production, research, logistics and retail facilities, employees may be exposed to the risk of accidents or work-related illnesses caused by mechanical or electrical installations, the handling of materials and finished products, chemicals, tooling and shopfloor movements. These risks can result in injury or illness of varying degrees of severity. Traffic accidents during business travel have also been identified as risks. In many host countries, employees may be exposed to health risks or the risk of assault, battery or kidnapping in the course of their work or while traveling. These risks are especially acute in countries experiencing political instability or heightened security situations. To acquire granular knowledge of specific conditions and features, each plant or office site is deploying risk assessments, workstation mapping exercises, annual or multi-year action plans, and equipment and process upgrades to drive continuous improvement.

The Group's health and safety strategy has three main objectives:

- Maintaining a priority focus on protecting everyone's health and safety (including health-related environmental impacts);
- Fostering employer appeal and employee retention (a culture of prevention and monitoring, safety and cognitive ergonomics);
- Supporting the organization's transition from technological compliance to agile human behavior in an automated world (also known as Enterprise 5.0).

The strategy is based on three pillars:

- Building an agile, flexible ecosystem (organizational and human factors, addressing societal and generational change, data strategy and exploration, including AI);
- Fostering personal fulfillment in the ecosystem, including the place of people in new technologies, skills development and adaptation, and the psychological acceptability of rules (buy-in);
- driving action with collective intelligence (connection to the outside world, health and safety culture, precursor analysis for predictive safety).

Implementation is overseen by a dedicated Employee Health and Safety Governance body, chaired by the Chief Personnel Officer and the Executive Vice President, Manufacturing and comprising members from the business lines and the corporate and operational departments, which meet twice a year to define health and safety policy, objectives and strategy. The strategy emphasizes a holistic, people-centric approach to health and safety, reflecting the latest technological and societal developments to create a safe, attractive, fulfilling workplace environment for everyone. Employee health and safety are also being managed through risk mapping exercises.

At Michelin, a Health and Safety Declaration describing the Group's principles and objectives has been distributed to every Group site and posted in every meeting room. Its primary principle is that "each person is unique and his or her health and safety are all-important."

A Health, Safety and Quality of Worklife Policy incorporated into the policy and overseen by the Corporate Personnel Department, is based on the following general principles:

- employee health and safety take precedence over any other activity;
- everyone is expected to obey the rules and mitigate any at-risk situation. Everyone has the right to refuse to perform a task for which they have not been trained and authorized to perform safely;
- the opinions of employees and their representatives are taken into account when defining action plans to improve working conditions;
- the Group complies with the most protective of either corporate procedures or local regulations;
- the Group deploys the resources and fosters the conditions to sustain an employee's ability to work, ease ergonomic hardship, preserve his or her physical, mental and social health, and ensure everyone's safety and well-being.

In the Policy's application notice, Michelin undertakes, in every aspect of its business, to:

- make its best effort to ensure and safeguard the health and safety of its employees, subcontractor employees and visitors;
- manage the health impact of its products and operations on its host communities, customers and the general public;
- create and nurture working conditions that preserve the physical and mental health of employees, support work-life balance and personal well-being, maintain people's ability to work and keep workstations accessible to as many people as possible.

This last commitment is being supported by the Adaptation to Physical Climate Risks Policy (2023), which addresses the impact of climate change on people's physical and mental health. It is overseen by the Corporate Audit, Quality and Customer Promises Department. A Chemical Risk Management Policy (2022) was also deployed and overseen by the Corporate Planning, Prevention and Protection Department, and is designed to protect human health and environmental ecosystems from the harmful effects of chemicals use.

Every work-related accident is investigated to determine the cause, with a comprehensive review of the technical, organizational and behavioral aspects. These reviews are often conducted with employee representatives. Incidents with a negative impact are tracked monthly by the Group Executive Committee during a session dedicated to safety issues, which may involve the presentation and analysis of a confirmed accident. Incident rates are also tracked monthly, with the results distributed and discussed by site, region and business process (e.g. Manufacturing, Distribution, R&D, Retail, Logistics).

Processes are also in place for engaging with the workforce about health and safety issues (see the Employee Relations Policy described above) and to enable employees to express their concerns or needs, without fear of reprisal, either to their direct managers or through other, more confidential channels such as the ethics hotline, their representatives, their unit's personnel manager or the Medical Department.

Lastly, the Total Case Incident Rate (TCIR), which tracks work-related accidents and illnesses across the Group, is one of the criteria for the portion of employee bonuses tied to the Group's performance (see the "Employee Health and Safety" section, below).

Key initiatives and resources

Initiatives have been undertaken to manage the risk of any negative impacts, with a priority focus on actions that are (i) capable of mitigating impacts on objectives, commitments and perceived stakeholder expectations and (ii) feasible over the medium term.

The following are just some of the prevention and improvement measures being deployed at Group-level.

- An ISO-compliant management system is in place at the very least in all the production plants
- Michelin sites are staffed with risk prevention professionals, such as OSH experts, ergonomists, hygienists, doctors and nurses
- Continuous improvement is being driven by risk assessments, workstation mapping, annual or multi-year action plans, and equipment and process upgrades
- Training programs are helping to instill a culture of alertness and safety among the entire workforce, based on a proactive mindset and extensive empowerment

In 2024, for example:

- The Group's "Life Saving Rules" to prevent or avoid possible life-threatening situations were described and explained in a reference manual specifying the related management principles and other Group policies. Applicable in every Group unit and site, the rules represent the fundamental safety practices that every Group employee, contractor or visitor, without exception, must follow on a given site or in a given operation
- A framework for initiatives to impel "Continuous Improvement in Quality of Worklife and Working Conditions" is underway.

To reassure external and internal stakeholders that internal procedures and rules are properly applied and that the highest-impact risks are under control, internal control procedures are performed concerning such health and safety issues as exposure to asbestos and chemicals, fire and explosion, ergonomics, workplace accidents, workplace malaise, regulatory compliance, leadership and skills.

A total of €56 million was committed to workforce health and safety initiatives in the Group's production base in 2024. Over €150 million is budgeted over the next five years, to support the Group's goal of setting the global standard in workplace safety.

4.8.4.3 The Group is ensuring its appeal and ability to retain talented people, now and in the future

A strategy consistently aligned with reality

For Michelin, improving its employer appeal and ability to retain talented people is a business-critical issue. As part of its All-Sustainable strategy, the Group has to attract and retain new talent to protect its independence and continue to innovate. Although Michelin's heritage, robust foundations and powerful corporate culture enable it to outperform the market with a lower overall turnover rate, it considers that turnover represents an important risk, that could have a potential impact on its employer brand and possibly lead to skills shortages.

The Covid-19 pandemic and succeeding crises have transformed the world of work, prompting employees to seek more flexible, hybrid working conditions, which means employers have to reinvent themselves to remain attractive. This transformation in life and workstyles has led to higher turnover and employee retention difficulties over certain periods, particularly in the production operations, shared service centers, digital operations and transportation. The Group must also address the outlook and expectations of new generations, such as the members of Generation Z born after 1995.

Like any large organization with a global footprint, Michelin must also constantly respond to a myriad of impactful changes both internally and in the wider society. Since 2018, for example, the acquisitions of Camso, Fenner, Multistrada, Masternaut and FCG have brought in around 14,000 new employees, considerably expanding the Group's diversity and skills base. Job families and skills sets are also evolving, with IT, digital technology, data management, artificial intelligence, innovation and environmental matters all helping to drive transformation. The Group is also having to adjust to new business lines leveraging its long-standing polymer composite expertise, such as engineered fabrics and films, conveyor belts, seals and belts for very high value-added industries.

At Michelin, turnover is more frequent among employees with less than two years' seniority, although it remains limited compared to the market. If this risk is not properly managed, the Group's operations and 2030 objectives could be impacted over the medium term. This is particularly the case for production jobs with irregular working hours, which could have an impact on an employee's health, social life and family life.

Policies and action plans deployed to manage talent turnover risks and enhance employer appeal

Group-wide, overall turnover has been stable and contained over the past three years. It is tracked more specifically in certain seniority categories (less than two years), certain business operations (manufacturing and marketing/sales) and certain regions.

This risk is being effectively managed by the combined impact of the seven Corporate Personnel Department policies described above, as well as by the action plan currently being deployed by the Department. Built on the findings of an internal audit performed in late 2023, the plan is structured around three major objectives and segmented into several initiatives, some of which are scheduled to be completed by the end of 2025:

- Defining "critical" jobs and positions and prioritizing measures to retain people in them and/or attract new people to them
- Managing the concept of employer appeal and attractiveness in general with a cross-cutting governance body
- Managing and tracking the employer brand and employee experience

The action plan supplements other bedrock risk management initiatives being pursued by the Group, including the following:

- A **talent planning** process is enabling the Group to take a strategic approach to the jobs and skills needed over the next five years in each Group unit, supported by an action plan. It is capable of accurately foreseeing both the emergence of new professions, jobs and skill-sets and the ways in which they will inevitably evolve in response to ever-faster transformations. As a cross-cutting management process, talent planning is closely tied to the Group's strategic plan and the strategic workforce planning (SWP) process that is supporting a variety of hiring, reskilling and upskilling action plans.
- Michelin actively encourages **employee share ownership.** At December 31, 2024, 3.75% of outstanding shares were held either by employees (2.59%, up 0.49 points on 2023) or former employees (1.16%) and 61% of employees were company shareholders. During the latest employee share ownership plan in September 2024, 57% of worldwide employees took up the offer, four points more than in 2022 and including 16% or nearly 11,000 people who were first-time investors.
- Michelin is committed to **offering every employee compensation that is personalized and fair**, in each reference market, and reflective of his or her 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;
- updated in 2024, the Group's **Diversity, Equity and Inclusion** policy aims to ensure that everyone feels valued in the company. It addresses three issues:
  - *Well-being in the workplace*. Having inclusive teams means enabling each member to feel accepted and at ease in the organization, regardless of their origin, gender, age, sexual orientation, religion, physical appearance, disability or social background.
  - *Performance*. Diversity helps to hone collective intelligence, improve customer understanding, deepen the talent pool and foster engaged, committed teams,
  - *Social responsibility*. Michelin is deeply committed to making a positive difference in society, in particular by working towards the inclusion of people who struggle to find work.

Sustained, ongoing employee skills development

Michelin feels strongly that it should offer employees an enriching, fulfilling experience, by improving their ability to learn and grow in line with their aspirations to secure their sustainable employability. Personal growth and development is one of the Group's commitments to its employees. Everyone has access to the resources they need to take charge of their own development and enhance their employability, both in and outside the Group. Employability is supported by continuous skills development and such management practices as frequent feedback, performance reviews and the identification of potential. Performance development information is transparently shared with the employee concerned through the Workday HR information system accessible to 85% of the workforce.

In 2022, in response to its volatile, uncertain, complex and ambiguous business environment, Michelin set up a talent factory known as the "*Manufacture des Talents*" to support employees in their career development or retraining. In this way, it enables people to cultivate their lifelong-learning mindset, while helping to enhance the attractiveness of our host communities and improve talent retention. Every year, more than €240 million is allocated to training budgets, with 1,000 instructors and 55,000 online modules[1].

The MICHELIN employer brand, a factor of differentiation

Michelin consistently strives to reflect the diversity of its markets and local contexts. Hiring plays an important role in meeting this goal, not only by increasing diversity but also by making management teams more international. As emphasized in the Diversity, Equity and Inclusion Policy updated in 2024, being open to hiring more diverse individuals deepens the talent pool, gives the best people a chance and builds more talented teams. Diverse teams provide a greater, wider variety of ideas and viewpoints that nurtures collective intelligence and spurs innovation. Diversity, equity and inclusion are tracked by the Diversities & Inclusion Management Index (IMDI), a dedicated composite indicator displayed in the Group's strategic scorecard.

Michelin hires people with the intention of supporting their future career development, not just to fill an initial job vacancy. This means hiring both young graduates and more experienced people based on their proven skills, motivation, behavior, potential for future development and ability to embrace our corporate purpose and values.

One of the objectives is to bring on board competent, engaged, empowered people, capable of acting as leaders with respect for others, to foster innovation and entrepreneurship and support the agility and responsiveness the Group needs to thrive in a constantly changing environment. The opportunities created by retirements and acquisitions are putting pressure on the talent pool and confirming the need to hire and detect talent.

By 2030, the Group is committed to having:

- women account for 35% of the 600 most senior executives;
- host-country nationals represent a greater percentage of top management, with a target of 50% non-French nationals among the top 100 senior managers.

Capital expenditure committed to attracting and retaining talent stood at €76 million in 2024. and is budgeted at more than €300 million over the next five years.

4.8.5 METRICS AND TARGETS

4.8.5.1 Characteristics of employees

The Group's workforce totaled **129,832** people at December 31, 2024[2]. Data for **125,117** of them[3] are analyzed by gender in the table below:

Gender	Number of employees
Male	99,518
Female	25,583
Other	2
Not reported	14
TOTAL	**125,117**

(1) Training disclosures required by the CSRD are currently being prepared for the 2025 reporting year.
(2) See Note 8, Workforce, compensation and benefits, in the consolidated financial statements in chapter 5 of this URD, in which the Group presents the average number of employees on payroll in 2024.
(3) The difference reflects the 4,715 people who work for companies that are not integrated into the Group's human resources information system.

Two of the Group's host country organizations have more than 50 employees, accounting for at least 10% of the worldwide workforce at December 31, 2024:

Country	Female	Male	Other	Not reported	Total
France	4,511	16,327	0	1	20,839
United States	3,932	15,747	1	2	19,682

The workforce at December 31, 2024 may be analyzed by gender and type of work contract as follows:

	Female	Male	Other	Not reported	Total
Number of employees	25,583	99,518	2	14	125,117
Number of permanent employees	24,623	96,972	2	13	121,610
Number of temporary employees	960	2,546	0	1	3,507
Number of non-guaranteed hours employees	0	0	0	0	0

04

2024 turnover was calculated on the basis of the 122,478 employees with permanent work contracts as of January 1, 2024. Of these, 13,588 left the Group during the year (of which 7,106 voluntary separations, 4,671 involuntary separations, 1,661 retirements and 150 deaths), making for a turnover of 11%.

4.8.5.2 Adequate wage

On the basis of the Fair Wage Network certification awarded in February 2024, 100% of Michelin employees in the assessed scope are paid an adequate wage. New companies, which currently account for 3.5% of the total workforce[(1)], will be included in future certification rounds, starting in February 2025. Based on internal estimates, the Group considers that they are already paid a living wage. In this evolving context, the Group discloses that 96.5% of employees were paid a living wage at year-end 2024.

4.8.5.3 Employee health and safety

As of December 31, 2024, 68% of Group employees and temp agency workers were covered by a recognized, effective health and safety management system (i.e., an ISO 45001-certified system or the Group's standard SMEP Environment and Risk Prevention Management System[(2)]).

Work-related accidents and illnesses are tracked in the Group's strategic scorecard by the Total Case Incident Rate (TCIR) indicator, which is calculated based on the number of work-related accidents and illnesses recorded per 200,000 hours worked. The TCIR is one of the criteria for the portion of employee bonuses tied to the Group's performance. Compared with the 2030 target of less than 0.5, the 2024 TCIR stood at 1.03 for the year.

In 2024, the Group calculated the recordable work-related accident indicator provided for in ESRS S1-14, §88 by using the Total Recordable Incident Rate (TRIR). This indicator, whose scope is broader than the TCIR because it includes the RLU plantations, tracks the number of accidents (but not cases of occupational illness) per one million hours worked. On this basis, 1,203 work-related accidents among employees and temp agency workers were recorded in 2024, for a TRIR of 5.01.

The number of work-related fatalities was 0[(3)].

4.8.5.4 Incidents, complaints and severe human rights impacts

In 2024, incidents, complaints and severe human rights impacts included:

- 159 discrimination incidents, corresponding to the total number of confirmed cases of discrimination, including harassment, reported to the Group's whistleblowing system[(4)].
- 1,481 grievances concerning worker or human rights violations, corresponding to the total number of allegations reported to the Group's whistleblowing system, less the 159 incidents mentioned above. These allegations correspond to the following nine categories: bullying, sexual harassment, inappropriate behavior, human rights, health and safety issues, personal data protection, complex employee relations issues that were not resolved at the level of the manager and/or development partner, reprisals and violence and threats.

(1) The list of companies accounting for the 3.5%, mainly consisting of recently acquired companies, may be found in Appendix D below.
(2) See section 4.1.5.1.1 Environmental matters, above, for a presentation of the SMEP Environment and Risk Prevention Management System.
(3) In 2024, only fatalities resulting from workplace accidents were recorded, thereby excluding two fatalities resulting from commuting accidents during the year.
(4) For more on the Michelin ethics hotline, see section G1 – Business Conduct, below.

4.9 WORKERS IN THE VALUE CHAIN (S2)

THREE QUESTIONS FOR VINCENT ROUSSET-ROUVIÈRE, CHIEF PROCUREMENT OFFICER

Workers in the value chain: a more focused approach to the natural rubber supply chain
“Michelin was the first tire manufacturer to deploy a sustainable natural rubber policy”

Why have you taken a special approach to your natural rubber supply chain?

For the past 10 years, well ahead of any regulations, Michelin has been demonstrating its duty of care to its supply chain with, for example, a Sustainable Purchasing Policy and assessments of its suppliers’ CSR maturity. To take these commitments to the next level, we have to factor in the notion of accountability, to focus initiatives where risks are especially acute and where the Group can make a difference. And in fact, it turns out that human rights risks are especially high in the natural rubber production value chain (located in Southeast Asia or West Africa, with a large workforce) and that the tire industry represents around three-quarters of the natural rubber market. This explains why the tire industry, and with it, Michelin, is particularly accountable with regards to this issue.

What is the objective of the Group’s Sustainable Natural Rubber Policy?

Michelin was the first tire manufacturer to deploy such a policy, in 2016. It was drafted in partnership with the WWF and has since been updated, with input from a large number of stakeholders. It specifies the Group’s commitments, informs our decisions and formally defines our expectations for the value chain. It is also backed by a roadmap with detailed, results-oriented objectives. The Group’s transparency and performance have been recognized by SPOTT, whose assessments ranked Michelin No. 1 in the tire manufacturer category for natural rubber ESG disclosures in 2022, 2023 and 2024.

How do you identify worker-related risks in the natural rubber supply chain and how do you respond?

In 2017, Michelin developed a particularly innovative solution called RubberWay, which has since been widely deployed by the Group and also now taken up by our competitors. It provides a highly granular map of worker-related and other risks at different points in the supply chain that are also precisely geo-located. This then enables pragmatic risk mitigation projects to be deployed where they’re needed, on the ground, in collaboration with village smallholders. Read on to find out more about our approach.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain / Downstream value chain / Own operations / Short-term / Medium-term / Long-term	
S2 – WORKERS IN THE VALUE CHAIN	
Human rights	
Violation of the rights of workers in the value chain, including child labor, forced labor and illegal labor practices **Negative impact**	Forced labor, child labor and illegal labor practices are risks in agricultural supply chains, including in the natural rubber industry.

Introduction

The risk of forced labor, child labor and other human rights violations could have a negative impact on workers in the Group's upstream value chain. Michelin has relationships with around 35,000 direct suppliers. The process of managing the related risks is based on the findings of an accountability assessment that measured the number and size of suppliers at each link in the value chain, Michelin's weighting in the chain, and the human rights issues and risks in its component channels. The findings showed that the natural rubber value chain, with its labor-intensive farming activities and broad geographical footprint, is the most exposed to the negative impact.

Forced labor, for example, is particularly widespread in farm commodity supply chains, while rubber plantations are located in countries at risk of forced or child labor, such as Southeast Asia or West Africa, and are very labor-intensive. Although rubber-tree farming is relatively unaffected by child labor compared with other crops, some reports have noted the high risk of exploitation of migrant and other workers in natural rubber-producing countries.

As a result, the Group is particularly alert to the risk of forced and child labor, especially since the tire industry accounts for around 70% of the global natural rubber market.

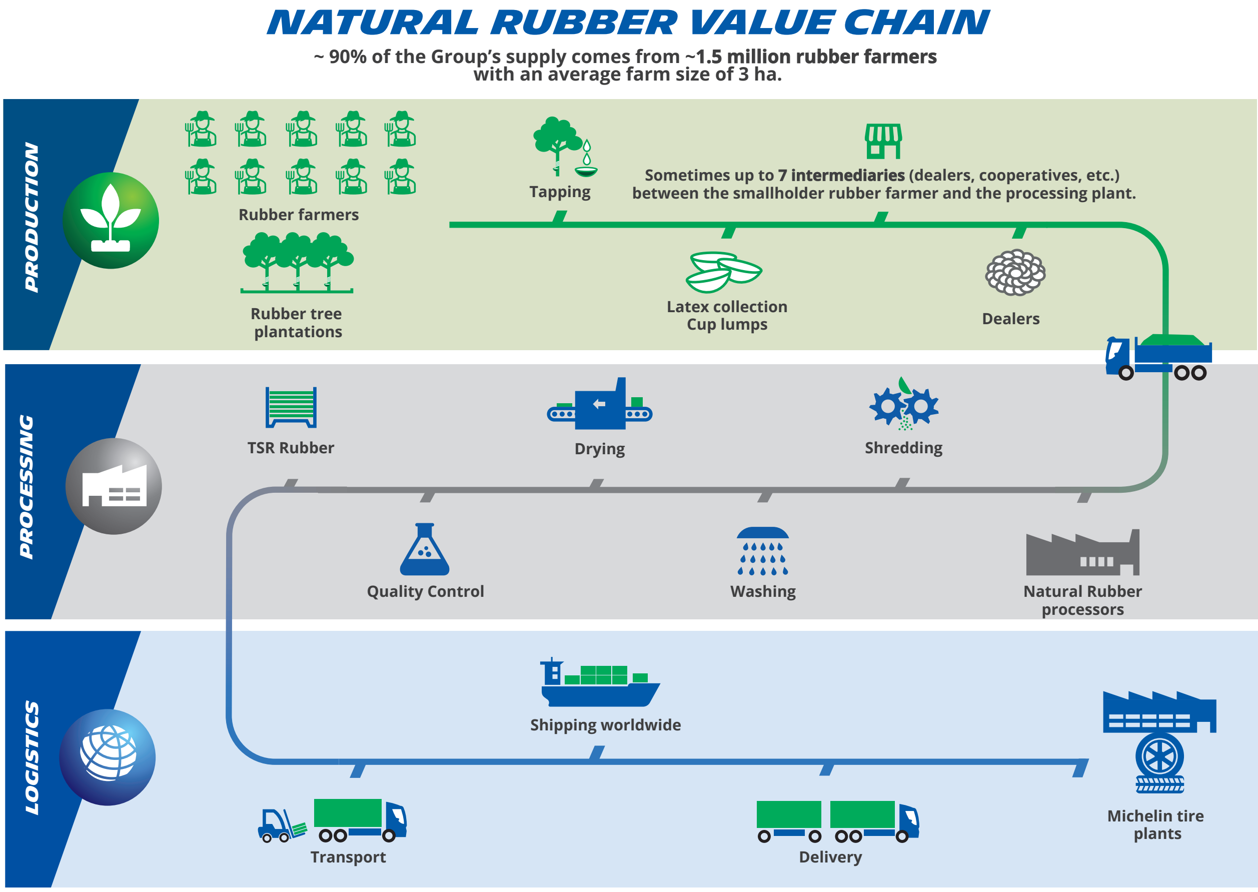
The Group's Duty of Care Plan also deals in depth with the management of these risks.

4.9.1 A VALUE CHAIN STRATEGY FOCUSED PRIMARILY ON NATURAL RUBBER SOURCING

Natural rubber is a critical raw material in tire manufacturing. Harvesting is labor-intensive and the trees can be farmed only in tropical regions, in countries at risk of human rights violations. To date, there is no financially viable substitute for natural rubber.

Rubber-tree farming requires a very large workforce, totaling some six million farmers worldwide. Of these, village smallholders produce 85% of the world's output on small farms generally covering fewer than four hectares. The remaining 15% is supplied by large plantations or estates. The other raw materials required for tire production, such as synthetic rubber, reinforcing agents (like carbon black), metal and textile reinforcements and chemicals, are primarily sourced from the oil, chemical and steel industries whose workforces are much smaller and generally skilled. This means that the risk of forced labor is higher in the natural rubber supply chain. In addition, natural rubber accounts for around a quarter of the Group's purchased inputs. For these reasons, this is where the Group has focused its efforts.

Although Michelin directly or through joint ventures owns a small number of plantations, the vast majority of its natural rubber is supplied by external farms. Most value chain workers likely to be concerned by the risk of forced labor would therefore be found among people working for entities in the upstream value chain, with migrant workers being particularly vulnerable. Most of the world's rubber-tree farms are located in Southeast Asia, West Africa and, to a lesser extent, Brazil.



4.9.2 PROCUREMENT POLICIES DESIGNED TO MANAGE RISKS RELATED TO VALUE CHAIN WORKERS

Michelin has supported the UN Global Compact since 2010 and France's Responsible Supplier Relationships Charter since 2012. The Group has also deployed two policies addressing the management of risks of human rights violations in the value chain, which were prepared under the responsibility of the Chief Procurement Officer, who is also tasked with their application in the upstream value chain. They are available on the Michelin Purchasing website[1]. The Sustainable Natural Rubber Committee is the governance body for the Group's Sustainable Natural Rubber Policy.

4.9.2.1 The Group's Sustainable Purchasing Policy (updated in 2024)

The Sustainable Purchasing Policy covers the procurement of all types of inputs, including natural rubber, particularly from the Group's direct (Tier 1) suppliers. It defines the Group's main sustainable purchasing principles and commitments, including those relating to human rights issues, and describes the fundamental documents, initiatives, objectives and key metrics underlying the sustainable purchasing process, including its human rights aspects.

(1) https://purchasing.michelin.com/fr/espacedocuments/.

4.9.2.2 The Group's Sustainable Natural Rubber Policy (updated in 2021)[1]

Focused on natural rubber procurement, the Sustainable Natural Rubber Policy covers all of Michelin's own operations, joint ventures and upstream supply chain. It informs management decision-making processes, systems and performance metrics at Group level and in the concerned business units, subsidiaries, affiliates and joint ventures. The first version was drafted in consultation with WWF, while the subsequent version was shaped by extensive input from a wide range of stakeholders, including environmental and human rights NGOs, and complies with the framework defined by the Global Platform for Sustainable Natural Rubber (GPSNR) presented below. The Policy is anchored in five core pillars, including the fundamental pillar of respect for people (upholding human rights, working conditions and the living environment) and the commitment to improving farming practices (initiatives to improve the livelihoods and economic resilience of village smallholders).

Its component policies, which address the risks of forced labor, child labor and human trafficking, express the Group's commitment to:

- opposing and combating forced labor and child labor;
- mapping its upstream value chain to identify the activities and countries most at risk of human rights violations;
- deploying a dedicated mapping exercise for the natural rubber supply chain;
- undertaking mitigation initiatives whenever and wherever risks are identified;
- maintaining a whistleblowing system open to everyone;
- regularly interacting with natural rubber stakeholders and remediating any (1) issues, particularly impacts on free, prior and informed consent or (2) adverse impacts expressed through the grievance mechanism.

4.9.2.3 Complementary elements

In addition, since 2012, Michelin has applied a supplier code of conduct (Michelin Purchasing Principles) that mandates compliance with specific forced labor, child labor and employee safety requirements, in line with ILO standards. The Purchasing Principles are translated into many languages and included in contracts and the general terms and conditions.

The above-mentioned policy base is aligned with internationally recognized guidelines and principles (UN Guiding Principles on Business and Human Rights; International Labour Organization fundamental conventions). In particular, the Responsible Natural Rubber Policy specifies which UN Sustainable Development Goals it is helping to advance. It was drafted with input from stakeholders, including environmental and human rights NGOs, and has been certified as compliant with the GPSNR framework.

To the best of the Group's knowledge, end 2024, no serious incidents of forced labor or child labor were reported as having occurred in 2024 in the upstream supply chain, either to the Group's ethics hotline or in public reports notified to the Group.

4.9.3 WELL-ESTABLISHED DIALOGUE PROCESSES ADDRESSING THE VIEWPOINTS OF VALUE CHAIN WORKERS

The views and opinions of workers in the natural rubber value chain are addressed through three channels:

- **consultations with stakeholders**, in particular environmental and human rights NGOs, both when the Sustainable Natural Rubber Policy is drafted or revised and during the regular meetings held every two years or so. The latter enable participants to review the progress made and, most importantly, to propose new pathways for the years ahead, focusing on the sustainable natural rubber roadmap, metrics and targets. A variety of stakeholders are invited to attend, including NGOs, research organizations like CIRAD (a French government research center that works with developing countries on international agricultural and development issues), customers, suppliers and, beginning in 2025, investors. The fourth meeting will be held in early 2025;
- **Global Platform for Sustainable Natural Rubber** (GPSNR), of which Michelin is a founding member. GPSNR brings together stakeholders from across the natural rubber value chain, including village smallholders, other producers and representatives of civil society, with the participation of a large number of NGOs. It is now leading improvements in the environmental and socio-economic performance of the entire natural rubber industry. GPSNR develops frameworks and standards, organizes working groups to bring together stakeholders and discuss best practices, and designs joint programs to implement practical, measurable solutions.

(1) Downloadable from Michelin's natural rubber website (https://purchasing.michelin.com/fr/caoutchouc-naturel-responsable-et-resilient/) and appended to the Group's natural rubber purchasing contracts. Michelin actively encourages its suppliers to implement sustainability policies aligned with GPSNR recommendations.

- **thoroughly mapping social and environmental risks in the natural rubber value chain**, down to the smallest holder, using the RubberWay mobile app. 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 can then be analyzed and summarized on a web platform to create a map highlighting the areas of potential social and environmental risk.

4.9.4 PROCESSES TO REMEDIATE POTENTIAL NEGATIVE IMPACTS

If the Group finds that it may have caused a significant negative impact on workers in the value chain, appropriate remedial actions can be defined or approved by two key governance bodies: the **Human Rights Governance** body, which approves the Group's human rights policy, objectives and strategy, and, if the impact occurred in the natural rubber supply chain, the **Sustainable Natural Rubber Committee.** If the negative impact is confirmed, the remediation response is defined on a case-by-case basis.

To improve its ability to detect adverse impacts, the Group has opened an **ethics hotline** that can be accessed by Group employees, contractor employees, temporary workers and any other value chain worker, as well as by customers, suppliers, service providers and other outside stakeholders via a dedicated telephone number and a secure website hosted by an independent company[1].

If, in response to an ethics hotline report, remediation or reparation proves necessary, the victims are contacted, reparation measures are undertaken and prevention mechanisms are strengthened. Compensation may be paid, depending on the situation. Any Group employee, regardless of his or her level of responsibility, who fails to uphold human rights will be disciplined in accordance with applicable laws and procedures. If a contractor, customer, supplier or other business partner is found to have violated human rights or failed to prevent human rights risks, the individuals or, in the case of a company, the managers are contacted to find and initiate remedial solutions. Failure to deploy remedial or corrective measures may result in the decision to terminate the business relationship.

In the case of the natural rubber value chain, the **GPSNR** grievance mechanism may be used if an individual, group or GPSNR member has been adversely impacted by the activities or operations of the GPSNR or its members. The GPSNR website lists the channels available to its members (including Michelin).

Lastly, the **Natural Rubber Stakeholders Committee** can alert the Group to situations concerning workers in the natural rubber value chain.

4.9.5 A WIDE ARRAY OF INITIATIVES IN PLACE TO PREVENT NEGATIVE IMPACTS AND DELIVER POSITIVE IMPACTS

Michelin is pursuing a number of initiatives aimed at **preventing and/or mitigating** human rights risks in the value chain, both on a day-to-day basis and over time.

4.9.5.1 Initiatives to prevent negative impacts from occurring

Structurally, the Sustainable Natural Rubber Policy is appended to all the Group's natural rubber purchasing contracts, while the supplier code of conduct (Michelin Purchasing Principles) is incorporated into the Group's general terms and conditions and all its contracts. The latter require that suppliers perform CSR assessments and deploy any necessary action plans and authorize Michelin or its mandated service providers to carry out on-site audits. In the event of refusal, Michelin reserves the right to respond as warranted, including by terminating all or part of its business relations with the supplier.

Another important prevention/mitigation lever is mapping to identify the sourcing countries and purchasing categories most at risk of CSR shortcomings, with a dedicated mapping exercise for the natural rubber supply chain using the RubberWay application.

Third-party assessments of the CSR maturity of leading Tier 1 suppliers (usually desktop reviews by EcoVadis) also play a core role in risk prevention. These reviews cover such human rights issues as forced labor and child labor. For compliance, a predefined score must be earned, both overall and on human rights performance. If supplier answers fall short of compliance, action plans are requested. Supplier performance on forced labor and child labor issues is reviewed in depth every six months and suppliers are queried if any particular risk is flagged.

(1) For more on the Michelin ethics hotline, see section G1 – Business Conduct, below.

Training stakeholders across the supply chain is also a key factor in preventing risk. For example, Group buyers and employees are being upskilled with such dedicated training resources as human rights webinars, an e-learning module (optional for employees and mandatory for the most senior executives) and training sessions for buyers on human rights and other CSR issues. Suppliers are also engaged with training modules developed by Michelin or available on the EcoVadis and other CSR assessment platforms.

For natural rubber farmers, field projects aim to develop their skills and include systems for tracking implementation and outcomes. The attendant risk is factored into the Group's audit process. On-site audits of raw material suppliers, as well as annual or biennial audits of natural rubber processing plants performed as part of supplier quality system assessments, include questions relating to human rights and working conditions.

4.9.5.2 **Michelin's positive impact initiatives**

Michelin also strives to create positive impacts for workers in its value chain.

In 2024, a wide range of field projects were pursued in the natural rubber supply chain to develop the skills of village smallholders and improve their living and working conditions, both essential levers in avoiding the use of forced or child labor. These included the Cascade projects in Indonesia (2020-2027, in partnership with Porsche), the River project in Sri Lanka (2022-2025, in partnership with the French Ministry of the Economy and Finance) and the Mahakam project in Indonesia (2022-2025).

In West Africa, the SIPH joint venture is also deeply engaged with village smallholders and local communities, where it is leading a variety of programs to prevent malaria, AIDS and other diseases, providing training in best farming practices and supplying high-quality planting material by producing and marketing rubber seedlings.

All these projects are empowering farmers to improve their living and working conditions, while enabling them to increase yields and upgrade their environmental and labor practices.

4.9.5.3 **Action plans tracked and recognized by outside agencies**

Michelin tracks and assesses the outcomes of these initiatives with a number of metrics, of which several have annual or multi-year targets. Three of these are presented in the Metrics and Targets section, below. For example, the Group tracks the deployment of CSR assessments and the progress of supplier scores. Projects such as Cascade, River and Mahakam include metrics for measuring not only the number of participants and their profiles, but also actual progress, with indicators tracking the number of farmers whose working conditions and/or livelihoods have improved.

Awards and labels earned from agencies include (i) the French government's Responsible Supplier Relations label (June 2014); (ii) the French government's Responsible Supplier Relations and Procurement label recognizing French companies that have demonstrated the ability to foster balanced, sustainable relations with their suppliers (2019, 2022, confirmed in 2024); and (iii) certification that the Group's purchasing practices are mature with regard to the new ISO 20400 Sustainable Procurement standard (2019, 2022). In 2024, Michelin was awarded an EcoVadis score of 90/100 in Responsible Purchasing, ranking it in the top 1% of companies rated in its industry. Also in 2024, for the third year running, Michelin was ranked No. 1 in the tiremaker category by SPOTT, a natural rubber ESG disclosure platform, with a score of nearly 81% (No. 2 in the general natural rubber category).

4.9.5.4 **Initiatives coordinated with Group purchasing processes**

In its day-to-day operations, Michelin takes great care not to contribute to the risk of human rights violations impacting workers in the value chain. Its purchasing practices actively encourage the integration of CSR criteria into sourcing processes. These criteria can be discriminating (i.e., mandatory) or differentiating; they can concern suppliers and/or the product or service offering. In the case of natural rubber, the Group does not source from certain extremely high-risk countries, or from certain suppliers whose practices are not acceptable. In addition, purchasing teams include a dedicated CSR unit, particularly for natural rubber sourcing.

In the event of a negative impact, the Group's response will be carefully adapted to the situation and proportionate to the issues at stake. If a shortfall is identified, through supplier assessments, grievance mechanisms or any other channel, the Group will work with the supplier to define a mutually acceptable, time-bound improvement program. Confirmed or persistent non-compliance may result in the scale-back, suspension or termination of business relations with the supplier.

Within the Group, the Human Rights Governance body and the Group Ethics Committee may play an advisory and arbitration role in the event of a conflict between social responsibility and business issues.

Naturally, Michelin has allocated resources to managing any potential impacts. In terms of governance, the Chief Procurement Officer is a member of the Group Human Rights Governance body, the Group Ethics Committee and the Sustainable Natural Rubber Committee. Operationally, the sustainable purchasing process is managed in each purchasing category and each region, with the support of a global Sustainable Purchasing network that includes a natural rubber team.

4.9.6 METRICS AND TARGETS

Targets for managing this negative impact are presented in the Sustainable Purchasing Policy. They are defined by the Purchasing Department, in liaison with the Human Rights Operational Committee, and approved by the Human Rights Governance body. Natural rubber targets are presented during discussions with stakeholders at the biennial meetings with the Natural Rubber Stakeholders Committee (presentation of new targets, tracking and follow-up, key takeaways).

The target for the percentage of suppliers whose human rights score in the third-party CSR maturity assessments meets the Group's standards is **95% in 2030**, compared with 85% in the 2019 baseline year. The target applies to all Group suppliers assessed by a third party that have a valid score. As of end-2024, the percentage was 93%.

The second target concerns the percentage of natural rubber volumes used by the Group covered by human rights assessments, based on a representative sample of farmers mapped with the RubberWay application. The target, which is **80% in 2025,** applies to the Group as a whole. As of end 2024, 80% of the Group's volumes had been assessed since 2017, based on a representative number of farmers, compared with only 7% at the end of the 2017 baseline year.

The third target concerns the number of village smallholders whose working conditions and/or livelihoods have improved as a result of remediation projects (primarily assessed through surveys). The target is **30,000 in 2030**, compared with 467 in the 2022 baseline year. The target applies to the entire Group. As of end-2024, 6,783 farmers had reported improvements since the projects were launched in 2020.

	Baseline year				Target	
	2018	2019	2022	2024	2025	2030
Percentage of suppliers whose human rights score in the third-party CSR maturity assessments complies with the Group's standards		85%		93%		95%
Percentage of natural rubber used assessed for compliance with the Group's human rights standards	7%			80%	80%	
Number of village smallholders whose working conditions and/or livelihoods have improved			467	6,783		30,000

4.10 CONSUMERS AND END-USERS (S4)

THREE QUESTIONS FOR DMITRY MOLOKANOV, CHIEF CUSTOMER EXPERIENCE OFFICER

"Customer engagement and the quality and safety of our products and services are the hallmarks of the Michelin experience." "

How does Michelin currently ensure that the safety of its products and services remains a core priority in their development process?

Michelin is deploying a number of key practices to ensure that safety is deeply embedded in the development of its products and services. First, we've instilled a real culture of quality, based on strict standards such as ISO 9001:2015, whose certification informs our quality management processes. Second, our marketing, engineering and product development teams work closely together to define rigorous safety criteria for each MICHELIN-brand product, factoring in such market data as applicable standards and conditions of use, as well as emerging trends. We also conduct extensive testing throughout the development process to ensure that all our products meet the highest safety standards before they are brought to market. Lastly, customer feedback and potential incident reports are systematically analyzed to help deliver steady improvements. A product and customer service performance tracking system is in place, enabling us to detect even the most latent issues and respond quickly and effectively if necessary.

How does Michelin measure customer satisfaction to continuously improve the safety and quality of its products and services?

We use a purpose-designed customer relationship ecosystem we call "customer centricity", which combines a variety of tools and methods to listen to the voice of our customers. For example, we conduct regular satisfaction surveys and analyze feedback from our customer rooms[1], whose locations close to key markets enable us to pick up quickly on any dissatisfaction and respond appropriately. In addition, we've set up tracking platforms that collect data from social media and other communication channels, which are analyzed to deepen our understanding of customer expectations and adjust our offering accordingly. Of course, in addition to all this, our in-field customer support engineering teams and sales forces are in close, daily contact with our dealers and partners, enabling us to gather direct feedback on the performance of our products in real-world conditions.

How does Michelin address customer expectations and needs to support sustainable mobility without compromising on the safety of its products and services?

Michelin's future vision for the safety of its products and services is to continue innovating by embracing advanced technologies, such as artificial intelligence and usage data analytics, to meet emerging safety needs. Collaborative working, both with our customers and partners and between our teams, is enabling us to develop solutions that specifically meet our customers' safety and sustainability needs. In this way, we are seeking to actively contribute to road safety initiatives worldwide, while aligning our strategy with the Sustainable Development Goals. By placing our customers squarely in the center of our vision, we hope to build trust and nurture a unique user experience that combines safety and environmental sensitivity.

(1) Located close to key markets and equipped with all the necessary capabilities, customer rooms 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.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain · Downstream value chain · OP Own operations · Short-term · Medium-term · Long-term	
S4 – CONSUMERS AND END-USERS	
Quality and safety of products and services	
Improving the safety of drivers and other road users, including by improving tire industry quality and safety standards Downstream · Medium-term · **Positive impact**	Since its creation, Michelin has nurtured a culture of quality, which is critical to improving the mobility of people and goods. Every employee at every link in the value chain is trained and committed to ensuring the quality and safety of our products and services. This engagement reinforces personal safety.

Introduction

The planet is coming under ever-increasing demographic pressure, as people everywhere legitimately aspire to move and travel to work and to access health care, education and leisure activities. For Michelin, mobility is a universal right and a vector of human development that everyone should enjoy, which Michelin is committed to safeguarding and making more sustainable. This is why the Group is constantly innovating to make mobility increasingly safe, accessible and efficient (delivering maximum performance with minimum use of resources) and light on the environment. This holistic approach to mobility forms the very heart of Michelin's corporate purpose.

By leveraging its materials science and unparalleled polymer composite expertise for more than 130 years, the Group has become a technological leader in tires that support all forms of mobility. Today, the Group is focusing on innovation and excellence to continue making a difference in a fast-evolving market, particularly by keeping pace with the sharply rising demand for electric vehicles. Michelin's expertise in designing composite products is supporting its sustained growth in the tire business as well as its expansion into non-mobility related markets. For example, it is currently applying its distinctive core competencies in materials, product design, process engineering and data science to innovate in such industries as construction materials, aerospace, low-carbon energies and health care.

Enhancing freedom of movement for 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 aware and engaged in delivering Michelin Quality to fulfill the expectations of customers and end-users.

4.10.1 AN UNRIVALED QUALITY AND PRODUCT SAFETY STRATEGY TO MEET CUSTOMER NEEDS

End-user customers play a central role in implementing the Group's strategy and meeting its objectives. They include (i) consumers, who buy tires for their personal cars or motorcycles; (ii) transportation businesses, such as overland trucking and urban delivery companies, bus companies and airlines; and (iii) agricultural and industrial businesses, such as construction, materials handling and mining companies. The Group also markets tires for automobile and motorcycle motorsports.

To reach these customers and end-users, Michelin uses an indirect sales model based on dealers and resellers, as well as on partnerships with original equipment manufacturers (OEMs) of automobiles, trucks, buses, two-wheel vehicles, farm machinery, earthmovers, aircraft and race vehicles. Its strategy addresses the widely varying expectations of each type of customer, consumer and end-user, so as to meet their needs as effectively as possible.

Customer satisfaction is the bedrock of the Group's strategy, whose various building blocks – product, service and experience offerings, go-to-market processes, pricing policies, strategic sourcing, partnerships, mergers and acquisitions, etc. – are crafted and articulated by the Business Lines. Designed to deliver total customer satisfaction, the Michelin Quality process, known as the "Customer Promise Guarantee" (CPG), is applied in 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, and measures their satisfaction. Executing this quality strategy is the mission of the Customer Centricity Board, which brings together the chief executives of the Group's leading business units once a quarter and regularly interacts with customers or companies to improve the Group's ability to meet their increasingly high standards, in particular as regards sustainability.

Michelin is committed to upholding human rights, as expressed in its Master Policy[1]. with regards to every stakeholder, including consumers and end-users.

In addition, resources are dedicated to quality management, with Customer Promise Guarantee teams led by a Quality Manager active in every operating region and Business Line. Worldwide, around 50 people are assigned to these teams, which also manage the Net Promoter Score® (NPS®) metric. The Quality Board works closely with this quality network to define and deploy major initiatives and adjust the system as needed.

Applied around the world and in every business segment, the strategic process is organized around four main pathways to improving the safety and quality of Michelin products:

4.10.1.1 **Zero compromise on the safety and quality of Michelin products**

Every decision involving quality is based on avoiding any compromise whatsoever on product safety and quality. Tires are a critically important vehicle safety component. End-users are responsible for monitoring their condition, in particular through periodic tire pressure checks and visual inspection. Moreover, conditions of use, which also depend on the user, can evolve over time, making some form of monitoring system essential. Michelin has 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. The 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 (presented in section 4.10.2.1 below) 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 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. Such voluntary recalls are consistently carried out in compliance with legislation applicable at the date of the decision.

In 2024, across the entire Group, all its brands and all its tire products, two voluntary recalls were issued, concerning 53 products of the total 200 million or so manufactured every year by the Group.

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.

4.10.1.2 **Sustainable product performance**

Michelin is committed to offering a safe, sustainable driving experience, from the first to the last kilometer, until the legal minimum tread depth is reached. This means that tires can be changed less often, saving customers money and reducing their impact on the environment. In addition to being a pledge of safety, this guarantees that less waste will be produced and less material will be used in production. For fleet owners, the performance of Michelin tires supports a total cost of ownership approach that reduces the tire budget, lowers the fuel bill and improves productivity.

(1) See https://www.michelin.com/en/sustainability/company/people.

4.10.1.3 Customer satisfaction: the bedrock of Michelin's strategy

Total customer satisfaction is the bedrock of the Group's quality strategy and to deliver it, the Michelin Quality Process, known as the "Customer Promise Guarantee", is applied in every aspect of the business.

As seen in the chart below, 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, and measures their satisfaction.

The marketing, in-field customer support, and sales teams are dedicated to understanding customer demands and the risks arising from specific or extreme conditions of use in the markets where the products and services are sold. This understanding is documented in specifications and integrated into the research and development processes. The objective of leading the industry in creating customer value is tracked in the Group's strategic scorecard, with a net promoter score (NPS) target set for 2024 (see section entitled "Metrics and Targets" below).

4.10.1.4 Innovating for customers with data-driven experiences

With more than a million vehicles under contract, Michelin is a leading provider of data-driven, AI-enabled connected solutions for business fleets. The Connected Solutions business line focuses on developing, delivering and operating innovative solutions for mobility professionals, based on in-depth knowledge of customers and their usage practices, coupled with data management expertise. These solutions help mobility professionals to meet the challenges of improving the safety of transported people and goods, increasing the productivity of their fleet management operations and reducing their CO_2 emissions.

EFFITIRES[1], for example, facilitates tire maintenance by using an automated inspection system to improve operating efficiency and safety, while reducing CO_2 emissions and raw materials use. MICHELIN **Connected Fleet**[2] provides the applications and data that fleet operators and managers need to optimize their fleet management process. Through **MICHELIN Mobility Intelligence (MMI)**[3], Michelin is leveraging innovative data analytics, powered by advanced artificial intelligence and machine learning technologies, to provide actionable information (for example, identifying and mapping high-risk areas) that helps to improve road safety and transportation infrastructure.

(1) See https://pro.michelin.fr/transport-de-marchandises/services-transport-de-marchandises/effitires.
(2) See https://connectedfleet.michelin.com/fr/.
(3) See https://mobilityintelligence.michelin.com/en/.

4.10.2 THREE FUNDAMENTAL DOCUMENTS SUPPORTING DEPLOYMENT OF MICHELIN'S QUALITY STRATEGY

The deployment of the Group's quality strategy is being supported by three fundamental documents: the Group Quality Policy, the Quality Statement and the Customer Promise Guarantee approach. They are applied in every country where the Group markets its products.

4.10.2.1 The Group Quality Policy

The deployment and application of the Group Quality Policy is overseen by the **Group Quality Governance** body, which comprises the Corporate Internal Audit, Quality, Internal Control and Risk Management Department, which reports to the Managers, and a Quality Network at the operations level, comprising the Quality Departments in the business lines, operating units and regional organizations. It defines the Group Quality Policy, including quality guidelines and standards underpinning Michelin's ability to sustainably provide high value-added products and services to its customers and nurture their trust, as well as the trust of all its other stakeholders.

The Quality teams are empowered to perform their role and tasks independently, including when deciding to bring a new product to market or to recall a product that fails to comply with Group quality standards. The Group Quality Governance body is supported by the Product Monitoring Board, which is chaired by the Vice President, Internal Audit, Quality, Internal Control and Risk Management and comprises the Executive Vice Presidents of the Business Lines, the Manufacturing Department and the Research and Development Department. The body is fully independent, reporting directly to the Managers.

4.10.2.2 The Quality Statement

The Quality Statement and one of the six transformations, "Customer Satisfaction", are designed to move the organization from "zero product defect" to "100% Customer Satisfaction." Their focus is on ensuring that every decision contributes to delivering an experience that lives up to the expectations of Michelin's customers[1].

4.10.2.3 The Customer Promise Guarantee approach

The Customer Promise Guarantee approach, which is designed to deliver total customer satisfaction, is described above.

4.10.3 A CONTINUOUS CUSTOMER DIALOGUE PROCESS AND MICHELIN'S LEADERSHIP IN SUPPORTING TIRE REGULATIONS

Since 2018, the core metric in the customer dialogue process has been the Net Promoter Score® (NPS®), which enables the Group to gauge customer satisfaction and take corrective action as needed. It is included in the Group's strategic scorecard of indicators. Since 2020, the Group has been tracking the Partner NPS, the weighted average of the OEM and dealer macro-clusters (i.e., not end-users).

For end-users, Michelin plays a significant role in improving tire safety through its active engagement in support of international standards and regulations.

4.10.3.1 Minimum performance standards

European legislators have introduced minimum tire-performance standards, in particular through Regulation (EU) 2019/2144 and United Nations' ECE Regulation 117. These regulations cover rolling resistance, noise and wet grip performance, with the goal of limiting a tire's environmental impact and improving road safety. Regulations and standards-setting offer Michelin, with its technological leadership, an opportunity to ensure a "fair, level playing field" for all.

Introduced in 2012 for new tires, the minimum standards are gradually being applied to products already on the market.

(1) "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: our innovative product and service offers meet their needs and provide them satisfaction; they benefit from a great experience and a quality of service among the best; by choosing our products and services solutions, they act for a more sustainable planet; they have confidence in the reliability of our products and services and in the integrity of our Company." Michelin Quality Statement (2021).

Compliance of new Passenger car, Light truck and Truck tires is verified by government technical services when the product is certified. In the European Union, the stricter rolling resistance and wet grip standards introduced in Regulation R117, for both new and worn tires, have progressively been applied to new products since July 2024.

In each of the member countries, Michelin is supporting the application of these standards and, when requested, is helping to define the minimum thresholds.

4.10.3.2 Worn tire performance

The existing minimum standards for rolling resistance, noise and wet grip concern the measured performance of new tires. However, a tire's condition and performance evolve as it wears.

In the case of rolling resistance and noise, for example, performance improves or remains stable with use, 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 European Union approved the introduction of a regulation governing the wet grip performance of worn tires. Michelin participated in the United Nations working group that developed 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.

4.10.4 A POSITIVE IMPACT ON CONSUMERS AND END-USERS: INNOVATIVE PRODUCTS AND SERVICES

Michelin is pursuing its road safety strategy by introducing (i) new products offering even more robust safety performance with a smaller environmental footprint and (ii) customer services, such as the connected solutions mentioned above.

In 2023 and 2024, for example, two major truck fleet solutions were refreshed. First, the second-generation MICHELIN X® MULTI™ ENERGY™ tire range was introduced for fleet operators looking for an all-weather, all-road tire delivering optimum fuel efficiency and excellent mileage performance. The range's safety gains were recognized by Dekra, which conducted certified tests comparing the lateral wet grip performance of new and worn Michelin tires against their premium competitors.

Second, the innovative MICHELIN Connected Mobility[1] solution was launched in 2023 to help fleet managers meet their multitude of operational, financial, regulatory and environmental challenges. The end-to-end solution seamlessly combines five areas of expertise: connected technologies, day-to-day fleet management applications, tire management optimization, support and advice, and of course, Michelin tire performance. For example, MICHELIN Connected Mobility can help a fleet cut its fuel bill by up to 12% and reduce the number of tire pressure-related roadside repairs by up to 80%.

In addition to products and services, Michelin promises to make mobility more accessible, safer, more efficient and more environmentally sensitive. That's why the Group is committed to acting in the common good by financing road safety initiatives, notably in developing countries. Examples include:

- The Michelin Foundation's contribution to the United Nations Road Safety Fund (UNRSF), which is supporting solutions in low and middle-income countries, with a special focus on worldwide public policy and infrastructure;
- Michelin's ongoing partnership with UNICEF focused on children's road safety education programs in China, Cambodia and the Philippines.

(1) https://pro.michelin.fr/transport-de-marchandises/services-transport-de-marchandises/michelin-connected-mobility.

4.10.5 METRICS AND TARGETS

The Net Promoter Score® (NPS®)

Since 2018, the Michelin Group has used the Net Promoter Score® (NPS®) to help employees to measure customer satisfaction and, if needed, take corrective action. NPS improvement initiatives are defined by the regional organizations and the Business Lines in close collaboration with the Customer Promise Guarantee teams and in-house partners (sales forces, Supply Chain, Customer Business Service, etc.). Regional initiatives are led by local management teams, while at Group level, every Customer Centricity Board meeting includes a dedicated NPS® session. In addition, twice a year, the Corporate Customer Promise Guarantee team issues a progress report on the initiatives underway.

Based on an NPS® of 50.6 in 2020 for the original equipment passenger car tire business, the Group's executive team is committed to increasing the Partner NPS by 10 points over the 2020-2030 period. In 2024, the Partner NPS stood at 40.2, compared with 40.3 in 2020. Partner interviews in 2024 emphasized the quality of Michelin's products and brand identity, but some customers commented negatively on product pricing and availability.

The NPS is included in the Group's strategic scorecard of indicators.

GOVERNANCE MATTERS

4.11 BUSINESS CONDUCT (G1)

THREE QUESTIONS FOR CHARLOTTE GRASS, CHIEF COMPLIANCE OFFICER

"Today, ethical business practices are indispensable if we want to build trust and act as an agent of all-sustainability."

What is the Group's commitment with regard to ethical business practices?

As day by day, we build the Michelin of tomorrow, the concern for ensuring that individual and collective conduct remains consistent with its values and ethical principles is always top of mind.

More than ever, our goal is to make these values and principles a single, clearly identifiable foundation on which every Group employee can stand, wherever they are and whatever their responsibilities.

Among other things, this means that the Group pays particular attention to deploying a wide range of compliance-related prevention and detection programs in all its units and Business Lines.

What is at stake for the Michelin Group in its business conduct?

Trust – that's what ethical business conduct is all about for Michelin. The trust of its employees, the trust of its customers, the trust of its shareholders and, more generally, the trust of all its internal and external stakeholders. This trust, which is more vital but harder to build than ever in this time of quickening technological, climate and social change, undeniably stems from the Group's ability to conduct its business ethically.

What sets the Michelin Group apart in its business conduct?

Since its founding, Michelin's employees have embraced the values of respect that are the building blocks of its corporate DNA.

Embodied in guiding principles, these values inspire employees as they conduct the Group's business ethically and in compliance with applicable regulations. The Group has deployed an organization and a governance structure dedicated to addressing current and emerging ethics and compliance issues, both at corporate level and in the Regions and the Business Lines. The Group's cross-cutting, multi-disciplinary approach gives it a granular vision of its risk picture. What underpins all this is the empowerment of the various stakeholders in every aspect of the business and with it, a shared commitment to living our ethical principles. The Group attaches particular importance to a culture of speaking up, particularly with regard to any breaches of its ethical principles, so that compliance with them is always the norm.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream Upstream value chain Downstream Downstream value chain OP Own operations Short-term Medium-term Long-term	
G1 – BUSINESS CONDUCT	
Business ethics and corporate culture	
Fines, litigation and reputational damage due to unethical business practices OP **Risk**	Potential unethical business practices include corruption, fraud, bribery, environmental violations and exploitive conditions in the supply chain.

Introduction

Unethical business conduct represents a risk for Michelin, whose employees may be exposed to unethical practices in the course of their business relationships. Failure to comply with applicable regulations could have serious, lasting or irreversible consequences for the Michelin Group's image and reputation with institutions and/or the general public. This could hamper the Group's ability to attract talent and capital or expose it to financial risks, such as fines or the costs incurred in compliance, litigation or crisis management. Managers and employees involved in unethical practices may also be exposed to fines and/or imprisonment.

Michelin is formally committed to acting ethically in all its business activities and, in particular, to fighting corruption. It 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.

Compliance with the Group's fundamental values depends on the commitment of every employee, regardless of job title or function. They are expected to safeguard the values, reputation, image and heritage that the Michelin Group nurtures and enhances over time in order to protect both its employees and its long-term viability.

4.11.1 GOVERNANCE

The role of the administrative, management and supervisory bodies

See section 4.1.2 Governance of sustainability matters, above, for a presentation of the role of the administrative, management and supervisory bodies related to business conduct, as well as the expertise of these bodies in dealing with business conduct matters.

In the Corporate Legal Department, a multi-disciplinary Compliance Support Group (CSG) is tasked, in particular, with preventing and managing the risks of non-compliance with the Group's Code of Ethics, including in relation to anti-corruption and influence peddling.

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. The CSG works in close collaboration with its Compliance network and the Group's other corporate departments (personnel, audit, internal control, communication, sustainable development and impact, purchasing, etc.). The Group's Compliance network is tasked with instilling the values and principles of the Code of Ethics in the Regions, deploying training initiatives and ensuring proper application of the procedures. Regular meetings are organized with the Regional General Counsels and/or the Regional Compliance Officers to drive the wider deployment of compliance programs and the sharing of best practices. Each Regional Compliance Officer, who is a member of the Regional Ethics Committee, reports once a year to the Group Ethics Operational Committee on the status of the compliance programs, with a summary then presented to the Group Ethics Committee.

4.11.2 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The management of ethical risks and the fight against corruption are supported by two fundamental reference documents, respectively the Michelin Code of Ethics and the Anti-Corruption Code of Conduct. Both are 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." Both may be downloaded from the Code of Ethics website[1], the corporate website[2] and the Purchasing website[3].

The Regional President is responsible for ensuring that the Codes are properly applied everywhere in his or her geographical remit. In practice, the Codes are deployed by the Regional General Counsels and/or Compliance Officers, overseen by the Regional Ethics Committees and the Group Ethics Committee, which is chaired by the General Manager and Chief Financial Officer.

A deployment status report is presented to the Regional Ethics Committees and included in the annual reports submitted by each Region to the Group Ethics Operational Committee. Internal control procedures are performed to verify that the Codes have been distributed and accessible to every employee in the Region or business unit, with a particular focus on employees in at-risk countries and newly acquired companies. Other internal audits, focused either on Code deployment or more general issues, may also be carried out.

4.11.2.1 The Michelin Code of Ethics

Subtitled "Acting Ethically Every Day," the **Michelin Code of Ethics** reviews the Group's fundamental values (respect for facts, respect for people, respect for customers, respect for shareholders and respect for the environment) and describes the Group's ethical principles and compliance procedures. It sets out the guidelines governing employee and stakeholder decisions, with practical advice on how to respond to the most frequently encountered situations ("Dos and Don'ts"), and specifies the behaviors to adopt in typical situations for each work environment. Translated into 21 languages, 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 it easier to understand.

The Code of Ethics addresses the business conduct risks related to the giving or receiving of gifts and invitations, international trade and export controls, competition law, conflicts of interest, charitable and political donations, stock exchange regulations/ insider trading, anti-fraud/anti-corruption, privacy and personal data protection, supplier relations and compliance with laws and regulations.

The Code applies to all employees and to any person working on Group sites or acting on behalf of a Group unit, anywhere in the world. The Group also encourages its customers, suppliers and other partners to adhere to the provisions of the Code, and in many cases, compliance is a prerequisite for doing business with the Group.

The Group supports ongoing Code deployment and compliance with regular, dedicated videos, events and other forms of communication. The Code is also distributed to new hires, who receive in-person and online training in ethics issues. Information campaigns are also organized for suppliers and customers.

4.11.2.2 The Anti-Corruption Code of Conduct

To mitigate the risks of corruption, in 2015, the Group introduced an **Anti-Corruption Code of Conduct** applicable to all employees and agents (i.e., third parties acting in the name and on behalf of Michelin). Updated in 2020, it attests to the Group's commitment to deploying a policy of zero-tolerance for any form of corruption or bribery. The Group also encourages its customers, suppliers and partners to adhere to the principles of the Code, through (i) contractual clauses inserted in their contracts referring to the Code and the Michelin Purchasing Principles and specifying the Group's anti-corruption compliance requirements and expectations; and (ii) newsletters.

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.

(1) https://ethique.michelin.com/en/.
(2) https://michelin.com/.
(3) https://purchasing.michelin.com/.

The Anti-Corruption Compliance Program (ACCP)

Impelled by the commitment of the Managers, in 2018 Michelin introduced an **Anti-Corruption Compliance Program** based on the provisions of France's Sapin II Act. Supported by a Group standards manual, it was approved by the Group Ethics Committee in September 2018 then updated and re-approved by the Group Ethics Committee in July 2021. Any new updates are now approved by Group Compliance and sent to the Group Ethics Committee for information.

Building on the provisions of France's Sapin II Act, the Michelin Program is backed by:

- Top management's strong commitment to the Group's policy of zero-tolerance for corruption and influence peddling;
- a corporate compliance team (CSG) and local relay officers in the Regions;
- a corruption risk map based on Sapin II standards and the recommendations of the French Anti-Corruption Agency, to identify at-risk operations, processes and countries and determine the mitigation measures to be deployed;
- mechanisms for assessing third parties with which the Group works or wishes to work, based on the findings of the corruption risk mapping;
- a Code of Ethics addressing the fight against corruption, a dedicated Anti-Corruption Code of Conduct specifying the procedures to be followed based on real-world examples, and a communication plan;
- an awareness-building program for all managers and employees and a stepped-up training plan for the ones most exposed to corruption risks;
- a whistleblowing hotline accessible to all Group employees and stakeholders (customers, suppliers, NGOs, etc.);
- control procedures (anti-corruption accounting audits, internal controls and audits);
- a system for tracking disciplinary measures taken in response to confirmed cases of corruption or influence peddling.

Each Regional President is responsible for managing corruption risks in all the activities and operations in his or her geographical remit, whether they arise from entities or companies associated with the Region, any other entity or company, or any person acting on behalf of a Group entity or company. Regional deployment of the Anti-Corruption Compliance Program and compliance with its principles are overseen by the Regional General Counsels and Regional Compliance Officers.

Any new company joining the Michelin Group, regardless of its business, size, industry or geographic location, must embrace the Group's ethical principles and values, including the Code of Ethics, the Anti-Corruption Code of Conduct and the Anti-Corruption Compliance Program and all other corruption risk management policies and guidelines no later than twelve months following the closing of the acquisition.

The Group believes that all its employees may be exposed to the risk of corruption. Nevertheless, as part of the corruption risk mapping exercise, certain functions have been identified as being the most at-risk, including purchasing, sales, customs, logistics and public affairs.

4.11.2.3 **Michelin's whistleblowing system (ethics hotline)**

4.11.2.3.1. General presentation

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 such traditional channels as direct or other managers, the Personnel Department or the Regional Ethics Correspondent. All reports are consolidated in the Group's whistleblowing hotline and presented regularly to the Group Ethics Committee and once a year to the Group Management Committee and the Supervisory Board's Audit Committee.

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.

Deployment of the ethics hotline has been extensively publicized across the Group to remind employees of its existence and its procedures and to report its usage statistics. Information posters are also on display at Group sites. All employees may request training in how to use the ethics hotline.

4.11.2.3.2. The Group Whistleblowing Procedure

The **Group Whistleblowing Procedure**[1] describes the basic principles of reporting possible ethics violations. Such alerts must be submitted on a disinterested basis, i.e., in good faith and without seeking direct compensation. All alerts are reviewed impartially and the principles of presumption of innocence, protection of privacy and protection of the reputation of individuals will be applied throughout the process. Investigators have sufficient impartiality, competence, authority and resources to perform their duties and consistently comply with the internal requirements of the investigation. Potential conflicts of interest are carefully considered and appropriate measures taken as necessary. All decisions on an alert (admissibility, appointment of an investigator, coming to a decision after investigation) are taken in a collegial manner, and the methods used to check the accuracy of the information and events reported must be justified and proportionate to the seriousness of the allegations.

When processing alerts, Michelin attaches great importance to preserving confidentiality. The conditions of collecting and processing alerts therefore guarantee that the whistleblower's identity and all details likely to identify the whistleblower, the alleged subject of the alert, any third party mentioned in the alert and the information gathered while processing the alert will be kept strictly confidential.

Similarly, any employee who thinks that he or she may have suffered retaliation for filing an alert or taking part in the investigation is encouraged to report this through the ethics hotline or to the authorized persons. In particular, the whistleblowing system may be used to report any retaliatory measure, threat or attempt to use such measures against an employee. After the alert has been closed, it is followed up to ensure that there has been no retaliation and that the corrective measures have been properly implemented.

The Regional Ethics Committee ensures that measures taken following the investigations are upheld and tracked, including the absence of any retaliation.

4.11.2.3.3. The Group Investigations Directive

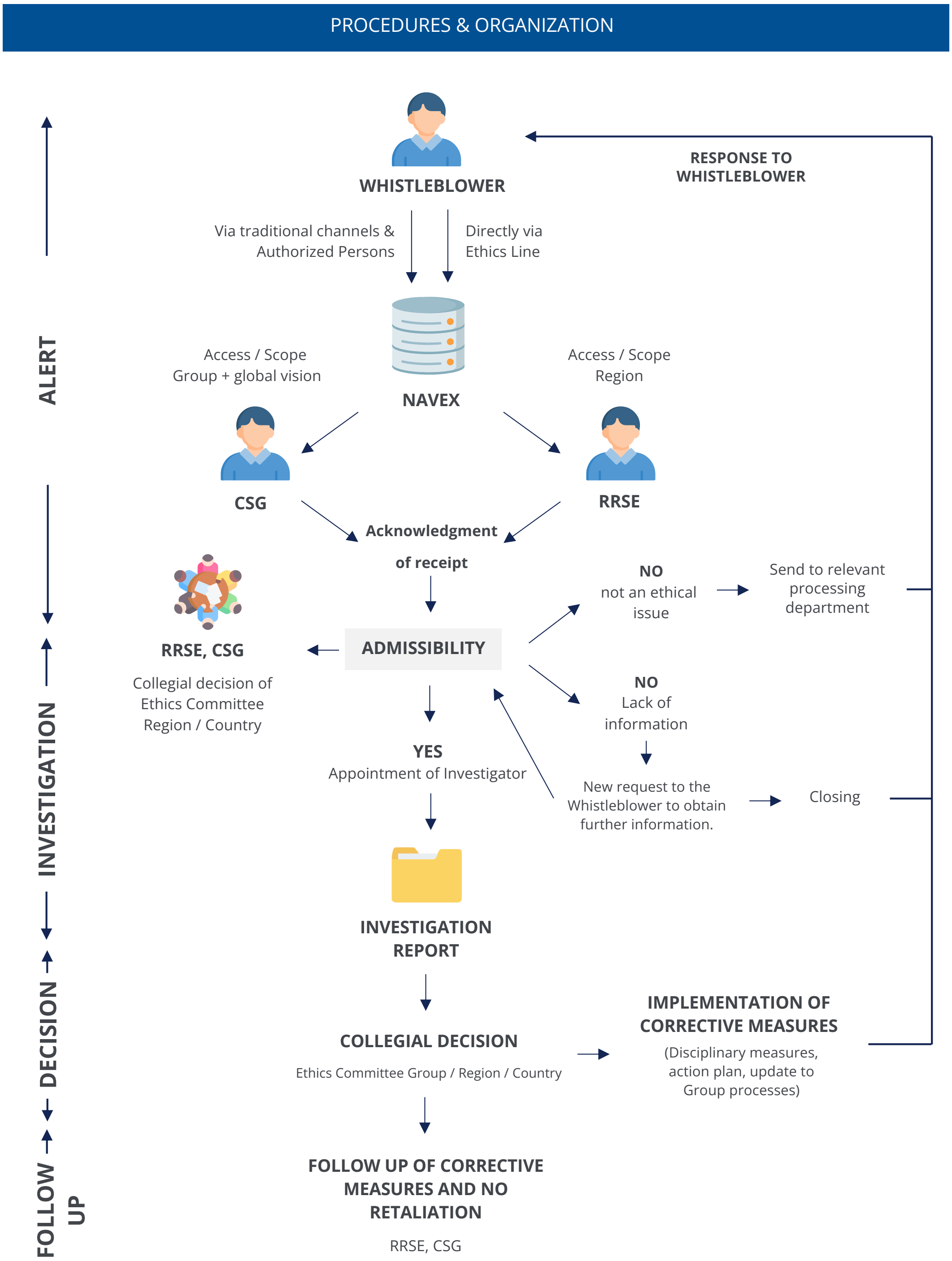
The Group has prepared a **Group Investigations Directive** defining the steps for processing an alert, the fundamental principles to be applied and the persons involved in the process. The investigation procedure applies to all matters covered by the Group's Code of Ethics, including incidents of corruption and bribery. The Group may also request the assistance of external investigators if necessary.

Submitted ethics alerts are analyzed and processed by authorized persons in accordance with the Group Whistleblowing Procedure and the Group Investigations Directive applicable across the Group, as defined by the Compliance Support Group (CSG) and the Corporate Planning, Prevention and Protection Department (DCAAP).

At Group level, only the Chief Compliance Officer and designated CSG members have access to all the alerts or reports submitted to the ethics hotline. The Regional Risk, Security and Environment Managers (RRSE) and, where applicable, the persons formally designated as their deputies, have access to alerts or reports filed in the countries in their Region. All these individuals are considered as authorized persons, and as such are bound by strict confidentiality and impartiality rules and vested with the requisite capabilities, authority and resources.

(1) Downloadable from michelin.com/groupe/raison-etre-values.

SUMMARY DIAGRAM OF THE ALERT COLLECTION AND PROCESSING MECHANISM



4.11.2.4 Ethics training

The Group offers a number of business conduct training courses intended either for all employees or for people in the most at-risk functions. They cover a range of subjects and issues, including the Code of Ethics, the ethics hotline, harassment, antitrust, anti-corruption, personal data protection and conflicts of interest. The courses are mandatory and must be attended when the employee takes up his or her new position and every two years thereafter.

In particular, given that all Group managers and employees worldwide may be exposed to corruption risks, since the final quarter of 2021, everyone qualified as eligible, wherever they work around the world, is expected to attend, every two years, an e-learning program reviewing the fundamental principles of the fight against corruption. The program enables participants to (i) understand the concepts of corruption and influence peddling; (ii) onboard the main principles of France's Sapin II Act and the related compliance system; (iii) identify situations at risk of corruption and influence peddling and recognize the consequences of violations; (iv) avoid situations likely to create a conflict of interest; and (v) use the whistleblowing channels to report possible infringements.

4.11.3 INITIATIVES SUPPORTING BUSINESS CONDUCT POLICIES AND THE CORPORATE CULTURE

In 2024, as every year, initiatives were undertaken to ensure compliance with the Code of Ethics, the Anti-Corruption Code of Conduct and the Anti-Corruption Compliance Program.

The Group Ethics Committee is currently updating the Group's corruption risk map, at the pace of three Regions per year in 2024, 2025 and 2026.

At the same time, the third-party due diligence process introduced in 2021 was strengthened in 2024, including specific anti-corruption due diligence prior to any merger or acquisition and the inclusion of ESG issues in due diligence audits. During the year, assessment criteria were reviewed, to realign the criteria for identifying at-risk third parties, lower the "at-risk country" threshold, deploy third-party assessments of suppliers in the Northern Europe Region in compliance with the German Duty of Care Act (LkSG) and introduce an upstream assessment procedure for new suppliers.

Internal ethics and compliance procedures are regularly updated. In 2024, a review of the Code of Ethics was initiated and the Anti-Corruption Compliance Program was updated. In 2025, the Group's Gifts and Entertainment Directive and Anti-Corruption Code of Conduct are scheduled for revision, as is the Third-Party Assessment Procedure to incorporate the new criteria identified in 2024.

The Group is continuing to develop and deploy mandatory online and in-person training courses for the most at-risk functions, including a mandatory anti-corruption e-learning course for the most exposed employees.

4.11.4 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

The Anti-Corruption Compliance Program is designed to prevent and detect allegations and incidents of corruption, influence peddling and bribery. The Code of Ethics, the Anti-Corruption Code of Conduct and mandatory training courses all contain a presentation of the corruption and bribery detection procedures[1].

As part of the Anti-Corruption Compliance Program, Michelin has also introduced a key performance indicator tracking the percentage of employees who have undergone anti-corruption training, which is mandatory for all employees in the more at-risk functions (see above).

(1) See above for a description of these guidelines.

4.11.5 METRICS AND TARGETS

4.11.5.1 **Percentage of functions-at-risk covered by anti-corruption training**

In all, 79% of employees in functions-at-risk received anti-corruption training between January 1, 2023 and December 31, 2024.

In accordance with the Anti-Corruption Compliance Program (ACCP), these sessions must be attended every two years by all eligible employees, i.e., people exposed to the risk of corruption who have been employed by the Group for more than six months. The percentage trained corresponds to the number of employees qualified as eligible at December 31, 2024 trained in 2023 and 2024, divided by the total number of employees qualified as eligible at December 31, 2024. The Group's target for the anti-corruption training attendance rate is at least 95% by the end of 2026.

4.11.5.2 **Confirmed incidents of corruption or bribery**

The number of convictions and the amount of fines levied for violation of anti-corruption and anti-bribery laws is tracked by each Regional Compliance Officer. In 2024, there were no convictions, and consequently no fines paid for the violation of anti-corruption laws in the Group. This attests to the Group's policy of zero-tolerance for corruption and influence peddling,

APPENDICES

APPENDIX A – ADDITIONAL INFORMATION DISCLOSED IN COMPLIANCE WITH ARTICLE L.22-10-35 OF THE FRENCH COMMERCIAL CODE

Stronger ties between French citizens and the armed forces and enlistment in the reserves

Signed in 2017, the first agreement to support the military reserves policy was renewed in 2022 under the same conditions. Under its terms, reservist employees of Manufacture Française des Pneumatiques Michelin and its subsidiaries 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[(1)].

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 any major events likely to have a tax impact will be shared transparently.

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.

A recurring effective tax rate of more than 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.

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.

The Michelin Group is a responsible taxpayer, complying with local and international legislation. We have developed our geographical footprint to be able to serve our customers, adding tangible value to their lives through our manufacturing, sales & marketing, development and services locations. The search for proximity, both in terms of relationships and geography, is even more relevant today with the challenges of managing our environmental footprint.

We are actively engaged in developing our host communities and systematically comply with local legislation wherever we operate, with an unceasing commitment to paying our fair share of taxes and customs duties. In our tax transparency report[(2)], we share information on the topic, always with the same goal of fostering constructive dialogue with all our stakeholders.

(1) Note that Florent Menegaux is a colonel in the French Army's citizen's reserve.
(2) https://www.michelin.com/publications/informations-réglementées/rapport-transparence-fiscale.

APPENDIX B – LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		4.1.2.1 Composition and role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		4.1.2.1 Composition and role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				4.1.2.4 Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12 (1), Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv Delegated Regulation (EU) 2020/1818, Article 12 (1), Delegated Regulation (EU) 2020/1816, Annex II			Delegated Regulation (EU) 2020/1818, Article 12 (1), Delegated Regulation (EU) 2020/1816, Annex II		N/A

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2 (1)	4.2 CLIMATE CHANGE (E1) TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		4.2.9 METRICS AND TARGETS
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex I				4.2.9.5 Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				4.2.9.5 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				4.2.9.5 Energy consumption and mix
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), 6 and 8 (1)		4.2.9.6 Gross Scope 1, 2, 3 and Total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 (1)		4.2.9.6 Gross Scope 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2 (1)	4.2.9.7 Carbon allowances

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II		4.2.14 ANTICIPATED FINANCIAL EFFECTS: INITIAL ESTIMATES OF THE COST OF ADAPTATION MEASURES[(1)]
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) **ESRS E1-9** Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			4.2.14 ANTICIPATED FINANCIAL EFFECTS: INITIAL ESTIMATES OF THE COST OF ADAPTATION MEASURES[(1)]
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			4.2.14 ANTICIPATED FINANCIAL EFFECTS: INITIAL ESTIMATES OF THE COST OF ADAPTATION MEASURES[(1)]
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		4.2.8.1 Rolling resistance, a key differentiating factor at a time of higher tire energy performance standards[(1)] 4.2.8.2 Expanding the line-up of EV tires[(1)]
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I, Indicator number 2 Table #2 of Annex I, Indicator number 1 Table #2 of Annex I, Indicator number 3 Table #2 of Annex I				4.3.7 AIR AND WATER POLLUTION METRICS
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				4.4.2 TARGETED WATER RESOURCE POLICIES
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				N/A
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				N/A

(1) Disclosure of qualitative information.

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I				4.4.4.3 Water consumption metric (own operations)
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				4.4.4.3 Water consumption metric (own operations)
ESRS 2- SBM 3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I				4.5.1 STRATEGY: ADDRESSING BIODIVERSITY IN THE TRANSITION PLAN AND THE BUSINESS MODEL
ESRS 2- SBM 3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				4.5.1 STRATEGY: ADDRESSING BIODIVERSITY IN THE TRANSITION PLAN AND THE BUSINESS MODEL
ESRS 2- SBM 3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				4.5.1 STRATEGY: ADDRESSING BIODIVERSITY IN THE TRANSITION PLAN AND THE BUSINESS MODEL
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				4.5.3 CORE BIODIVERSITY AND ECOSYSTEM POLICIES
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				N/A
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				4.5.3 CORE BIODIVERSITY AND ECOSYSTEM POLICIES
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				Not material
ESRS 2- SBM 3 – S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				4.8.1 A STRATEGY GROUNDED IN EMPLOYEE ENGAGEMENT
ESRS 2- SBM 3 – S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				4.8.1 A STRATEGY GROUNDED IN EMPLOYEE ENGAGEMENT

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY Michelin's commitment to human rights
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY Michelin's commitment to human rights
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY Michelin's commitment to human rights
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				4.8.4.2 Employee health and safety: an absolute priority in every decision
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				4.11.2.3 Michelin's whistleblowing system (ethics hotline)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		4.8.5.3 Employee health and safety
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Not disclosed in 2024
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				4.8.5.4 Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818 Art 12 (1)		4.8.5.4 Incidents, complaints and severe human rights impacts
ESRS 2- SBM 3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators numbers 12 and 13 Table #3 of Annex I				4.9 WORKERS IN THE VALUE CHAIN (S2) Introduction
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4.9.2 PROCUREMENT POLICIES DESIGNED TO MANAGE RISKS RELATED TO VALUE CHAIN WORKERS
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators numbers 11 and 4 Table #3 of Annex I				4.9.2 PROCUREMENT POLICIES DESIGNED TO MANAGE RISKS RELATED TO VALUE CHAIN WORKERS
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818 Art 12 (1)		4.9.2 PROCUREMENT POLICIES DESIGNED TO MANAGE RISKS RELATED TO VALUE CHAIN WORKERS
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		4.9.2 PROCUREMENT POLICIES DESIGNED TO MANAGE RISKS RELATED TO VALUE CHAIN WORKERS
ESRS S2-4 Human rights* issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				4.9.2.2 The Group's Sustainable Natural Rubber Policy (updated in 2021)
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4.10.2.1 The Group Quality Policy
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818 Art 12 (1)		4.10.1 AN UNRIVALED QUALITY AND PRODUCT SAFETY STRATEGY TO MEET CUSTOMER NEEDS
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				N/A
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				4.11.2 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				4.11.2.3.2 The Group Whistleblowing Procedure
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4.11.5.2 Confirmed incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				4.11.5.2 Confirmed incidents of corruption or bribery

APPENDIX C – EUROPEAN TAXONOMY TABLES

Table 1 – Sales ("Turnover")

Proportion of sales from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

	Year 2024			Substantial contribution criteria						Do no significant harm criteria (DNSH)										
		Absolute sales	Proportion of sales	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of sales, year 2023	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	*in € millions*	%	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of other low-carbon technologies	CCM 3.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16%	E	
Sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16%**		
Of which enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*16%*	*E*	
Of which transitional		-	-	-						-	-	-	-	-	-	-	*0%*		*T*
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)																			
Manufacture of other low-carbon technologies	CCM 3.6	13,846	51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	NO	YES	YES		36%		
Data-driven solutions for GHG emission reductions	CCM 8.2	240	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Repair, refurbishment and remanufacturing	CE 5.1	364	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1%		
Sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		**14,449**	**53%**	**52%**				**1%**									**38%**		
A. SALES OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**14,449**	**53%**	**52%**				**1%**									**54%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales of Taxonomy-non-eligible activities (B)		**12,743**	**47%**	*Analysis not carried out for reasons of materiality and insufficient data*															
TOTAL		**27,193**	**100%**																

Table 2 – Capital expenditure

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

	Year 2024			Substantial contribution criteria						Do no significant harm criteria									
		Absolute 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	Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of CapEx, year 2023	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	*in € millions*	*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	**%**	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of other low-carbon technologies	CCM 3.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**22%**	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22%**		
Of which enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	***0%***	*E*	
Of which transitional		-	-	-						-	-	-	-	-	-	-	***0%***		*T*
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)																			
Manufacture of other low-carbon technologies	CCM 3.6	1,561	53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	NO	YES	YES		**36%**		
Data-driven solutions for GHG emission reductions	CCM 8.2	47	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**1%**		
Repair, refurbishment and remanufacturing	CE 5.1	20	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								**1%**		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		**1,628**	**55%**	**54%**				**1%**									**38%**		
A. CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**1,628**	**55%**	**54%**				**1%**									59%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**1,335**	**45%**	*Analysis not carried out for reasons of materiality and insufficient data*															
TOTAL		**2,963**	**100%**																

Table 3 – Operating expenses

Proportion of operating expenses from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

		Year 2024		Substantial contribution criteria						Do no significant harm criteria									
		Absolute 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	Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of OpEx, year 2023	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	*in € millions*	%	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																		*E*	
Of which transitional																			*T*
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)																			
A. OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities				*Analysis not carried out for reasons of materiality and insufficient data*															
TOTAL		**1,842**	**100%**																

Tables 4 – Multi-objectives

	Proportion of OpEx/Total OpEx	
	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	-	-
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

	Proportion of CapEx/Total CapEx	
	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	-	54%
CCA	-	-
WTR	-	-
CE	-	1%
PPC	-	-
BIO	-	-

	Proportion of sales/Total sales	
	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	-	52%
CCA	-	-
WTR	-	-
CE	-	1%
PPC	-	-
BIO	-	-

Table 5 – Gas and nuclear activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

APPENDIX D – TABLE OF DISCLOSURE REQUIREMENTS

ESRS	Disclosure Requirement	URD reference
ESRS 2	BP-1 – General basis for the preparation of sustainability statement	4.1.1 GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT
	BP-2 – Disclosures in relation to specific circumstances	4.1.1 GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT
	GOV-1 – The role of the administrative, management and supervisory bodies	4.1.2.1 Composition and role of the administrative, management and supervisory bodies 4.1.2.2 The key role of the administrative, management and supervisory bodies
	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies;	4.1.2.2 The key role of the administrative, management and supervisory bodies
	GOV-3 – Integration of sustainability-related performance in incentive schemes	4.1.2.3 Integration of sustainability-related performance in incentive mechanisms
	GOV-4 – Statement on due diligence	4.1.2.4 Statement on due diligence
	GOV-5 – Risk management and internal controls over sustainability reporting	4.1.2.5 Risk management and internal controls over sustainability reporting
	SBM-1 – Strategy, business model and value chain	4.1.3.1 A sustainability driven strategy, business model and value chain
	SBM-2 – Interests and views of stakeholders	4.1.3.2 Constant, careful attention to the interests and views of stakeholders
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	See below for the disclosure requirements “Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model” as regards the ESRS: ■ ESRS E1 Climate change; ■ ESRS E4 Biodiversity and ecosystems; ■ ESRS S1 Own workforce; ■ ESRS S2 Workers in the value chain; ■ ESRS S4 Consumers and end-users.
	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	4.1.4.1 Methodology
	IRO-2 – Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement	APPENDIX D – Table of Disclosure Requirements

ESRS	Disclosure Requirement	URD reference
ESRS E1 Climate change	Related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	4.1.2.3 Integration of sustainability-related performance in incentive mechanisms 4.2.4 GOVERNANCE AND MONITORING OF THE TRANSITION PLAN
	E1-1 – Transition plan for climate change mitigation	4.2 CLIMATE CHANGE (E1) TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION
	Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.2.5 ALIGNMENT OF THE TRANSITION PLAN WITH THE GROUP'S BUSINESS STRATEGY 4.2.6 RESILIENCE OF THE STRATEGY CLIMATE CHANGE MITIGATION (Introduction) 4.2.8 MITIGATION ACTIONS AND RESOURCES EMBEDDED IN OUR BUSINESS MODEL
	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	4.1.4.1 Methodology
	E1-2 – Policies related to climate change mitigation and adaptation	4.2.7 CLIMATE CHANGE MITIGATION POLICIES 4.2.11 PHYSICAL CLIMATE RISKS ADAPTATION POLICY ISSUED IN 2024
	E1-3 – Actions and resources in relation to climate change policies	4.2.8 MITIGATION ACTIONS AND RESOURCES EMBEDDED IN OUR BUSINESS MODEL 4.2.12 DEDICATED INITIATIVES AND RESOURCES WITH A STRUCTURED ROADMAP TO 2030
	E1-4 – Targets related to climate change mitigation and adaptation	4.2.9.1 Short-to-medium-term (according to the SBTi) 4.2.9.2 Long term 4.2.9.3 Targets and quantitative contributions by lever over the 2019-2030 period (Scopes 1 and 2) 4.2.9.4 Projected levers for the 2050 time horizon 4.2.13 METRICS AND TARGETS UNDER CONSTRUCTION
	E1-5 – Energy consumption and mix	4.2.9.5 Energy consumption and mix
	E1-6 – Gross Scope 1, 2, 3 and Total GHG emissions	4.2.9.6 Gross Scope 1, 2, 3 and Total GHG emissions
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	4.2.9.7 Carbon allowances GHG removals and GHG mitigation projects financed through carbon credits
	E1-8 – Internal carbon pricing	4.2.9.7 Carbon allowances Internal carbon pricing
	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	4.2.8 MITIGATION ACTIONS AND RESOURCES EMBEDDED IN OUR BUSINESS MODEL 4.2.14 ANTICIPATED FINANCIAL EFFECTS: INITIAL ESTIMATES OF THE COST OF ADAPTATION MEASURES
ESRS E2 Pollution	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	4.1.4.1 Methodology
	E2-1 – Policies related to pollution E2-2 – Actions and resources related to pollution E2-3 – Targets related to pollution	4.3.2 GENERAL POLICIES RELATED TO POLLUTION 4.3.3 THE GROUP'S LONG-STANDING TRWP OBJECTIVE, BACKED BY DEEPER ENGAGEMENT WITH THE TIRE INDUSTRY AND OTHER SUPPORT RESOURCES 4.3.4 MITIGATING AIR AND WATER POLLUTION FROM GROUP OPERATIONS 4.3.5 MANAGING CHEMICAL RISKS 4.3.6 A HOLISTIC UNDERSTANDING OF POLLUTION IN THE UPSTREAM VALUE CHAIN
	E2-4 – Pollution of air, water and soil	4.3.7.1 Air pollution 4.3.7.2 Water pollution
	E2-5 – Substances of concern and very high concern;	4.3.7.3 Substances of concern (SOCs) and very high concern (SVHCs)
	E2-6 – Anticipated financial affects from pollution-related impacts, risks and opportunities	Not disclosed in 2024

ESRS	Disclosure Requirement	URD reference
ESRS E3 Water and marine resources	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	4.1.4.1 Methodology
	E3-1 – Policies related to water and marine resources	4.4.2 TARGETED WATER RESOURCE POLICIES
	E3-2 – Actions and resources related to water and marine resources	4.4.3 AN ARRAY OF ACTIONS AND RESOURCES COMMITTED TO WATER RESOURCES
	E3-3 – Targets related to water and marine resources	4.4.4.1 Water resource targets 4.4.4.2 Water-related targets in the upstream value chain
	E3-4 – Water consumption	4.4.4.3 Water consumption metric (own operations)
	E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities	Not disclosed in 2024
ESRS E4 Biodiversity and ecosystems	E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	4.5.1 STRATEGY: ADDRESSING BIODIVERSITY IN THE TRANSITION PLAN AND THE BUSINESS MODEL
	Related to SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.5.1 STRATEGY: ADDRESSING BIODIVERSITY IN THE TRANSITION PLAN AND THE BUSINESS MODEL
	Related to ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	4.1.4.1 Methodology 4.5.2 IDENTIFYING BIODIVERSITY AND ECOSYSTEM ISSUES: THE CRITICAL ROLE OF NATURAL RUBBER
	E4-2 – Policies related to biodiversity and ecosystems	4.5.3 CORE BIODIVERSITY AND ECOSYSTEM POLICIES
	E4-3 – Actions and resources related to biodiversity and ecosystems	4.5.4 BIODIVERSITY AND ECOSYSTEM INITIATIVES
	E4-4 – Targets related to biodiversity and ecosystems	4.5.5.1 Biodiversity and ecosystem targets
	E4-5 – Impact metrics related to biodiversity and ecosystems change	4.5.5.2 Impact metrics related to biodiversity and ecosystems change
	E4-6 – Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Not disclosed in 2024
ESRS E5 Resource use and circular economy	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	4.1.4.1 Methodology
	E5-1 – Policies related to resource use and circular economy	4.6.2 AMBITIOUS RESOURCE USE AND CIRCULAR ECONOMY POLICIES
	E5-2 – Actions and resources related to resource use and circular economy	4.6.3 TOWARDS A PARADIGM SHIFT: SIGNIFICANT CIRCULARITY INITIATIVES AND RESOURCES
	E5-3 – Targets related to resource use and circular economy	4.6.4.1 Resource inflows 4.6.4.2 Resource outflows
	E5-4 – Resource inflows	4.6.4.1 Resource inflows
	E5-5 – Resource inflows	4.6.4.2 Resource outflows
	E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	4.6.3.2 Resource circularity

ESRS	Disclosure Requirement	URD reference
ESRS S1 Own workforce	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	4.1.3.2 Constant, careful attention to the interests and views of stakeholders 4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY
	Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.8.1 A STRATEGY GROUNDED IN EMPLOYEE ENGAGEMENT 4.8.4 SOCIAL PROTECTION, HEALTH AND SAFETY, AND ATTRACTING AND RETAINING TALENT: THREE CORE ELEMENTS OF MICHELIN'S WORKFORCE STRATEGY AND ITS DEPLOYMENT
	S1-1 – Policies related to own workforce	4.8.2 DEPLOYING THE STRATEGY THROUGH A CONSISTENT SET OF POLICIES AND THE ICARE LEADERSHIP MODEL 4.8.4 SOCIAL PROTECTION, HEALTH AND SAFETY, AND ATTRACTING AND RETAINING TALENT: THREE CORE ELEMENTS OF MICHELIN'S WORKFORCE STRATEGY AND ITS DEPLOYMENT
	S1-2 – Processes for engaging with own workers and workers' representatives about impacts	4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY
	S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY 4.8.4.2 Employee health and safety: an absolute priority in every decision
	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	4.8.4 SOCIAL PROTECTION, HEALTH AND SAFETY, AND ATTRACTING AND RETAINING TALENT: THREE CORE ELEMENTS OF MICHELIN'S WORKFORCE STRATEGY AND ITS DEPLOYMENT
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE WORKFORCE STRATEGY
	S1-6 – Characteristics of employees	4.8.5.1 Characteristics of employees
	S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Not disclosed in 2024
	S1-8 – Collective bargaining coverage and social dialogue	Not material
	S1-9 – Diversity metrics	Not material
	S1-10 – Adequate wages	4.8.5.2 Adequate wage*
	S1-11 – Social protection	Not disclosed in 2024
	S1-12 – Persons with disabilities	Not material
	S1-13 – Training and skills development metrics	Not disclosed in 2024
	S1-14 – Health and safety metrics	4.8.5.3 Employee health and safety
	S1-15 – Work/life balance metrics	Not material
	S1-16 – Compensation metrics (pay gap and total compensation)	Not material
	S1-17 – Incidents, complaints and severe human rights impacts	4.8.5.4 Incidents, complaints and severe human rights impacts

* *The following companies will be included in the Fair Wage Network's future "Living Wage Global Employer" certification rounds from 2025: Nex Tyres SL, Tyre Dating SAS, TRK SRL, Michelin Asia Singapore Co. Pte. Ltd, ASM Clermont Auvergne, PT Wanamukti Wisesa, PT Lestari Asri Jaya, PT Multi Kusuma Cemerlang, PT Royal Lestari Utama, CDI Products Arabia Industrial Ltd, EGC Operating Company, LLC, Pennel & Flippo SA, Fait Plast SPA, Angeloni Group SRL, Selcom SRL (being companies with more than 10 employees at December 31, 2024).*

ESRS	Disclosure Requirement	URD reference
ESRS S2 Workers in the value chain	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	4.1.3.2 Constant, careful attention to the interests and views of stakeholders 4.9.3 WELL-ESTABLISHED DIALOGUE PROCESSES ADDRESSING THE VIEWPOINTS OF VALUE CHAIN WORKERS
	Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.9.1 A VALUE CHAIN STRATEGY FOCUSED PRIMARILY ON NATURAL RUBBER SOURCING
	S2-1 – Policies related to value chain workers	4.9.2 PROCUREMENT POLICIES DESIGNED TO MANAGE RISKS RELATED TO VALUE CHAIN WORKERS
	S2-2 – Processes for engaging with value chain workers about impacts	4.9.3 WELL-ESTABLISHED DIALOGUE PROCESSES ADDRESSING THE VIEWPOINTS OF VALUE CHAIN WORKERS
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	4.9.4 PROCESSES TO REMEDIATE POTENTIAL NEGATIVE IMPACTS
	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	4.9.5 A WIDE ARRAY OF INITIATIVES IN PLACE TO PREVENT NEGATIVE IMPACTS AND DELIVER POSITIVE IMPACTS
	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.9.6 METRICS AND TARGETS
ESRS S3 Affected communities	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	Not material
	Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
	S3-1 – Policies related to affected communities	Not material
	S3-2 – Processes for engaging with affected communities about impacts	Not material
	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Not material
	S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Not material
	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not material

ESRS	Disclosure Requirement	URD reference
ESRS S4 Consumers and end-users	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	4.1.3.2 Constant, careful attention to the interests and views of stakeholders 4.10.3 A CONTINUOUS CUSTOMER DIALOGUE PROCESS AND MICHELIN'S LEADERSHIP IN SUPPORTING TIRE REGULATIONS
	Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.10.1 AN UNRIVALED QUALITY AND PRODUCT SAFETY STRATEGY TO MEET CUSTOMER NEEDS
	S4-1 – Policies related to consumers and end-users	4.10.2 THREE FUNDAMENTAL DOCUMENTS SUPPORTING DEPLOYMENT OF MICHELIN'S QUALITY STRATEGY
	S4-2 – Processes for engaging with consumers and end-users about impacts	4.10.3 A CONTINUOUS CUSTOMER DIALOGUE PROCESS AND MICHELIN'S LEADERSHIP IN SUPPORTING TIRE REGULATIONS
	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	4.10.1.1 Zero compromise on the safety and quality of Michelin products
	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	4.10.1.2 Sustainable product performance 4.10.1.3 Customer satisfaction: the bedrock of Michelin's strategy 4.10.1.4 Innovating for customers with data-driven experiences 4.10.4 A POSITIVE IMPACT ON CONSUMERS AND END-USERS: INNOVATIVE PRODUCTS AND SERVICES
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.10.5 METRICS AND TARGETS
ESRS G1 Business conduct	Related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	4.11.1 GOVERNANCE
	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	4.1.4.1 Methodology
	G1-1 – Business conduct policies and corporate culture	4.11.2 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE
	G1-2 – Management of relationships with suppliers	Not material
	G1-3 – Prevention and detection of corruption and bribery	4.11.3 INITIATIVES SUPPORTING BUSINESS CONDUCT POLICIES AND THE CORPORATE CULTURE 4.11.4 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY 4.11.5.1 Percentage of functions-at-risk covered by anti-corruption training
	G1-4 – Confirmed incidents of corruption or bribery	4.11.5.2 Confirmed incidents of corruption or bribery
	G1-5 – Political influence and lobbying activities	Not material
	G1-6 – Payment practices	Not material

4.12 REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852

(For the year ended December 31, 2024)

This is a translation into English of the Statutory Auditors' report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

To the Shareholders,

Compagnie Générale des Etablissements Michelin
23 place des Carmes-Déchaux
63000 Clermont Ferrand

This report is issued in our capacity as Statutory Auditors of Compagnie Générale des Etablissements Michelin (the "Group"). It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the financial year ended December 31, 2024 and included in the sustainability statement in the Group's management report.

Pursuant to Article L. 233-28-4 of the French Commercial Code (*Code de commerce*), Compagnie Générale des Etablissements Michelin is required to include the abovementioned information in a separate section of the Group's management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterised by uncertainties regarding the interpretation of the legal texts, the use of significant estimates, the absence of established practices and frameworks, in particular for the double materiality assessment, and an evolving internal control system. It provides an understanding of the impact of the Group's activity on sustainability matters, as well as the way in which these matters influence the development of its business, performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to II of Article L. 821-54 of the aforementioned Code, our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 *ter* of Directive (EU) 2013/34 of the European Parliament and of the Council of December 14, 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Compagnie Générale des Etablissements Michelin to determine the information reported;
- compliance of the sustainability information included in the sustainability statement in the Group's management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including with the ESRS; and
- compliance with the requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including those on independence, and quality control, prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on limited assurance engagements on the certification of sustainability information and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

In the three separate parts of the report that follow, we present, for each of the parts covered by our engagement, the nature of the procedures we carried out, the conclusions we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures we carried out with regards to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken in isolation and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three parts of our engagement.

Finally, where it was deemed necessary to draw your attention to one or more items of sustainability information provided by Compagnie Générale des Etablissements Michelin in the Group's management report, we have included an emphasis of matter paragraph hereafter.

The limits of our engagement

As the purpose of our engagement is to provide limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide a guarantee regarding the viability or the quality of the management of Compagnie Générale des Etablissements Michelin; in particular, it does not provide an assessment of the relevance of the choices made by Compagnie Générale des Etablissements Michelin in terms of action plans, targets, policies, scenario analyses and transition plans, that extends beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Our engagement does not cover any comparative data.

Compliance with the ESRS of the process implemented by Compagnie Générale des Etablissements Michelin to determine the information reported

Nature of the procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Compagnie Générale des Etablissements Michelin has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities that are disclosed in the Group's sustainability statement; and
- the information provided on this process also complies with the ESRS.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Compagnie Générale des Etablissements Michelin with the ESRS.

Elements that received particular attention

The elements to which we paid particular attention concerning the compliance with the ESRS of the process implemented by Compagnie Générale des Etablissements Michelin to determine the information reported are presented below.

Concerning the identification of stakeholders

Information concerning the identification of stakeholders is provided in section 4.1.3.2 "*Constant, careful attention to the interests and views of stakeholders*" of the Group's sustainability statement.

We spoke to management and other persons we deemed appropriate and inspected the documentation available.

Our work notably consisted in assessing the consistency of the main stakeholders identified by the Group with the nature of its activities, taking into account its business relationships and value chain.

Concerning the identification of impacts, risks and opportunities (IROs)

Information on the identification of impacts, risks and opportunities is provided in section 4.1.4 "*Double materiality assessment*" of the Group's sustainability statement.

We have reviewed the Group's process for identifying actual and potential impacts (positive and negative), risks and opportunities ("IROs") in relation to the sustainability issues set out in paragraph AR 16 of ESRS 1 "Application requirements", as presented in section 4.1.4 "*Double materiality assessment*" of the Group's sustainability statement.

We reviewed the list of IROs identified by the Group, including a description of their distribution in the Group's own operations and value chain, as well as their time horizon (short, medium or long term), and we assessed the consistency of this list with our knowledge of the Group.

We assessed:

- the approach used by the Group to gather information;
- the way in which the Group considered the list of sustainability topics listed in ESRS 1 (AR 16) in its assessment.

Concerning the assessment of impact materiality and financial materiality

Information on the assessment of impact materiality and financial materiality is provided in section 4.1.4.1 "*Methodology*" of the Group's sustainability statement.

Through interviews with management and inspection of the available documentation, we obtained an understanding of the impact materiality and financial materiality assessment process implemented by the Group, and assessed its compliance with the criteria defined by ESRS 1.

Compliance of the sustainability information included in the sustainability statement in the Group's management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS

Nature of the procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided provide an understanding of the general basis for the preparation and governance of the sustainability information included in the sustainability statement in the Group's management report, including the general basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Compagnie Générale des Etablissements Michelin for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions or inconsistencies, i.e., that are likely to influence the judgement or decisions of the users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the sustainability statement in the Group's management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying our conclusion, we draw your attention to the information set out in section 4.1.1 "*General basis for the preparation of the sustainability statement*" of the Group's sustainability statement describing the methodological limitations resulting from the uncertainties inherent in the first year of application of Article L. 233-28-4 of the French Commercial Code, in particular those relating to indicators not published in 2024 and to information for which it has not been possible to collect all the data.

Elements that received particular attention

The elements to which we paid particular attention concerning the compliance of the sustainability information included in the sustainability statement of the Group's management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS, are presented below.

The information published on climate change (ESRS E1) is mentioned in section 4.2 "*Climate change (E1)*" of the Group's sustainability statement.

The elements to which we paid particular attention concerning the compliance of this information with the ESRS are presented below.

Our audit procedures mainly consisted in:

- assessing, based on interviews conducted with management or relevant persons, in particular, the Corporate Sustainable Development and Impact Department (DCDI), whether the description of the policies, actions and targets implemented by the Group covered the following areas: climate change mitigation and climate change adaptation;
- assessing the appropriateness of the information presented in section 4.2 "*Climate change (E1)*" of the Group's sustainability statement and its overall consistency with our knowledge of the Group.

With regard to the information reported on the greenhouse gas emissions statement:

- we asked what internal control and risk management procedures the Group has put in place to ensure the compliance of the disclosed information;
- we reviewed the greenhouse gas emissions inventory protocol used by the Group to draw up its greenhouse gas emissions statement, and we assessed how it was applied to a selection of emissions categories and sites, for Scopes 1 and 2;
- With regard to Scope 3 emissions, we assessed:
  - the justification for the inclusions and exclusions of the various categories and the transparency of the information provided in this respect,
  - the process for gathering information;
- we assessed the appropriateness of the emission factors used and the calculation of the relevant conversions, as well as the calculation and extrapolation assumptions, taking into account the inherent uncertainty related to the state of scientific or economic knowledge and the quality of the external data used;
- for physical data (such as energy consumption), we reconciled the underlying data used to draw up the greenhouse gas emissions statement, together with the supporting documents, using sampling techniques.

With regard to the verification of the transition plan for climate change mitigation, our work mainly consisted of assessing whether the information published in the transition plan meets the requirements of ESRS E1 and provides an appropriate description of the underlying assumptions of the plan, it being specified that we are not required to express an opinion on the appropriateness or level of ambition of the objectives of the transition plan.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of the procedures carried out

Our procedures consisted in verifying the process implemented by Compagnie Générale des Etablissements Michelin to determine the eligible and aligned nature of the activities of the entities included in the scope of consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- compliance with the rules governing the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e., information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies in relation to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We established that there were no such elements to address in our report.

Neuilly-sur-Seine and Paris La Défense, February 18, 2025

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Itto El Hariri	Frédéric Gourd

05

CHAPTER 05

FINANCIAL PERFORMANCE

5.1 REPORT OF THE MANAGERS

5.1.1 TIRE MARKETS

5.1.1 a) A global market worth some $190 billion in 2023

The global tire market edged up slightly year-on-year in 2023, to just over $190 billion, with light-vehicle tires accounting for approximately 60% of the total and truck tires 30%. By volume, the market represented around 1.6 billion car and light truck tires and some 210 million truck and bus tires.

Around three out of four tires were sold in the Replacement market.

Longer term, tire demand is likely to expand by 0-2% a year on average in mature markets and by 2-4% a year on average in the new markets. In this environment, Michelin is targeting growing, high value-added market segments, with a focus on premium segments.

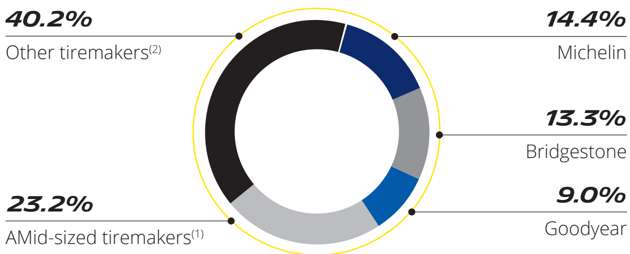
Changes in tire standards

The main regulatory change impacting the tire market in 2024 was the entry into application on July 1 of the European R117-04 regulation, which mandates stricter wet grip standards for worn tires. It includes a regulatory test that will help to improve road safety while encouraging motorists to use trustworthy tires down to the legal minimum tread depth of 1.6 mm. Michelin supports the new regulation which, in addition to making roads safer, will also help to preserve both the planet and the purchasing power of European motorists.

The market is also regularly impacted by the introduction of standards that are indirectly related to tires. New emissions standards, for example, can spur sales of new vehicles (and with them Original Equipment tires) ahead of their entry into application, as happened in the North American Truck tire market in 2023. This is also the case for standards affecting tire components, such as the European Union Deforestation-free Regulation (EUDR), which caused imports of Passenger car and Light truck tires from Asia to surge in September and October 2024 ahead of its scheduled application on January 1, 2025 (postponed at year-end to January 1, 2026).

Similar spikes in imports, particularly from Asia, are also observed in the months preceding the introduction of new or higher customs duties. In first-half 2024, for example, Truck tire imports from Thailand to North America rose sharply ahead of the introduction of anti-dumping duties by the United States over the summer.

THE GLOBAL TIRE MARKET BY MANUFACTURER IN 2023



Source: 2023 sales in US dollars, published in Tire Business.

(1) Tiremakers with a 2-7% market share according to the Tire Business ranking.

(2) Tiremakers with less than a 2% market share according to the Tire Business ranking.

5.1.1 b) Tire markets in 2024

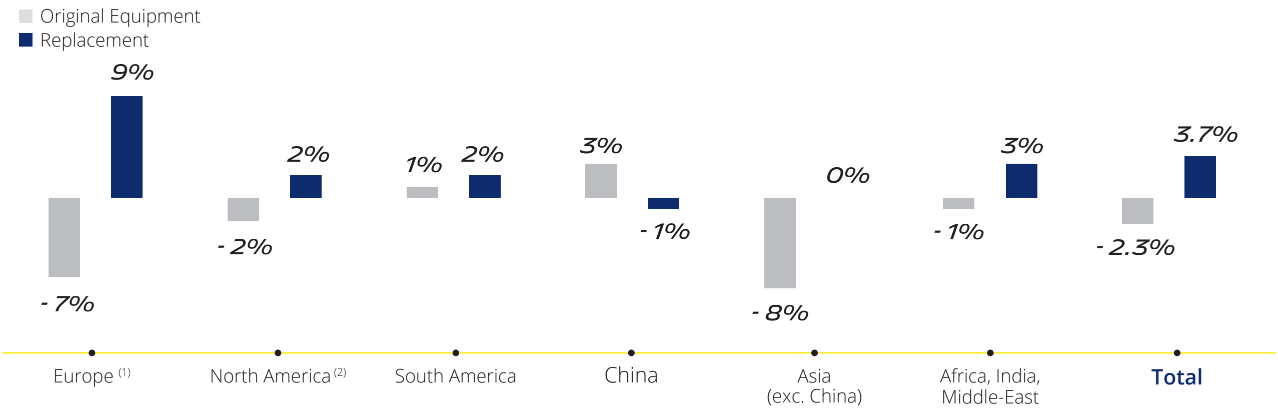
Methodological note:

Tire market estimates reflect sell-in data published by local tiremaker associations (sales of manufacturers to dealers and vehicle manufacturers), plus Michelin's own estimates of sales by tire manufacturers that do not belong to any association. These estimates are based primarily on import-export statistics and are expressed in the number of tires sold. They are regularly adjusted and may be updated following their initial publication.

5.1.1 c) Passenger car and Light truck tire markets in 2024

The global Passenger car and Light truck sell-in tire market grew by 2% over the year in 2024, as a 4% gain in Replacement sales offset a 2% decline in the Original Equipment segment.

THE GLOBAL PASSENGER CAR AND LIGHT TRUCK TIRE MARKET, 2024 VS. 2023



(1) Including Turkey and Eastern Europe.
(2) Including Central America.
Michelin estimates.

Original Equipment

In the Original Equipment segment, global demand ended 2024 down 2% year-on-year, with a steeper decline in Europe (down 7%) than in North America (down 2%) and a 3% increase in China.

Demand in Asia excluding China (mainly Japan and South Korea) also weakened over the year, declining by 8%.

Passenger car and Light truck tire markets Original Equipment *In millions of tires*	**2024**	**2023**	**2024/2023**	**Second-half 2024/ 2023**	**Fourth-quarter 2024/2023**	**Third-quarter 2024/2023**	**First-half 2024/2023**	**Second-quarter 2024/2023**	**First-quarter 2024/2023**
Europe[1]	76	83	-7%	-11%	-13%	-9%	-4%	-7%	-1%
North America[2]	74	75	-2%	-4%	-3%	-5%	+1%	0%	+1%
South America	15	15	+1%	+10%	+11%	+9%	-8%	-10%	-7%
China	136	132	+3%	+2%	+7%	-4%	+4%	+3%	+6%
Asia (excl. China)	71	77	-8%	-8%	-8%	-7%	-8%	-5%	-10%
Africa/India/Middle East	36	37	-1%	-7%	+9%	-20%	+5%	+1%	+8%
TOTAL	**409**	**418**	**-2%**	**-4%**	**-1%**	**-7%**	**-1%**	**-2%**	**0%**

(1) Including Turkey and Eastern Europe.
(2) Including Central America.
Michelin estimates.

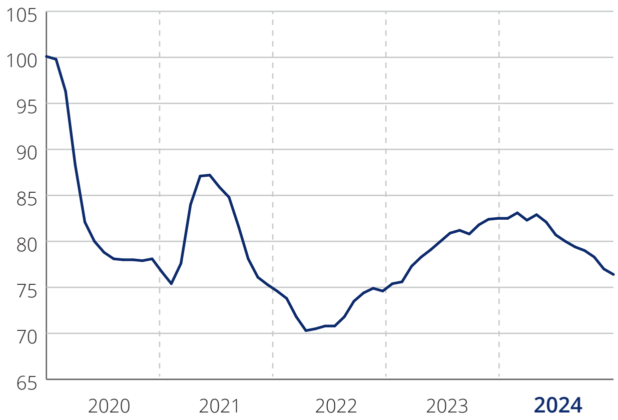
In **Europe**, the quarter-by-quarter market decline (down 1% in Q1, 7% in Q2 and 9% in Q3) gained momentum in the final three months, with a 13% drop tracking OEM output. New vehicle sales were impacted by pressure on purchasing power from persistently high interest rates. Moreover, uncertainties over the pace of the market's transition to EVs, exacerbated by reductions in EV purchase subsidies in certain countries, are leading consumers and fleets to push back new vehicle purchases.

The **North and Central American** market declined by 2% year-on-year. After holding relatively firm in the first half (up 1%), demand dropped 4% in the second six months, despite the favorable comparison with the prior-year period, when a strike in the fall slowed sales. As in Europe, EV takeup was slower than expected. In addition, the North American market saw a shift to lower-trim models, with fewer features and less equipment, following the post-pandemic period when disrupted semiconductor and component supply chains prompted carmakers to focus on executive models.

The market in **China** improved by 3% over the year, with wide swings, however, from one quarter to the next. Demand steadily cooled quarter-by-quarter (up 6% in Q1 and 3% in Q2, then turning down 4% in Q3), as exports gradually failed to offset the increasingly steep decline in domestic demand, which sharpened over the summer. However, the market rebounded strongly in the final three months, gaining 7% thanks to the vast demand-led economic stimulus package announced by the central bank and the Chinese government in late September.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN EUROPE

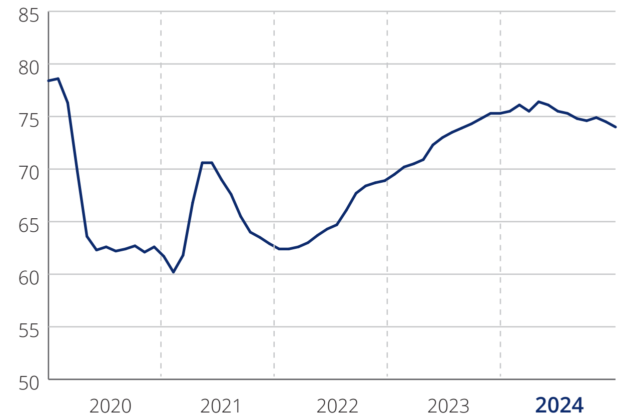
(in millions of tires – moving 12 months)



Michelin estimates.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN NORTH AMERICA

(in millions of tires – moving 12 months)



Michelin estimates.

Replacement

In Replacement tires, the 4% year-on-year increase in global demand hid significant disparities by region, with robust 9% growth in Europe and a slight 1% slowdown in China.

Passenger car and Light truck tire markets Replacement *In millions of tires*	**2024**	**2023**	**2024/2023**	**Second-half 2024/ 2023**	**Fourth-quarter 2024/2023**	**Third-quarter 2024/2023**	**First-half 2024/2023**	**Second-quarter 2024/2023**	**First-quarter 2024/2023**
Europe[(1)]	403	371	+9%	+11%	+11%	+11%	+6%	+9%	+3%
North America[(2)]	323	317	+2%	0%	-1%	+2%	+4%	+1%	+8%
South America	81	79	+2%	0%	+1%	0%	+5%	+3%	+6%
China	168	170	-1%	-2%	0%	-5%	+1%	-3%	+4%
Asia (excl. China)	143	142	0%	+4%	+4%	+3%	-3%	+1%	-7%
Africa/India/Middle East	117	114	+3%	+3%	+3%	+3%	+3%	+3%	+3%
TOTAL	**1,236**	**1,192**	**+4%**	**+4%**	**+4%**	**+4%**	**+3%**	**+3%**	**+3%**

(1) Including Turkey and Central Asia.
(2) Including Central America.

Michelin estimates.

After growing 6% in the first half, the **European** market further accelerated in the second six months, with an 11% gain, reflecting the net impact of:

- an increase in imports in September and October, ahead of the application of the European Union Deforestation-free Regulation (EUDR) initially scheduled for January 1, 2025, but finally postponed by a year;
- relatively weak OE demand;
- robust demand for winter tires. The gain was also lifted by the sustained move upmarket in the product mix, with faster growth in sales of 18-inch and larger tires.

Year-end dealer inventories were somewhat higher than normal due to the above-mentioned imports.

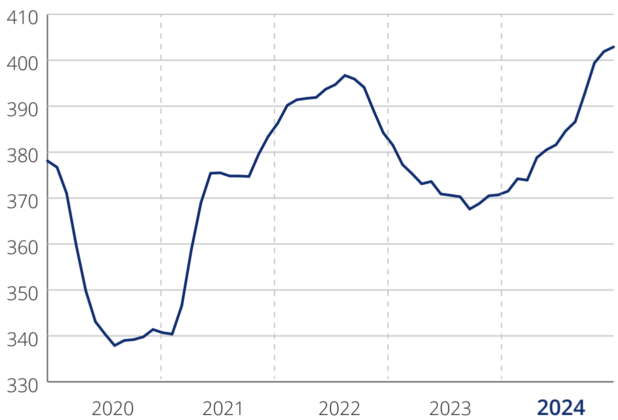
Demand in **North America** rose by 2% over the year, with the second half unchanged (0%) after a vibrant 4% increase in the first six months. In a resilient economy, the second-half slowdown reflected the leveling off of Asian import sales, after a first half buoyed by the lowering of anti-dumping duties on tires imported from Thailand in January 2024. Year-end 2024 inventory levels had returned to normal.

In **China**, after a more or less stable first half (up 1%), the market ended the year down a slight 1%, with a steep 5% plunge in the third quarter as domestic demand faltered, and a return to stability (0%) in the final three months. Sluggish demand also reflected the shift in mobility patterns observed in recent years following the rapid improvement in rail infrastructure, as a decline in average kilometers driven offset the increase in the number of vehicles on the road.

In the **other operating regions**, demand edged up 2% in South America, with an upsurge in Asian imports, and remained unchanged in Asia excluding China. The Indian market rose by 4%, with faster growth in demand for 18-inch and larger tires.

THE REPLACEMENT PASSENGER CAR AND LIGHT TRUCK TIRE MARKET IN EUROPE

(in millions of tires – moving 12 months)



Michelin estimates.

THE REPLACEMENT PASSENGER CAR AND LIGHT TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of tires – moving 12 months)

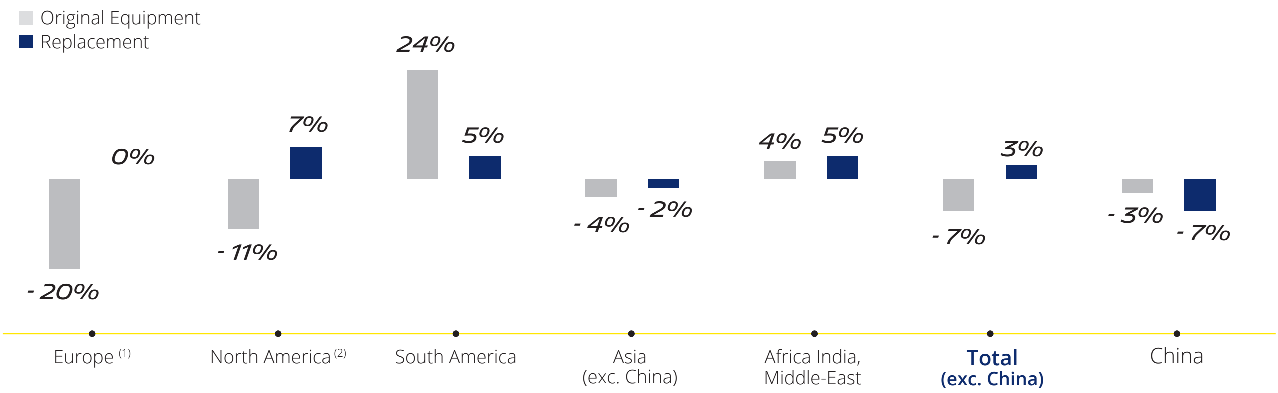
Michelin estimates.

5.1.1 d) Truck tire markets in 2024

The global Truck tire sell-in market (excluding China) improved by a slight 1% in 2024, with the 7% decline in Original Equipment sales outweighing the 3% growth in Replacement demand.

In China, where the Group's presence is negligible, markets contracted by 5% over the year, including declines of 3% in the OE segment and 7% in Replacement.

THE GLOBAL TRUCK TIRE MARKET, 2024 VS. 2023



(1) Including Turkey and Central Asia.
(2) Including Central America.
Michelin estimates – new tire market only.

Original Equipment

In the Original Equipment segment, the global market (excluding China) declined by 7%.

Truck tire markets Original equipment *In millions of tires*	**2024**	**2023**	**2024/2023**	**Second-half 2024/2023**	**Fourth-quarter 2024/2023**	**Third-quarter 2024/2023**	**First-half 2024/2023**	**Second-quarter 2024/2023**	**First-quarter 2024/2023**
Europe(1)	5.9	7.4	-20%	-22%	-22%	-23%	-19%	-20%	-17%
North America(2)	5.7	6.4	-11%	-13%	-11%	-14%	-9%	-2%	-16%
South America	2.4	1.9	+24%	+21%	+15%	+28%	+27%	+35%	+18%
Asia (excl. China)	4.3	4.5	-4%	-7%	-8%	-7%	-1%	-2%	-1%
Africa/India/Middle East	6.1	5.8	+4%	+4%	+4%	+4%	+4%	+4%	+4%
TOTAL (EXCL. CHINA)	**24.5**	**26.2**	**-7%**	**-8%**	**-8%**	**-8%**	**-5%**	**-4%**	**-7%**
China	20.3	20.8	-3%	-8%	-6%	-10%	+2%	-2%	+6%

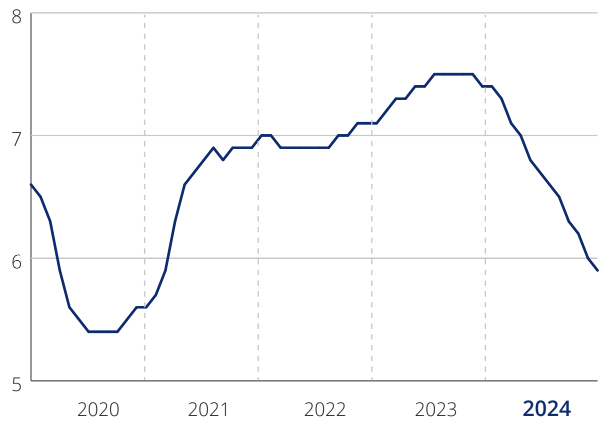
(1) Including Turkey and Central Asia.
(2) Including Central America.
Michelin estimates.

In **Europe**, the first-half trend (down 19%) continued through the second half (down 22%). The decline, which was expected, reflected a return to more normal levels after three years of strong growth in the wake of the health crisis and the difficulties in the auto industry. In 2024, the uncertain economy and more restrictive financing weighed on new vehicle demand.

In **North and Central America**, the 11% drop in demand over the year stemmed from the January 1 introduction of the new emissions standard that had spurred a wave of early buying in 2023, especially in the second half.

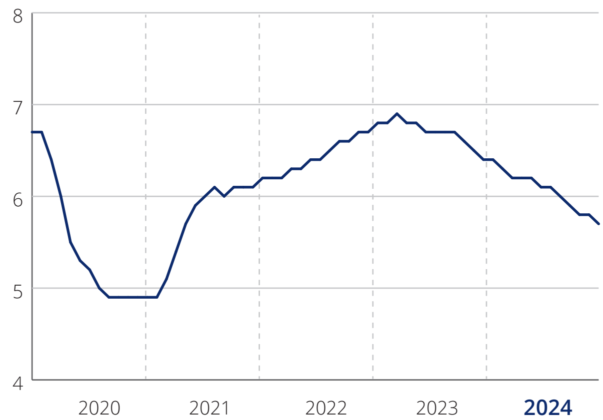
Market growth in **South America** surged 24% year-on-year, with demand comparing very favorably with 2023, which had been adversely impacted by a surge in new truck buying in 2022 ahead of the new emissions standard introduced in early 2023.

THE OE TRUCK TIRE MARKET IN EUROPE
(in millions of new tires – moving 12 months)



Michelin estimates.

THE OE TRUCK TIRE MARKET IN NORTH AMERICA
(in millions of new tires – moving 12 months)



Michelin estimates.

Replacement

The global Replacement sell-in market (excluding China) grew by 3% over the year.

Truck tire markets Replacement *In millions of tires*	**2024**	**2023**	**2024/2023**	**Second-half 2024/ 2023**	**Fourth-quarter 2024/2023**	**Third-quarter 2024/2023**	**First-half 2024/2023**	**Second-quarter 2024/2023**	**First-quarter 2024/2023**
Europe[(1)]	25.6	25.7	0%	+3%	+4%	+3%	-4%	-2%	-6%
North America[(2)]	33.0	30.8	+7%	0%	-1%	+2%	+15%	+15%	+16%
South America	17.2	16.5	+5%	+6%	+2%	+10%	+3%	+3%	+3%
Asia (excl. China)	21.5	21.9	-2%	+2%	+4%	0%	-6%	-5%	-7%
Africa/India/Middle East	30.2	28.9	+5%	+5%	+5%	+5%	+5%	+5%	+5%
TOTAL (EXCL. CHINA)	**127.5**	**123.7**	**+3%**	**+3%**	**+3%**	**+3%**	**+3%**	**+4%**	**+3%**
China	38.6	41.3	-7%	-9%	-6%	-12%	-3%	+3%	-10%

(1) Including Turkey and Central Asia.
(2) Including Central America.
Michelin estimates.

Demand was stable year-on-year in **Europe**, where tonnes carried remained more or less unchanged. Demand rose by 6% in Western European markets, but declined in Central and Eastern Europe, dampened by the steep 18% contraction in the Turkish market.

Demand in **North America** was up 7% at the end of December, with seasonal fluctuations from inventory build-ups and drawdowns. The market was up by more than 15% as of end-July, buoyed by the massive buying of imports ahead of higher anti-dumping duties on Thai tires. The market then flattened out to 2023 levels in the second half, with freight demand broadly unchanged year-on-year.

Lifted by the sustained growth in freight demand, particularly in Brazil, the **South American** market rose by 5% over the year. The market is also seeing greater penetration from Asian import brands.

In the **other operating regions**, markets grew by 2% over the year, including a 3% gain in India.

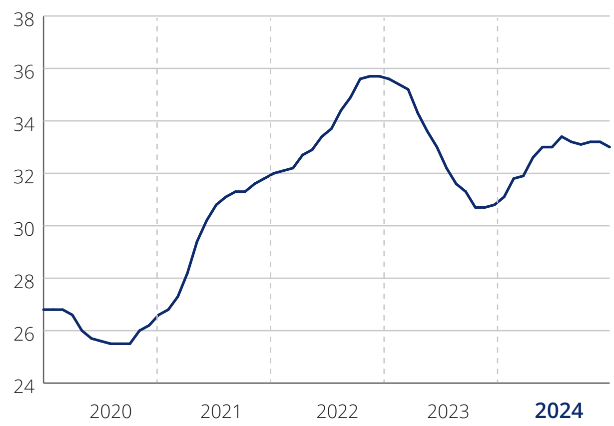
THE REPLACEMENT TRUCK TIRE MARKET IN EUROPE

(in millions of new tires – moving 12 months)

Michelin estimates.

THE REPLACEMENT TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of new tires – moving 12 months)



Michelin estimates.

5.1.1 e) **Specialty tire markets in 2024**

Mining tires: while mining tire demand remains robust over the long term, supported by ever-increasing ore mining needs, in 2024, the market was dampened by extensive inventory drawdowns as supply chains returned to normal and mine operators focused more sharply on cash flow discipline. Demand nevertheless firmed up in the final quarter, as inventories returned to normal by year-end.

Beyond-road tires: in these segments, where demand is almost equally divided between Original Equipment and Replacement sales, growth was mixed in 2024, with OE demand falling sharply across the board and Replacement demand demonstrating greater resilience.

In Agricultural tires, the highly cyclical OE markets, which account for the lion's share of demand, plummeted by more than 20% in both the Americas and Europe, dragged down by the reduction in average farming income due to farm commodity prices, adverse weather events and high interest rates. The Replacement market was slightly up year-on-year, but remained roiled by the growing penetration of budget brands, particularly in the Americas.

Demand for Construction tires contracted over the year, by around 15% in the OE segment and somewhat less in Replacement, due to the slowdown in homebuilding in both Europe and North America, where inflation and interest rates remain high. Infrastructure tire demand was more resilient in North America, supported by the growth in public spending.

The Materials Handling tire segment experienced a similar trend, with an almost 15% drop in OE sales and flat demand in the Replacement segment.

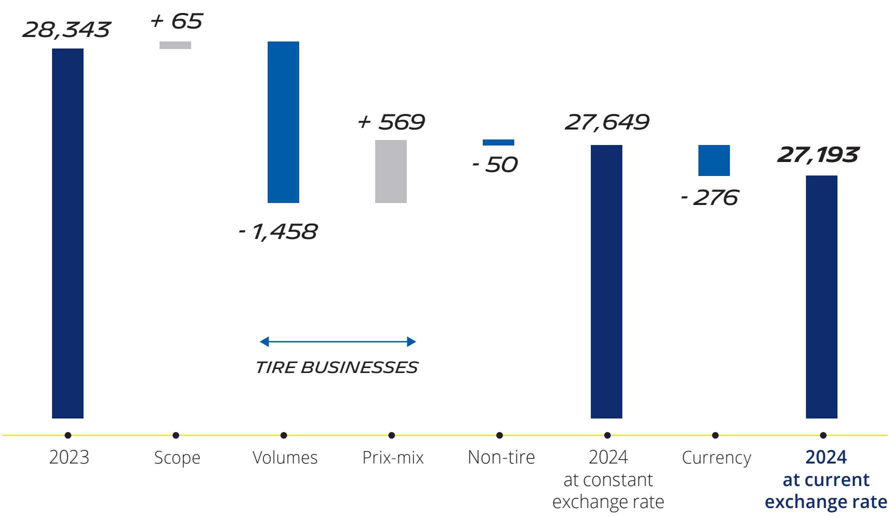
Two-wheel tires: in the Motorcycle and Scooter segment, after a first half hurt by poor weather conditions, the second half saw a rebound in demand for sport touring motorcycle and premium scooter tires. The Bicycle tire market remains vulnerable, particularly in the OE segment, which has been consolidating since 2023.

Aircraft tires: the commercial aviation market continued to expand, led by rising Chinese demand for international flights, which nevertheless remained a significant 30% lower than in 2019.

Fundamentals in the **Polymer Composite Solutions** market, which closely track mining industry demand over the long term, remain buoyant, but 2024 business was weighed down by comparison with the very high 2023 figures and by the financial imperatives pushing mine operators to postpone their capital projects. On the other hand, demand for service activities, which play a critical role in maintaining and optimizing mining facilities, is continuing to trend upwards.

In the other segments (belts, seals, high-tech fabrics and engineered polymers), which serve a variety of market verticals, global demand is still returning to normal levels as built-up inventory is reduced across the value chain.

5.1.2 SALES



Consolidated **sales** amounted to €27,193 million in 2024, representing a 4.1% decline from the €28,343 million reported in 2023. At constant exchange rates, the decline stood at 3.1% for the year.

The year-on-year change reflected the combined impact of the following factors:

- a 5.1% decline in sales volumes, stemming primarily from:
  - the very low output in all the Group's Original Equipment markets,
  - cyclical or one-off factors that particularly impacted the Specialty businesses, such as strict export controls, inventory drawdowns by certain mining operators and the closure of a large mine;
  - the Group's selective strategy of focusing on markets and segments that leverage the full value of its innovations and technologies;
- a 2.0% increase from the positive price-mix effect. Prices added a slightly favorable €31 million to full-year sales, overcoming the negative €105 million impact in the first half from applying raw materials-based and other contractual indexation clauses.

  The highly positive €538 million mix effect reflected the priority focus on the highest value products (MICHELIN brand tires, 18-inch and larger Passenger car tires, agricultural tracks, etc.) and the efficient management of the geographic and the Replacement/Original Equipment market mixes;
- a 1.0% decrease from the negative currency impact, due to the increase in the average annual euro exchange rate against the Turkish lira, the Brazilian real, the Chilean peso and most other operating currencies except the US dollar, where it remained stable over the year;
- the lack of any impact from the non-tire businesses, as the 0.2% increase from changes in the scope of consolidation (mainly the inclusion of FCG on September 26, 2023) offset the slight decline in aggregate non-tire sales compared with the extremely high 2023 comparative (lifted by record sales of conveyors and other products and services).

(in € millions and %)	2024	Second-half 2024	Fourth-quarter 2024	Third-quarter 2024	First-half 2024	Second-quarter 2024	First-quarter 2024
SALES	**27,193**	**13,712**	**7,022**	**6,690**	**13,481**	**6,839**	**6,642**
Change, year-on-year	**-1,150**	**-552**	**-169**	**-383**	**-598**	**-279**	**-319**
Volumes	-1,458	-838	-333	-505	-620	-333	-287
Price-mix	+569	+413	+205	+208	+156	+106	+50
Currency effect	-276	-110	-26	-84	-166	-34	-132
Scope of consolidation	+65	+6	+22	-16	+59	+7	+52
Non-tire sales	-50	-23	-37	+14	-27	-25	-2
Change, year-on-year	**-4.1%**	**-3.9%**	**-2.4%**	**-5.4%**	**-4.2%**	**-3.9%**	**-4.6%**
Volumes	-5.1%	-5.9%	-4.6%	-7.1%	-4.4%	-4.7%	-4.1%
Price-mix	+2.0%	+2.9%	+2.9%	+2.9%	+1.1%	+1.5%	+0.7%
Currency effect	-1.0%	-0.8%	-0.4%	-1.2%	-1.2%	-0.5%	-1.9%
Scope of consolidation	+0.2%	0.0%	+0.3%	-0.2%	+0.4%	+0.1%	+0.7%
Non-tire sales	-0.2%	-0.2%	-0.5%	+0.2%	-0.2%	-0.4%	0.0%

5.1.2 a) **Sales by reporting segment**

Segment information is presented according to the following three operating segments:

- Automotive, Two-wheel and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

In the following review, 2023 data have been restated to reflect changes in the scope of the reporting segments in 2024. These changes mainly concerned the Two-wheel tire business, which is now consolidated in the Automotive, Two-wheel and related distribution segment, in alignment with the Group organization.

The Specialty businesses segment includes the Mining, Beyond-road and Aircraft tire activities, as well as the Polymer Composite Solutions business. The Connected Solutions businesses are included for the most part in the Road transportation and related distribution segment.

Operating segment performance is measured primarily on the basis of sales and segment operating income, according to the same measurement principles used in the consolidated income statement.

	New scope of reporting	Former scope of reporting						
(in € millions)	2024	2024	Second-half 2024	Fourth-quarter 2024	Third-quarter 2024	First-half 2024	Second-quarter 2024	First-quarter 2024
GROUP	**27,193**	**27,193**	**13,712**	**7,022**	**6,690**	**13,481**	**6,839**	**6,642**
Automotive, Two-wheel and related distribution	14,667	14,084	7,237	3,728	3,509	6,847	3,471	3,376
Road transportation and related distribution	6,599	6,663	3,400	1,730	1,670	3,263	1,668	1,595
Specialty businesses and related distribution	5,927	6,446	3,075	1,564	1,511	3,371	1,700	1,671
Change, year-on-year	**-4.1%**	**-4.1%**	**-3.9%**	**-2.4%**	**-5.4%**	**-4.2%**	**-3.9%**	**-4.6%**
Automotive, Two-wheel and related distribution1	-1.3%	-1.8%	-1.1%	+0.0%	-2.2%	-2.5%	-2.7%	-2.3%
Road transportation and related distribution	-4.9%	-4.5%	-5.0%	-4.0%	-6.0%	-3.9%	-1.9%	-6.0%
Specialty businesses and related distribution	-9.4%	-8.3%	-8.8%	-5.8%	-11.6%	-7.9%	-8.1%	-7.6%

5.1.2 b) Automotive, Two-wheel and related distribution – Analysis of sales

Sales in the Automotive, Two-wheel and related distribution segment fell by 1.3% year-on-year to €14,667 million in 2024.

Volumes sold contracted by 1.6% over the year, reflecting a steeper decline in the Original Equipment segment than in Replacement, due to both external factors (particularly a downturn in the automotive market) and the Group's internal management of the balance between Original Equipment and Replacement sales.

Automotive:

The decline in **Original Equipment** sales primarily stemmed from the slowdown in automaker output in a global market down 2% year-on-year, with particularly softer demand in Europe and North America. Sales were also dampened by two market phenomena. First, sales growth temporarily slowed in the electric vehicle segment, where the Group is assertively over-exposed due to its technological leadership. Second, automotive demand shifted to less premium vehicles, which are less favorable for the Group, after a post-Covid period of shortages as automakers pushed their higher value-added models. Lastly, the Group's share of business with certain OEMs may have declined as a result of its commitment to ensuring that its technological expertise is fairly valued.

In the **Replacement** segment, volumes sold edged back slightly year-on-year, mainly as a result of the Group's focus on enhancing its positioning in the most value-accretive segments. This explains why sales primarily declined in the most commodified segments, such as small tires and Tier 2 and Tier 3 brands.

The percentage of 18-inch and larger tires in the sales mix continued to rise sharply, led by a fast growing market in which the Group maintained its positions. The Group also enjoyed robust sales in the winter tire segment, backed by the September launch of the new MICHELIN Alpin 7 benchmark range.

The Group is continuing to deploy its distribution strategy, both by developing its franchising model in brick & mortar dealerships and by broadening its presence in online retailing channels, led by Allopneus, Blackcircles and Tyroola, whose solid operating efficiency delivered significant sales gains in 2024.

Sales in **Europe** ended the year slightly lower, with a sharp disparity between the steep drop in Original Equipment sales and an increase in the Replacement segment. Growth was especially vibrant in Southern Europe (France, Spain, Italy) at year-end, driven by the winter and all-season segments. More generally, 18-inch and larger tires remained in high demand. Lastly, in the lower-value segments, KLEBER and our other Tier 2 brands leveraged their excellent positioning to sustain their growth momentum.

In **North America**, volumes sold contracted over the year as gains in 18-inch and larger Replacement tires and the successful launch of the BFGOODRICH KO3 all-terrain tire were overshadowed by the plunge in Original Equipment sales and the one-off difficulties encountered by the UNIROYAL brand (high year-end 2023 dealer inventories and insolvency issues at a key North American dealer).

Volumes also declined in **South America**, primarily due to competition in the smallest sizes from massive low-cost Asian imports and the wide swings in certain currency rates, which prompted the Group to adjust its pricing and/or credit policies to preserve its margins.

In **China**, Original Equipment sales declined less sharply than in most other regions, in a market buoyed by exports and government incentives. Replacement sales retreated overall, but the mix improved, as declines were concentrated in the smaller size segments and sales of premium models rose.

In **Southeast Asia**, Original Equipment volumes sold were adversely impacted by a steep falloff in demand, but Replacement volumes rose significantly, lifted by market share gains in the 18-inch and larger segment.

At a time of geopolitical tensions in a number of countries in the **Africa/India/Middle East** region, the Group continued to deploy its strategy of selectively focusing on the geographies and market segments capable of leveraging the full value of its technological leadership. Group sales in India remained hampered by import restrictions, despite significant easing in the wake of licensing agreements.

Two-wheel tires: in a global market environment that has not yet fully stabilized after the post-Covid bubble, particularly in the Bicycle tire value chain, the Group delivered an excellent performance, with volume gains in every segment and geography except Asia, where it has reduced its exposure to the least well positioned brands. This proactive response, coupled with greater selectivity in the Original Equipment segment, also resulted in a favorable price-mix effect.

Michelin Lifestyle reported strong sales growth for the year, primarily in the fine dining, hospitality and travel markets. It remains an unrivaled vehicle for promoting the MICHELIN brand and its premium positioning, generating considerable visitor streams to its online platforms.

5.1.2 c) Road transportation and related distribution – Analysis of sales

Sales in the Road transportation and related distribution segment totaled €6,599 million in 2024, down 4.9% from the prior year.

Premium truck tire manufacturers faced a complicated business environment in 2024, with Original Equipment markets cooling after expanding robustly in 2023 and Replacement markets reporting only slight growth that was in fact driven almost entirely by the waves of low-cost imports from Asia. In this context, volumes sold declined by 6.1% year-on-year, but disciplined management enabled the Group to deliver positive price and mix improvements.

Both of the Group's two main **Original Equipment** markets fell sharply in 2024, following the prior-year gains driven by the introduction of a new emissions standard in North America and the end of the post-Covid catch-up growth in Europe. This fed through to a decline in volumes sold, which were also impacted by the contract renegotiations undertaken with most of the partner OEMs to ensure that Michelin technology is fairly valued. In South America, the Group successfully captured all of the market rebound and maintained its market share.

The **Replacement** tire market, excluding China and adjusted for low-cost imports, was unchanged overall for the year. The Group managed to maintain almost all its share of the market, while pursuing its strategy of prioritizing the MICHELIN brand and its most state-of-the-art products, which offer fleets lower total cost of ownership. This was reflected in the launch of the new MICHELIN X® MULTI ENERGY™ 2 and MICHELIN X® LINE ENERGY™ 3 lines, with their optimum energy performance, and in the sustained growth in the Connected Solutions business through the Michelin Connected Mobility offering.

Replacement sales in **Europe** were stable by volume and up in value, lifted by resilient demand in Southern Europe (France, Spain, Italy), which offset the downturn in Central Europe, and by growth in the light truck segment.

The sales mix was very favorable in **North America**, thanks to the increase in volumes sold under the MICHELIN brand and, to a lesser extent, the BFGOODRICH brand. By contrast, retreading sales contracted over the year, pushed down by increased competition from low-cost Asian tires, whose imports surged over the first half.

In **South America**, Original Equipment volumes sold rose as the Group maintained its share of a rebounding market, but sales ended the year down overall, primarily due to a decline in the replacement market. This was particularly the case in Brazil, where half the market is now served by low-cost imports. In this environment, the Group pursued its selective marketing strategy in a commitment to preserving its margins.

In **Asia (excluding China)** and in the **Africa/India/Middle East region**, the Group pursued its strategy of targeting market segments that fully appreciate MICHELIN solutions for their technological content.

5.1.2 d) Specialty businesses and related distribution – Analysis of sales

Mining tires: in an ore market that remains on a long-term growth trend impelled by rising demand for metals, particularly to support the energy transition, volumes sold were dampened by a number of short-term factors. The inventory drawdowns undertaken by certain mining companies in second-half 2023 continued in 2024 before gradually petering out at year-end. Business in Europe and Central Asia slowed considerably after export controls were further tightened. Lastly, Central American operations were hurt by the closure of a large mine in Panama. Despite the impact of these one-time factors, mining tire sales rose by volume and in value, led by a very positive operating performance and a product and service portfolio well aligned with customer priorities for the productivity and safety of their operations. This helped to drive market share gains and significant growth in service volumes sold.

Beyond-road tires: sales of agricultural, materials handling and construction tires were severely impacted by the steep decline in Original Equipment markets in every segment. This did not prevent the Group from launching new products demonstrating its technological leadership, such as the MICHELIN CEREXBIB 2 tire for New Holland's new CR11 combine, which significantly reduces soil compaction and helps to meet emerging farming challenges.

In the more mixed Replacement markets, the Group pursued its strategy of prioritizing key segments. In agricultural tires, for example, it gained market share in Europe, primarily by targeting sales of tires for high-power tractors, while in the construction segment, it withdrew from bias tires and tracks for compact equipment to focus on radial technology and announced the sale of two production plants and the CAMSO brand.

Aircraft tires: in markets that were slightly up for the year, the Group increased its sales, particularly in mature regions. Operating difficulties encountered by airframe manufacturers slowed growth in Original Equipment demand, which improved the business line's sales mix by tilting it to Replacement.

Polymer Composite Solutions sales declined somewhat year-on-year, mainly due to comparison with the record highs reported in 2023, particularly in the conveyor belt business. In 2024, in an economy pressured by rising interest rates, mining companies postponed certain capital projects, which weighed on sales of new conveyor belt systems. However, this impact was partially offset by sales of maintenance services. The other segments (seals, belts, engineered fabrics, etc.) held sales firm overall, in markets that retain their medium- and long-term growth prospects despite temporary downturns.

In all, sales by the Specialty businesses reporting segment decreased by 9.4% year-on-year, to €5,927 million. Volumes sold, which only concern Specialty tires, declined by 9.1% over the year.

05

5.1.2 e) Changes in exchange rates for the main operating currencies

At current exchange rates, consolidated sales ended 2024 down 4.1%.

This reported decline includes the negative 1.0% (€276 million) impact of the decrease against the euro in the Chinese yuan, the Brazilian real and many other currencies over the year. The average euro exchange rate for the US dollar, which accounts for nearly 40% of consolidated sales, remained relatively unchanged versus 2023.

Average exchange rate	2024	2023	Change
Euro/USD	1.082	1.082	+0.1%
Euro/CNY	7.788	7.656	+1.7%
Euro/BRL	5.802	5.401	+7.4%
Euro/CAD	1.482	1.460	+1.5%
Euro/GBP	0.847	0.870	-2.7%
Euro/AUD	1.639	1.627	+0.7%
Euro/JPY	163.659	151.564	+8.0%
Euro/MXN	19.705	19.177	+2.8%
Euro/CLP	1,020.210	905.955	+12.6%
Euro/THB	38.152	37.617	+1.4%

Sales break down by currency as follows:

Currency	%	Currency	%
USD	39%	CLP	1%
EUR	32%	THB	1%
CNY	6%	TRY	1%
BRL	4%	SEK	1%
CAD	3%	TWD	1%
GBP	3%	CHF	1%
AUD	3%	Other	2%
JPY	1%		
MXN	1%		
TOTAL			**100%**

5.1.2 f) Sales by region

(in € millions)	2024	2024/2023	Second-half 2024	First-half 2024
GROUP	**27,193**	**-4.1%**	**13,712**	**13,481**
Europe	9,782	-1.1%	4,996	4,786
of which France	*2,572*	*2.8%*	*1,345*	*1,227*
North America (incl. Mexico)	10,493	-5.5%	5,254	5,239
Other regions	6,918	-5.9%	3,461	3,457

(in € millions)	2024	% of total	2023	% of total
GROUP	**27,193**		**28,343**	
Europe	9,782	36.0%	9,891	34.9%
of which France	*2,572*	*9.5%*	*2,502*	*8.8%*
North America (incl. Mexico)	10,493	38.6%	11,098	39.2%
Other regions	6,918	25.4%	7,354	25.9%

Overall, the breakdown of 2024 consolidated sales by major operating region remained the same as in 2023.

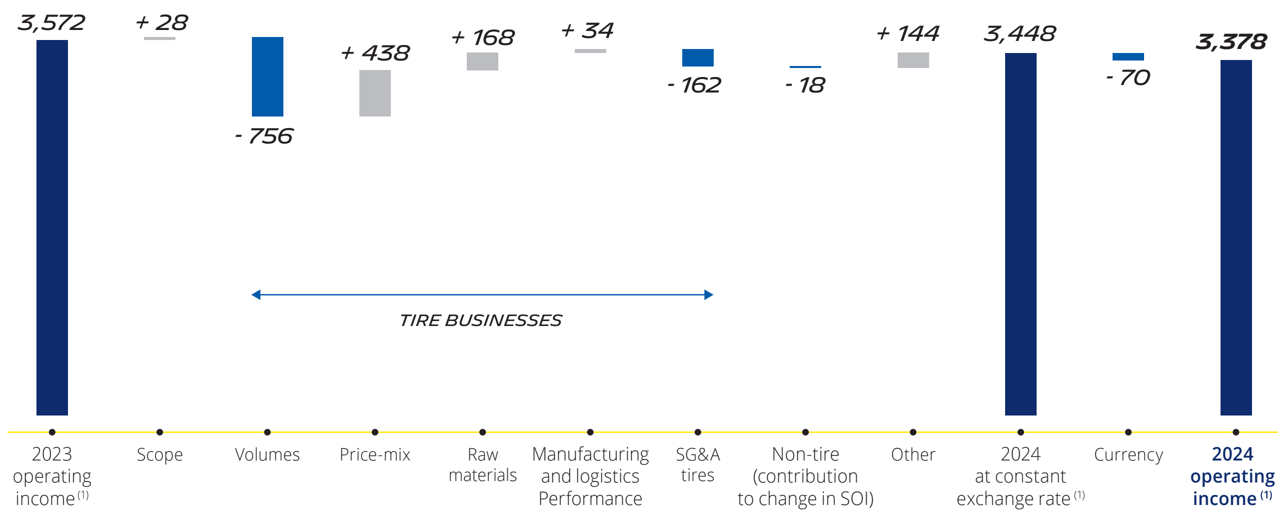
Around 65% of consolidated sales were generated outside Europe and more than 90% outside France.

5.1.3 CONSOLIDATED INCOME STATEMENT REVIEW

(in € millions, except per share data)	2024	2023	2024/2023	2024 (as a % of sales)	2023 (as a % of sales)
Sales	**27,193**	**28,343**	**-4.1%**		
Cost of sales	(19,445)	(20,395)	-4.7%	71.5%	72.0%
GROSS INCOME	**7,748**	**7,948**	**-2.5%**	**28.5%**	**28.0%**
Sales and marketing expenses	(1,204)	(1,210)	-0.5%	4.4%	4.3%
Research and development expenses	(786)	(756)	+4.0%	2.9%	2.7%
General and administrative expenses	(2,290)	(2,336)	-2.0%	8.4%	8.2%
Segment other income and expenses	(90)	(74)	+21.6%	0.3%	0.3%
SEGMENT OPERATING INCOME	**3,378**	**3,572**	**-5.4%**	**12.4%**	**12.6%**
Other operating income and expenses	(747)	(920)	**-18.8%**	2.7%	3.2%
OPERATING INCOME	**2,631**	**2,652**	**-0.8%**	**9.7%**	**9.4%**
Cost of net debt	(77)	(198)	-61.1%	0.3%	0.7%
Other financial income and expenses	19	2	+850.0%	0.1%	0.0%
Net interest on employee benefit obligations	(88)	(94)	-6.4%	0.3%	0.3%
Share of profit/(loss) from equity-accounted companies	(40)	128	-131.3%	0.1%	0.5%
INCOME BEFORE TAXES	**2,445**	**2,490**	**-1.8%**	**9.0%**	**8.8%**
Income tax	(555)	(507)	+9.5%	2.0%	1.8%
NET INCOME	**1,890**	**1,983**	**-4.7%**	**7.0%**	**7.0%**
■ Attributable to the shareholders of the Company	1,884	1,983	-5.0%	6.9%	7.0%
■ Attributable to the non-controlling interests	6	0	+100%		
EARNINGS PER SHARE *(in €)*					
■ Basic	2.65	2.77	-4.4%		
■ Diluted	2.62	2.75	-4.8%		

5.1.3 a) Analysis of segment operating income

(in € millions)



(1) Segment operating income.

Segment operating income amounted to €3,378 million or 12.4% of sales for the year ended December 31, 2024, compared with €3,572 million and 12.6% in 2023.

The €194 million decrease reflected the net impact of the following factors:

- a €28 million increase from changes in the scope of consolidation, corresponding primarily to the inclusion of Flex Composite Group since late September 2023;
- a €756 million decrease reflecting:
  - the decline in volumes sold;
  - the fixed cost shortfall resulting from the general under-utilization of production capacity as output declined and certain plants were ramped down over the year;
- a €438 million increase from the favorable price-mix effect, led by:
  - a slight net increase in prices, stemming primarily from the application of contractual indexation clauses, whose impact swung to positive in the second half from negative in the first due to the time lag in applying the changes in their underlying raw materials and other price indexes;
  - a very favorable mix, shaped by a combination of three factors: (i) higher sales of 18-inch and larger Passenger car tires and, more generally, premium products; (ii) faster growth in Replacement tire sales than in the OE markets, which weakened over the year; and (iii) a positive geographic mix, thanks in particular to the Group's careful management;
- a €168 million increase from the first-half decline in the cost of raw materials used in production, which offset the second-half rebound in these costs;
- a slight €34 million increase relating to manufacturing and logistics costs. The impact of inflation, particularly on payroll costs, and of the temporary closure of certain plants at year-end was partly cushioned by lower maritime shipping costs and improved operating performance;
- a €162 million decrease from the year-on-year growth in SG&A expenses (including research and development expenses) in the Tire operations, reflecting the impact of inflation, particularly on payroll costs;
- a €144 million increase from other favorable cost factors, primarily comprising an adjustment in the variable compensation paid in respect to 2024;
- a €70 million decrease from exchange rate movements, led by the unfavorable impact of the gains in the euro against the Turkish lira, the Chilean peso, the Japanese yen and most other operating currencies.

Other operating income and expenses unallocated to the operating segments represented a net expense of €747 million in 2024 versus a net expense of €920 million in 2023. The improvement primarily corresponded to the year-on-year reduction in provisions for industrial restructuring projects.

Other operating income and expenses are described in more detail in note 7 to the consolidated financial statements.

5.1.3 b) Segment operating income

Segment information is presented according to the following three operating segments:

- Automotive, Two-wheel and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

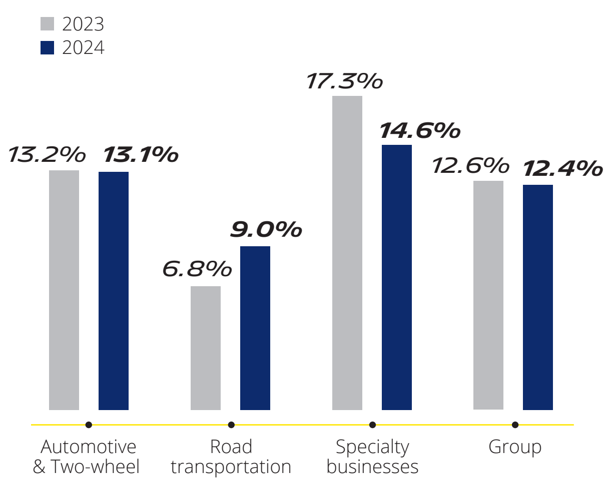
In the following review, 2023 data have been restated to reflect changes in the scope of the reporting segments in 2024. These changes mainly concerned the Two-wheel tire business, which is now consolidated in the Automotive, Two-wheel and related distribution segment, in alignment with the internal reporting process.

The Specialty businesses segment includes the Mining, Beyond-road and Aircraft tire activities, as well as the Polymer Composite Solutions business. The Connected Solutions businesses are included for the most part in the Road transportation and related distribution segment.

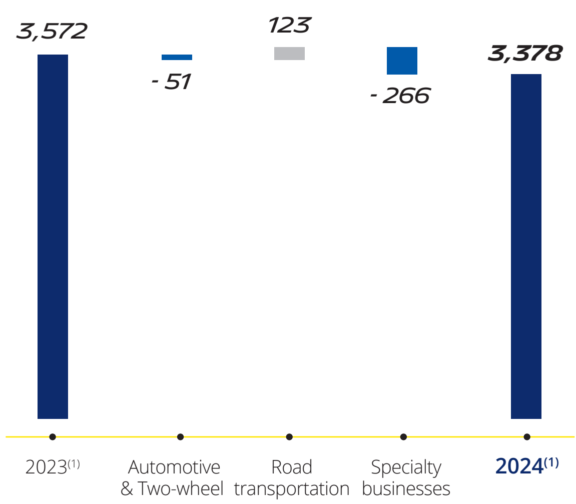
Operating segment performance is measured primarily on the basis of sales and segment operating income, according to the same measurement principles used in the consolidated income statement.

(in € millions)	2024 (new scope of reporting)	2023 (new scope of reporting)	2023 (former scope of reporting)	2024/2023 (new scope of reporting)
AUTOMOTIVE, TWO-WHEEL AND RELATED DISTRIBUTION				
Sales	14,667	14,859	*14,339*	-1.3%
Segment operating income	1,917	1,968	*1,959*	-2.6%
Segment operating margin	**13.1%**	**13.2%**	***13.7%***	**-0.2 pts**
ROAD TRANSPORTATION AND RELATED DISTRIBUTION				
Sales	6,599	6,941	*6,975*	-4.9%
Segment operating income	597	474	*456*	+26.1%
Segment operating margin	**9.0%**	**6.8%**	***6.5%***	**+2.2 pts**
SPECIALTY BUSINESSES AND RELATED DISTRIBUTION				
Sales	5,927	6,543	*7,029*	-9.4%
Segment operating income	864	1,130	*1,157*	-23.5%
Segment operating margin	**14.6%**	**17.3%**	***16.5%***	**-2.7 pts**
GROUP				
Sales	27,193	28,343	*28,343*	-4.1%
Segment operating income	3,378	3,572	*3,572*	-5.4%
Segment operating margin	**12.4%**	**12.6%**	***12.6%***	**-0.2 pts**

Segment operating margin



(in € millions)



(1) Segment operating income.

Automotive, Two-wheel and related distribution – Analysis of segment operating income

Automotive, Two-wheel and related distribution *(in € millions, for new scope of reporting)*	**2024**	**2023**	**2024/2023**	**2024 (% of consolidated total)**	**2023 (% of consolidated total)**
Sales	14,667	14,859	-1.3%	54%	52%
Change in volumes	-1.6%				
Segment operating income	1,917	1,968	-2.6%	57%	55%
Segment operating margin	13.1%	13.2%	-0.1 pts		

Segment operating income amounted to €1,917 million or 13.1% of sales, versus €1,968 million and 13.2% in 2023 (at comparable scope of reporting).

The Automotive segment maintained its operating income and margin almost on a par with 2023 despite (i) a 1.6% decline in volumes sold, impacted by the downturn in Original Equipment markets and the one-off contraction in UNIROYAL-brand volumes in North America due to problems at a distributor; and (ii) a general decrease in prices due to the application of indexation clauses in OEM contracts. This was primarily thanks to the highly favorable mix effect, driven by (i) the sustained growth in sales of 18-inch and larger tires and other outcomes of the priority focus on the most value-accretive market segments; and (ii) the faster momentum in Replacement tire sales compared with Original Equipment sales.

Distribution operations increased their percentage of the segment sales stream and maintained its generally neutral bottom-line contribution.

Exchange rate movements had a negative impact on segment operating income.

Road transportation and related distribution – Analysis of segment operating income

Road transportation and related distribution *(in € millions, at new scope of reporting)*	**2024**	**2023**	**2024/2023**	**2024 (% of consolidated total)**	**2023 (% of consolidated total)**
Sales	6,599	6,941	-4.9%	24%	24%
Change in volumes	-6.1%				
Segment operating income	597	474	+26.1%	18%	13%
Segment operating margin	9.0%	6.8%	+2.2 pts		

Segment operating income totaled €597 million or 9.0% of sales, versus €474 million and 6.8% in 2023 (at comparable scope of reporting).

The Road transportation segment sustained its first-half earnings rebound, despite an environment dampened by very unfavorable Original Equipment markets in Europe and North America and the extensive transformations in the production base following the announced restructuring projects in Germany, Poland and China.

Volumes sold contracted by 6.1%, mainly due to the cyclical downturn in Original Equipment demand and the Group's ongoing strategy of redeploying in the most value-accretive segments and geographies. The latter factor nevertheless fed through to a very favorable mix effect, which was further enhanced by the positive price effect after OEM contracts were renegotiated to better reflect the technological value delivered by the Group's products.

The Connected Solutions business, combined under the MICHELIN Connected Fleets brand, continued to expand, thanks mainly to more disciplined management and improved operating efficiency. It made a positive contribution to segment operating income.

Exchange rate movements had a negative impact on segment operating income.

Specialty businesses and related distribution – Analysis of segment operating income

Specialty businesses and related distribution *(in € millions, at new scope of reporting)*	**2024**	**2023**	**2024/2023**	**2024 (% of consolidated total)**	**2023 (% of consolidated total)**
Sales	5,927	6,543	-9.4%	22%	23%
Change in volumes	-9.1%				
Segment operating income	864	1,130	-23.5%	26%	32%
Segment operating margin	14.6%	17.3%	-2.7 pts		

Segment operating income amounted to €864 million or 14.6% of sales, versus €1,130 million and 17.3% the year before (at comparable scope of reporting).

Tire volumes sold fell a sharp 9.1% over the year, dragged down by the steep decline in Beyond-road Original Equipment markets (led by Agriculture and Construction tires) and by one-off events impacting the mining tire segment (inventory drawdowns at certain mining companies, closure of a large mine in Panama and tightening of export controls). The price effect was slightly negative over the year, despite a favorable second half, due to the segment's relatively high proportion of contractual indexation clauses. On the other hand, there were positive effects from (i) the mix, thanks to the faster growth in Replacement sales than in Original Equipment sales and the priority focus on higher value-added segments, and (ii) the segment's operating performance.

Polymer Composite Solutions operating income edged back somewhat year-on-year, mainly due to comparison with the very strong earnings reported in 2023, particularly in the conveyor belt business. In line with first-half trends, sales were hurt by relatively low capital spending, particularly in the construction and mining infrastructure segments, and by a correction in the rigid inflatable boats and other leisure marine markets following the post-Covid boom. Nevertheless, operating margin integrity was preserved over the year, thanks to the business' flexible organization and the diversity of its destination markets.

Exchange rate movements had a negative impact on segment operating income.

5.1.3 c) Other income statement items

Raw materials

The cost of **raw materials** reported in cost of sales was estimated at €5.6 billion in 2024 versus €5.9 billion in 2023.

The decline in these costs over the year reflected:

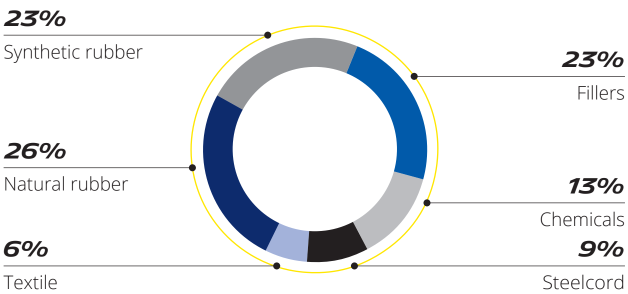
- the price and mix of the Group's raw materials purchases;
- the decrease in both volumes sold and output, accentuated by inventory drawdowns;
- the valuation of raw materials, semi-finished and finished product inventories using the weighted average cost method. This method tends to spread fluctuations in purchase costs over time and delay their recognition in cost of sales, due to timing differences between the purchase of the raw materials and the sale of the finished product;
- exchange rate movements, which correspond to (i) the impact of converting local currency purchasing costs into the consolidation currency; and (ii) a residual currency effect resulting from the difference between the purchasing companies' local currency and the currency used to purchase their raw materials.

Changes in natural rubber and butadiene prices feed through to the income statement around three to six months later.

Based on estimated 2024 production volumes, the sensitivity of cash purchasing outlays to fluctuations in natural rubber and oil prices is as follows:

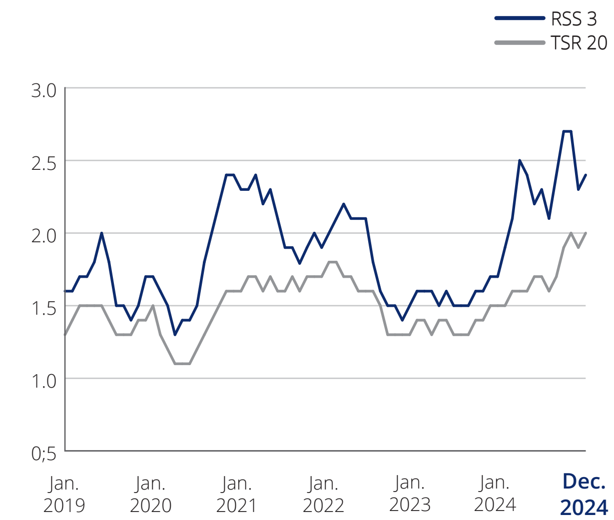
- a $0.10 per kg decrease in natural rubber prices would feed through to around an $87 million reduction in full-year purchasing costs;
- a $1.00 per barrel decline in oil prices would feed through to a $7 million decrease in full-year purchasing costs.

RAW MATERIALS RECOGNIZED IN 2024 COST OF SALES (€5.6 BILLION)

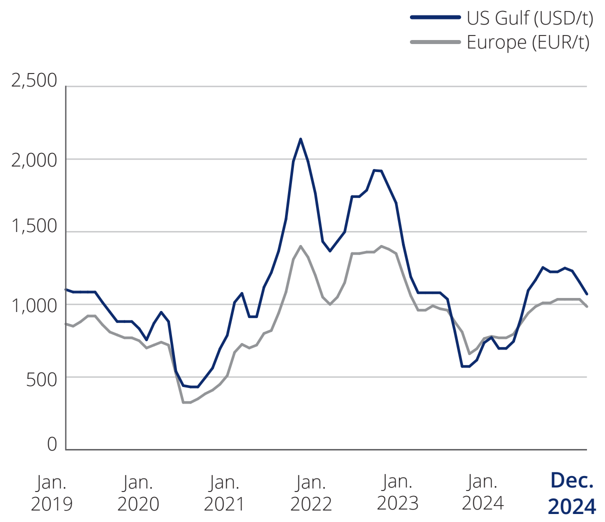


NATURAL RUBBER PRICES (SICOM)

(USD/kg)



BUTADIENE PRICES



Employee benefit costs and number of employees

Employee benefit costs came to €7,622 million or 28.0% of sales, up €221 million year-on-year. The increase was primarily attributable to the Group's dynamic salary adjustment policy in 2023 and 2024, given that raises are generally introduced in May and increase the corresponding benefit costs over the next twelve months. The process is aligned with the overall inflationary trend in recent years, which is now stabilizing.

The number of employees on payroll at year-end declined somewhat due to one-time movements (effective closure of certain operations in the final quarter, sale of the Euromaster business in Denmark) and to ongoing programs to streamline and reorganize the Group's corporate operations.

In 2024, €7,603 million in expenses were recognized in segment operating income and €19 million in other operating income and expenses (see notes 6 and 7 to the consolidated financial statements).

(in € millions and number of people)	2024	2023	Change
Total employee benefit costs	7,622	7,401	+3.0%
As a % of sales	28.0%	26.1%	
Employees on payroll at December 31	129,800	132,500	-2.0%
Number of full-time equivalent employees at December 31	123,500	125,000	-1.2%
Average number of full-time equivalent employees	124,800	125,000	-0.2%

Depreciation and amortization

(in € millions)	2024	2023	Change
Total depreciation and amortization	2,085	2,008	+3.8%
As a % of sales	7.7%	7.1%	

Depreciation and amortization charges rose by €77 million to €2,085 million for the year. The modest increase was in line with the upturn in capital expenditure committed over the past three years, which has now reached suitable levels.

Of the total, €1,983 million was recognized in segment operating income and €102 million in other operating income and expenses (see notes 6 and 7 to the consolidated financial statements).

Transportation costs

(in € millions)	2024	2023	Change
Transportation costs	1,370	1,485	-7.7%
As a % of sales	5.0%	5.2%	

Transportation costs came to €1,370 million in 2024, down 7.7% on 2023. The further year-on-year decrease was led by the same factors as in 2023: (i) the decline in volumes sold; (ii) the reduction in maritime shipping costs thanks to effective contract negotiations; and (iii) the Group's performance in raising supply chain productivity, rationalizing finished product delivery modes and improving the proportion of local-to-local shipments.

Sales and marketing expenses

(in € millions)	2024	2023	Change
Sales and marketing expenses	1,204	1,210	-0.5%
As a % of sales	4.4%	4.3%	

Sales and marketing expenses stood at €1,204 million in 2024, virtually unchanged (down €6 million) from the year before, as the increase in payroll costs offset the impact of the decline in volumes sold.

Research and development expenses

(in € millions)	2024	2023	Change
Research and development expenses	786	756	+4.0%
As a % of sales	2.9%	2.7%	

Research and development expenses rose by €30 million year-on-year to €786 million, attesting to the Group's unwavering commitment to maintaining its technological leadership in delivering long-lasting performance in its products and services. It also reflects the development of synergies between its tire manufacturing and Polymer Composite Solutions businesses, both of which leverage shared fundamental research.

General and administrative expenses

General and administrative expenses amounted to €2,290 million, a €46 million year-on-year decrease as their disciplined management amply offset the impact of wage inflation.

They represented 8.4% of sales for the year, up 0.2 points compared with 2023.

Segment other income and expenses

Segment other income and expenses represented a net expense of €90 million in 2024, up from a net expense of €74 million in 2023, mainly due to the successful implementation of the Bib'Action employee share ownership plan in 2024.

Other operating income and expenses

Other operating income and expenses correspond to items that are not taken into account by Management when measuring the performance of the operating segments due to their nature or their significant, unusual or abnormal characteristics.

Other operating income and expenses represented a net expense of €747 million in 2024, versus a net expense of €920 million in 2023.

These outlays mainly comprise the costs incurred in the industrial restructuring projects announced by the Group over the past two years. The €173 million year-on-year decrease reflects the fact that higher provisions were recognized in 2023 following the year-end announcements that certain production operations would be closed in the United States and Germany. In 2024, other operating income and expenses corresponded primarily to the provisions recognized following the announcement of the future closure of the plants in Cholet and Vannes, France.

Other operating income and expenses are described in more detail in note 7 to the consolidated financial statements.

Cost of net debt

(in € millions)	2024	2023	Change
Cost of net debt	77	198	-121

At €77 million, the **cost of net debt** was down €121 million compared with 2023, mainly as a result of the following factors:

- a significant €94 million reduction in net interest expense to €77 million, reflecting the net impact of:
  - a sharp €83 million decrease in interest expense, mainly due to the favorable impact of converting euro-denominated debt into the various currencies used by the Group;
  - a slight €11 million increase in interest income, attributable to favorable interest rates on cash investments;
- a €25 million reduction in income from exchange-rate derivatives, due mainly to a decline in the number of currency swaps and lower interest-rate volatility.

Financial expenses represented a cost corresponding to 2.1% of the Group's net debt.

Other financial income and expenses

(in € millions)	2024	2023	Change
Other financial income and expenses	19	2	+17

Despite net exchange losses, due in part to unhedged currencies, **other financial income and expenses** represented a gain of €19 million in 2024, up €17 million on 2023. The increase was led partly by the sharp year-on-year decline in net exchange losses on unhedged currencies, in particular the Argentine peso, and partly by a €15 million improvement in net income from financial assets, following the grant of a loan to the UK pension fund in 2023.

Income tax

(in € millions)	2024	2023	Change
Income before taxes	2,445	2,490	-45
Income tax	**(555)**	**(507)**	**-48**
Current tax	(698)	(816)	+118
Withholding tax	(55)	(33)	-22
Deferred tax	198	342	-144

Income tax amounted to €555 million in 2024, a €48 million year-on-year increase due in part to the introduction of the Pillar Two reform in France in January 2024, which resulted in a limited €16 million increase in the Group's total income tax expense for the year.

Current tax came to €753 million in 2024.

The effective tax rate rose to 22.7%, from 20.4% the year before, as a result of (i) the non-recognition in 2024 of deferred tax assets (mainly relating to UK operations) and (ii) the decrease during the year in profit from equity-accounted companies from the very high 2023 baseline, which had been lifted by the TBC joint venture's disposal of its retail outlets.

Consolidated net income and earnings per share

(in € millions)	2024	2023	Change
Net income	1,890	1,983	-93
As a % of sales	7.0%	7.0%	0.0 pts
■ Attributable to the shareholders of the Company	1,884	1,983	-99
■ Attributable to the non-controlling interests	6	0	+6
Earnings per share (in €)			
■ Basic	2.65	2.77	-0.12
■ Diluted	2.62	2.75	-0.13

Net income came to €1,890 million for the year, or 7.0% of sales, compared with €1,983 million in 2023, also 7.0% of sales.

The €93 million decline reflected the following factors:

- favorable factors:
  - the €173 million decrease in other operating expenses unallocated to the operating segments, corresponding primarily to a decline in provisions for restructuring over the year;
  - the €121 million reduction in the cost of net debt;
- unfavorable factors:
  - the €194 million decrease in segment operating income;
  - the €168 million reduction in profit from equity-accounted companies compared with 2023, when this item was boosted by disposal gains realized by two joint ventures, TBC (sale of retail operations) and Symbio (sale of a one-third equity stake);
  - the €48 million increase in income tax expense.

5.1.4 CONSOLIDATED BALANCE SHEET REVIEW

Methodological note: translation adjustments in the balance sheet primarily stem from the translation into euros of prior-year assets and liabilities at the closing exchange rate.

Assets

(in € millions)	December 31, 2024	December 31, 2023	Total change	Translation adjustments	Movement
Goodwill	2,829	2,982	-153	+66	-219
Intangible assets	2,120	1,794	+326	+28	+297
Property, plant and equipment	12,750	12,260	+490	+281	+209
Right-of-use assets	1,232	1,082	+150	+29	+121
Non-current financial assets and other non-current assets	1151	1,605	-454	+38	-492
Investments in equity-accounted companies	849	871	-22	+33	-55
Deferred tax assets	1,081	932	+149	+11	+138
Non-current assets	**22,013**	**21,526**	**+487**	**+488**	**-1**
Inventories	5,699	5,447	+252	+103	+149
Trade receivables	3,595	3,850	-255	+45	-299
Current financial assets	544	512	+32	+4	+29
Other current assets	1,564	1,345	+219	+29	+189
Cash and cash equivalents	3,936	2,515	+1,421	-9	+1,430
Current assets	**15,339**	**13,669**	**+1,670**	**+171**	**+1,498**
TOTAL ASSETS	**37,352**	**35,195**	**+2,157**	**+658**	**+1,497**

Equity and liabilities

(in € millions)	December 31, 2024	December 31, 2023	Total change	Translation adjustments	Movement
Share capital	353	357	-4		-4
Share premiums	2,326	2,702	-376		-376
Reserves	15,946	14,896	+1,050	+273	+777
Non-controlling interests	9	3	+6		+6
Total equity	**18,634**	**17,958**	**+676**	**+273**	**+402**
Non-current financial liabilities	4,934	4,672	+262	-1	+263
Non-current lease liabilities	872	738	+134	+19	+114
Provisions for employee benefit obligations	2,730	2,726	+4	+41	-36
Provisions and other non-current liabilities	928	860	+68	+5	+63
Deferred tax liabilities	544	497	+47	+19	+28
Non-current liabilities	**10,008**	**9,493**	**+515**	**+83**	**+433**
Current financial liabilities	1,375	591	+784	+173	+611
Current lease liabilities	258	241	+17	+5	+12
Trade payables	3,086	3,075	+9	+49	-38
Trade payables under reverse factoring agreements	689	530	+159	+29	+130
Provisions and other current liabilities	3,302	3,307	-5	+36	-41
Current liabilities	**8,710**	**7,744**	**+964**	**+292**	**+674**
TOTAL EQUITY AND LIABILITIES	**37,352**	**35,195**	**+2,155**	**+648**	**+1,508**

5.1.4 a) **Goodwill**

Goodwill declined by €219 million in the year to December 31, 2024, before translation adjustments, primarily due to the updating, as part of the purchase price allocation process, of the €576 million in provisional goodwill recognized on the acquisition of Flex Composite Group (FCG), Europe's leading manufacturer of high-tech fabrics and films. The allocation process reduced the provisional amount by €249 million, with the result that final goodwill of €327 million was recognized at year-end 2024.

5.1.4 b) **Intangible assets**

Intangible assets stood at €2,120 million for the year, a €297 million increase from December 31, 2023 before translation adjustments that reflected the recognition, as part of the above-mentioned FCG purchase price allocation process, of the value of brands and related customer relationships as intangible assets.

5.1.4 c) **Property, plant and equipment**

Property, plant and equipment stood at €12,750 million at December 31, 2024, up €209 million before translation adjustments. The modest increase reflected the Group's strategy since 2022 of restoring capital expenditure to suitable levels, following the years of slowdown caused by the Covid-19 health crisis.

Additions to property, plant and equipment amounted to €1,901 million for the year, compared with €2,004 million in 2023. Three quarters of total outlays were committed to production equipment and facilities (for more details, see note 12.2 to the consolidated financial statements).

5.1.4 d) Right-of-use assets

Right-of-use assets, which are recognized separately from property, plant and equipment, came to €1,232 million at December 31, 2024, up €121 million year-on-year before translation adjustments. New leases on land and buildings exceeded depreciation on prior-year leases, in part due to the launch of a new distribution center in Ontario (Canada).

5.1.4 e) Non-current financial assets and other non-current assets

Non-current financial assets and other non-current assets stood at €1,151 million at year-end, a €492 million decrease (before translation adjustments) stemming mainly from two factors:

- a net decrease in loans and deposits due to:
  - the withdrawal of substantially all the funds held in escrow for the UK pension plans as part of the project to buy back the assets of the current plan,
  - the reclassification in current financial assets of the remaining tranche of the TBC dividend distributed in 2023;
- a reduction in pension plan surpluses, primarily after the liabilities of the defined-benefit plans of the Michelin Group's UK companies were transferred to the Aviva insurance company under a buy-in policy.

5.1.4 f) Investments in equity-accounted companies

Excluding translation adjustments, **investments in equity-accounted companies** declined by €55 million over the year to €849 million. The slight decrease was led by the change in the method of consolidating Watèa following the acquisition of exclusive control by the Michelin Group.

5.1.4 g) Deferred tax

At December 31, 2024, the Group held a **net deferred tax asset** of €537 million, representing a year-on-year increase of €110 million, before translation adjustments, that primarily reflected the restructuring operations announced during the year and the recognition of deferred tax assets in Mexico.

5.1.4 h) Trade working capital

(in € millions)	December 31, 2024	December 31, 2023	Change	2024 (as a % of sales)	2023 (as a % of sales)
Inventories	5,699	5,447	+252	21.0%	19.2%
Trade receivables	3,595	3,850	-255	13.2%	13.6%
Trade payables	(3,086)	(3,075)	-11	(11.3)%	(10.8)%
Trade payables under reverse factoring agreements	(689)	(530)	-159	(2.5)%	(1.9)%
TRADE WORKING CAPITAL	**5,519**	**5,692**	**-173**	**20.3%**	**20.1%**

Trade working capital decreased by €173 million over the year, as the decline in trade receivables and trade payables (in the broadest sense) more than offset the rise in the value of inventories.

Inventories rose by €252 million year-on-year to €5,699 million at December 31, 2024, mainly due to the following factors:

- a €103 million unfavorable currency effect;
- higher average raw material costs in 2024, which fed through to an unfavorable price effect across every inventory class;
- these factors were partially offset by efficient inventory management, which reduced both raw materials and semi-finished product volumes from year-end 2023 levels.

Despite the €45 million increase from translation adjustments, **trade receivables** declined by €255 million year-on-year to €3,595 million at December 31, 2024. In addition to the decline in volumes sold, the substantial reduction reflected the effective initiatives undertaken to shorten payment terms and limit past-due payments.

Trade payables, including those covered by **reverse factoring contracts**, rose by €170 million year-on-year to €3,775 million, due partly to the €78 million increase from translation adjustments and partly to the impact of inflation on unit costs of purchased inputs.

5.1.4 i) Cash and cash equivalents

Cash and cash equivalents stood at €3,936 million at December 31, 2024, a sharp €1,430 million increase from a year earlier (before translation adjustments) that was due to the net impact of the following factors:

- increases from:
  - the exceptionally favorable €2,226 million in free cash flow,
  - a €650 million increase in new debt, raised mainly through a €1 billion bond issue in May 2024;
- decreases from:
  - the payment of €961 million in dividends;
  - the implementation of a share buyback program for a total cost of €502 million.

5.1.4 j) Total equity

Including the €273 million change in translation adjustments, **total equity** rose by €675 million over the year to represent €18,634 million at December 31, 2024.

The €402 million increase excluding translation adjustments was primarily due to the following factors:

- the €1,617 million contribution from comprehensive income for the year, including:
  - €1,890 million in net income,
  - the €138 million unfavorable impact from post-employment benefit obligations,
  - the €44 million unfavorable impact of changes in the fair value of unconsolidated equity investments;
- the €966 million impact from dividends and other payments;
- the €502 million impact from the cancellation of bought-back shares;
- the €122 million impact from the issuance of new shares, particularly in connection with the Bib'Action employee share ownership plan;
- the €61 million impact from service costs on performance share plans.

As a result, at December 31, 2024, the **share capital** of Compagnie Générale des Établissements Michelin stood at €352,873,636, comprising 705,747,272 shares outstanding corresponding to 998,581,514 voting rights.

5.1.4 k) Net debt

Net debt stood at €3,112 million at December 31, 2024, down €169 million from December 31, 2023, mainly as a result of the following factors:

- the positive €2,226 million in free cash flow;
- €965 million in distributions, of which €961 million in dividends;
- the outlay of €502 million as part of the share buyback program;
- €37 million in proceeds from the employee share ownership plan;
- a €414 million increase from the recognition of new leases;
- a €208 million increase from translation adjustments.

Changes in net debt

(in € millions)	December 31, 2024	December 31, 2023
AT JANUARY 1	**3,281**	**4,320**
Free cash flow before acquisitions and financing of joint ventures and associates	-2,214	-2,804
Acquisitions and disposals	-1	+666
Net financing of joint ventures and associates	-8	-205
Free cash flow after acquisitions	**-2,225**	**-2,343**
Dividends and other distributions	+965	+896
Share buybacks	+502	0
New leases	+414	+363
Translation adjustments	+208	+25
Other	-33	+20
AT DECEMBER 31	**3,112**	**3,281**
CHANGE	**-169**	**-1,039**

05

Gearing

Gearing declined to 16.7% at December 31, 2024 from 18.3% at end-2023, primarily due to the year-on-year reduction in net debt combined with the highly favorable contribution from free cash flow, even as equity rose more slowly over the period.

Credit ratings

The solicited corporate credit ratings of Compagnie Générale des Établissements Michelin (CGEM), Compagnie Financière Michelin (CFM) and Compagnie Financière Michelin (CFM) Suisse SA are as follows:

		CGEM	Compagnie Financière Michelin	CFM Suisse SA
Short term	Standard & Poor's	A-1	A-1	A-1
	Fitch	F1	F1	F1
	Scope	S-1	S-1	S-1
Long term	Standard & Poor's	A	A	A
	Fitch	A	A	A
	Scope	A	A	A
Outlook	Standard & Poor's	Stable	Stable	Stable
	Fitch	Stable	Stable	Stable
	Scope	Stable	Stable	Stable

On March 31, 2025, Standard & Poor's upgraded both the long-term issuer credit rating to 'A' from 'A-', with a Stable outlook, and the short-term issuer credit rating to 'A-1' from 'A-2'.

On February 21, 2025, Fitch Ratings upgraded both the long-term issuer credit rating to 'A' from 'A-', with a Stable outlook, and the short-term issuer credit rating to 'F1' from 'F2'.

On July 12, 2024, European rating agency Scope Ratings published ratings for the Group for the first time.

Moody's, whose rating has not been solicited since July 1, 2020, nevertheless raised CGEM's long-term credit rating to 'A2' with a Stable outlook on July 11, 2024.

5.1.4 l) Provisions

Provisions and other non-current liabilities rose by €68 million over the year as reported, to €928 million from €860 million at December 31, 2023. Excluding translation adjustments, the €63 million increase was attributable to the recognition in 2024 of new provisions for the restructuring programs announced during the year, which mainly concerned the plants in Cholet and Vannes, France. At the same time, payments out of restructuring provisions set aside in prior years, notably in Germany, were lower than the new provisions written in 2024.

5.1.4 m) Employee benefit obligations

Change in the fair value of the net defined benefit obligation

(in € millions)	Pension plans	Other plans	2024	2023
At January 1	**1,013**	**1,408**	**2,421**	**2,330**
Contributions paid to the funds	(8)	(8)	(16)	(11)
Benefits paid directly to the beneficiaries	(42)	(66)	(108)	(96)
Other movements	-	(3)	(3)	3
ITEMS RECOGNIZED IN OPERATING INCOME				
Current service cost	18	61	79	70
Actuarial (gains) or losses recognized on other long-term benefit plans	-	3	3	1
Effect of plan amendments, curtailments or settlements	(1)	(26)	(27)	(1)
Other items	19	-	19	18
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME				
Net interest on employee benefit obligations	32	52	84	95
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME				
Translation adjustments	8	23	31	(38)
Actuarial (gains) or losses	183	(39)	144	58
Unrecognized assets due to the effect of the asset ceiling	(3)	(3)	(6)	(8)
AT DECEMBER 31	**1,219**	**1,402**	**2,621**	**2,421**

The net defined benefit obligation recognized at December 31, 2024 stood at €2,621 million, a year-on-year increase of €200 million as reported and of €169 million excluding translation adjustments.

The change reflected the following main factors:

- the total €124 million in contributions and benefits paid in 2024 (2023: €107 million), of which:
  - €16 million in contributions paid to fund management institutions (2023: €11 million),
  - €108 million in benefits paid directly to employees (2023: €96 million);
- a €79 million expense recognized in operating income in 2024 (2023: €70 million), which resulted from the cost of defined benefit plans;
- the €84 million in net interest expense on the net defined benefit obligation, recognized outside of operating income (2023: €95 million);
- the €144 million in actuarial losses recorded in 2024 (2023: actuarial losses of €58 million), which corresponded to:
  - €309 million in actuarial gains on defined benefit obligations, resulting mainly from increases in discount rates,
  - €453 million in actuarial losses on plan assets, stemming largely from the buy-in agreement signed with the Aviva insurance company in the United Kingdom, which generated a loss when the assets were transferred.

In addition, contributions paid by the Group to defined contribution plans amounted to €288 million in 2024, compared with €256 million in 2023.

5.1.5 CONSOLIDATED CASH FLOW STATEMENT REVIEW

5.1.5 a) Cash flows from operating activities

(in € millions)	2024	2023	Change
Segment EBITDA	**5,361**	**5,489**	**-128**
Change in net inventories	-165	+775	-940
Change in net trade receivables	+236	+254	-18
Change in net trade payables	+121	-276	+397
Restructuring cash costs	-246	-188	-58
Other changes in provisions	0	-30	+30
Interest and other financial income and expenses received and paid, net	-42	-193	+151
Income tax paid	-806	-776	-30
Other	-123	+232	-355
NET CASH FROM OPERATING ACTIVITIES	**4,336**	**5,287**	**-951**

At €5,361 million, or 19.7% of sales, segment EBITDA improved by 0.3 points year-on-year as a percentage of sales, but edged back €128 million in absolute value, primarily due to the €194 million contraction in segment operating income over the year.

Cash flows from operating activities came to €4,336 million, down €951 million from the prior year's all-time high. In addition to the contraction in EBITDA, the year-on-year decline was attributable to:

- a €561 million decrease from the reduction in trade working capital, mainly due to the impact of inflation on the value of inventory, despite its decline in volume;
- a €355 million decrease from the change in other receivables and payables;
- a €151 million increase from the reduction in net interest paid;
- a €30 million decrease from the increase in income tax paid.

Restructuring-related outlays rose by €58 million over the year.

5.1.5 b) Capital expenditure

(in € millions)	2024	2023	Change	2024 (as a % of sales)	2023 (as a % of sales)
Additions to intangible assets and PP&E	**2,182**	**2,236**	**-54**	**8.0%**	**7.9%**
Investment grants received and change in capital expenditure payables	68	32	+36	0.3%	0.1%
Proceeds from sales of intangible assets and PP&E	(35)	(47)	+12	(0.1)%	(0.2)%
NET ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**2,215**	**2,221**	**-6**	**8.1%**	**7.8%**

Additions to intangible assets and property, plant and equipment amounted to €2,182 million in 2024, compared with €2,236 million in 2023.

Capital expenditure committed during the year was on a par with 2023, marking the third year that it has held steady at suitable levels, following a period shaped by the Covid-19 crisis and its impact on the global economy.

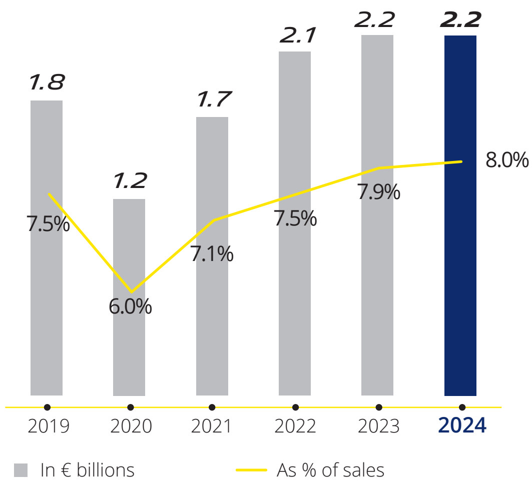
The main capital projects completed during the year or still underway as part of competitiveness and growth investment programs are as follows:

- **Automotive tires**, to align facilities with new product mixes in Mexico, North America, China and Europe;
- **Beyond-road tires**, to increase agricultural track production capacity in North America.

All these capital projects were supported by the commitments presented opposite.

CAPITAL EXPENDITURE

(in € billions)



"Investment grants received and change in capital expenditure payables" corresponds mainly to changes in capital expenditure payables.

5.1.5 c) Free cash flow

Free cash flow, which is stated before dividend payments and financing transactions, corresponds to net cash from operating activities less net cash used in investing activities, adjusted for net cash flows relating to cash management financial assets and borrowing collaterals.

(in € millions)	2024	2023	Change
Net cash from operating activities	**4,336**	**5,287**	**(951)**
Routine capital expenditure (maintenance, IT, dealerships, etc.)	(951)	(933)	-18
Competitiveness and growth investments	(1,036)	(1,108)	+72
Investments in new ventures	(195)	(195)	0
Other	71	(42)	113
FREE CASH FLOW BEFORE ACQUISITIONS	**2,225**	**3,009**	**-784**
Acquisitions	1	(666)	+667
FREE CASH FLOW AFTER ACQUISITIONS	**2,225**	**2,343**	**-117**

Free cash flow before acquisitions ended 2024 at a positive €2,225 million, compared to €3,009 million a year earlier. This was after €2,182 million in capital expenditure and investments, of which €1,036 million was earmarked for competitiveness and growth projects.

Free cash flow after acquisitions was virtually unchanged at €2,225 million, as the disposals and acquisitions completed during the year resulted in a total net impact close to zero.

5.1.6 RETURN ON CAPITAL EMPLOYED (ROCE)

The return on capital employed by the Group is measured by dividing net operating profit after tax (NOPAT) by the average economic assets employed during the year.

In calculating NOPAT, amortization of acquired intangible assets, the Group's share of profit/(loss) from equity-accounted companies and interest on loans to partner companies (excluding pension funds) are added to segment operating income.

For 2024, the theoretical tax liability was calculated at a rate of 23%, or two points lower than in prior years (for which the rate was 25%). This aligned the theoretical rate with the Group's effective tax rate, which has averaged close to 23% over the past four years.

Non-euro currencies are translated at year-end rates for balance sheet items and average rates for income statement items.

If ROCE is greater than the weighted average cost of capital (WACC) for the year, then the Group has created value during the period.

Based on a theoretical balance between equity and debt, depending on the financed assets, the Group's weighted average cost of capital (WACC) has been estimated at 9% since 2022, which is in line with external benchmarks. The rates used are determined (i) for equity capital, based on the yield on Michelin shares expected by the stock markets; and (ii) for debt capital, on the market risk-free rate plus the risk premium applied to Michelin by the markets, as adjusted for the tax effect.

ROCE narrowed by 0.9 points year-on-year to 10.5% in 2024, as a result of the following factors:

- the reduction in segment operating income;
- the decline in the Group's share of loss/(profit) from equity-accounted companies compared with 2023, when it was boosted by non-recurring gains from TBC's disposal of its retail operations and the sale of a one-third equity stake in Symbio;
- the positive impact of using a lower average tax rate in the calculation.

(in € millions)	2024	2023
Segment operating income restated for ROCE calculation	3,280	3,608
Average standard income tax rate used for ROCE calculation	23%	25%
Segment operating income after tax (NOPAT)	**2,516**	**2,706**
Economic assets at December 31	24,169	23,584
Average economic assets	**23,883**	**23,836**
Consolidated ROCE	**10.5%**	**11.4%**

5.1.7 TREND INFORMATION

Outlook

2025 tire markets are expected with slight growth over the year, but declining in the first half due to lower OE demand.

In a highly uncertain context, Michelin is expecting to improve its segment operating income at constant exchange rates on 2024, and to generate more than €1.7 billion in free cash flow before acquisitions.

This outlook has been established and prepared on a basis comparable to historical financial information and in accordance with the accounting methods described following this chapter.

Recent events

No material events occurred between the reporting date and the date when the consolidated financial statements were authorized for issue by the Managing Chairman.

5.1.8 HIGHLIGHTS

Corporate

- For the third time running, Michelin is identified as **one of the world's most innovative companies in the Top 100 Global Innovators** 2024 ranking.
- Michelin, IFPEN and Axens inaugurate the **first industrial-scale demonstrator unit capable of producing bio-based butadiene**, representing a major milestone in the creation of a new industry. Built on the Michelin site in Bassens, France, the demonstrator is part of the BioButterfly project, which aims to develop and bring to market butadiene using ethanol derived from plant biomass to replace butadiene made from petrochemical feedstocks.
- The cornerstone for the **Collaborative Innovation Hub (PIC)** is laid in Clermont-Ferrand, as part of the Cataroux Park project to transform the Group's historic production plant into a vibrant arena for innovation and development. Another cluster in the Park, the **Sustainable Materials Center**, will triple its capacity, creating 700 jobs and supporting 20 startups by 2030. Its role is to help startups to develop their industrial demonstrators faster and more cost effectively.
- **NASA selects the Moon RACER team**, which includes Michelin, AVL, Boeing and the Northrop Grumman Corporation, for the first phase of the ARTEMIS project to develop a new Lunar Terrain Vehicle. The phase 1 contract gives the selected teams one year to complete a feasibility study for the proposed solution. Leveraging in particular its expertise in airless technology and high-tech materials, Michelin has designed a wheel capable of withstanding extreme temperatures and radiation, while delivering optimum traction on lunar soil.
- Michelin reaffirms its innovative brand DNA with the new "On the road and beyond!" **brand campaign**, which showcases its powerful capacity for innovation and unrivaled expertise. Debuted in France, the new campaign will soon be rolled out in other countries around the world.
- Michelin, the French national research institute CNRS and the University of Strasbourg inaugurate SpinLab, a new joint research laboratory dedicated to electrospinning, thereby strengthening their combined expertise in this innovative process for **manufacturing nanofibrous materials**. The collaborative venture will also open new pathways to developing innovative materials for critical uses, with applications in mobility as well as in medicine, the environment and energy. These uses are central to the Michelin Group's goal: to manufacture high value-added composites that change our daily lives.
- Michelin, Danone, US startup DMC Biotechnologies and Crédit Agricole Centre France join forces to create **Biotech Open Platform**, a next-generation industrial biotechnology platform that further illustrates Michelin's All-Sustainable vision. In particular, it will help to drive the wider use of bio-based materials, a core challenge for both the industry of tomorrow and resource preservation. It also demonstrates Michelin's unflagging commitment to developing innovation and supporting its host communities.
- At the China International Import Expo (CIIE), attended by nearly a million visitors and more than 4,000 accredited journalists, Michelin exhibits its **prototype moon wheel**, made from 71% recycled and renewable materials.
- Michelin chooses Microsoft to support the deployment of **innovative digital solutions** to optimize energy use management in its production plants around the world. The partnership will help the Group to reduce its carbon emissions and fulfill its commitment to reaching net zero by 2050.

- Michelin and Brembo sign a global agreement to develop **intelligent braking systems**. Michelin will contribute its expertise in designing advanced algorithms, its outstanding knowledge of tire physics and its simulation and modeling capabilities. Initial tests show a reduction in braking distances of up to four meters, regardless of tire wear or road conditions.
- The Group is continuing to **realign its tire manufacturing base**, announcing the forthcoming conversion of the plants in Olsztyn, Poland and Shenyang, China to Passenger car tire production and the shutdown of tire operations in Cholet, France and metal reinforcements production at the facilities in Shanghai, China and Vannes, France. During each of these projects, Michelin's priority is to **support the people impacted** by the transition, by consistently applying the principles of respect, transparency and fairness throughout the process.
- **Michelin sells its two Sri Lanka-based plants** dedicated to bias tires and compact construction equipment tracks to the CEAT Group. **The Camso brand will also be sold** at the end of a three-year licensing period. The Group will refocus on marketing its radial tires in the addressed market, while also ceasing production of bias tires in its plant in Olsztyn, Poland. These transactions, which will strengthen the financial performance of the Specialty tire businesses, are aligned with the Michelin in Motion 2030 strategy, which is redirecting the Group's activities towards the most profitable markets and offerings.
- European rating agency **Scope Ratings** assigns Michelin a **long-term credit rating of A** with a stable outlook. At the same time, Moody's upgrades its credit rating from A3 to A2. Both ratings recognize the Group's financial strength and the quality of its strategy.
- The Michelin Group releases its first **Tax Transparency Report**, marking a significant milestone in its history. The Report outlines the Group's tax policy and strategy, specifying its tax contribution by country and worldwide, which stood at nearly 40% of 2023 segment operating income.
- The French Federation of Employee Shareholders (FAS) awards Michelin its **CAC All-Tradable Grand Prize**, in recognition of the Group-wide employee shareholding initiatives that have been an integral part of the Group's value-sharing commitment for more than 20 years.
- **The Michelin Guide continues its international expansion** with new curated selections for Mexico, Lithuania, Fujian Province (China) and Doha, Qatar, bringing the total collection to more than 40 destinations.
- In 2024, **the MICHELIN Guide introduces the MICHELIN Keys** honoring hotels in a number of countries for their hospitality excellence, including 189 establishments in France, 271 in Germany, Austria and Switzerland, and others in the United States, Spain and Japan. The award attests to the MICHELIN Guide's commitment to becoming the leading global booking platform for outstanding hotels and restaurants.
- ViaMichelin launches its **new website and mobile application**, available in seven languages in 11 European countries. ViaMichelin enhances the user experience by bringing together the best routes, the finest MICHELIN Guide selections and rich, inspiring editorial content for planning road trips across Europe.
- Set up in 2014, the **Michelin Corporate Foundation** has defined new objectives for the 2024-2028 period, to help pursue the Group's commitment to acting for the common good in seven areas of action: future-facing jobs, equal opportunity and inclusion, healthy living and eating, sustainable mobility, forest biodiversity, collaborative social models and regional development.
- The Michelin Man becomes our **enthusiastic TikTok influencer**, sharing inspiring, unexpected innovation content for Gen Z and beyond.
- Michelin supports the **new European R117-04 regulation** in force since July 1, 2024, which mandates performance tests on worn tires to **improve safety**. These rules are designed to ensure that tires deliver safe performance throughout their useful lives. Worldwide, 400 million tires are prematurely removed from cars every year, which means that the regulation could avoid the release of 35 million tonnes of CO_2 emissions.
- In May 2024, Michelin carried out a €1 billion euro-denominated **bond issue** in two €500 million tranches with maturities of 7 and 12 years. The seven-year tranche pays interest at 3.125% and the 12-year tranche at 3.375%. The net issue proceeds have been used for general corporate financing requirements.
- In February 2024, as part of its capital management and optimization policy, the Group announced the launch of a **multi-year share buyback program** in a maximum amount of €1 billion over the three-year period from 2024 to 2026. The Group signed two agreements with investment service providers covering €500 million worth of share buybacks. The agreements were executed in full during the year and the purchased shares were subsequently canceled.

People

- Following an assessment by the Fair Wage Network, a globally recognized NGO, Michelin is **certified as a "Global Living Wage Employer,"** attesting to the ability of the Group's fair compensation policies and practices to guarantee a living wage for every employee in more than 60 countries.
- At the **Michelin Media Day 2024** event, the Group announces three major innovations to support its transformation and to foster social and societal cohesion in France and around the world: the guarantee of a living wage and a universal social protection floor for all Michelin Group employees; the creation of an ambitious lifelong learning program; and the official presentation of Cataroux Park, a revitalization project unlike any other in Europe and a powerful accelerator of innovation.
- The **updated Diversity, Equity and Inclusion policy** is posted on the corporate website, attesting to the importance the Group attaches to the multi-faceted challenges and growing social expectations surrounding these issues.
- Michelin launches a new **BIB'Action employee shareholding plan open to 127,000 employees in 46 countries**, with the intention of renewing such plans every year so that employees rank among its leading shareholders. The 2024 plan is a resounding success, with **more than 56% of employees taking up the offer**, for a total of more than 66,000 investors in 46 countries.
- Prestigious magazine HR Asia names **Michelin Thailand one of the "Best Companies to Work For in Asia 2024 – Thailand."** The award recognizes Michelin's commitment to its employees and their well-being, in particular by nurturing a quality workplace environment, offering career development opportunities and championing an inclusive corporate culture.
- Michelin and Porsche renew their partnership to **support Indonesian natural rubber farmers in deploying sustainable farming, environmental and social practices**. Known as Cascade, the training project will benefit 6,500 smallholders over the next three years. It is seamlessly aligned with the Group's long-standing commitment to encouraging eco-responsible, deforestation-free natural rubber sourcing.

Planet

- The Group announces its intention to **apply the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)**, in alignment with the targets defined at COP15 in Montreal. The announcement expands on Michelin's commitments to biodiversity already expressed in 2018 through the act4nature international initiative.
- At Tire Technology Expo 2024, Michelin unveils a new **light particle analysis system** that will deepen knowledge of tire and road wear particles (TRWPs). This major new step forward is aligned with the challenges of the Euro 7 standard, which will define regulatory tire abrasion thresholds. For nearly 20 years, Michelin has been actively engaged in reducing tire abrasion and conducting research on TRWPs.
- For the 2024 MotoE™ World Championship round in Portimão, Portugal, Michelin presents its **new tires for MotoGP™ electric class bikes containing more than 50% renewable and recycled materials**. In line with the Group's commitment to making tires all-sustainable by 2050, motorsports remain a key testing ground and an accelerator for technological innovations.
- The **CDP rating organization once again finds that Michelin is demonstrating leadership** in tackling the challenges of both water security, with an A- rating, and climate change, with a B rating.
- As head of the UN Global Compact France Network, Florent Menegaux presents the **new strategic vision** for the next six years at its Annual Meeting. Companies will be encouraged to undertake results-oriented commitments to address five priority issues: a living wage, gender equality, climate change, water and financing the UN Sustainable Development Goals (SDGs).
- Michelin joins Antin and Enviro to announce the construction of their **first end-of-life tire-recycling plant** in Uddevalla, Sweden. The project will be based on Enviro's unique pyrolysis technology, which is capable of extracting carbon black, pyrolysis oil and other raw materials from end-of-life tires.
- For the fourth year in a row, Michelin is recognized by international non-profit CDP as **a "Supplier Engagement Leader"** for the initiatives undertaken with suppliers to measure and reduce their carbon footprints.
- The EU-funded BlackCycle project, coordinated by Michelin and aimed at developing a tire circular economy, wins the **Environmental Achievement of the Year** award at Tire Technology Expo 2024.
- For the third consecutive year, Michelin is ranked No. 1 in the tiremaker category by SPOTT, a natural rubber ESG disclosure platform. Its score of 80.9% attests to the Group's **leadership and transparency in responsibly helping to drive progress across the natural rubber value chain**.

- As part of the act4nature international initiative, **Michelin strengthens its biodiversity commitments for 2030**. For example, the Group now aims to use only deforestation-free natural rubber in its products, in accordance with the definitions and standards of the European Union Deforestation Regulation (EUDR), and to reduce pesticide use in rubber farming by 70% on rubber tree farms operated by the Michelin Group and its joint ventures.
- Created in 2004 in Bahia, Brazil, the vast, nearly 4,000-hectare **Michelin Ecological Reserve** (REM) has in just 20 years become one of the best protected, most species-rich ecosystems in the world. Reflecting the Group's All-Sustainable vision, the reserve compellingly demonstrates that rubber tree farming can be made environmentally friendly. Its success has been supported by an extensive research program involving more than 140 projects and 167 scientific publications.
- The **Science-Based Targets initiative** (SBTi) **confirms that the Group's new targets are aligned with a 1.5°C pathway** and are consistent with achieving net zero greenhouse gas emissions by 2050. The new targets have strengthened Michelin's engagement in the fight against global warming.
- Michelin is leading the Tyre Digital Product Passport initiative as part of the EU-funded CIRPASS-2 project, in line with the **European Ecodesign for Sustainable Products Regulation**. Introduced in July 2024, the passport is designed to drive faster deployment of circular economy practices in Europe.

Business operations

- **Michelin is selected as the exclusive supplier to shoe the Ferrari F80.** This latest collaboration with the Italian carmaker showcases Michelin's powerful innovation and unparalleled simulation and modeling expertise. Leveraging its patented state-of-the-art algorithms and unique C3M manufacturing process, the Group developed the outstanding F80 tire in just 15 months.
- Michelin, the leading tire manufacturer in the United States, surpasses **100 J.D. Power awards** with the 2024 rankings, more than all its competitors combined. The awards, based on responses from more than 31,000 vehicle owners, illustrate the Group's high standards of quality and safety for its customers.
- Exclusive MotoGP™ tire supplier **Michelin becomes title sponsor for the French Grand Prix**, which will be officially renamed the Michelin® Grand Prix de France in 2024. MotoGP™ events offer opportunities to test advanced technologies in extreme conditions, thereby helping to improve the consumer tire lines. Among these technological advances, Michelin has developed tires for the fully electric MotoE™ bikes, which are made with an average of 50% renewable and recycled materials.
- Michelin scores its **33rd win in the Le Mans 24 Hours** and its 27th straight victory since 1998. The ideal laboratory for testing technologies under the most extreme conditions, endurance racing has played a major role in establishing Michelin's reputation and demonstrating its superiority in delivering long-lasting performance. In one example, Michelin has enabled Hypercars to cover up to 750 kilometers at an average speed of 240 kph, or the equivalent of two Formula 1 Grand Prix races, all on a single set of tires.
- The IAA Transportation Trade Fair in Hanover offers Michelin the opportunity to reaffirm its **position as an indispensable partner to the trucking industry**, with two innovative new tire lines and a broadened range of connected solutions further demonstrating the benefits of the Group's All Sustainable vision for its fleet management customers.
- Michelin launches the **MICHELIN Primacy 5** range and widens its technological lead. The new tire delivers an 18% increase in tread life, while maintaining superior wet grip safety performance, reducing noise and improving fuel efficiency by 5% compared with its predecessor. With a 6% smaller environmental footprint, it is also perfectly aligned with Michelin's all-sustainable strategy.

5.1.9 MATERIAL CONTRACTS

There are no material contracts other than those conducted in the ordinary course of the business.

5.1.10 INFORMATION CONCERNING PAYMENT TERMS

	Article D. 441-6°: invoices issued and past due at December 31, 2024					
Trade receivables	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 90 days**	**Total**
(A) Breakdown of past due payments:						
Number of invoices		2				2
Total amount of invoices (including tax)		218				218
Percentage of total sales for the period (including tax)		0.01%				0.01%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						-
Number of invoices excluded						-
Total amount of invoices excluded						-
(C) Reference payment terms used (contractual or statutory pursuant to Article L. 441-6 or L. 443-1 of the French Commercial Code)						30
Reference payment terms used to calculate past due payments	Contractual terms agreed at initial recognition of the trade receivable					30

	Article D. 441-6°: invoices received and past due at December 31, 2024					
Trade payables	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 90 days**	**Total**
(A) Breakdown of past due payments:						
Number of invoices		192	112	5	74	383
Total amount of invoices (including tax)		(20,012)	232	19	368	(19,393)
Percentage of total purchases for the period (including tax)		-1.02%	0.01%	0.00%	0.02%	-0.98%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded						-
TOTAL AMOUNT OF INVOICES EXCLUDED (INCLUDING TAX)						**-**

5.1.11 SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

On March 31, 2025, TBC Corporation, a joint venture between Michelin and Sumitomo Corporation, entered into an agreement to divest its Midas franchise portfolio to Mavis Tire Express Service Corp. This transaction, which is expected to close in the second quarter of 2025, subject to the approval of the competent authorities, should have a favorable impact in 2025 on Michelin Group's net result of around $200 million.

There were no other significant changes in the Company's financial or trading position between February 18, 2025 (date of the Statutory Auditor's report) and the date on which this Universal Registration Document was filed with the *Autorité des marchés financiers*.

5.1.12 INFORMATION DISCLOSED IN COMPLIANCE WITH ARTICLES L. 225-102-1 AND R. 225-105-1 OF THE FRENCH COMMERCIAL CODE

The 2024 employee, societal and environmental information disclosed in compliance with Article 225-102-1 of the French Commercial Code, as well as the Statutory Auditors' report, may be found in the Sustainability Statement (Chapter 4 of this Universal Registration Document).

5.1.13 DISCLOSURE PURSUANT TO FRANCE'S DUTY OF CARE ACT APPLICABLE TO PARENT COMPANIES AND SUBCONTRACTING COMPANIES

The Duty of Care Plan, which outlines the risks and preventive measures that the Group and its main subcontractors face in relation to the environment, public health and safety and human rights, pursuant to the French Duty of Care Act (No 2017-399) of March 27, 2017, is presented in the Sustainability Statement (Chapter 4 of this Universal Registration Document).

5.1.14 FIVE-YEAR SUMMARY OF CONSOLIDATED KEY FIGURES AND RATIOS

(in € millions)	2024	2023	2022	2021	2020
Sales	27,193	28,343	28,590	23,795	20,469
% change	-4.1%	-0.9%	+20.2%	+16.3%	-15.2%
Total employee benefit costs	7,622	7,401	6,950	6,445	5,996
As a % of sales	28.0%	26.1%	24.3%	27.1%	29.3%
Number of full-time equivalent employees at period-end	123,500	125,000	124,900	118,400	117,500
Research and development expenses	786	756	698	682	646
As a % of sales	2.9%	2.7%	2.4%	2.9%	3.2%
SEGMENT EBITDA(1)	**5,361**	**5,489**	**5,262**	**4,700**	**3,631**
Segment operating income	3,378	3,572	3,396	2,966	1,878
Segment operating margin	12.4%	12.6%	11.9%	12.5%	9.2%
Operating income	2,631	2,652	3,021	2,777	1,403
Operating margin	9.7%	9.4%	10.6%	11.7%	6.9%
Cost of net debt	77	198	239	192	242
Other financial income and expenses	19	2	(22)	(4)	(14)
Income before taxes	2,445	2,490	2,656	2,471	979
Income tax	555	507	647	626	354
Effective tax rate	22.7%	20.4%	24.4%	25.3%	36.2%
Net income	1,890	1,983	2,009	1,845	625
As a % of sales	7.0%	7.0%	7.0%	7.8%	3.1%
Dividends	961	893	803	410	357
Net cash from operating activities	**4,336**	**5,287**	**1,931**	**2,906**	**3,366**
As a % of sales	15.9%	18.7%	6.8%	12.2%	16.4%
Gross purchases of intangible assets and PP&E	2,182	2,236	2,141	1,705	1,221
As a % of sales	8.0%	7.9%	7.5%	7.2%	6.0%
Net debt(1)	3,112	3,281	4,320	2,789	3,531
Total equity	18,634	17,958	17,116	14,971	12,631
Gearing	16.7%	18.3%	25.2%	18.6%	28.0%
Net debt(1) divided by segment EBITDA(1)	0.58	0.60	0.82	0.59	0.97
Segment operating income/net interest expense(2)	43.8	20.8	11.5	13.7	7.9
Free cash flow(3)	2,225	2,343	(180)	1,357	2,004
ROE(4)	10.3%	11.3%	12.5%	13.4%	4.8%
Operating ROCE(5)	10.5%	11.4%	10.8%	10.3%	6.0%
PER-SHARE DATA* ***(in €)***					
Net assets per share(6)	26.4	25.1	24.0	20.9	17.7
Basic earnings per share	2.65	2.77	2.81	2.58	0.88
Diluted earnings per share	2.62	2.75	2.79	2.56	3.51
Price-earnings ratio(7)	12.0	11.7	9.3	14.0	29.8
Dividend per share(8)	1.38	1.35	1.25	1.125	0.575
Payout ratio(9)	52%	49%	44%	44%	65%
Yield(10)	4.3%	4.2%	4.8%	3.1%	2.2%

(1) As defined in note 2.6 to the consolidated financial statements.
(2) Net interest expense: interest financing expenses less interest income from cash and equivalents.
(3) Free cash flow: net cash from operating activities less net cash used in investing activities (adjusted for net cash flows relating to cash management financial assets and borrowing collaterals), as defined in section 5.1.5.
(4) ROE: as from 2022, return on equity is defined as net income divided by average equity for the year (calculated as the average of year-end equity and prior year-end equity) instead of net income divided by equity at December 31. The 2020 and 2021 figures have been restated for comparison purposes.
(5) Operating ROCE: based on the method in use since 2021 as explained in section 5.1.6. 2020 ROCE has been remeasured using this method.
(6) Net assets per share: net assets divided by the number of shares outstanding at period-end.
(7) Price-earnings ratio: share price at period-end divided by basic earnings per share.
(8) Dividend subject to approval by the Annual Shareholders Meeting on May 16, 2025.
(9) Payout ratio: dividend divided by net income.
(10) Yield: dividend per share divided by the December 31 share price.
** *The 2020 and 2021 per-share data have been restated to reflect the four-for-one stock split on June 16, 2022.*

5.2 2024 CONSOLIDATED FINANCIAL STATEMENTS

5.2.1 2024 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in € millions, except per-share data)	Note	2024	2023
Sales	5	27,193	28,343
Cost of sales		(19,445)	(20,395)
Gross income		**7,748**	**7,948**
Sales and marketing expenses		(1,204)	(1,210)
Research and development expenses		(786)	(756)
General and administrative expenses		(2,290)	(2,336)
Segment other income and expenses	6	(90)	(74)
Segment operating income	**7**	**3,378**	**3,572**
Other operating income and expenses	7	(747)	(920)
Operating income		**2,631**	**2,652**
Cost of net debt	9	(77)	(198)
Other financial income and expenses	9	19	2
Net interest on employee benefit obligations	8	(88)	(94)
Share of profit/(loss) from equity-accounted companies	14	(40)	128
Income before taxes		**2,445**	**2,490**
Income tax	11	(555)	(507)
NET INCOME		**1,890**	**1,983**
Attributable to the shareholders of the Company		1,884	1,983
Attributable to the non-controlling interests		6	-
EARNINGS PER SHARE *(in €)*	**15**		
Basic		2.65	2.77
Diluted		2.62	2.75

Consolidated statement of comprehensive income

(in € millions)	Note	2024	2023
Net income		**1,890**	**1,983**
Post-employment benefits	8	(138)	(50)
Tax effect – post-employment benefits	11	4	18
Equity instruments at fair value through OCI – changes in fair value	11	(44)	2
Tax effect – equity instruments at fair value through OCI	11	8	2
Other		-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement		***(170)***	***(28)***
Cash flow hedges – changes in fair value		(7)	2
Currency translation differences		273	(316)
Other		(24)	67
Other comprehensive income/(loss) that may be reclassified to the income statement		***242***	***(247)***
Other comprehensive income/(loss)		**72**	**(275)**
TOTAL COMPREHENSIVE INCOME		**1,962**	**1,708**
Attributable to the shareholders of the Company		1,956	1,708
Attributable to the non-controlling interests		6	-

Consolidated statement of financial position

(in € millions)	Note	December 31, 2024	December 31, 2023
Goodwill	12	2,829	2,982
Intangible assets	12	2,120	1,794
Property, plant and equipment (PP&E)	12	12,750	12,260
Right-of-use assets	13	1,232	1,082
Non-current financial assets and other non-current assets	9.4	1,151	1,605
Investments in equity-accounted companies	14	849	871
Deferred tax assets	11.2	1,081	932
Non-current assets		**22,013**	**21,526**
Inventories	6.3	5,699	5,447
Trade receivables	6.4	3,595	3,850
Current financial assets	9.5	544	512
Other current assets	7	1,564	1,345
Cash and cash equivalents	10	3,936	2,515
Current assets		**15,339**	**13,669**
TOTAL ASSETS		**37,352**	**35,195**
Share capital	15	353	357
Share premiums	15	2,326	2,702
Reserves	15	15,946	14,896
Non-controlling interests		9	3
Total equity		**18,634**	**17,958**
Non-current financial liabilities	9.3	4,934	4,672
Non-current lease liabilities	13	872	738
Provisions for employee benefit obligations	8	2,730	2,726
Provisions and other non-current liabilities	7.3	928	860
Deferred tax liabilities	11.2	544	497
Non-current liabilities		**10,008**	**9,493**
Current financial liabilities	9.3	1,375	591
Current lease liabilities	13	258	241
Trade payables	6.5	3,086	3,075
Trade payables under reverse factoring agreements	6.5	689	530
Provisions and other current liabilities	7.3	3,302	3,307
Current liabilities		**8,710**	**7,744**
TOTAL EQUITY AND LIABILITIES		**37,352**	**35,195**

Consolidated statement of changes in equity

(in € millions)	Share capital (note 15)	Share premiums (note 15)	Reserves (note 15)	Non-controlling interests	Total equity
At January 1, 2023	**357**	**2,702**	**14,051**	**6**	**17,116**
Net income	-	-	1,983	-	1,983
Other comprehensive income/(loss)	-	-	(275)	-	(275)
Total comprehensive income	-	-	**1,708**	-	**1,708**
Issuance of shares	-	-	-	-	-
Share buybacks	-	-	-	-	-
Cancellation of shares	-	-	-	-	-
Dividends and other appropriations	-	-	(894)	(2)	(896)
Share-based payments – current service cost	-	-	30	-	30
Sales of treasury shares	-	-	-	-	-
Other	-	-	1	(1)	-
At December 31, 2023	**357**	**2,702**	**14,896**	**3**	**17,958**
Net income	-	-	1,884	6	1,890
Other comprehensive income	-	-	72	-	72
Total comprehensive income	-	-	**1,956**	**6**	**1,962**
Issuance of shares	3	119	-	-	122
Share buybacks	-	-	(502)	-	(502)
Cancellation of shares	(7)	(495)	502	-	-
Dividends and other appropriations	-	-	(964)	(2)	(966)
Share-based payments – current service cost	-	-	61	-	61
Sales of treasury shares	-	-	-	-	-
Other	-	-	(2)	2	-
AT DECEMBER 31, 2024	**353**	**2,326**	**15,946**	**9**	**18,634**

Consolidated statement of cash flows

(in € millions)	Note	2024	2023
Net income		1,890	1,983
Adjustments			
▪ Cost of net debt	10	77	198
▪ Other financial income and expenses	10	(19)	(2)
▪ Net interest on employee benefit obligations	8.1	88	94
▪ Income tax	11.1	555	507
▪ Amortization and depreciation of intangible assets and PP&E	6	1,983	1,917
▪ Other operating income and expenses	7.1	747	920
▪ Share of loss/(profit) from equity-accounted companies	14	40	(128)
Segment EBITDA	**2.6**	**5,361**	**5,489**
Other operating income and expenses (cash) and changes in provisions	10	(246)	(218)
Interest and other financial income and expenses received and paid, net	10	(42)	(193)
Income tax paid	11.3	(806)	(776)
Change in working capital, net of impairment	10	69	985
Net cash from operating activities		**4,336**	**5,287**
Purchases of intangible assets and PP&E	10	(2,250)	(2,268)
Proceeds from sales of intangible assets and PP&E		35	47
Equity investments in consolidated companies, net of cash acquired		(7)	(793)
Disposals of equity investments in consolidated companies, net of cash sold		5	142
Purchases of equity instruments at fair value		(9)	(15)
Disposals of equity instruments at fair value		12	-
Cash flows relating to other financial assets	10	103	(43)
Net cash from/(used in) investing activities		**(2,111)**	**(2,930)**
Proceeds from issuance of shares	15	37	-
Dividends paid to the shareholders of the Company	15	(961)	(893)
Cash flows relating to financial liabilities	10	650	(1,455)
Share buybacks	15	(502)	-
Other		(18)	12
Net cash from/(used in) financing activities		**(794)**	**(2,336)**
Effect of changes in exchange rates		**(10)**	**(90)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,421**	**(69)**
Cash and cash equivalents at January 1		2,515	2,584
Cash and cash equivalents at December 31	9.2	3,936	2,515

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Compagnie Générale des Établissements Michelin (CGEM or the "Company") and its subsidiaries (together "the Group") design, manufacture and market tires throughout the world. The Group also provides its customers with tire- and vehicle-related services and solutions, mobility experiences and expertise in Polymer Composite Solutions.

The Company is a partnership limited by shares (*société en commandite par actions*) incorporated in Clermont-Ferrand (France).

The Company is listed on Euronext Paris (Eurolist Compartment A).

After a review by the Supervisory Board, these consolidated financial statements were authorized for issue by the Managing Chairman on February 12, 2025.

Except as otherwise stated, all amounts are presented in millions of euros (€ millions). Amounts in the consolidated financial statements are rounded to the nearest million and include individually rounded amounts. Arithmetic calculations based on rounded amounts may differ from the reported totals and subtotals.

NOTE 2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements:

- have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union as of the reporting date and applicable to the period then ended;
- also comply with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB); and
- have been prepared using the historical cost convention, with the exception of unconsolidated equity investments and financial assets and liabilities (including derivatives), which are measured at fair value through profit and loss or other comprehensive income.

2.2 Accounting policies

The accounting policies applied in the preparation of the Group's consolidated financial statements are set out in the following notes. Aside from the exceptions described in section 2.3 below, these policies have been consistently applied to all the years presented.

2.3 New standards, amendments to existing standards and interpretations effective from January 1, 2024 in the European Union

The following new standards and amendments to IFRS are effective from January 1, 2024; they have no material impact for the Group:

Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendment, which was published on September 22, 2022, clarifies the subsequent treatment of the right-of-use asset and lease liability arising from a leaseback transaction (notably in the case of a lease with variable payments not based on an index or a rate).

Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendment published on January 23, 2020 clarifies the principles to be applied to classify liabilities as current or non-current. On October 31, 2022, the IASB published a new amendment to IAS 1 clarifying the classification of debt with covenants or conversion features.

Amendments to IAS 7 and IFRS 7 – Reverse Factoring – Supplier Finance Arrangements

These amendments, published on May 25, 2023, introduce new disclosure requirements for reverse factoring arrangements, to help understand the effects of these arrangements on the liabilities, cash flows and liquidity risk exposure of the preparer of the financial statements.

2.4 New standards, amendments to existing standards and interpretations that are not yet effective

The following new IFRS standards, amendments and interpretations, which were not applicable at December 31, 2024, are not expected to have a material impact on the consolidated financial statements at their application date:

Amendments to IAS 21 – Lack of Exchangeability

These amendments, published on August 15, 2023, specify how to assess whether a currency is exchangeable, how to determine the exchange rate for a currency that is not exchangeable, and the related disclosure requirements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

These amendments, published on May 30, 2024, clarify the classification of financial assets with environmental, social and corporate governance (ESG) linked features. They also provide clarifications concerning the derecognition of liabilities settled through electronic payment systems.

IFRS 18 – Presentation and Disclosure in Financial Statements

This standard, published on April 9, 2024, will replace the current IAS 1 – Presentation of Financial Statements and will amend IAS 7 – Statement of Cash Flows. It introduces a defined structure for the income statement, based on three categories of income and expenses (Operating, Investment and Financing) and requires the presentation of two subtotals (Operating income and Income before financing and income taxes). Alternative performance measures are clearly defined and the standard requires their disclosure in a single note to the financial statements. The standard also includes enhanced guidance on the principles of aggregation and disaggregation.

There are no other new standards, updates or interpretations published but not yet effective whose impact could be material for the Group.

2.5 Foreign currency

2.5.1 Presentation and functional currency

The financial statements of the Group entities are measured using their functional currency, which is the currency of the primary economic environment in which they operate and corresponds for most of them to their local currency.

The consolidated financial statements are presented in euros (presentation currency), which is the Company's functional currency.

2.5.2 Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the revaluation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Exchange differences on unconsolidated equity investments are included in other comprehensive income until the investment is sold.

2.5.3 Translation

The financial statements of the Group entities whose functional currency is different from the Group's presentation currency are translated into euros as follows: assets and liabilities are translated at the closing rate at the date of the consolidated statement of financial position, income and expenses are translated at the average rate for the period (as it is considered a reasonable approximation to actual rates at the transaction date), and all resulting exchange differences are recognized in other comprehensive income.

Cash flows are also translated at the average rate for the period. When an entity is disposed of, the translation differences accumulated in other comprehensive income are recycled to the income statement as part of the gain or loss on disposal.

On the acquisition of an entity, goodwill and fair value adjustments recognized are treated as assets and liabilities of the acquired entity and translated at the spot rate on the transaction date.

2.5.4 Exchange rates of major currencies

	Closing rates		Average rates	
Against the euro (EUR):	**2024**	**2023**	**2024**	**2023**
US dollar (USD)	1.043	1.111	1.082	1.082
Canadian dollar (CAD)	1.501	1.466	1.482	1.460
Mexican peso (MXN)	21.248	18.787	19.705	19.177
Brazilian real (BRL)	6.463	5.364	5.802	5.401
Pound sterling (GBP)	0.829	0.868	0.847	0.870
Chinese yuan (CNY)	7.612	7.899	7.788	7.656
Indian rupee (INR)	89.122	92.508	90.558	89.331
Thai baht (THB)	35.433	37.950	38.152	37.617

2.6 Definition of certain indicators presented in the consolidated financial statements

2.6.1 Net debt

Net debt is made up of current and non-current financial liabilities (including lease liabilities), as they appear on the consolidated statement of financial position, less:

- cash and cash equivalents as they appear on the consolidated statement of financial position;
- derivative instruments included in "Current financial assets and Non-current financial assets" on the consolidated statement of financial position;
- cash management financial assets included in "Current financial assets" on the consolidated statement of financial position (these assets are highly liquid, little affected by interest rate risk and foreign currency risk); and
- borrowing collateral included in "Current financial assets and Non-current financial assets" on the consolidated statement of financial position.

2.6.2 Segment operating income

Segment operating income measures the performance of the operating segments and is one of the Group's management indicators.

2.6.3 Segment EBITDA

The Group defines Segment EBITDA as segment operating income less depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets allocated to segments.

2.7 Climate risk

Climate risk and the Group's stated ambitions in this area were taken into account for the preparation of the financial statements.

As part of its 2030 roadmap, the Group has identified four types of levers to reduce its Scope 1 and 2 carbon emissions: (i) energy efficiency, (ii) electrification of industrial processes, (iii) decarbonization of boilers, and (iv) purchase of renewable energy. A total of €107 million was invested in the plan to reduce Scope 1 and 2 carbon emissions in 2024, with over €400 million to be invested over the period covered by the strategic plan.

As part of the drive to reduce Scope 3 carbon emissions, the Group plans to introduce technologies to improve its products' rolling resistance. In 2024, €119 million was invested in this plan, with over €600 million to be invested over the period covered by the strategic plan.

All of this expenditure has been taken into account in the cash flow forecasts used as a basis for impairment testing (note 12.1 "Goodwill"). Beyond the period covered by the strategic plan, the rate at which the programs are implemented will depend on the actual energy performance of the initial investments.

Concerning measures to adapt to climate change, the effects on cash flows beyond the period covered by the five-year strategic plan are difficult to predict. They could arise, for example, from business interruption at sites exposed to natural disasters, or from regulatory compliance costs in certain countries (taxes or other) designed to encourage the energy transition. Given the difficulty of preparing reliable cash flow projections taking these risks into account, a simulated impairment test was carried out, limiting estimates of future cash flows to the next 20 years based on constant cash flows after the fifth year (note 12.1).

Concerning measures to adapt to climate change, an analysis of these manufacturing sites and office facilities was initiated in 2023 to assess the medium- and long-term risks of extreme climate phenomena (intense heat, floods, etc.). These analyses of site vulnerabilities during the period to 2030 will be used to identify any necessary adaptation measures and incorporate them progressively into the Group's capex plans and operating costs.

Additional costs of regulatory compliance are taken into account in the future cash flows used as a basis for impairment testing (note 12.1), to the extent that the regulations affecting the cash flows are known. This mainly concerns the CO_2 emission allowances to be acquired by the Group in compliance with European Union regulations (Emissions Trading Scheme – ETS).

Emissions from sites subject to these European regulations represent around one-tenth of the Group's Scope 1 and 2 emissions. The accounting policies applied to ETS emission allowances are described in note 12, and the balance sheet amounts at the reporting date are shown in note 12.1.

The interest rate on the Group's €2,500 million syndicated line of credit (2023: €2,500 million, see note 17.2) depends on its performance in relation to its environmental and employee-related objectives (CO_2 emissions, an industrial environmental performance indicator and the employee engagement rate across the Group).

2.8 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires that management uses assumptions and estimates to calculate the value of assets and liabilities at the date of the consolidated statement of financial position and the amount of income and expenses for the reporting period. Actual results could differ from those estimates.

The main sources of uncertainty relating to key assumptions and judgments concern impairment of non-financial assets, employee benefit obligations, income taxes, goodwill, intangible assets acquired in business combinations and the assets' estimated useful lives and the definition of the enforceable period of a lease and the effect on revenue recognition of deferred customer discounts.

2.8.1 Impairment of non-financial assets

The cash generating units' (CGU) future cash flows used to calculate value in use are derived mainly from forecasts set out in the Group's five-year business plan. The forecasts are prepared by the Business Departments and Lines based on the strategic objectives validated by the Managers. The process requires using critical estimates and judgments, especially to determine market trends, raw material costs and pricing policies. Consequently, actual cash flows may differ from the estimates used to calculate the CGUs' value in use (see in particular the comments in note 2.7 concerning the recognition of climate risk).

Quantitative information is provided in note 12.

2.8.2 Employee benefit obligations

The Group uses defined contribution plans which generally require, on top of the portion financed by the Group, a contribution from each salaried employee, defined as a percentage of their compensation.

Some subsidiaries also recognize liabilities for pension plans, jubilees and other post-employment benefits linked to rights acquired by the employees through plans specific to these subsidiaries or resulting from certain legal obligations.

The valuation of these benefits is carried out annually with the assistance of independent actuaries. The actuarial method used is the projected unit credit method.

In accordance with this method, statistical information and various assumptions are used in calculating the expenses, liabilities and assets related to the benefit plans. Assumptions mainly include the discount rate, the inflation rate, the long-term salary increase rate and the expected rate of growth in future medical costs. Statistical information is mainly related to demographic assumptions such as mortality, employee turnover, disability and retirement age.

Assumptions and statistical information are determined based on internal guidelines, in consultation with the actuaries.

Discount rates are determined with the assistance of independent actuaries based on the same maturities as the liabilities.

The rate of salary increases is determined by each country based on a long-term salary policy and takes into consideration all of the relevant factors including market practices, as well as career development, promotion and seniority, among other inputs.

The inflation rates, calculated over standard durations, are determined using several methods:

- by using actuarial models based on target rates published by Central Banks, forecasts from Consensus Economics and inflation swap curves;
- by taking the spread between inflation-linked bonds and conventional securities. The rates are then adjusted with a spread which represents the liquidity and risk premium embedded in the inflation-linked bonds;
- based on historical averages.

The other assumptions (retirement age, employee turnover, healthcare cost trend, mortality and disability) reflect the demographic and economic situation of the countries and subsidiaries in which the plans are in force.

The actual data (such as inflation, mortality and real return on assets) may differ from the long-term actuarial assumptions used. The resulting difference is recognized as a gain or loss in other comprehensive income.

Quantitative information is provided in note 8.

2.8.3 Income tax

Judgments and estimates are required to determine the amount of the deferred tax assets resulting from tax loss carryforwards or deductible temporary differences.

The expected reversal of tax losses is based on the forecast of future results validated by the local management and reviewed by the Group Tax and Accounting Departments. Analyses are also performed in order to ensure the consistency of the forecasts with the Group's strategic plans validated by management. Analyses to support the deferred tax positions are performed periodically, at a date as close as possible to the reporting date.

The period over which tax loss carryforwards are reversed is based on a reasonable time horizon, taking into account the specific circumstances of each Group company, such as:

- the origin of the historical tax losses (generally exceptional and non-recurrent: restructuring, significant increases in production capacity...);
- forecast future results;
- confirmed reorganization projects that will eliminate sources of losses;
- the time limit for recovering historical tax losses; and
- the maximum utilization rate of tax loss carryforwards in a given year.

Quantitative information is provided in note 11.

The companies that make up the Group operate in different, and sometimes uncertain, legal and regulatory environments, including tax environments. They may be involved, in the normal course of business, in various types of litigation, disputes or other proceedings.

Each of the known disputes or ongoing proceedings in which the Group or one of the Group companies is involved was examined at the reporting date, where appropriate with the assistance of external consultants, and provisions have, if necessary, been booked to cover the estimated risks.

2.8.4 Goodwill, intangible assets acquired in business combinations and their estimated remaining useful life

As part of its acquisitions, the Group identifies, measures and recognizes intangible assets (trademarks and customer relationships, for example) and determines their residual useful lives. The difference between the fair value of assets acquired and liabilities assumed, on the one hand, and the consideration transferred, on the other, represents goodwill, which is allocated to the CGUs or to the groups of CGUs benefiting from the synergies expected from the business combination. In order to perform the purchase price allocation, the Group takes into account the various strategic and operational objectives underlying the acquisition and relies on the expertise of valuation firms.

The value of assets and liabilities recognized on business combinations may be impacted in the future if judgments, estimates and key assumptions made at the time of the acquisition, such as revenue growth rate, operating margin or discount rates, should differ from reality.

2.8.5 Enforceable period of a lease

When the Group enters into a lease, it determines the enforceable period by taking into account all the economic facts and circumstances, as well as the options to extend and terminate the lease. This information is used to determine the most economically relevant end date for the lease.

For certain categories of leased assets (mainly vehicles), the Group considers that there is no reasonably certain extension option. Consequently, the duration is selected to coincide with the initial term of the lease. For real estate leases, the Group defines the reasonable end date of the lease, based on the enforceable period, in line with the asset's expected period of use. Accordingly, for leases with a residual term of more than ten years, the first enforceable exit option is chosen unless specific information and economic circumstances lead the Group to define a longer period.

NOTE 3 HIGHLIGHTS

3.1 Bond issue

On May 7, 2024, the Michelin Group carried out a €1 billion euro-denominated bond issue in two €500 million tranches with maturities of 7 and 12 years.

The 7-year tranche pays interest at 3.125% and the 12-year tranche at 3.375%.

The net issue proceeds have been used for general corporate financing requirements.

3.2 Share buyback program

As part of its capital management policy, on February 12, 2024 the Group announced the launch of a multi-year share buyback program. Up to €1 billion will be invested in the program, which will be carried out over a three-year period from 2024 to 2026.

On February 29, 2024, the Group signed two agreements with investment service providers covering €500 million worth of share buybacks.

The agreements were executed in full during the year, with 14,476,942 shares bought back at an average price of €34.6 per share and subsequently canceled.

3.3 Closure of the Vannes and Cholet plants

On November 5, 2024, the Michelin Group announced its intention to close the Vannes and Cholet plants in France.

This decision was necessary due to:

- the structural transformation of the Passenger Car & Light Truck and Truck tire markets, which are moving away from premium segments towards low-cost tires, mainly from Asia;
- the worsening competitiveness of Europe, notably due to inflation and rising energy prices.

Both plants had also been facing economic difficulties.

The Group has announced that it will close down production by early 2026 at the latest. It has committed to individually supporting each of the 1,254 affected employees at the two plants, through early retirement measures, internal transfers or outplacement solutions.

The two communities affected by these decisions will also be supported.

The plant closure costs and plant and equipment write-downs were recognized in the balance sheet at December 31, 2024 under "Other operating income and expenses" in the amount of €339 million.

NOTE 4 CHANGES IN THE SCOPE OF CONSOLIDATION

ACCOUNTING POLICIES

The Group's consolidated financial statements include all subsidiaries, joint ventures and associates of Compagnie Générale des Établissements Michelin.

The Group treats transactions with non-controlling interests, as long as they do not result in a change of control over the entities in question (no loss nor gain of control), as equity transactions having no impact on comprehensive income. Expenses relating to these transactions are directly accounted for in equity. At the date the Group gains control of an entity, the carrying amount of previously held non-controlling interests, if any, is adjusted to fair value and the difference is recognized in the income statement. All other related items previously recognized in other comprehensive income are reclassified to the income statement. When the Group loses control over an entity but keeps some non-controlling interests in the entity, the transaction is analyzed as an exchange, i.e., the disposal of a controlling interest and the acquisition of a non-controlling interest.

Shareholdings in companies which are not subsidiaries, joint ventures or associates are not consolidated. They are accounted for as non-derivative financial assets (note 9.4).

Subsidiaries

The Group controls an entity when it has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions and balances, as well as unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless an impairment loss on the transferred asset arises on the transaction.

Group accounting policies are applied consistently by all subsidiaries.

Joint ventures and associates

Joint ventures are joint arrangements (arrangements over which the Group has joint control with one or more other parties) in which the Group has rights to the net assets. Joint control is defined as the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Generally, associates are entities in which the Group has a shareholding representing between 20% and 50% of the voting rights.

Investments in joint ventures and associates are initially recognized at their acquisition cost and are subsequently accounted for using the equity method. The Group's investments in joint ventures and associates include goodwill identified at the acquisition date and are presented net of any accumulated impairment losses.

4.1 Transactions in 2024

On October 10, 2024, the Group sold its stake in AddUp, and in 2024, the Group's equity-accounted share of the joint venture's loss amounted to €35 million including the disposal loss.

During 2024, the Group completed several investments and acquisitions that were individually not material, representing a total investment of €2 million. The companies and controlling interests acquired in 2024, including Watèa, contributed €6 million to consolidated sales for the year and reduced segment operating income by €4 million and other operating income and expenses by €16 million.

4.2 Transactions in 2023

4.2.1 Flex Composite Group – Acquired in 2023, purchase price allocation completed in 2024

On September 26, 2023, the Group completed the acquisition of all the outstanding shares of Flex Composite Group, Europe's leading manufacturer of high-tech fabrics and films, for an enterprise value of €700 million. This acquisition marks a significant step forward in developing the Group beyond mobility and positioning it as a player in polymer composite solutions.

Following this final allocation, goodwill of €327 million was recognized at December 31, 2024, as shown in the following table:

(in € millions)	At the acquisition date
Fair value of consideration transferred	554
Consolidated net assets	22
Fair value of net assets acquired	(249)
of which customer relationships	*(310)*
of which trademarks	*(39)*
of which deferred tax liabilities	*100*
FINAL GOODWILL	**327**

Acquired trademarks and customer relationships are amortized over periods ranging from 10 to 20 years.

4.2.2 Other transactions

The main transactions in 2023 were as follows:

- acquisition in January 2023 of all outstanding shares in US company EGC Enterprises Inc., a manufacturer of graphite-based sealing products with facilities in Ohio and North Carolina in the United States, for €49 million;
- sale of the Group's two Russian subsidiaries in May 2023, leading to the recognition of an additional loss of €54 million during the year;
- buyout in April 2023 of the 50% stake in Blacksmith held by the Group's partner for €39 million and sale of the entire 100% interest in December 2023 for €60 million, leading to the recognition of a €5 million disposal loss;
- loss of control of Watèa, leading to the recognition of a €68 million positive fair value adjustment to the retained interest.

NOTE 5 SEGMENT REPORTING

5.1 Financial information by reporting segment

ACCOUNTING POLICIES

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Managers.

The Managers regularly examine segment operating income to assess segment performance and have therefore been identified as the chief operating decision makers of the Group.

Segment information is presented according to the following three operating segments:

- Automotive, Two-wheel and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

The specialty businesses and related distribution segment combines the specialty tires (Mining, Beyond-road and Aircraft tires) and Polymer Composite Solutions segments (formerly High-Tech Materials). These businesses have been combined in a single segment in recognition of their similar economic characteristics and shared qualitative criteria.

Operating segment performance is measured primarily on the basis of sales and segment operating income, according to the same measurement principles used in the consolidated income statement.

Segment assets consist of property, plant and equipment, right-of-use assets, goodwill, other intangible assets, finished product inventories and trade receivables. Corporate intangible assets and property, plant and equipment are allocated to each segment in proportion to the amount of their directly attributed assets. The amounts provided to the Group's management in respect of operating segment assets are measured in a manner consistent with the consolidated financial statements. Capital expenditure consists of additions of property, plant and equipment and intangible assets.

No liabilities are allocated to the segments in the internal reports provided to the Group's Managers.

Segment information is as follows:

	2024				2023 (restated)[1]			
(in € millions)	**Automotive, Two-wheel and related distribution**	**Road transportation and related distribution**	**Specialty businesses and related distribution**	**Total**	**Automotive, Two-wheel and related distribution**	**Road transportation and related distribution**	**Specialty businesses and related distribution**	**Total**
PROFIT AND LOSS INFORMATION								
Sales	14,667	6,599	5,927	**27,193**	14,859	6,941	6,543	**28,343**
Depreciation and amortization	1,078	482	423	**1,983**	1,024	484	409	**1,968**
Segment operating income	1,917	597	864	**3,378**	1,968	474	1,130	**3,572**
As a percentage of sales	*13.1%*	*9.0%*	*14.6%*	***12.4%***	*13.2%*	*6.8%*	*17.3%*	***12.6%***
SEGMENT ASSETS								
Goodwill, other intangible assets, PP&E and right-of-use assets	9,040	3,852	6,040	**18,932**	8,422	3,918	5,779	**18,118**
Finished product inventories	1,761	829	907	**3,497**	1,656	817	864	**3,337**
Trade receivables	1,848	992	755	**3,595**	1,922	1,092	835	**3,850**
Segment assets	**12,649**	**5,673**	**7,702**	**26,024**	**12,000**	**5,827**	**7,478**	**25,305**
OTHER INFORMATION								
Capital expenditure	1,294	535	353	**2,182**	1,272	577	387	**2,236**

(1) In the following review, 2023 data have been restated to reflect changes in the scope of the reporting segments in 2024. These changes mainly concerned the Two-wheel tire business, which is now consolidated in the Automotive, Two-wheel and related distribution segment, in alignment with the internal reporting process.

Segment reporting assets are reconciled to total Group assets as follows:

(in € millions)	December 31, 2024	December 31, 2023
Segment assets	**26,024**	**25,305**
Non-current financial assets and other non-current assets	1,151	1,605
Investments in equity-accounted companies	849	871
Deferred tax assets	1,081	932
Other net inventories (raw materials and supplies, work in progress)	2,202	2,110
Current financial assets	544	512
Other current assets	1,564	1,345
Cash and cash equivalents	3,936	2,515
TOTAL GROUP ASSETS	**37,352**	**35,195**

5.2 Sales by region

ACCOUNTING POLICIES

The sale of tires, in the original equipment or replacement market, constitutes the major part of Group income. In the replacement market, tires are sold to distributors (wholesalers, specialist dealers, etc.) who are customers of the Group. These distributors have the full and complete possibility to use the tires for their own benefit, or to market them, and in this case, to fix the resale price. Furthermore, they carry the inventory risk.

The terms of sale offered by Group companies, in line with normal market practice, vary according to the customer category and the country in which the sales are made. They provide however, that the payment for the goods sold will be made in a period appreciably less than one year and there is therefore no reason to adjust the amount of consideration received from customers to take into account the effects of a financing component.

Each delivery of tires, either in the original equipment market with car manufacturers or in the replacement market, represents a distinct and separate performance obligation to be fulfilled at a point in time and which corresponds to the loading of goods or their delivery, in accordance with the underlying contract.

The warranties offered to the buyers cover design or manufacturing defects, which may appear as irregular or excessive tire wear under normal conditions of use. These warranties, which do not provide the customer with any supplementary guarantee, apart from the fact that the tire is exempt from defects, continue to be accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets".

The Group agrees, under certain conditions, to give trade concessions or to reimburse unsatisfied customers. Occasionally and under special circumstances, it also grants the right to return products already sold. This right gives rise to the recognition of a liability and a reduction in income, as well as an asset representing the Group's right to recover the goods that customers will return. In addition, the amount that the Group effectively receives for the tires delivered, as well as the revenue from sales recognized in the income statement, can vary as a result of deferred rebates stipulated in contractual agreements and/or at the start of marketing campaigns, which will be paid to the customers at the end of the reference period and depending on the achievement of qualitative or quantitative objectives set for that period. Their value is determined using the expected value method. The Group relies on the analysis of historical data and its accumulated experience to estimate the probable amount of rebates and discounts to be given to customers. Income from ordinary activities is therefore recognized taking into account the uncertainty surrounding the different components of variable consideration and to the extent that it is highly probable that the outcome of this uncertainty will not give rise to a significant reduction in the amount of sales already recognized, once the uncertainty is resolved. The difference between the amounts invoiced to the customers and the level of income recorded from ordinary activities results in the recognition of a liability in respect of the future reimbursement under "Other current liabilities" in the consolidated statement of financial position.

The other sales categories essentially comprise the management of tires for commercial fleets and the supply of telematics services, where the main objective is greater fuel economy and fleet efficiency. The services supplied under these contracts consist of a single performance obligation satisfied over time for which the sales revenue is recognized according to the stage of completion, measured on the basis of the work performed and the costs incurred.

The Group may enter into multi-year agreements with customers, which include a commitment regarding its capacity to supply the products, in exchange for a specific amount of consideration. This is to be paid in advance of fulfillment of the obligations to supply the products, which will be spread over the duration of the contract. As such, this commitment is considered to be linked to the supply of the products and will be recognized as revenue as and when the supply obligations are fulfilled. When the payment is received, a contract liability is recognized and split between the line items "Provisions and other non-current liabilities" and "Provisions and other current liabilities" in the consolidated statement of financial position, depending on the date the performance obligations are fulfilled.

Information by region breaks down as follows:

	2024				2023			
(in € millions)	Europe	North America	Other	Total	Europe	North America	Other	Total
Sales	9,782	10,493	6,918	**27,193**	9,891	11,098	7,354	**28,343**

Europe includes the countries of Western and Central Europe and Central Asia. North America includes Mexico. Asian, South American, Middle-Eastern, Oceanic and African countries are included in Other.

The Group sales information is based on the location of the customer.

Sales generated in France amounted to €2,572 million in 2024 (2023: €2,502 million). Goodwill, intangible assets and PP&E located in France amounted to €2,850 million in 2024 (2023: €3,200 million).

Sales generated in the United States totaled €8,827 million in 2024 (2023: €9,396 million). Goodwill, intangible assets and PP&E located in the United States represented €3,897 million at December 31, 2024 (December 31, 2023: €3,649 million).

No single external customer accounted for 10% or more of the Group's sales in 2024 and 2023.

In 2024, 97.2% of consolidated sales were recognized when control of the goods or services was transferred to the customer (2023: 97.3%), representing a total of €26,431 million (2023: €27,565 million). They mainly include sales of tires for the original equipment market or the replacement market and sales of Fenner conveyor belts.

In 2024, the amount recognized in sales for performance obligations satisfied over time stood at €762 million, representing 2.8% of total sales for the year (2023: €778 million and 2.7%). This amount corresponds for the most part to revenue derived from commercial fleet tire management contracts and contracts for the supply of telematics services.

5.3 Other information by region

Information by region breaks down as follows:

(in € millions)	2024				2023			
Sales	Europe	North America	Other	Total	Europe	North America	Other	28,343
Goodwill, other intangible assets, PP&E and right-of-use assets	8,062	6,096	4,774	**18,932**	7,776	5,563	4,779	**18,118**
Capital expenditure	1,110	629	443	**2,182**	1,118	659	459	**2,236**

NOTE 6 OPERATING ITEMS

6.1 Expenses by nature

ACCOUNTING POLICIES

Cost of sales

Cost of sales for the Group's manufacturing activities comprises the costs of manufacturing products and the cost of goods purchased for resale.

It includes the purchase cost of raw materials, production costs directly related to the manufactured products and all production overheads, based on the normal capacity of manufacturing facilities.

Production overheads include depreciation of property, plant and equipment, amortization of intangible assets relating to production and write-downs of inventories.

Cost of sales also includes a relevant portion of general overheads to the extent that they are directly attributable to bringing the manufactured products to their present location and condition.

For non-manufacturing activities, especially customer services, cost of sales includes all the costs incurred to produce, administer or execute a service delivered in the distribution network. Cost of sales for these activities mainly comprises employee benefits expense, depreciation of facilities and equipment, energy costs and the cost of acquiring and processing the data needed to produce the service.

Research and development expenses

Research costs cannot be capitalized. Development costs are capitalized as intangible assets when the conditions relating to the commercial and technical feasibility of the project, the ability to allocate the costs reliably and the probability of generating future economic benefits are fulfilled.

Development costs are reviewed annually in order to determine whether the criteria for recognition as intangible assets are met.

The following segment operating costs are allocated by function to the appropriate expense headings in the income statement:

(in € millions)	2024	2023
Raw materials and consumables used and changes in finished product inventories	(9,468)	(10,684)
Employee benefit costs	(7,603)	(7,397)
Transportation of goods	(1,370)	(1,485)
Depreciation and amortization[(1)]	(1,983)	(1,917)
Other expenses	(3,390)	(3,288)
EXPENSES BY NATURE	**(23,814)**	**(24,771)**

(1) Excluding amortization of trademarks and customer relationships acquired through business combinations.

6.2 Segment other income and expenses

Segment other income and expenses are recognized in the income statement as follows:

(in € millions)	2024	2023
Share-based payments – current service cost (note 8)	(34)	(30)
Employee share ownership plan cost (note 8)	(68)	-
Other income/(expenses)	12	(44)
SEGMENT OTHER INCOME AND EXPENSES	**(90)**	**(74)**

6.3 Inventories

ACCOUNTING POLICIES

Inventories are carried at the lower of cost and net realizable value.

The cost of raw materials, supplies and purchased finished goods includes the purchase price and other costs directly attributable to the acquisition. The cost of work in progress and manufactured finished goods comprises direct labor costs, other direct costs and production overheads based on the normal capacity of production facilities. Borrowing costs are expensed as incurred. The measurement of inventories and cost of sales using the standard cost method put in place by the Group, taking variances into account, is close to what would be obtained using the actual cost method.

Net realizable value is the estimated selling price less the estimated costs of completion and sale.

An impairment loss is recognized when net realizable value is lower than cost and is reversed when it becomes apparent that the circumstances which previously caused inventories to be written down below cost no longer exist. Indications of impairment include physical damage, obsolescence, slow-moving items, and market changes.

Inventories include the following:

(in € millions)	December 31, 2024	December 31, 2023
Raw materials and work in progress	1,700	1,594
Supplies	584	567
Finished products	3,602	3,434
Total gross inventory	**5,886**	**5,595**
Impairment of raw materials and work in progress	(24)	(22)
Impairment of supplies	(58)	(28)
Impairment of finished products	(105)	(97)
Total impairment	**(187)**	**(148)**
NET INVENTORIES	**5,699**	**5,447**

Changes in impairment losses on inventory are as follows:

(in € millions)	2024	2023
At January 1	**(148)**	**(145)**
Translation adjustments and other	(3)	5
Changes in scope of consolidation	(0)	11
Impairment of inventories recognized as an expense in the period	(101)	(69)
Impairment reversals	65	50
AT DECEMBER 31	**(187)**	**(148)**

6.4 Trade receivables

ACCOUNTING POLICIES

Trade receivables are initially recognized at the amount unconditionally due by the customer. The Group manages its trade receivables in order to collect the contractual cash flows and measures its receivables at amortized cost, according to the effective interest rate method, after deduction of any impairment losses.

When payment terms are less than one year, the initial fair value and the subsequent amortized cost are equal to the nominal amount to the extent that the receivable does not include a significant financial component.

The Group applies the simplified approach provided under IFRS 9, which consists of calculating the expected credit loss over the life of the trade receivable. This model makes it possible to determine a credit loss expected at maturity for all trade receivables, as soon as they are recognized.

Expected credit losses are based on customer payment patterns that have been observed over 36 months, and trade credit losses historically recorded during this period.

An impairment loss is also recognized whenever there are objective indications that the Group will not be able to recover all amounts due under the terms of the original transaction. Bankruptcies, the use of legal procedures to protect against creditors, cases of known insolvency or disappearance of the debtor, late payments of more than six months, economic or political risks in the country of residence of the debtor, as well as the deterioration of the latter's solvency are all indicators that suggest that a trade receivable must be impaired. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash inflows at the initial effective interest rate. Before recognizing an impairment loss, the quality of the guarantees potentially obtained must be assessed, as well as the capacity to implement them. The impairment loss is recognized in "Sales and marketing expenses".

When the receivable is irrecoverable, it is canceled by offsetting it against the previously recognized impairment loss. Any subsequent cash inflows corresponding to previously derecognized receivables are recorded by reducing "Sales and marketing expenses" in the income statement.

The carrying amount of trade receivables is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Gross trade receivables	3,689	3,939
Impairment	(94)	(89)
TRADE RECEIVABLES	**3,595**	**3,850**

All trade receivables are due within 12 months.

The following table presents an aging analysis of trade receivables at December 31, 2024:

(in € millions)	Gross	Impairment	Net
Trade receivables not yet due	**3,359**	**(13)**	**3,346**
Overdue			
▪ from less than three months	220	(7)	213
▪ between three and six months	26	(5)	21
▪ from more than six months	84	(69)	15
Overdue trade receivables	**330**	**(81)**	**249**
TRADE RECEIVABLES	**3,689**	**(94)**	**3,595**

Movements in impairment are analyzed in the table below:

(in € millions)	2024	2023
At January 1	**(89)**	**(94)**
Translation adjustments and other	(1)	2
Changes in scope of consolidation	(2)	5
Impairment of inventories recognized as an expense in the period	(42)	(21)
Impairment reversals	40	19
AT DECEMBER 31	**(94)**	**(89)**

Impairment provisions of €15 million were reversed during the period following the write-off of the underlying receivables (2023: €14 million).

6.5 Trade payables

ACCOUNTING POLICIES

Trade payables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

Financing agreements with suppliers (reverse factoring)

The Group has put in place paying agent agreements with several financial institutions. Under these agreements, the financial institution acts as a paying agent with respect to invoices due to suppliers who have entered into a bilateral agreement with the financial institution in order to be in position to factor their trade receivables from the Group.

The agreements' classification in trade payables is supported by a multi-criteria analysis. In particular:

- the factoring transaction is completely independent from the commercial relationship;
- the supplier has full discretion to decide – on a case-by-case basis – whether to factor its receivables;
- the initial payment terms are unchanged, with the date of payment to the supplier or the bank, whichever is the case, corresponding to the payment date indicated on the invoice;
- the Group is not affected by the factoring cost because the discount is borne by the supplier and is paid directly to the bank.

Trade payables concerned by the program are presented separately in the consolidated statement of financial position under "Trade payables covered by reverse factoring contracts". In the consolidated statement of cash flows, these transactions are included in cash flows from operating or investing activities (note 10).

Trade payables are analyzed in the following tables:

(in € millions)	December 31, 2024	December 31, 2023
Trade payables	3,086	3,075
Trade payables under reverse factoring agreements	689	530
TRADE PAYABLES	**3,775**	**3,605**

Trade payables under reverse factoring agreements amounted to €689 million at December 31, 2024.

The Group has two reverse factoring programs:

- The Bib Factor program available to all suppliers in 13 countries on three continents. The reverse factoring debt under this program amounted to €379 million at December 31, 2024, of which €217 million had already been paid to suppliers by the member financial institutions. The payment ranges granted to these suppliers vary widely according to their nature and local regulations in the countries concerned.
- Specific program for rubber suppliers in Indonesia. The reverse factoring debt under this program stood at €309 million at December 31, 2024, of which €264 million had already been paid to suppliers by member financial institutions.

The payment ranges granted to these suppliers are equivalent to those granted to comparable suppliers that are not members of the program.

NOTE 7 OTHER OPERATING ITEMS

7.1 Other operating income and expenses

ACCOUNTING POLICIES

Other operating income and expenses records items that are not taken into account by management when measuring the performance of the operating segments due to their nature or their significant, unusual or abnormal characteristics. They include, in particular, the costs related to the reorganization and adaptation of activities and those related to major litigation (and the adjustments in the corresponding provisions), as well as impairment of goodwill and acquisition-related costs. The amortization of trademarks and customer relationships recognized as part of a business combination is also included in "Other operating income and expenses". They also include gains and losses on disposals and changes in impairment of property, plant and equipment and intangible assets, acquisition price adjustments, as well as gains and losses related to post-employment benefit plan amendments, curtailments or settlements.

Other operating income and expenses are detailed in the table below:

(in € millions)	2024	2023
Amortization of acquired trademarks and customer relationships	(102)	(91)
Reorganizations and adaptation of activities	(382)	(522)
Impairment of non-current assets	(174)	(272)
Employee benefit obligations	(19)	(4)
Other	(70)	(31)
OTHER OPERATING INCOME AND EXPENSES	**(747)**	**(920)**

7.1.1 Amortization of acquired trademarks and customer relationships

Amortization of intangible assets recognized in the course of a business combination amounted to €102 million in 2024 (2023: €91 million):

- €33 million related to amortization of brands or trademarks (2023: €39 million);
- €69 million related to amortization of customer relationships (2023: €52 million).

7.1.2 Reorganizations and adaptation of activities

The amount reported for reorganizations and adaptation of activities in 2024 mainly comprises:

- €251 million in closure costs for the Vannes and Cholet plants in France (note 3);
- a €38 million increase in the estimated closure costs for the Ardmore site in the United States and the Trier, Karlsruhe and Hamburg sites in Germany;
- adaptation projects in China and Poland for €34 million.

The €522 million cost recorded in 2023 corresponded mainly to the recognition of provisions for closure costs at the Karlsruhe, Hamburg and Trier sites in Germany for €316 million and at the Ardmore site in the United States for €122 million.

Impairment losses recognized on assets affected by reorganization projects are presented below.

7.1.3 Impairment of non-current assets

Impairment losses were recognized in 2024 on assets concerned by the restructuring of the Vannes and Cholet plants in France for €81 million and the adaptation of activities in China and Poland for €45 million.

In 2023, recognized impairment losses mainly concerned the restructuring of the Ardmore site in the United States and the German sites, for a total of €168 million. The Group also booked €92 million in impairment losses on property, plant and equipment, mainly on its plantations.

7.1.4 Employee benefit obligations

No material events occurred in 2024 or 2023.

7.1.5 Other

No individually material events occurred in 2024.

In 2023, €68 million was recognized in other operating income on reclassification of Watèa as a joint venture and an additional loss of €54 million was recognized in other operating expense on disposal of the Group's Russian operations.

7.2 Other current assets

The carrying amount of other current assets is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Prepayments to suppliers	187	128
Income tax payable	408	295
Other taxes receivable	542	539
Other	428	384
Impairment	(1)	(1)
OTHER CURRENT ASSETS	**1,564**	**1,345**

Other taxes receivable mainly concern value-added tax.

7.3 Provisions and other current and non-current liabilities

ACCOUNTING POLICIES

Provisions

Provisions are recognized when a legal or constructive obligation has been incurred that will probably lead to an outflow of resources that can be reasonably estimated.

Provisions for reorganizations and adaptation of activities are recognized when the Group has a detailed formal plan that has been announced.

Provisions are recorded at the net present value of the estimated cash outflows.

	December 31, 2024			December 31, 2023		
(in € millions)	Non-current	Current	Total	Non-current	Current	Total
Provisions	749	440	**1,188**	674	365	**1,038**
Employee benefit obligations	23	834	**857**	28	976	**1,004**
Payroll tax liabilities	-	368	**368**	-	381	**381**
Customers – Deferred rebates and other liabilities	-	822	**822**	-	777	**777**
Income tax payable	-	247	**247**	-	193	**193**
Other taxes	-	300	**300**	-	267	**267**
Other	157	291	**448**	158	349	**507**
PROVISIONS AND OTHER LIABILITIES	**928**	**3,302**	**4,230**	**860**	**3,307**	**4,167**

7.3.1 Changes in provisions

Changes in provisions during the period are presented below:

(in € millions)	Reorganizations and adaptation of activities	Litigation, warranties and other provisions	Total
At January 1, 2024	**634**	**405**	**1,038**
Additional provisions	443	174	617
Provisions utilized during the period	(250)	(173)	(424)
Unused provisions reversed during the period	(28)	(27)	(55)
Translation adjustments	7	4	11
Other effects	-	-	1
AT DECEMBER 31, 2024	**805**	**382**	**1,188**
Of which short-term portion	358	**82**	**440**

7.3.2 Reorganizations and adaptation of activities

At December 31, the remaining provisions for reorganizations and adaptation of activities relate to the following countries:

(in € millions)	December 31, 2024	December 31, 2023
France[(1)]	376	159
Germany[(2)]	286	340
United States[(3)]	84	107
Other countries	59	28
TOTAL	**805**	**634**

(1) The total includes the provision booked in 2024 for site closure costs at Vannes and Cholet (notes 3 and 7.1), and the provisions set aside in 2022 for phase 3 of the simplification and competitiveness plan.
(2) The total includes the provision set aside in 2023 in connection with the winding down of production at the Karlsruhe, Hamburg and Trier sites (note 7.1).
(3) The total includes the provision set aside in 2023 for the winding down of passenger car tire production at the Ardmore plant (note 7.1).

7.3.3 Provisions for claims and litigation, warranties and other provisions

Provisions at December 31 concern the following risks:

(in € millions)	December 31, 2024	December 31, 2023
Provisions for claims and litigation	54	57
Provisions for product warranties (note 5)	75	78
Provisions for product liability claims	75	68
Other provisions for contingencies	178	202
TOTAL	**382**	**405**

No individual provision has a material impact on the Group's financial position or profitability.

NOTE 8 WORKFORCE, COMPENSATION AND BENEFITS

Employee benefit costs are allocated by function to the appropriate expense headings in the income statement:

(in € millions)	2024	2023
Wages and salaries	(6,027)	(5,939)
Payroll taxes	(1,102)	(1,098)
Defined benefit plan costs	(103)	(78)
Defined contribution plan costs	(288)	(256)
Share-based payments – current service cost (note 15)	(102)	(30)
EMPLOYEE BENEFIT COSTS[(1)]	**(7,622)**	**(7,401)**

(1) Of which €7,603 million recognized in "Segment operating income" (note 6.1) and €19 million in "Other operating income and expenses" (note 7.1).

The average number of employees on payroll in 2024 was 131,528 (2023: 132,276).

8.1 Provisions for employee benefit obligations

ACCOUNTING POLICIES

Wages, salaries, social security contributions, payments to defined contribution plans, annual leave and sick leave payments, bonuses and non-monetary benefits are recognized in the year in which the associated services are rendered by the employees.

Where employee benefits, such as certain pension plans, other post-employment benefits and other long-term benefits, are provided by the Group, a liability or an asset and the related costs are recognized.

Pension and other post-employment benefits

Post-employment benefits are benefits payable after employment ceases. The Group provides retirement benefits for most of its employees, either directly or by contributing to independently administered funds. The benefits provided by the Group vary according to the legal, tax and economic situation in each country and are usually based on one or more factors such as employees' compensation, age and years of service. The obligations relate both to current retirees and to the entitlements of future retirees.

The Group provides post-employment benefits under defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the Group pays fixed contributions to fund managers or insurance companies. Once the contributions have been paid, the Group has no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay the benefits expected by the beneficiaries.

The regular contributions are recognized as an expense for the year in which they are due and, as such, are included in cost of sales, sales and marketing expenses, research and development expenses or general and administrative expenses.

Group management policies regarding post-employment benefits have led to the transformation of defined benefit plans into defined contribution benefit plans since the early 2000s. Nevertheless, a significant portion of the post-employment benefit plans provided by the Group are still defined benefit plans. They are either externally funded plans (mainly pension plans), for which the plan assets are held separately in independently administered funds, or unfunded plans such as healthcare plans and end-of-service benefit plans.

Post-employment benefit obligations, and the related current service cost, are measured using the projected unit credit method.

A defined benefit plan is a plan that defines an amount of benefits that the Group is committed to pay to current and former employees.

All defined benefit plans are subject to actuarial valuations carried out annually for the largest plans and on a regular basis for other plans. These actuarial valuations are carried out with the help of independent actuaries. Actuarial assumptions, primarily discount rates, projected salary increase rates, inflation rates and expected growth in healthcare costs are incorporated into the actuarial valuations and reviewed annually.

The liabilities or assets recognized in the consolidated statement of financial position in respect of defined benefit plans correspond to the present value of the defined benefit obligation at the reporting date, less the fair value of plan assets. They take into account any unrecognized assets not available in the form of refunds or a reduction in future contributions.

The present value of the defined benefit obligation corresponds to the estimated future cash outflows, calculated using a discount rate established by reference to a market rate based on interest rates of high-quality corporate bonds that have maturities approximating the duration of the related post-employment benefit obligation.

A net asset is recognized only to the extent that it represents a future economic benefit that is actually available to the Group in the form of refunds from the plan or reductions in future contributions.

When a defined benefit plan is subject to a minimum funding requirement (MFR), the Group determines whether paying these contributions may give rise to a surplus in that defined benefit plan. To the extent that the surplus in the plan exceeds the available economic benefits, the Group immediately recognizes a decrease in the defined benefit asset or an increase in the defined benefit liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Past service costs may arise when new defined benefit plans are set up, when changes to benefits payable under an existing defined benefit plan are introduced or when curtailments occur. They are recognized immediately in the income statement.

The Group's net benefit plan cost recognized in the income statement includes the current service cost for the period, curtailment and settlement gains and losses, past service cost, as well as actuarial gains and losses arising under other long-term benefit plans. Net interest on the net defined benefit liability (asset) is recognized outside operating income.

In accordance with the laws and regulations applicable in each country, and in application of its social responsibility policy, the Group takes part mainly in pension, death and disability, medical insurance and end-of-service benefit plans.

They are either defined benefit plans or defined contribution plans.

Since 2003, the Group has closed its defined benefit plans to new entrants and, in some cases, to future accruals, in order to reduce the risk on the Group's consolidated statement of financial position. New defined contribution plans have correspondingly been put in place or existing ones improved.

The Group has a governance body, the Global Employee Benefit Board, that monitors benefits. Its role is to define Group policies on employee benefits and ensure that local benefit programs comply with them (approval of amendments, introduction of new benefits, etc.). At the same time, it monitors asset returns and benchmarks, as well as the de-risking policies put in place by local boards or committees, and proposes an audit plan. The Committee is assisted by two teams, the Global Benefits Policy Team composed of members from the accounting, finance and human resources departments and the Global Benefits Investment Team composed of the chairs of the investment committees or Chief Investment Officers of the main funded pension plans and Group experts. In countries with substantial benefit obligations, a similar organization exists.

8.1.1 Defined benefit plans

The Group's defined benefit plans are retirement plans and retiree healthcare plans, the vast majority of which are now closed to new entrants, and in some cases to future accruals, as well as some minor plans such as long-service awards or end-of-service benefits.

Projected benefit obligations are measured with the assistance of independent actuaries who help the Group to determine demographic and financial assumptions according to a rigorous process.

The financial position of the main defined benefit plans is summarized below:

(in € millions)	Pension plans	Other plans	December 31, 2024	December 31, 2023
Present value of fully or partly funded obligations	4,916	11	4,927	5,119
Fair value of plan assets	(4,786)	(2)	(4,788)	(5,212)
Funded status deficit/(surplus)	**130**	**9**	**139**	**(93)**
Present value of unfunded obligations	1,014	1,393	2,407	2,435
Unrecognized assets due to the effect of the asset ceiling	75	-	75	79
NET DEFINED BENEFIT OBLIGATION	**1,219**	**1,402**	**2,621**	**2,421**
Amounts recognized in the consolidated statement of financial position:				
▪ As assets in Non-current financial assets and other assets (note 9.4)	(109)	-	(109)	(305)
▪ Provisions for employee benefit obligations	1,328	1,402	2,730	2,726
NET LIABILITY	**1,219**	**1,402**	**2,621**	**2,421**

At December 31, 2024, the projected defined benefit obligation comprised €2,092 million for active members (current employees), €804 million for members who have deferred their vested benefits and €4,438 million for retired members (2023: respectively €2,170 million, €839 million and €4,545 million).

Most pension plans are vested plans.

Other plans, consisting mainly of end-of-service benefit plans and plans covering medical costs, are generally unvested.

The mortality tables used are official national tables that may be adapted to better reflect the populations concerned.

	December 31, 2024				December 31, 2023			
Main life expectancies by country	**United States**	**Canada**	**United Kingdom**	**Germany**	**United States**	**Canada**	**United Kingdom**	**Germany**
Life expectancy for males at 65 at the end of the reporting period	18.5	22.9	20.6	20.2	18.5	21.9	20.6	20.2
Life expectancy for males who will be 65 in 15 years' time	19.5	22.1	21.8	22.3	19.5	23.0	21.8	22.3
Life expectancy for females at 65 at the end of the reporting period	20.5	25.3	23.3	23.7	20.4	24.4	21.2	23.7
Life expectancy for females who will be 65 in 15 years' time	21.5	24.6	24.5	25.4	21.4	25.4	22.5	25.4

The movements in net defined benefit obligations recognized in the consolidated statement of financial position are shown below:

(in € millions)	2024			2023		
	Pension plans	Other plans	Total, defined benefit plans	Pension plans	Other plans	Total, defined benefit plans
AT JANUARY 1	**1,013**	**1,408**	**2,421**	**1,005**	**1,325**	**2,330**
Contributions paid to the funds	**(8)**	**(8)**	**(16)**	**(11)**	**-**	**(11)**
Benefits paid to the beneficiaries	**(42)**	**(66)**	**(108)**	**(39)**	**(57)**	**(96)**
Other movements	**-**	**(3)**	**(3)**	**-**	**3**	**3**
ITEMS RECOGNIZED IN OPERATING INCOME						
Current service cost	18	61	79	18	52	70
Actuarial (gains) or losses	-	3	3	-	1	1
Plan modifications, curtailments or settlements	(1)	(26)	(27)	(13)	12	(1)
Other items	19	-	19	18	-	18
Total recognized in operating income	**36**	**38**	**74**	**23**	**65**	**88**
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME						
Net interest on employee benefit obligations	**32**	**52**	**84**	**37**	**58**	**95**
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME						
Translation adjustments	**8**	**23**	**31**	(15)	(23)	(38)
Actuarial (gains) or losses						
■ *Due to changes in demographic assumptions:*						
– Due to changes in assumptions	(11)	(3)	(14)	(81)	(7)	(88)
– Due to experience adjustments	5	(1)	4	(82)	(13)	(95)
■ Due to changes in financial assumptions:						
– Due to changes in assumptions	(295)	(46)	(341)	165	52	217
– Due to experience adjustments	484	11	495	18	6	24
Total actuarial (gains) or losses	**183**	**(39)**	**144**	**20**	**38**	**58**
Unrecognized assets due to the effect of the asset ceiling	**(3)**	**(3)**	**(6)**	**(7)**	**(1)**	**(8)**
AT DECEMBER 31	**1,219**	**1,402**	**2,621**	**1,013**	**1,408**	**2,421**

The Group's main pension plans are as follows:

United States

The defined benefit plan in the United States is the Michelin Retirement Plan (MRP).

The plan was closed to new entrants as of January 1, 2004. Accruals were frozen under the plan as of December 31, 2016. All employees are enrolled in a defined contribution plan.

The plan provides for a guaranteed monthly annuity at retirement based on a set formula that takes into consideration the years of plan membership and average pensionable earnings. Only employees who have voluntarily joined the defined contribution plan may receive a lump sum payment.

The plan includes a cost-of-living adjustment clause applicable to the pensions of employees hired before January 1, 1991.

The plan is funded solely by employer contributions.

Canada

There is one major defined benefit plan in Canada, the Pension Plan for the Employees of Michelin North America (Canada) Inc. and Participating Employers (MR Plan).

The MR Plan was closed to new entrants as from January 1, 2005. Accruals for most of the participants were frozen under the plan as of December 31, 2015. All employees are enrolled in a defined contribution plan.

The plan provides a guaranteed monthly annuity at retirement based on a defined formula that takes into consideration the years of plan membership and total pensionable recurring earnings.

The plan includes an indexation clause applicable to the benefits, based on the increase in the Consumer Price Index less a deduction.

The plan is funded solely by employer contributions.

United Kingdom

The defined benefit retirement plan in the UK is the Michelin Pension and Life Assurance Plan.

This plan was closed to new entrants as from March 31, 2005. It was closed to all future accruals as of January 1, 2009 and has been replaced by a defined contribution plan.

Accruals up to December 31, 2008 are frozen but pensions are still linked to the average final salary at retirement.

The amount of the annual pension is based on the employee's pensionable earnings. Most employees opt to receive the maximum amount allowed by tax legislation in the form of a lump sum.

The amount of the pension benefit is indexed to a capped inflation rate for members who did not choose the pension increase exchange option.

On September 20, 2024, a buy-in policy was purchased from an insurance company.

Germany

The main defined benefit retirement plan in Germany is the "*Versorgungsordnung 1979*" (VO 1979).

The plan was closed to new entrants as from January 1, 2000. Since this date, new entrants have been enrolled in defined contribution plans.

The plan provides for a lifetime monthly annuity which is based on the employee's pensionable earnings.

There is a legal obligation to adjust the pension annuity every three years for inflation up to the average increase in the employees' salaries.

France

The main defined benefit pension plan is "*Régime de retraite supplémentaire MFPM*". Benefits are payable under this plan only if the beneficiary is still a Group employee or officer on retirement.

Benefits have been reduced gradually since January 1, 2013. In accordance with government order 201-697 dated July 3, 2019, this plan was closed to new members on July 3, 2019 and the vesting period was frozen at December 31, 2019. The plan has now been replaced by defined contribution plans.

The Group's other main defined benefit plans are as follows:

United States

Some retirees and their dependents are also covered by medical insurance.

For the most part, the retirees concerned were hired before January 1, 2004. This plan is not pre-funded.

Canada

Some retirees and their dependents are also covered by medical insurance.

This plan has been closed to new entrants since January 1, 2005 and is not funded.

France

The main plan is a mandatory rubber division end-of-service benefit plan. The plan provides for the payment of a lump sum to employees who are present at their retirement date. The normal retirement age is set at 65. The amount of the lump sum corresponds to a number of months of salary based on years of service at the time of retirement. This plan is not pre-funded.

The following table analyzes changes in the financial position of the Group's defined benefit plans:

	2024					2023				
	Pension plans					Pension plans				
(in € millions)	United Kingdom (UK)	Europe excluding UK	North America and Other	Other defined benefit plans	Total equity	United Kingdom (UK)	Europe excluding UK	North America and Other	Other defined benefit plans	Total equity
Obligations at the beginning of the year	**1,786**	**1,157**	**3,188**	**1,423**	**7,554**	**1,843**	**1,084**	**3,372**	**1,341**	**7,640**
Translation adjustments	80	-	114	23	**217**	32	2	(119)	(23)	**(108)**
Changes in scope of consolidation	-	-	-	-	**-**	-	-	-	3	**3**
Current service cost	-	16	2	61	**79**	-	16	2	52	**70**
Interest expense	83	36	150	52	**321**	89	38	163	58	**348**
Administrative costs and other	4	-	15	-	**19**	3	-	15	-	**18**
Plan modifications, curtailments or settlements	(1)	-	-	(26)	**(27)**	-	(17)	4	12	**(1)**
Benefits paid during the year	(121)	(44)	(267)	(90)	**(522)**	(120)	(37)	(298)	(59)	**(514)**
Other items	(1)	3	-	(3)	**(1)**	-	3	-	1	**4**
Actuarial (gains) or losses	(146)	(13)	(111)	(36)	(306)	(61)	68	49	38	**94**
Obligations at the end of the year (A)	**1,684**	**1,155**	**3,091**	**1,404**	**7,334**	**1,786**	**1,157**	**3,188**	**1,423**	**7,554**
Fair value of plan assets at the beginning of the year	**2,090**	**143**	**2,961**	**18**	**5,212**	**2,074**	**132**	**3,168**	**20**	**5,394**
Translation adjustments	90	-	94	-	**184**	34	3	(107)	-	**(70)**
Changes in scope of consolidation	-	-	-	-	**-**	-	-	-	-	**-**
Interest income	97	5	137	1	**240**	101	4	151	1	**257**
Contributions paid to the funds	-	7	1	8	**16**	3	8	-	-	**11**
Benefits paid by the plans	(121)	(5)	(263)	(25)	**(414)**	(120)	(1)	(296)	(1)	**(418)**
Other items	-	2	1	-	**3**	-	3	1	(1)	**3**
Actuarial (gains) or losses	(364)	5	(94)	-	**(453)**	(2)	(6)	44	(1)	**35**
Fair value of plan assets at the end of the year (B)	**1,792**	**157**	**2,837**	**2**	**4,788**	**2,090**	**143**	**2,961**	**18**	**5,212**
Deficit/(surplus) (A-B)	**(108)**	**998**	**254**	**1,402**	**2,546**	**(304)**	**1,014**	**227**	**1,405**	**2,342**
Deferred items at the beginning of the year	-	-	(76)	(3)	**(79)**	-	-	(80)	(4)	**(84)**
Translation adjustments	-	-	2	-	**2**	-	-	1	-	**1**
Unrecognized assets	-	-	(1)	3	**2**	-	-	3	1	**4**
Deferred items at the end of the year	**-**	**-**	**(75)**	**-**	**(75)**	**-**	**-**	**(76)**	**(3)**	**(79)**
NET LIABILITY/(ASSET) AT THE END OF THE YEAR	**(108)**	**998**	**329**	**1,402**	**2,621**	**(304)**	**1,014**	**303**	**1,408**	**2,421**

On September 20, 2024, the liabilities of the Michelin Pension and Life Assurance Plan in the United Kingdom were transferred to an insurance company under a buy-in policy, leading to the recognition of a loss of €170 million in other comprehensive income.

In France, the pension reform of April 14, 2023 (Act 2023-270) had the effect of reducing the Group's employee benefit obligations by €13 million in 2023. This amount was recorded as a deduction from the related provision under "Plan modifications, curtailments or settlements".

For Canadian pension plans, the Group does not have any rights to a refund of the plan surplus. The available economic benefits are measured as the present value of the future service cost.

These pension plans are subject to a minimum funding requirement. The surplus recognized as an asset is the sum of:

- any prepaid amount that would reduce the future minimum funding requirement; and
- the estimated future service cost in each period less the estimated minimum funding requirement contributions that would be required for future service.

Any amount exceeding this limit is immediately recognized within other comprehensive income.

In 2024, the amount recognized resulting from the effect of the asset ceiling was €4 million.

The main actuarial weighted average assumptions used to measure projected benefit obligations are as follows:

	December 31, 2024			December 31, 2023		
	United Kingdom (UK)	Europe excluding UK	North America	United Kingdom (UK)	Europe excluding UK	North America
Discount rate	5.50%	3.33%	5.22%	4.65%	3.20%	4.76%
Inflation rate	3.25%	1.96%	2.18%	3.15%	2.02%	2.18%
Rate of salary increases(1)	3.25%	3.07%	3.50%	3.23%	3.12%	3.50%
Weighted average duration of the defined benefit obligation	10.5	12.7	9.0	11.2	13.0	9.1

(1) North America: only the Canadian pension plan is concerned by this assumption, for a negligible group of members.

Assumptions concerning healthcare cost trends are as follows:

	December 31, 2024		December 31, 2023	
	United States	Canada	United States	Canada
Expected growth in healthcare costs in the first year	9.15%	5.12%	7.95%	4.91%
Minimum long-term rate of annual growth in healthcare costs	4.50%	4.05%	4.50%	4.05%
Year in which the minimum growth rate will be achieved	2034	2040	2033	2040

Regarding the sensitivity of the fair market value of plan assets due to interest rate movements, it is considered that the entire yield curve moves up or down by 0.5 point and that only the values of the bonds are impacted, with the values of all other assets remaining unchanged. The level of sensitivity indicated corresponds to the change in the total value of the portfolio due to the change in interest rates.

A 0.5-point change in these rates compared with those used for 2024, all else being equal, would have the following effect:

(in € millions)	0.5-point increase	0.5-point decrease
Change in consolidated statement of financial position		
Discount rate on the defined benefit obligation (DBO)	(353)	378
Inflation rate on the defined benefit obligation (DBO)	216	(211)
Salary increase rate on the defined benefit obligation (DBO)	82	(74)
Healthcare cost trend rate on the healthcare defined benefit obligation (DBO)	4	(4)
Interest rates on the fair market value of plan assets	(198)	210
Impact on consolidated income statement		
Discount rate on the aggregate of current service cost and interest cost on the obligation	11	(14)
Inflation rate on the aggregate of current service cost and interest cost on the obligation	14	(13)
Salary increase rate on the aggregate of current service cost and interest cost on the obligation	7	(7)
Healthcare cost trend rate on the aggregate of the current service cost and interest cost on the healthcare plan obligation	-	-

The asset allocation of fully and partly funded pension plans is as follows:

	December 31, 2024					December 31, 2023				
	Canada	United States	United Kingdom	Other	Total	Canada	United States	United Kingdom	Other	Total
Equities	5%	12%	-	-	**6%**	4%	10%	-	-	**4%**
Government bonds	62%	25%	-	17%	**23%**	66%	29%	34%	19%	**37%**
Investment-grade corporate bonds	11%	46%	-	-	**20%**	12%	45%	32%	-	**32%**
Other bonds, credit and cash	13%	5%	-	2%	**5%**	10%	4%	13%	3%	**9%**
Funds managed by insurance companies	-	-	91%	81%	**37%**	-	-	7%	78%	**6%**
Real assets	7%	6%	-	-	**4%**	7%	7%	1%	-	**4%**
Alternatives	3%	5%	9%	-	**6%**	2%	5%	14%	-	**8%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Duration in years of bonds and cash	**10.9**	**11.4**	**N/A**	**11.2**	**11.2**	**11.9**	**12.1**	**14.2**	**11.2**	**12.9**

In the above allocation, "Equities" may include local and global listed equities and private equities; "Alternatives" may include hedge funds, mezzanine and distressed private debts; "Government bonds" may include government-like bonds as well as derivatives used to hedge interest rates and/or inflation; "Investment grade corporate bonds" correspond solely to those corporate bonds also used to hedge interest rates; "Other bonds, credit and cash" mainly includes high yield, senior private debt and cash; "Real assets" may include equity investments in real estate or infrastructure; "Funds managed by insurance companies" may include multi-employer funds. Each manager's assets are assigned in their entirety to one of the available categories which represents its main investment/mandate.

An internal group of experts, composed of the chairs or Chief Investment Officers of the main investment committees and Group specialists, has issued investment guidelines for the local investment committees presenting investment best practices. In particular, the guidelines state that direct investments should not be made in Michelin securities or properties used by the Group. Fund managers are not subject to such restrictions. The Group has not invested material amounts in its own securities. Michelin does not occupy or use any of the real estate assets included in the various portfolios. The Group is not in possession of comprehensive information on the underlying assets held in insurance funds or alternative investments.

In most countries assets are managed by local independent boards which are required under local pension laws. The boards are required by their bylaws as well as by law to act in the best interest of the fund and all relevant stakeholders, i.e., current and future beneficiaries as well as employers.

Asset allocation analyses are performed periodically, generally every three to five years, by an independent fiduciary body (Investment Board, Board of Trustees) based on recommendations made by independent advisors (actuaries, consultants, banks or investment management firms). The asset allocation takes into account the structure of employee-related liabilities and their terms. In the event of a sharp increase in the funding ratio, an asset allocation analysis should be performed to ensure the target allocation is still appropriate.

Government and investment-grade corporate bonds are used to hedge the interest rate risk as well as, in some cases, the credit spread and inflation risks. The larger plans also use completion managers to implement custom solutions in order to hedge key rates in accordance with the policy set by each pension fund. These assets are in the “Government bonds” category.

Foreign exchange risks may be hedged when the exposure to a foreign currency is considered to be non-negligible.

Group contributions to pension plans and benefit payments made by these plans in 2024 and to be made over the following ten years are as follows:

	Pension plans			Other plans			
(in € millions)	United Kingdom (UK)	Europe excluding UK	North America and Other[(1)]	United Kingdom (UK)	Europe excluding UK	North America and Other[(1)]	Group Total
CONTRIBUTIONS PAID AND BENEFITS PAID DIRECTLY BY THE GROUP							
2024	-	46	5	-	18	55	124
ESTIMATES OF CONTRIBUTIONS TO BE PAID AND BENEFITS TO BE PAID DIRECTLY BY THE GROUP							
2025	-	77	3	-	21	56	157
2026	-	72	47	-	31	49	199
2027	-	84	48	-	23	48	203
2028	-	67	46	-	35	48	196
2029	-	73	45	-	48	47	213
2030-2034	-	379	184	2	234	223	1,022

(1) Payments for "Other" are not material.

8.1.2 Defined contribution plans

Some companies support their employees in building up retirement savings through defined contribution plans.

In 2024, the contributions paid to defined contribution plans and expensed amounted to €288 million (2023: €256 million).

The main defined contribution plans are in the United States, France and Canada.

United States

The defined contribution plans in the United States include the Michelin Retirement Account Plan (MRAP) and various 401(k) plans. The 401(k) plans are voluntary and are funded by employee contributions with employer matching contributions.

Canada

The defined contribution plans in Canada include the Defined Contribution Plan for the Employees of Michelin North America (Canada) Inc. as well as a registered retirement savings plan (RRSP). The defined contribution plan is funded by employer contributions and optional employee contributions with employer matching.

United Kingdom

The main defined contribution pension plan in the United Kingdom is the Michelin Pension and Life Assurance Plan, DC Section.

The plan is funded by employee and employer contributions. Employees may also make optional contributions to the plan, which will be partly matched by the Group.

France

There are two defined contribution pension schemes in France for the majority of employees: PERO (former Article 83) and PERCOL (former PERCO). The PERO is a mandatory retirement savings plan that is funded by contributions from employees and the employer. The PERCOL is a voluntary retirement savings plan. Employee contributions to the plan are matched by capped employer contributions.

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8.2 Share-based payments

ACCOUNTING POLICIES

Share grants and performance share plans

The Group may adopt plans to grant free shares of the Company to certain employees or to its Managers.

The grant date is the date when the Managing Chairman decides on the list of plan beneficiaries and the number of performance shares granted to them.

The fair value of the performance shares granted corresponds to the Company's share price on the grant date less:

- the present value of dividends that will not be received by the grantees during the vesting period;
- the value of the stock market performance condition on the grant date, which depends on the probability of the condition being fulfilled.

The number of shares that will ultimately be issued at the end of the vesting period depends on the extent to which the service conditions and any Group-related performance conditions are met.

The total benefit cost is based on the fair value of the performance shares and the estimated number of shares that will ultimately be issued. This cost is recognized over the vesting period and is recognized in "Segment other income and expenses".

Employee share ownership plan

The Group may offer most of its employees the opportunity to participate in a share ownership plan allowing them to purchase Company shares.

These shares, which are subject to certain restrictions relating to their sale or transfer, may be purchased by the employees at a subscription price based on the Michelin share price, less a discount. The benefit granted to the employees equals the difference between the fair value of the shares acquired and the price paid by the employees, multiplied by the number of shares acquired.

It is expensed immediately by the Group, as no vesting period applies, and is recognized under "Employee benefit costs – share-based payments", within "Segment other income and expenses".

8.2.1 Share grants and performance share plans

Changes in the number of share grants and performance share rights are as follows:

	2024	2023
	Number of share grants or performance share rights outstanding	Number of share grants or performance share rights outstanding
At January 1	**7,303,830**	**5,949,494**
Granted	3,107,516	3,257,003
Forfeited	(621,054)	(1,061,855)
Shares delivered	(931,739)	(840,812)
AT DECEMBER 31	**8,858,553**	**7,303,830**

Excellence Plan

2024 Plan

In November 2024, 2,589,138 rights to performance shares were granted to Group employees and the Managers. The rights are subject to a four-year vesting period ending in November 2028 without any lock-up period. The shares will vest at the end of this period if the performance objectives are met (stock market performance, environmental performance of manufacturing operations, employee engagement rate, sales growth and ROCE). The fair value of each performance share right is estimated at €22.44. This fair value is based on the share price at the grant date, less the present value of expected dividends that will not be received by grantees during the vesting period. The estimated value of the stock market performance condition is deducted from the grant-date fair value of the performance share rights based on the probability of this condition being met. The €42 million estimated total cost of the 2024 Excellence Plan will be recognized over the vesting period.

The share grants and performance share plans have the following characteristics:

					December 31, 2024	December 31, 2023
	Vesting date		Fair value at grant date		Number of share grants or performance share rights outstanding	Number of share grants or performance share rights outstanding
Grant date	France	Other countries	France	Other countries		
2020	2024	2024	18.91	18.91	-	948,984
2020	2022	N/A	25.39	N/A	-	-
2021	2025	2025	27.40	27.40	739,796	1,228,236
2022	2026	2026	16.40	16.40	1,816,589	1,869,607
2023	2027	2027	20.34	20.34	2,634,989	2,679,985
2023	2027	2027	24.48	24.48	559,663	577,018
2024	2028	2028	22.44	22.44	2,589,138	-
2024	2028	2028	25.64	25.64	518,378	-
NUMBER OF SHARE GRANTS OR PERFORMANCE SHARE RIGHTS OUTSTANDING					**8,858,553**	**7,303,830**

The expense recognized in 2024 for performance share plans amounts to €34 million (2023: €30 million). It is included in "Segment other income and expenses".

Recognition Plan

2024 Plan

In November 2024, the Group granted 518,378 free share rights to employees, with a 4-year vesting period ending in November 2028 and no lock-up period. The shares will vest automatically at the end of the period provided that the employees concerned are still employed by the Group at that date. As the allocation per employee does not exceed 250 shares, the Group has not attached performance conditions to rights granted under the plan. The fair value of each free share right is estimated at €25.64. The €13 million estimated total cost of the Recognition Plan will be recognized over the vesting period.

8.2.2 Employee share issues

In 2024, the Group launched a share offer for all its employees located in countries where the legal and tax requirements were met. This share purchase plan (Bib'Action), carried out under the Company savings plan (*Plan d'Épargne Groupe*), is a standard plan allowing employees to invest in Michelin shares at a discounted price. The shares acquired by the employees participating in the plan cannot be sold or transferred during a five-year period. The purchase price was set at €28.08 per share, representing a 20% discount on the reference price of €35.11 corresponding to the average of the opening prices for Michelin shares over the 20 trading days preceding the pricing date. In addition, employee contributions were matched, with the Group contributing 30 shares for each of the first 65 shares purchased, thus increasing the number of shares received by participating employees. 4,334,410 shares were purchased under this plan or received matching contributions from the Group. The expense recognized in the consolidated income statement in relation to this plan amounted to €68 million.

NOTE 9 FINANCIAL ASSETS, LIABILITIES, INCOME AND EXPENSES

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with initial maturities not exceeding three months. Term deposits maturing in more than three months, but with early withdrawal terms of less than three months with guaranteed capital and negligible withdrawal costs are also classified as cash and cash equivalents.

Non-derivative financial liabilities

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs, and subsequently at amortized cost. Any difference between the issue proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Non-derivative financial assets

Asset categories

The Group classifies and measures its debt instruments in the following categories depending on their alignment with *"solely payment of principal and interest" (SPPI)* criteria and with its business model:

- amortized cost: held to maturity financial assets in order to collect repayments from principal and interest;
- fair value through profit or loss: financial assets that do not meet the criteria to be classified as amortized costs (SPPI and HTC).

The Group measures all its unconsolidated equity investments at their fair value. The Group chooses to use the irrevocable option to record fair value adjustments in other comprehensive income and the realized gains or losses on disposal are not recycled in the income statement. The impairment losses recognized on equity investments are not shown separately from the other changes in fair value.

Initial recognition and derecognition

Purchases and sales of non-derivative financial assets are recognized on the trade-date, i.e., the date on which the Group commits to purchase or sell the asset. Non-derivative financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Non-derivative financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

Loans and receivables are measured at amortized cost using the effective interest rate method.

Financial assets at fair value are valued by direct reference to a price quoted in an active market or on the basis of market assumptions (note 17.3). Gains and losses, realized or unrealized, arising from changes in the fair value of financial assets at fair value through profit or loss are recognized immediately in other financial income and expenses.

Gains and losses, realized or unrealized, arising from changes in the fair value of financial assets at fair value through comprehensive income are recorded in other comprehensive income and never impact the income statement.

Impairment

At each reporting date, the Group looks for any objective indication of impairment of financial assets recorded at amortized cost.

The model for calculating the expected credit loss is determined on the basis of the counterparty rating and the associated default probability. The impairment loss is calculated over a period of 12 months given the non-deterioration of the credit risk of the counterparties. It is recognized in the income statement.

When the credit risk of a financial asset at amortized cost increases significantly, the expected credit loss is calculated over the life of the asset.

If there is no longer a reasonable expectation to recover the value of a financial asset at amortized cost, the asset is derecognized from the consolidated statement of financial position and impacts the income statement.

9.1 Cost of net debt and other financial income and expenses

Cost of net debt and other financial income and expenses are broken down in the table below:

(in € millions)	2024	2023
Interest expense	(169)	(259)
Interest expense on lease liabilities	(49)	(43)
Interest income on cash, cash equivalents and cash management financial assets	141	130
Interest rate derivatives	(4)	(29)
Fees on credit lines	(6)	(6)
Capitalized borrowing costs	11	9
COST OF NET DEBT	**(77)**	**(198)**
Net income from financial assets (other than cash and cash equivalents and cash management financial assets)	67	52
Currency remeasurement (including currency derivatives)	(37)	(87)
Other	(11)	37
OTHER FINANCIAL INCOME AND EXPENSES	**19**	**2**

The cost of net debt includes an expense of €4 million (2023: expense of €29 million) corresponding to negative fair value adjustments to interest rate derivatives recorded during the year due to changes in interest rates. This accounting treatment reflects the fact that these derivatives do not qualify as hedging instruments, as explained in note 17.

Most of the Group's borrowings are denominated in euros. Some of these borrowings are subsequently swapped into foreign currencies to finance foreign subsidiaries and derivatives are purchased to manage the interest-rate risk of these currencies, as illustrated in note 17.2.3.

The ineffectiveness recognized on derivatives qualifying as cash flow hedges, calculated as explained in note 17, is not material.

9.2 Cash and cash equivalents

The carrying amount of cash and cash equivalents is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Money-market funds	2,675	911
Bank deposits subject to up to a three-month notice period	1,047	1,233
Cash at bank and in hand	214	371
CASH AND CASH EQUIVALENTS	**3,936**	**2,515**

The average effective interest rate on cash and cash equivalents was 4.00% in 2024 (2023: 4.01%). Cash and cash equivalents are mainly held in euros (2024: 93%, and 2023: 82%).

Cash and cash equivalents include restricted cash of €199 million whose use is governed by prudential insurance regulations related to operations in Ireland (2023: €159 million).

9.3 Financial liabilities

The carrying amount of financial liabilities is presented in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Bonds	4,838	4,591
Loans from financial institutions and other	59	77
Derivative instruments	37	4
Non-current financial liabilities excluding leases	**4,934**	**4,672**
Non-current lease liabilities	**872**	**738**
Bonds	749	-
Commercial paper	297	295
Loans from financial institutions and other	296	280
Derivative instruments	33	16
Current financial liabilities excluding leases	**1,375**	**591**
Current lease liabilities	**258**	**241**
FINANCIAL LIABILITIES	**7,438**	**6,242**

Group net debt is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Financial liabilities	7,438	6,242
Derivatives recognized as assets (note 17.1.1)	(60)	(118)
Borrowing collaterals (note 16.3)	(40)	(43)
Cash management financial assets	(290)	(285)
Cash and cash equivalents	(3,936)	(2,515)
NET DEBT	**3,112**	**3,281**

The fair value of non-current financial liabilities, calculated in accordance with the accounting policy described in note 17.3, is presented in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Bonds	4,361	4,122
Loans from financial institutions and other	59	77
Lease liabilities	855	665
Derivative instruments	37	4
FAIR VALUE OF NON-CURRENT FINANCIAL LIABILITIES	**5,312**	**4,868**

Changes in financial liabilities and derivatives are detailed by flow in the table below:

			Non-cash movements		
(in € millions)	At January 1, 2024	Cash flows from financial liabilities	Conversions	Other	At December 31, 2024
Bonds, loans from financial institutions and other	4,668	978	-	(749)	4,897
Lease liabilities	738	-	19	115	872
Derivative instruments	4	34	-	(1)	37
Non-current financial liabilities	**5,410**	**1,012**	**19**	**(635)**	**5,806**
Bonds, loans from financial institutions and other	575	(153)	173	747	1,342
Lease liabilities	241	(270)	5	282	258
Derivative instruments	16	11	-	6	33
Current financial liabilities	**832**	**(412)**	**178**	**1,035**	**1,633**
TOTAL FINANCIAL LIABILITIES	**6,242**	**600**	**197**	**399**	**7,438**
Derivatives recognized as assets	(118)	55	3	-	(60)
Net impact in the consolidated statement of cash flows		**655**			

9.3.1 Bonds and commercial paper

The table below provides detailed information about the bonds and commercial paper issued by the Group:

	December 31, 2024		December 31, 2023	
(in € millions)	Current	Non-current	Current	Non-current
Bonds repayable by Compagnie Générale des Établissements Michelin ▪ nominal value of €302 million ▪ issued in September 2015 and September 2016 and due in September 2045 ▪ nominal interest rate of 3.25% ▪ effective interest rate of 3.02%	-	313	-	313
Bonds repayable by Compagnie Générale des Établissements Michelin ▪ nominal value of €500 million ▪ issued in October 2020 and due in November 2040 ▪ nominal interest rate of 0.625% ▪ effective interest rate of 0.68%	-	496	-	496
Bonds repayable by Compagnie Générale des Établissements Michelin ▪ nominal value of €750 million ▪ issued in August 2018 and due in September 2038 ▪ nominal interest rate of 2.50% ▪ effective interest rate of 2.56%	-	745	-	744

(in € millions)	December 31, 2024 Current	December 31, 2024 Non-current	December 31, 2023 Current	December 31, 2023 Non-current
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €500 million ■ issued in May 2024 and due in May 2036 ■ nominal interest rate of 3.375% ■ effective interest rate of 3.41% (3.50% after hedging)	-	497	-	-
Bonds repayable by Campus SAS ■ nominal amount of €1.5 million ■ issued in June 2008 and due in June 2033 ■ nominal interest rate of 5.50% ■ effective interest rate of 5.50%	-	2	-	2
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €500 million ■ issued in October 2020 and due in November 2032 ■ nominal interest rate of 0.25% ■ effective interest rate of 0.32%	-	497	-	497
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €500 million ■ issued in May 2024 and due in May 2031 ■ nominal interest rate of 3.125% ■ effective interest rate of 3.22% (3.31% after hedging)	-	495	-	-
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €1,000 million ■ issued in August 2018 and due in September 2030 ■ nominal interest rate of 1.75% ■ effective interest rate of 1.84% (2.00% after hedging)	-	995	-	994
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €500 million ■ issued in October 2020 and due in November 2028 ■ nominal interest rate of 0.00% ■ effective interest rate of 0.06%	-	499	-	498
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €300 million ■ issued in May 2015 and due in May 2027 ■ nominal interest rate of 1.75% ■ effective interest rate of 1.86% (1.80% after hedging)	-	299	-	299
Bonds repayable by Compagnie Générale des Établissements Michelin ■ nominal value of €750 million ■ issued in August 2018 and due in September 2025 ■ nominal interest rate of 0.875% ■ effective interest rate of 1.04% (1.17% after hedging)	749	-	-	748
Commercial paper repayable by Compagnie Générale des Établissements Michelin ■ in $, euro-equivalent nominal amount: €48 million (2023: €45 million). ■ effective interest rate of 4.88% at December 31, 2024 ■ in €, nominal amount: €250 million (2023: €250 million). ■ effective interest rate of 3.10% at December 31, 2024	297	-	295	-
TOTAL	**1,046**	**4,838**	**295**	**4,591**

At December 31, 2024, the weighted average nominal interest rate for bonds and commercial paper is 1.78% (1.83% after hedging).

The €751 million increase in current bond debt stemmed mainly from the reclassification as current of the €750 million worth of bonds issued in August 2018 that mature in September 2025.

9.3.2 Loans from financial institutions and other

Loans from financial institutions and other consist mainly of drawdowns on the Group's credit lines.

At December 31, 2024, loans from financial institutions totaled €354 million (2023: €357 million). Most of the loans were denominated in EUR, THB and USD, and most were at variable interest rates.

The contractual re-pricing of the interest rates of these loans is generally less than six months.

9.4 Non-current financial assets and other non-current assets

The carrying amount of the non-current financial assets and other non-current assets is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Equity investments	373	412
Loans and deposits	356	540
Solesis preferred shares	282	250
Derivatives (note 17.1.1)	19	83
Pension plan surpluses (note 8.1.1)	109	305
Other	12	15
NON-CURRENT FINANCIAL ASSETS AND OTHER NON-CURRENT ASSETS	**1,151**	**1,605**

9.4.1 Equity investments

Unconsolidated equity investments consist primarily of a portfolio of shares in unlisted companies (note 17.3.1).

Movements in the portfolio during the year are presented in the table below:

(in € millions)	2024	2023
At January 1	**412**	**387**
Translation adjustments	7	(5)
Acquisitions	11	28
Disposals	(12)	-
Changes in scope of consolidation	(1)	-
Fair value changes	(44)	2
AT DECEMBER 31	**373**	**412**

9.4.2 Loans and deposits

The carrying amount of loans and deposits is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Gross loans and deposits	397	618
Impairment	(41)	(78)
TOTAL	**356**	**540**

Loans and deposits mainly include loans to companies accounted for by the equity method and various loans to customers and employees.

The decrease in loans and deposits in 2024 was mainly due to the withdrawal of substantially all of the funds held in escrow for the UK pension plans in connection with transfer of the current plan's assets to an insurance company, and the reclassification as current financial assets of the balance of the TBC dividend approved in 2023 (note 14.2).

9.5 Current financial assets

The carrying amount of current financial assets is analyzed in the table below:

(in € millions)	December 31, 2024	December 31, 2023
Loans and deposits	212	192
Cash management financial assets	290	285
Derivatives (note 17.1.1)	42	35
CURRENT FINANCIAL ASSETS	**544**	**512**

Although cash pool assets are highly liquid and their exposure to interest rate risk is very limited, they do not strictly fulfill the criteria for classification as cash and cash equivalents (note 9.2). They are measured at amortized cost.

Loans and deposits include collateral transferred to financial institutions in an amount of €40 million (2023: €43 million) that is not freely available (note 17.1).

NOTE 10 NOTES TO THE STATEMENT OF CASH FLOWS

Cash flows are presented in detail in the table below:

(in € millions)	2024	2023
Investment grants recognized in profit or loss	(14)	(12)
Change in employee benefit obligations	(40)	(35)
Change in litigation and other provisions	(29)	10
Restructuring costs	(246)	(188)
Other	83	7
Other operating income and expenses (cash) and changes in provisions	**(246)**	**(218)**
Interest and other financial expenses paid	(251)	(407)
Interest and other financial income received	185	194
Dividends received	24	20
Interest and other financial income and expenses received and paid, net	**(42)**	**(193)**
Change in inventories	(165)	775
Change in trade receivables and advances	236	254
Change in trade payables and advances	(6)	(231)
Change in trade payables under reverse factoring agreements	127	(45)
Change in other receivables and payables	(123)	232
Change in working capital, net of impairment	**69**	**985**
Purchases of intangible assets (note 12.1)	(278)	(232)
Purchases of PP&E (note 12.2)	(1,904)	(2,004)
Government grants received	12	6
Change in capital expenditure payables	(83)	(34)
Change in capital expenditure payables under reverse factoring agreements	3	(4)
Purchases of intangible assets and PP&E	**(2,250)**	**(2,268)**
Increase in other non-current financial assets	(45)	(303)
Decrease in other non-current financial assets	141	273
Net cash flows from cash management financial assets	(5)	-
Net cash flows from borrowing collaterals	3	14
Net cash flows from other current financial assets	9	(27)
Cash flows relating to other financial assets	**103**	**(43)**
Increase in non-current financial liabilities	1,002	23
Decrease in non-current financial liabilities	(24)	(33)
Repayment of lease liabilities	(270)	(279)
Net cash flows from current financial liabilities	(153)	(1,134)
Derivatives	95	(32)
Cash flows relating to financial liabilities	**650**	**(1,455)**
Details of non-cash transactions:		
■ New leases (note 13)	414	363
■ New emission allowances granted	9	14
■ Change in payment commitments for non-consolidated equity investments	-	(2)

NOTE 11 TAXES

ACCOUNTING POLICIES

Current and deferred taxes, plus any withholding tax on royalties and on distributions of retained earnings within the Group, are recorded in the consolidated income statement except if they relate to items recognized either in other comprehensive income or directly in equity, in which case they are also recognized, respectively, in other comprehensive income or directly in equity.

Current tax is based on the results of Group companies and is calculated according to local rules, including any adjustments to tax payable in respect of previous years.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements, using enacted or substantially enacted tax rates that are expected to prevail when the temporary differences reverse.

A deferred tax asset or liability is recognized on initial recognition of transactions arising from business combinations and impacting the accounting or taxable profit or loss.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the tax loss carryforwards and the temporary differences can be offset.

Deferred tax is calculated on temporary differences arising from investments in subsidiaries, joint ventures, and associates: deferred tax assets are recognized if the reversal is under the entity's control and is also probable. Deferred tax liabilities are recognized unless their reversal is controlled and not probable.

Tax positions are analyzed periodically and, if any positions are considered unlikely to be accepted by the tax authorities, a provision is booked for the most probable amount in order to cover the risk. Assets/liabilities resulting from uncertain tax treatments are included in current or deferred tax assets or liabilities in the consolidated statement of financial position.

11.1 Income tax expense

(in € millions)	2024	2023
Current tax expense	(753)	(849)
Deferred tax benefit/(expense)	198	342
INCOME TAX	**(555)**	**(507)**

Current tax includes €55 million of withholding tax on royalties and retained earnings distributed between Group companies (2023: €33 million).

The Group's tax proof is presented in the table below:

(in € millions)	2024	2023
Income before taxes	**2,445**	**2,490**
Tax calculated using domestic tax rates applicable to income in the respective countries	(510)	(472)
Tax effect of:		
▪ untaxed transactions	(67)	(13)
▪ deferred tax assets not recognized during the year	(20)	(41)
▪ net change in unrecognized deferred tax assets	36	11
▪ changes in tax rates	23	-
▪ taxes with no tax base (tax credits, withholding tax, etc.)	(34)	(2)
▪ Other items	19	10
INCOME TAX	**(555)**	**(507)**
Effective tax rate	*22.7%*	*20.4%*

The Group has operations in various countries that have different tax laws and rates. The weighted average domestic tax rate of Group companies may therefore vary from year to year depending on the relative size of taxable incomes.

In 2024, the effective tax rate stood at 22.7% (2023: 20.4%). The increase in the effective rate primarily reflected the change in the Group's share of the profits and losses of equity-accounted companies from a net profit to a net loss, and the recognition of withholding taxes paid.

On December 14, 2022, the European Union adopted a directive implementing the OECD's Pillar Two reform. France voted for the transposition of this directive into domestic law as part of the Finance Bill for 2024. The Pillar Two rules therefore apply to all entities effectively controlled by Compagnie Générale des Établissements Michelin as of January 1, 2024. The impact of applying Pillar Two amounted to €16 million in 2024.

The difference between effective tax rates and theoretical rates (20.9%) is particularly due to unrecognized deferred tax assets, withholding taxes, tax credits and other taxes not based on income.

The utilization of deferred tax assets is periodically reviewed at the tax entity level and may lead to the recognition of previously unrecognized deferred tax assets.

11.2 Deferred tax

Deferred taxes in the consolidated statement of financial position are as follows:

(in € millions)	December 31, 2024	December 31, 2023
Deferred tax assets	1,081	932
Deferred tax liabilities	(544)	(497)
NET DEFERRED TAX ASSET	**537**	**435**

Deferred tax assets and liabilities at the end of the period, before netting, are as follows:

(in € millions)	December 31, 2024	December 31, 2023
Employee benefit obligations	438	438
Inventories	137	146
Financial instruments	68	(37)
Provisions	84	45
Unused tax losses	304	258
Goodwill and intangible assets	(295)	(223)
Lease liabilities	188	111
Right-of-use assets	(172)	(110)
Property, plant and equipment	(439)	(400)
Other	226	207
NET DEFERRED TAX ASSET	**537**	**435**

Deferred tax assets have been recognized for tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized, taking into account the restrictions applicable in local tax jurisdictions. The probability that unused tax losses will be utilized is assessed according to the entity and its taxable profit projections. These projections are prepared using assumptions that are consistent with the short- and medium-term budgets prepared by Group entities.

The change in the net deferred tax asset over the period is as follows:

(in € millions)	2024	2023
At January 1	**435**	**89**
Translation adjustments	(8)	(1)
Deferred tax benefit/(expense)	198	342
Tax recognized in other comprehensive income	12	20
Changes in scope of consolidation	(100)	(15)
Other	(1)	-
AT DECEMBER 31	**537**	**435**

In 2024, the increase in the net deferred tax asset was due mainly to the restructuring operations announced during the year and the recognition of deferred tax assets on Mexican tax loss carryforwards.

The deferred income tax recognized in other comprehensive income is as follows:

(in € millions)	December 31, 2024	December 31, 2023
Post-employment benefits	117	113
Unconsolidated equity investments and other financial instruments	(30)	(37)
Financial instruments	1	2
Energy derivatives	-	-
TOTAL DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**89**	**78**

In 2024, the change in deferred tax recognized in other comprehensive income primarily reflected increased pension benefit obligations and reduced investment in equities and other financial instruments.

Unrecognized deferred tax assets break down as follows:

(in € millions)	December 31, 2024	December 31, 2023
Deductible temporary differences	**79**	**111**
Tax losses:		
■ of which expiring in less than one year	5	3
■ of which expiring between one to five years	40	38
■ of which expiring in more than five years	13	23
■ of which evergreen	430	420
Total tax losses	**489**	**484**
Tax credits	**10**	**9**
TOTAL UNRECOGNIZED DEFERRED TAX ASSETS	**578**	**604**

Unrecognized deferred tax assets in the amount of €578 million mainly concern the tax losses of companies in the United Kingdom and India that are not certain of generating sufficient taxable profit in the coming years. and that are subject to restrictions concerning the use of the losses:

- United Kingdom: tax losses can be carried forward indefinitely but only 50% of the loss can be set off against taxable profit in excess of £5 million;
- India: operating tax loss carryforwards expire after eight years but there is no limit on the remaining balance.

11.3 Current taxes

Current taxes in the consolidated statement of financial position are as follows:

(in € millions)	2024	2023
Taxes receivable (note 7.2)	295	347
Taxes payable (note 7.3)	(193)	(195)
Net total at January 1	**102**	**152**
Current tax expense (note 11.1)	(753)	(849)
Income tax paid	806	776
Changes in scope of consolidation	5	3
Translation adjustments and other	2	20
Total changes	**59**	**(50)**
Taxes receivable (note 7.2)	408	295
Taxes payable (note 7.3)	(247)	(193)
NET TOTAL AT DECEMBER 31	**161**	**102**

NOTE 12 INTANGIBLE ASSETS AND PP&E

ACCOUNTING POLICIES

Business combinations and goodwill

When the Group obtains control of an entity, the business combination is valued and accounted for by applying the acquisition method. Goodwill is calculated at the acquisition date as the difference between:

- the fair value of the consideration transferred including, if any, the fair value of contingent consideration; and
- the fair value at the acquisition date of the identifiable acquired assets, the liabilities and contingent liabilities assumed.

The valuation period for a business combination does not exceed 12 months after the acquisition date. Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination and that reflect the level at which the Group manages goodwill. Goodwill is tested for impairment annually.

Intangible assets

Intangible assets are recognized at cost. The cost of an intangible asset acquired as part of a business combination is its fair value at the acquisition date.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least once a year. Those with finite useful lives are amortized on a straight-line basis over their estimated useful life:

- software: 3-7 years
- brands and trademarks: 5-20 years
- customer relationships: 5-20 years

CO_2 emission allowances

The Group participates in the European Union's Emissions Trading System. The emission allowances received or purchased are recognized as an intangible asset at their price on the transaction date. For emission allowances that are received rather than purchased, a government grant is recognized in liabilities for the same amount. The cost and liability corresponding to actual emissions and the income corresponding to the use of the government grant are accounted for using the price on the grant date.

Property, plant and equipment (PP&E)

Property, plant and equipment are measured at cost less accumulated depreciation and, when necessary, impairment.

The gross carrying amount includes the cost of acquisition or production cost and other costs directly attributable to the acquisition or the construction of the asset (including borrowing costs). Investment grants are initially accounted for as deferred income and are subsequently recognized as income over the useful life of the related asset.

Repair and maintenance costs are expensed as incurred. Other subsequent expenditures are included in the asset's carrying amount or recognized as a separate asset if the recognition criteria are met.

Property, plant and equipment are depreciated on a straight-line basis, except land, which is not depreciated.

Depreciation of property, plant and equipment reflects the pattern in which the asset's future economic benefits are expected to be consumed. Depreciation is allocated to cost of sales, sales and marketing expenses, research and development expenses or general and administrative expenses.

The following depreciation periods, based on the expected useful lives of the respective assets, are applied throughout the Group:

▪ buildings and general installations of land and buildings:	25 years
▪ petrochemical equipment:	25 years
▪ industrial and commercial equipment:	2-12 years
▪ computer and telecommunication equipment:	5 years
▪ vehicles:	5 years
▪ other:	5-12 years

The useful lives of the assets and their respective residual values are reviewed annually.

When assets are sold or otherwise disposed of, the difference between the net proceeds and the net carrying amounts of the assets is recognized in "Other operating income and expenses".

Impairment of non-financial assets

When there is any indication that the recoverable amount of an asset (goodwill, intangible assets or property, plant and equipment) may be lower than its carrying amount, the recoverable amount of the asset is measured and if needed, an impairment is recognized. Whether there is an indication of impairment or not, an annual impairment test is performed for goodwill, intangible assets with an indefinite useful life and intangible assets not ready for use, by comparing their carrying amount with their recoverable amount.

At individual asset level, indications of impairment generally relate to a fall in market value, technical obsolescence or an anticipated change of use. The recoverable amount is usually based on the market value.

At Group level, non-financial assets (including right-of-use assets, note 13) are combined for impairment testing purposes in the smallest identifiable group of assets that generates cash flows that are largely independent of cash flows from other assets or groups of assets (cash-generating units – CGUs).

For the tire business, CGUs are based on industrial asset groups, generally production plants, working together to manufacture and provide product offerings that meet the needs of customers with similar expectations in homogeneous markets or market segments.

CGUs related to non-tire businesses (Services and Solutions, Experiences, Polymer Composite Solutions and Distribution) generally cover the scope of each of these activities.

CGUs to which goodwill has been allocated are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment loss. For the purpose of impairment testing, goodwill is allocated to a CGU or group of CGUs on the same basis as that used by the Group's management to monitor the performance of the businesses and assess synergies deriving from business combinations.

CGUs to which no goodwill is allocated are tested for impairment only if there is an indication that they may be impaired. In assessing whether there is any indication that a CGU may be impaired, the Group has defined three indicators for the tire business CGUs. They measure respectively the trends (i) in the market served by the CGU, (ii) in financial performance through the cost of sales margin and (iii) in the use of the installed production capacity. For the non-tire business CGUs, as well as for the distribution CGUs, the indicator used to measure trends in financial performance serves as the triggering indicator for an impairment test.

Recoverable amount is the higher of value in use and fair value less costs of disposal.

For most CGUs, recoverable amount is based on value in use, which is equal to estimated future cash flows calculated using the weighted average cost of capital (WACC) as a discount rate. Future cash flows are mainly based on the CGUs' five-year cash flow forecasts plus a terminal value, measured by discounting projected cash flows using the WACC. The discount rate is based on the cost of equity capital derived from the market-expected return on the Company's shares, the cost of debt and a risk premium reflecting the risks associated with the countries where the assets are located. The gearing and the beta are based on data from comparable segments and take into account the specificities of certain activities.

The recoverable amount of the distribution CGUs is measured at fair value less costs of disposal. Since most of these assets are land and buildings, external appraisals or other real estate valuation techniques are applied to measure their fair value.

Any impairment loss is recognized first against goodwill, and any remaining amount is allocated among the other non-current assets, proportionally to their net carrying amounts at the closing date.

When the circumstances which previously caused non-financial assets to be impaired no longer apply, the impairment losses are reversed accordingly. However, goodwill impairment can never be reversed.

Changes in impairment losses, including any reversals, are recognized in "Other operating income and expenses".

12.1 Goodwill and intangible assets

Changes in goodwill and intangible assets are as follows:

(in € millions)	Goodwill	Intangible assets	Total
Gross carrying amounts at January 1, 2023	**2,588**	**4,277**	**6,865**
Translation adjustments	(50)	(17)	(67)
Additions (including new emission allowances: €44 million).	-	276	276
Disposals	-	(122)	(122)
Changes in scope of consolidation	601	47	648
Transfers and other	-	12	12
Gross carrying amounts at December 31, 2023	**3,139**	**4,473**	**7,612**
Translation adjustments	72	49	121
Additions (including new emission allowances: €12 million).	-	290	290
Disposals	-	(97)	(97)
Changes in scope of consolidation	(221)	350	129
Transfers and other	-	(16)	(16)
Gross carrying amounts at December 31, 2024	**2,990**	**5,049**	**8,039**
Amortization and impairment at January 1, 2023	**(158)**	**(2,474)**	**(2,632)**
Translation adjustments	3	17	20
Amortization	-	(304)	(304)
Net impairment	(11)	1	(10)
Disposals	-	82	82
Changes in scope of consolidation	9	3	12
Transfers and other	-	(4)	(4)
Amortization and impairment at December 31, 2023	**(157)**	**(2,679)**	**(2,836)**
Translation adjustments	(6)	(21)	(27)
Amortization	-	(316)	(316)
Net impairment	(1)	(4)	(5)
Disposals	-	93	93
Changes in scope of consolidation	3	-	3
Transfers and other	-	(2)	(2)
Amortization and impairment at December 31, 2024	**(161)**	**(2,929)**	**(3,090)**
NET CARRYING AMOUNTS AT DECEMBER 31, 2024	**2,829**	**2,120**	**4,949**
Net carrying amounts at December 31, 2023	2,982	1,794	4,776

12.1.1 Goodwill

At December 31, 2024, goodwill allocated to the CGUs or groups of CGUs is as follows:

(in € millions)	December 31, 2024	December 31, 2023
Passenger car tires – global brands CGU group	454	435
Passenger car tires – regional brands CGU	175	165
Light truck and Truck tires CGU group	647	641
Mining tires CGU[(2)]	248	278
Two-wheel tires CGU	18	21
Beyond-road tires CGU	753	707
Polymer Composite Solutions CGU group[(1)(2)(3)]	534	159
Other CGUs[(1)]	-	576
GOODWILL	**2,829**	**2,982**

(1) Including goodwill recognized on acquisition of Flex Composite Group (note 4.2), which was presented separately in 2023.
(2) The conveyor belts business has been transferred from the Mining tires CGU to the Polymer Composite Solutions CGU group.
(3) Previously named High-Tech Materials CGU group.

Goodwill has been tested for impairment using the following two main assumptions:

- the terminal value takes into account an annual growth rate which depends on the nature of the activities and the countries where the assets are located;
- the CGUs' future cash flows are discounted using the after-tax weighted average cost of capital (WACC) applied to after-tax cash flows. They are determined by geographical region taking into account the features of the business.

After-tax discount rates and perpetual growth rates used in 2024 for terminal value calculations are presented in the table below:

	December 31, 2024		December 31, 2023	
(%)	WACC	Perpetual growth rate	WACC	Perpetual growth rate
Passenger car tires – global brands CGU group	8.9	1.5	8.7	1.5
Passenger car tires – regional brands CGU	8.8	1.2	8.1	1.2
Light truck and Truck tires CGU group	9.3	1.1	9.1	1.1
Mining tires CGU[(1)]	10.2	1.5	10.2	1.5
Two-wheel tires CGU	9.2	1.6	9.0	1.4
Beyond-road tires CGU	8.8	1.8	8.5	1.8
Polymer Composite Solutions CGU group[(1)]	9.4	2.5	9.5	2.5

(1) The 2023 figures have been restated to permit meaningful comparisons.

A 50-basis point increase in WACC combined with a 100-basis point decrease in the perpetual growth rate applied to the groups of CGUs would not lead the Group to recognize any significant amount of impairment.

Projected future cash flows used for impairment testing of fixed assets include capital expenditure to be made to fulfill the Group's energy transition ambitions (note 2.7).

Internal analyses of the effects of climate change have not led to the identification of any significant risk that could lead to an impairment in value of the Group's assets.

For CGUs or groups of CGUs to which goodwill has been allocated, a simulated impairment test has been carried out by limiting estimates of future cash flows to the next 20 years based on constant cash flows after the fifth year for all CGUs. Under this unfavorable scenario, total future cash flows would represent around €60 million less than the value of the Group's assets.

To take into account the effect of applying IFRS 16, right-of-use assets have been included in the assets to be tested, the corresponding lease liabilities have been deducted from the value of the CGUs concerned and values in use include lease payments determined in accordance with IFRS 16.

12.1.2 Intangible assets

In 2024, additions to intangible assets, amounted to €290 million (2023: €276 million), breaking down as follows:

- software: €251 million;
- CO_2 emission allowances: €12 million;
- other: €27 million.

Software

The net carrying amount of software at December 31, 2024 was €775 million (2023: €704 million). Software is initially recognized at cost, including the cost of acquisition or production and other costs directly attributable to the acquisition or production of the software.

Brands and trademarks

At December 31, 2024 the net carrying amount of trademarks was €303 million (2023: €294 million), of which €7 million related to trademarks with indefinite useful lives. These amounts correspond mainly to the value of brands and trademarks recognized as part of business combinations.

Customer relationships

At December 31, 2024, the net carrying amount of customer relationships in the consolidated statement of financial position was €866 million (2023: €602 million). These amounts correspond primarily to the value of customer lists recognized in connection with business combinations (mainly Fenner, Camso and Flex Composite Group).

CO_2 emission allowances (EU ETS)

At December 31, 2024 the net carrying amount of emission allowances was €89 million (2023: €105 million) for 1.8 million tonnes (2023: 2.1 million tonnes).

Development costs

No tire development costs were capitalized in 2024 or 2023 as the criteria for recognition as intangible assets were not met. To be recognized as an asset, the development costs incurred for a new product or a significant product renewal project must fulfill six criteria. One of these criteria requires the entity to demonstrate the existence of a market for the output of the intangible asset. The existence of a market is demonstrated only when the Group has obtained OEM approval and when the margin generated by the purchase volumes proposed by the manufacturers is in line with Group objectives. In practice, the corresponding development costs are incurred at a stage of the project which is prior to OEM approval.

12.2 Property, plant and equipment (PP&E)

Changes in property, plant and equipment are as follows:

(in € millions)	Land and buildings	Plant and industrial equipment	Other equipment	Total
Gross carrying amounts at January 1, 2023	**7,577**	**22,974**	**1,830**	**32,381**
Translation adjustments	(107)	(410)	(30)	(547)
Acquisitions	350	1,511	143	2,004
Disposals	(94)	(534)	(49)	(677)
Changes in scope of consolidation	(21)	(27)	5	(43)
Transfers and other	(33)	22	1	(10)
Gross carrying amounts at December 31, 2023	**7,672**	**23,536**	**1,900**	**33,108**
Translation adjustments	155	457	44	656
Acquisitions	270	1,494	137	1,901
Disposals	(43)	(397)	(65)	(505)
Changes in scope of consolidation	8	(6)	2	4
Transfers and other	(3)	(7)	16	6
Gross carrying amounts at December 31, 2024	**8,059**	**25,077**	**2,034**	**35,170**
Depreciation and impairment at January 1, 2023	**(3,643)**	**(15,417)**	**(1,185)**	**(20,245)**
Translation adjustments	67	305	21	393
Depreciation	(205)	(1,160)	(91)	(1,456)
Net impairment	(30)	(150)	(78)	(258)
Disposals	48	521	45	614
Changes in scope of consolidation	40	49	11	100
Transfers and other	(4)	7	1	4
Depreciation and impairment at December 31, 2023	**(3,727)**	**(15,845)**	**(1,276)**	**(20,848)**
Translation adjustments	(58)	(292)	(24)	(374)
Depreciation	(213)	(1,204)	(100)	(1,517)
Net impairment	(29)	(117)	(7)	(153)
Disposals	19	378	62	459
Changes in scope of consolidation	1	5	1	7
Transfers and other	(13)	23	(4)	6
Depreciation and impairment at December 31, 2024	**(4,020)**	**(17,052)**	**(1,348)**	**(22,420)**
NET CARRYING AMOUNTS AT DECEMBER 31, 2024	**4,039**	**8,025**	**686**	**12,750**
Net carrying amounts at December 31, 2023	3,945	7,691	624	12,260

PP&E in progress amount to €2,553 million (2023: €2,589 million).

Accumulated impairment losses included in total "Depreciation and impairment" at December 31, 2024 amounted to €774 million (2023: €645 million).

NOTE 13 RIGHT-OF-USE ASSETS

ACCOUNTING POLICIES

A contract is, or contains, a lease if it conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. The Group assesses whether a contract is or contains a lease on the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

Substantially all of the Group's leases are leases where the Group is the lessee. Leased assets are mainly real estate assets (points of sale for the Group's integrated distribution network, sales and administrative offices), passenger cars and forklifts.

Lease liabilities

Lease liabilities correspond to the present value of future lease payments, excluding variable lease payments that do not depend on an index or a rate.

For contracts that include a lease component and non-lease components (such as services), only the lease component is taken into account in calculating the present value.

The interest rate implicit in the lease is used as the discount rate if it can be readily determined. If the implicit rate cannot be readily determined, each Group entity uses its incremental borrowing rate reflecting its specific credit risk, the currency of the lease and the weighted average maturity of the outstanding lease liability.

Over the life of the contract, the interest expense increases the lease liability while the lease payments reduce it.

The carrying amount of the lease liability and the corresponding right-of-use asset is adjusted to reflect any change in the lease term, any change in the assessment of an option to purchase the underlying asset, any change in the amount that the lessee expects to have to pay to the lessor under the residual value guarantee or any change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Right-of-use assets

Right-of-use assets corresponding to leased property, plant and equipment are initially measured at cost, corresponding to the sum of the present value of the outstanding lease payments at the commencement date. Any lease payments made at or before the commencement date, any initial direct costs and an estimate of costs to be incurred by the Group in dismantling or restoring the underlying asset, are included in the value of the right-of-use asset, less any lease incentives.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the leased asset if the transfer of ownership of the leased asset is uncertain or is not provided for in the contract.

Enforceable period

The enforceable period of a lease is determined by taking into account all the economic facts and circumstances (such as contractual terms and conditions for the optional periods compared with market rates, significant leasehold improvements, costs relating to the termination of the lease, such as negotiation costs, relocation costs, costs associated with returning the underlying asset in a contractually specified condition or to a contractually specified location), and contractual options to extend or terminate the lease. Consequently, for leases that are automatically renewable and the 3/6/9-year commercial leases that are common in France, the enforceable period can be longer than the period to the contractual end date. This information is used to determine the most economically relevant end date for the lease. For certain categories of leased assets (mainly vehicles), the Group considers that there is no reasonably certain extension option. Consequently, the duration is selected to coincide with the initial term of the lease. For real estate leases, the Group defines the reasonable end date of the lease, based on the enforceable period, in line with the asset's expected period of use. Accordingly, for leases with a residual term of more than ten years, the first enforceable exit option is chosen unless specific information and economic circumstances lead the Group to define a longer period.

Exceptions

Leases with a term not exceeding 12 months or concerning low-value assets (mainly computers, printers and tools) are not recognized in the consolidated statement of financial position.

The payments related to these leases are expensed on a straight-line basis over the duration of the contracts. Variable lease payments are expensed in the period in which the triggering event or situation occurs.

Right-of-use assets can be analyzed as follows:

(in € millions)	Right-of-use assets Land and buildings	Right-of-use assets Plant and industrial equipment	Right-of-use assets Other equipment	Total
Gross carrying amounts at January 1, 2023	**1,403**	**117**	**314**	**1,834**
Translation adjustments	(28)	(2)	(6)	(36)
New leases	270	27	66	363
Disposals	(84)	(27)	(24)	(135)
Changes in scope of consolidation	8	1	(11)	(2)
Transfers and other	(17)	(1)	(10)	(28)
Gross carrying amounts at December 31, 2023	**1,552**	**115**	**329**	**1,996**
Translation adjustments	42	1	7	50
New leases	320	33	61	414
Disposals	(57)	(29)	(37)	(123)
Changes in scope of consolidation	(5)	-	3	(2)
Transfers and other	(31)	(2)	(7)	(40)
Gross carrying amounts at December 31, 2024	**1,821**	**118**	**356**	**2,295**
Depreciation and impairment at January 1, 2023	**(597)**	**(65)**	**(162)**	**(824)**
Translation adjustments	10	1	3	14
Depreciation	(168)	(28)	(52)	(248)
Net impairment	(2)	-	-	(2)
Disposals	84	27	24	135
Changes in scope of consolidation	4	-	1	5
Transfers and other	(2)	-	8	6
Depreciation and impairment at December 31, 2023	**(671)**	**(65)**	**(178)**	**(914)**
Translation adjustments	(16)	(1)	(4)	(21)
Depreciation	(168)	(28)	(56)	(252)
Net impairment	(15)	-	-	(15)
Disposals	57	29	36	122
Changes in scope of consolidation	4	-	-	4
Transfers and other	2	5	6	13
Depreciation and impairment at December 31, 2024	**(807)**	**(60)**	**(196)**	**(1,063)**
NET CARRYING AMOUNTS AT DECEMBER 31, 2024	**1,014**	**58**	**160**	**1,232**
Net carrying amounts at December 31, 2023	881	50	151	1,082

Some leases are recorded directly as an expense in the income statement on a straight-line basis over the life of the lease.

This is the case for:

- Short-term leases, representing an expense of €60 million in 2024 (2023: €51 million);
- leases of low-value assets, representing an expense of €46 million in 2024 (2023: €49 million);
- variable lease payments not taken into account to determine the lease liability, representing an expense of €18 million in 2024 (2023: €14 million).

Undiscounted future lease payments are analyzed by maturity in note 9.

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

ACCOUNTING POLICIES

From the acquisition date to the date that significant influence ceases, the Group's share of its joint ventures' and associates' profits and losses is recognized in the income statement, and its share of movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the investee, the Group recognizes its share of the investee's negative net worth and, where appropriate, the carrying amount of any loans to the joint venture or associate is reduced by the amount of that negative net worth.

Unrealized gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the investee. Unrealized losses are also eliminated unless an impairment loss on the transferred asset arises on the transaction.

The profit resulting from downstream transactions carried out with a joint venture or an associate is deducted from the Group’s proportionate share in profit of equity-accounted company.

In the consolidated income statement, the line "Share of profit/(loss) from equity-accounted companies" also includes the impact of other transactions relating to equity-accounted companies, such as the recognition of a gain or loss resulting from a reduction in the Group’s percentage interest in the investee, or an impairment loss on securities and loans.

14.1 Investments in equity-accounted companies

Changes in investments in equity-accounted companies are as follows:

(in € millions)	Investments in associates	Investments in joint ventures	Total investments in equity-accounted companies
At January 1, 2023	**57**	**1,045**	**1,102**
Share of profit from equity-accounted companies	2	58	60
Impairment	-	-	-
Dividends	(1)	(364)	(365)
Changes in scope of consolidation and changes in percentage interest	6	81	87
Translation adjustments	(1)	(28)	(29)
Other	-	16	16
At December 31, 2023	**63**	**808**	**871**
Share of profit/(loss) from equity-accounted companies	7	(46)	(39)
Impairment	-	-	-
Dividends	(2)	(16)	(18)
Changes in scope of consolidation and changes in percentage interest	2	(25)	(23)
Translation adjustments	1	32	33
Other	-	25	25
AT DECEMBER 31, 2024	**71**	**778**	**849**

The main equity-accounted companies are TBC, Solesis and SIPH. All of the other companies represent less significant investments.

The effect of changes in the scope of consolidation in 2024 corresponds mainly to the change of consolidation method of Watèa and the disposal of AddUp (note 4.1).

14.2 Information on the main equity-accounted companies

The table below shows the condensed financial statements of the main equity-accounted companies, prepared on a 100% basis:

	2024			2023		
(in € millions)	**TBC**	**Solesis**	**SIPH**	**TBC**	**Solesis**	**SIPH**
Country	United States	United States	France	United States	United States	France
% interest	50%	49%	39.26%	50%	49%	41.97%
Sales	3,976	109	610	4,403	105	470
Segment EBITDA	199	29	114	144	34	58
Depreciation, amortization and impairment	(110)	(16)	(28)	(137)	(15)	(25)
Other operating income and expenses	(18)	(15)	-	374	(7)	-
Net financial income/(expense)	(60)	(10)	(1)	(60)	(11)	2
Taxes	(6)	-	(22)	(80)	-	(14)
NET INCOME/(LOSS)	**5**	**(12)**	**63**	**241**	**2**	**22**
Current assets	1,650	49	264	2,311	51	250
▪ *of which cash and cash equivalents*	*14*	*7*	*9*	14	7	59
Non-current assets	1,050	735	455	1,046	685	450
▪ *of which goodwill*	*149*	*212*	*159*	*135*	*199*	*159*
TOTAL ASSETS	**2,700**	**784**	**719**	**3,357**	**736**	**700**
Current liabilities	1,249	133	142	1,994	133	116
▪ *of which other current financial liabilities*	*328*	*118*	*65*	*395*	111	*54*
Non-current liabilities	681	296	82	645	253	91
▪ *of which non-current financial liabilities*	*531*	*11*	*61*	*506*	3	*68*
Total equity	770	355	495	718	350	493
TOTAL LIABILITIES AND EQUITY	**2,700**	**784**	**719**	**3,357**	**736**	**700**
Share of net assets	385	174	154	359	172	163
Elimination of profit from downstream transactions	(39)	-	-	(41)	-	-
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**346**	**174**	**154**	**318**	**172**	**163**

- TBC, a joint venture with Sumitomo Corporation, distributes tires in the United States. TBC sold its NTB and Tire Kingdom retail outlets to Mavis Tire Express Service Corp. on June 1, 2023, to concentrate on its wholesale and franchise activities. The transaction led to the recognition in TBC's accounts of a disposal gain of €304 million ($328 million). In 2023, TBC also approved the distribution of $750 million in dividends, including $350 million paid in 2023 and $200 million in 2024. The balance, which is payable no later than March 2025, was recorded under "Current financial assets" in the consolidated statement of financial position.

  The equity-accounted share of TBC's results included in the Group's consolidated net income for 2024 (after eliminating downstream transactions, net of tax) was a profit of €10 million (2023: €113 million profit).
- Solesis, a joint venture with Altaris, is a leading specialist in biomaterials and components for the medical sector. The equity-accounted share of Solesis' results included in the Group's consolidated net income for 2024 was a loss of €6 million (2023: €1 million profit). Cash corresponding to preference shares is recorded under non-current assets for an amount of €285 million.
- The SIPH Group, a joint venture with SIFCA, owns and operates rubber plantations in West Africa. The equity-accounted share of SIPH's results included in the Group's consolidated net income for 2024 was a profit of €19 million after deducting income attributable to minority shareholders of subsidiaries (2023: profit of €6 million).

14.3 Financial information about equity-accounted companies

The financial statements of equity-accounted companies other than TBC, Solesis and SIPH, which are not material taken individually, include the following amounts (information presented on a 100% basis):

(in € millions)	2024	2023[(1)]
Assets	1,779	2,551
Liabilities	1,442	2,121
Sales	1,856	2,256
Net income/(loss)	(59)	(120)

(1) Data for fiscal 2023 has been restated to reflect the fact that SIPH is now presented separately.

14.4 Transactions with equity-accounted companies (related parties)

Transactions and balances between the Group and its associates and joint ventures are presented in the table below:

(in € millions)	2024	2023
INCOME STATEMENT		
Income for the sale of goods or supply of services	632	608
Expenses for the purchase of products or supply of services	(338)	(248)
STATEMENT OF FINANCIAL POSITION		
Financial liabilities	(7)	(22)
Trade payables	(33)	(10)
Financial assets	444	479
Accounts receivable	253	242

NOTE 15 TOTAL EQUITY

ACCOUNTING POLICIES

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares are presented separately in reserves. The amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. When treasury shares are sold, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings.

Earnings per share

Basic earnings per share are calculated by dividing income attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year, excluding shares bought back by the Group and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

15.1 Share capital and share premiums

Changes in share capital and share premiums are analyzed in the table below:

(in € millions)	Share capital	Share premiums	Total
At January 1, 2023	**357**	**2,702**	**3,059**
Issuance of shares	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
At December 31, 2023	**357**	**2,702**	**3,059**
Issuance of shares	3	119	122
Cancellation of shares	(7)	(495)	(502)
Other	-	-	-
AT DECEMBER 31, 2024	**353**	**2,326**	**2,679**

The €122 million reported under "Issuance of shares" for 2024 mainly concerned the October 29, 2024 Bib'Action employee share ownership plan (note 8.2.2). At December 31, 2024, initial employment payments received for shares purchased under the plan amounted to €37 million. This amount is shown in the consolidated statement of cash flows under "Proceeds from issuance of shares". The balance corresponds for €41 million to matching payments by the Group and for €43 million to the balance payable by employees in 2025.

Changes in outstanding shares are analyzed in the table below:

(number of shares)	Shares issued	Treasury shares	Shares outstanding
At January 1, 2023	**714,117,414**	**-**	**714,117,414**
Issuance of shares	840,651	-	840,651
Share buybacks	-	34,529	34,529
Sales of treasury shares	-	(34,368)	(34,368)
Cancellation of shares	-	-	-
Other	-	-	-
At December 31, 2023	**714,958,065**	**161**	**714,958,226**
Issuance of shares	5,266,149	-	5,266,149
Share buybacks	-	(14,476,942)	(14,476,942)
Sales of treasury shares	-	-	-
Cancellation of shares	(14,477,103)	14,476,942	(161)
Other	161	(161)	-
AT DECEMBER 31, 2024	**705,747,272**	**-**	**705,747,272**

The 2023 dividend paid to shareholders in 2024 was €1.35 per share. The dividend was paid in full in cash for a net amount of €961 million (2023: €893 million).

The Managing Chairman will propose that shareholders approve the payment of a 2024 dividend in 2025 of €1.38 per share.

15.2 Reserves

(in € millions)	Translation adjustments	Treasury shares	Other reserves	Retained earnings	Total
At January 1, 2023	**(262)**	**-**	**167**	**14,146**	**14,051**
Dividends and other appropriations	-	-	-	(894)	(894)
Share-based payments – current service cost (notes 7 and 8)	-	-	-	30	30
Share buybacks	-	-	-	-	-
Sale/cancellation of shares	-	-	-	-	-
Other	-	-	-	1	1
Transactions with the shareholders of the Company	-	-	-	**(863)**	**(863)**
Net income/(loss) attributable to the shareholders of the Company	-	-	-	1,983	1,983
Post-employment benefits	-	-	-	*(50)*	*(50)*
Tax effect – post-employment benefits	-	-	-	*18*	*18*
Equity instruments at fair value through OCI – changes in fair value	-	-	*2*	-	*2*
Tax effect – equity instruments at fair value through OCI	-	-	*2*	-	*2*
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	**-**	-	*4*	*(32)*	*(28)*
Cash flow hedges – changes in fair value	-	-	*2*	-	*2*
Currency translation differences	*(316)*	-	-	-	*(316)*
Other	*57*	-	-	*10*	*67*
Other comprehensive income/(loss) that may be reclassified to the income statement	(259)	-	2	10	(247)
Total comprehensive income/(loss)	**(259)**	**-**	**6**	**1,961**	**1,708**
At December 31, 2023	**(521)**	**-**	**173**	**15,244**	**14,896**
Dividends and other appropriations	-	-	-	(964)	(964)
Share-based payments – current service cost (notes 6 and 8)	-	-	-	61	61[(1)]
Share buybacks	-	(502)	-	-	502
Sale/cancellation of shares	-	502	-	-	(502)
Other	-	-	-	(2)	(2)
Transactions with the shareholders of the Company	**-**	**-**	**-**	**(905)**	**(905)**
Net income/(loss) attributable to the shareholders of the Company	**-**	**-**	**-**	1,884	1,884
Post-employment benefits	-	-	-	*(138)*	*(138)*
Tax effect – post-employment benefits	-	-	-	*4*	*4*
Equity instruments at fair value through OCI – changes in fair value	-	-	*(44)*	-	*(44)*
Tax effect – equity instruments at fair value through OCI	-	-	*8*	-	*8*
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	-	-	*(36)*	*(134)*	*(170)*
Cash flow hedges – changes in fair value	-	-	*(7)*	-	*(7)*
Currency translation differences	*273*	-	-	-	*273*
Other	-	-	-	*(26)*	*(26)*
Other comprehensive income/(loss) that may be reclassified to the income statement	273	-	(7)	(26)	240
Total comprehensive income/(loss)	**273**	**-**	**(43)**	**1,724**	**1,954**
AT DECEMBER 31, 2024	**(248)**	**-**	**173**	**16,021**	**15,946**

(1) The difference between the €102 million share-based payment expense (note 8) and the €61 million shown in the table corresponds to the portion of Plan Bib'action matching contributions recognized as proceeds from the issuance of shares.

The Group announced and implemented a €500 million share buyback program in the first half of 2024. All of the shares bought back under the agreement were canceled before the end of 2024.

15.3 Earnings per share

	2024	2023
Net income *(in € millions)*, excluding non-controlling interests	1,884	1,983
■ Less, estimated General Partners' profit shares	(3)	(3)
Net income attributable to the shareholders of the Company used to calculate basic earnings per share	**1,882**	**1,980**
Weighted average number of shares outstanding *(thousands of shares)* used to calculate basic earnings per share	**709,850**	**714,188**
■ Plus, adjustment for performance shares	7,110	5,450
Weighted average number of shares used to calculate diluted earnings per share	**716,960**	**719,638**
EARNINGS PER SHARE ***(in €)***		
■ Basic	**2.65**	**2.77**
■ Diluted	2.62	2.75

At December 31, 2024, the only potentially dilutive financial instruments consisted of performance shares (note 8.2.1).

No share transactions affecting the weighted average number of shares used to calculate basic earnings per share and diluted earnings per share occurred after the end of the 2024 reporting period.

NOTE 16 COMMITMENTS AND CONTINGENCIES

16.1 Commitments

16.1.1 Capital expenditure commitments

Capital expenditure on the main projects which were contracted but not delivered before December 31, 2024, amounts to €375 million (of which €304 million is likely to be delivered in 2025).

16.1.2 Other commitments

The Group has many purchase commitments for goods and services. These commitments are in line with the level of activity expected in the first half of 2025. They are entered into on arm's length terms in the normal course of business.

16.2 Contingencies

16.2.1 Michelin Pension Trust Ltd UK and Fenner Pension Scheme Trustee Limited

Following adoption of the Pensions Act 2004 in the United Kingdom, a multi-annual plan of contributions to the UK pension fund (the "Recovery Plan") was established between the Group's UK companies and their pension funds. In order to limit the amount of contributions, the Group issued guarantees to the pension funds to cover the contributions to be made by its subsidiaries. Michelin Pensions Trust Ltd has also received an additional guarantee covering the possible insolvency of the participating entities. The risk is considered unlikely and the guarantee is capped at £100 million.

The last Recovery Plan calculations were performed at March 31, 2023 and the next ones will be performed at March 31, 2026. The actuarial assumptions used to measure the Recovery Plan liability are generally more conservative than the ones used to measure defined benefit obligations under IAS 19.

The amount of the Group's guarantee is equal to the difference, if positive, between the present value of future contributions and the amount of the provision booked in the accounts. However, at December 31, 2024, the plans had a surplus and the present value of future contributions did not exceed the provision booked in the Group's accounts. Consequently, the amount of the guarantees given to the Michelin Pensions Trust Ltd UK and the Fenner Pension Scheme Trustee Limited was equal to zero at that date.

For the Michelin Pension Trust Ltd, contributions are payable to the plan if the plan is underfunded. If the plan is overfunded, the contributions are deposited in an escrow account up to a certain level of overfunding, after which a contributions holiday is granted. When the amount in escrow exceeds a certain level, the local entity may apply for a refund.

For Fenner UK Pension Scheme Trustee Limited, a contributions holiday is granted once a certain funding level is met.

16.2.2 Other contingencies

In the normal course of business, the Group companies may be involved in administrative proceedings, litigation and claims. Although provisions have been recognized when the risks are established and an outflow of financial resources is probable, there exist uncertainties concerning some of these administrative proceedings, litigation and claims.

In January 2024, the European Commission launched a competition inquiry into the tire industry in Europe. Michelin is one of the manufacturers concerned by the inquiry. In 2024, class actions were filed in the USA and Canada as a direct consequence of this inquiry. However, in April 2024, the Group lodged an appeal with the European Court of First Instance to have the decision authorizing the inspection annulled. As a reminder, the Group applies a strict policy of compliance with competition law across all of its businesses and in all of its host countries. In its public communication, the Commission has clearly stated that the opening of this inquiry does not prejudge the inquiry's outcome. At the same time, Michelin has reiterated its right to be presumed innocent. No provision was set aside for this matter at December 31, 2024.

In the opinion of Group management, there are no other governmental, judicial or arbitration proceedings likely to have a material impact on the Group's financial position or cash position.

16.3 Assets pledged as collateral

16.3.1 Property, plant and equipment (PP&E)

PP&E pledged as collateral for debt amounted to €33 million (2023: €33 million).

16.3.2 Financial assets

The €4 million held in an escrow account linked to the pension plan in the United Kingdom (2023: €125 million) is pledged to the pension plans and is therefore not freely available (note 9.4).

Loans and deposits amounting to €40 million (2023: €43 million) are pledged as collateral for debt (note 9.5).

16.3.3 Trade receivables

The Group runs two separate programs whereby certain European and North American subsidiaries have transferred ownership interests in portfolios of eligible trade receivables. The maximum financing that can be raised from these programs amounts to €492 million (2023: €390 million). Since the Group has substantially retained all the risks and rewards of ownership, the ownership interests in the trade receivable portfolios sold by the European and North American subsidiaries have not been derecognized and the financing received from the financial institutions, amounting to €15 million as at December 31, 2024 (2023: €15 million), has been recorded under "Loans from financial institutions and other" (note 9.3).

NOTE 17 DERIVATIVES, FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

17.1 Derivative instruments

ACCOUNTING POLICIES

Derivative instruments

Derivative instruments are used to manage financial exposures.

All derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged (see hedging policy below).

All changes in fair value of derivatives not qualifying as hedges are recorded as financial income or expense in the period in which they arise.

The fair values of listed instruments are based on their market values.

For unlisted instruments, fair values are determined using mathematical models, such as option pricing models, or methods based on discounted future cash flows. These models take into account market data.

Embedded derivatives are recognized separately if they are not closely related to the host contract.

Hedging

Some derivative instruments may be eligible for hedge accounting and designated as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges);
- hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategies. The Group also documents its assessment, both at inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in the fair value of derivatives are accounted for differently depending on the type of hedge.

Fair value hedges

Changes in fair value of derivatives are recorded in financial income and expenses, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives is recognized in other reserves. The ineffective portion of the gain or loss is recognized immediately in the income statement, in operating income (commodity price hedges) or financial income and expenses (interest rate hedges).

The effectiveness of the hedge is determined at the beginning of the hedging relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. A hedging relationship may become ineffective if the timing of the planned transaction changes from the original estimate.

When options are used to hedge future transactions, only the changes in the options' intrinsic value are designated as hedging instruments. Changes in the intrinsic value and the time value in relation to the hedged item ("aligned time value") are recorded in other reserves.

For forward contracts used to hedge future transactions, the Group designates all the changes in fair value (including the forward points) as hedging instruments. These changes in fair value are recorded in other reserves.

Amounts accumulated in other reserves are recognized in the income statement over the period during which the hedged item affects the profit and loss, as follows:

- when the hedged item is a non-financial asset (for example, a consolidated investment or an inventory), deferred gains or losses, as well as deferred gains or losses on the time value of the option or contract forward points are included in the initial cost of the asset;
- the gains or losses resulting from the interest rate hedge are recognized in financial income at the same time as the interest on the loans that are hedged.

When a hedging instrument is sold or expires, or when a hedging instrument no longer meets the criteria required to qualify for hedge accounting, the amount accumulated in other reserves at that date is immediately recognized in profit or loss.

Derivatives not qualifying for hedge accounting

Certain other derivative instruments, while offering effective economic hedging in terms of the Group's financial policy, do not meet the criteria for hedge accounting or have not been treated as hedging instruments (refer to the policy relating to derivative instruments, above). Changes in the market value of these derivatives must therefore be recognized in financial income and expenses. For example, foreign exchange derivatives used to hedge the currency exposure of financial assets and liabilities recognized in the consolidated statement of financial position are not designated as hedging instruments.

17.1.1 Summary of derivative instruments

Derivatives recognized as assets

	December 31, 2024			December 31, 2023		
(in € millions)	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	42	18	60	34	83	117
Interest rate derivatives	-	-	-	1	-	1
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	**42**	**18**	**60**	**35**	**83**	**118**
Derivatives qualifying as fair value hedges	**-**	**-**	**-**	**-**	**-**	**-**
Currency derivatives	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
Other	-	1	1	-	-	-
Derivatives qualifying as cash flow hedges	**-**	**1**	**1**	**-**	**-**	**-**
TOTAL DERIVATIVES RECOGNIZED AS ASSETS	**42**	**19**	**61**	**35**	**83**	**118**

The Group grants cash collateral to cover counterparty risk on derivatives with a positive fair value. The amount of collaterals transferred was €40 million as of December 31, 2024 (2023: €43 million).

Derivatives recognized as liabilities

	December 31, 2024			December 31, 2023		
(in € millions)	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	33	35	68	16	4	20
Interest rate derivatives	-	-	-	-	-	-
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	**33**	**36**	**68**	**16**	**4**	**20**
Derivatives qualifying as fair value hedges	**-**	**-**	**-**	**-**	**-**	**-**
Currency derivatives	-	1	1	-	-	-
Interest rate derivatives	-	-	-	-	-	-
Other	-	-	-	-	-	
Derivatives qualifying as cash flow hedges	**-**	**1**	**1**	**-**	**-**	**-**
TOTAL DERIVATIVES RECOGNIZED AS LIABILITIES	**33**	**37**	**70**	**16**	**4**	**20**

The Group holds cash collateral covering its counterparty risk on derivatives with a negative fair value. The amount of collaterals received was €7 million as of December 31, 2024 (2023: €51 million).

17.1.2 Contractual amounts of derivatives

The contractual amounts of derivative instruments are presented in the table below:

	December 31, 2024			December 31, 2023		
(in € millions)	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	4,629	1,295	5,924	5,084	1,752	**6,836**
Interest rate derivatives	152	102	254	76	237	**313**
Other	-	-	-	-	-	**-**
Derivatives not qualifying for hedge accounting	**4,781**	**1,397**	**6,178**	**5,160**	**1,989**	**7,149**
Derivatives qualifying as fair value hedges	**-**	**-**	**-**	**-**	**-**	**-**
Currency derivatives	3	77	80	7	-	**7**
Interest rate derivatives	-	-	-	-	-	**-**
Other	4	15	19	3	1	**4**
Derivatives qualifying as cash flow hedges	**7**	**92**	**99**	**10**	**1**	**11**
TOTAL	**4,788**	**1,489**	**6,277**	**5,170**	**1,990**	**7,160**

17.1.3 Hedge accounting

Summarized financial data for hedging instruments are set out in the table below:

(in € millions)	Notional amount of the hedging instrument	Carrying amount of the hedging instrument in assets/(liabilities)	Cash flow hedge reserve	Amount recognized in profit or loss	Line item affected in profit or loss
DERIVATIVES QUALIFYING AS CASH FLOW HEDGES					
Commodity price risk - forward purchase contracts	19	1	1	-	Operating income
Interest rate swaps	-	-	(17)	(3)	Cost of net debt
Hedges of currency risk on raw materials purchases	3	-	-	-	Operating income
Forward foreign exchange contracts on disposals denominated in foreign currencies	77	(1)	(1)	-	Other operating income/ (expenses)
CURRENT AND NON-CURRENT HEDGING INSTRUMENTS	**99**	**(1)**	**(17)**	**(3)**	

Gains and losses on cash flow hedges are recorded in equity, under "Other reserves" (note 15). These reserves are used to recognize the effective portion of derivatives that qualify for hedge accounting (note 17). The gains and losses accumulated in the reserve are subsequently reclassified as part of the initial cost of a non-financial asset or transferred to the income statement.

Cash flow hedge reserves correspond mainly to advance hedging of interest rate risks on the August 2018 and May 2024 bond issues for a negative amount of €17 million (note 9.3). The gains and losses are reclassified to the income statement when the interest affects profit or loss.

17.2 Financial risk management

17.2.1 Organization of financial risk management

The Corporate Financing Department controls, measures and supervises financial risks for each company and region, as well as at Group level. The Corporate Financing Department reports directly to the Group Finance Department.

One of the Corporate Financing Department's ongoing missions is the formulation of financial risk management policies, monitored on the basis of a full array of internal standards, procedures and authoritative literature. Regional finance managers oversee the implementation of the Group's financial risk management policies by the regional treasury centers. Compliance with financial risk policies is assessed through internal audit reviews to evaluate risk control efficiency and identify areas of improvement.

All strategic decisions regarding Group financial risk hedging policy are made by the Group Finance Department. As a general rule, the Group strictly limits the use of derivatives to the sole purpose of hedging clearly identified exposures.

A Financial Risks Committee is responsible for establishing and validating financial risk management policies, identifying and measuring these risks and validating and monitoring hedging programs. The Financial Risks Committee, which is chaired by a Manager, meets on a monthly basis and includes members of the Group Finance Department and the Corporate Financing Department.

17.2.2 Currency risk management

Currency risk

RISK FACTORS

Currency risk is defined as the impact on financial indicators of fluctuations in the exchange rates of foreign currencies used in the normal course of business. The Group is exposed to currency risks on its foreign currency transactions (transaction risk) and also on the translation of its net investment in foreign subsidiaries (translation risk).

Foreign currency transaction risk arises from the monetary assets and liabilities of the company and its subsidiaries (mainly cash and cash equivalents, receivables, payables and borrowings) that are denominated in foreign currencies. It corresponds to the risk of a change in the exchange rate between the date when these monetary assets and liabilities are recorded in the accounts and the date when they are recovered or settled.

Foreign currency translation risk arises from the Group's net investment in foreign subsidiaries. It corresponds to the risk of a change in the exchange rate used to translate the net investment in the foreign subsidiary into euros during the consolidation process.

During certain operations, the Group may face foreign exchange exposures not recognized in the accounts but which can have a significant impact on the cash flow of the Group. These are future transactions such as the payment of internal Group dividends and internal Group capital increases, or company acquisitions and disposals. In this case, the Group may put in place hedging of its economic foreign exchange risk.

RISK MANAGEMENT RESPONSE

Foreign currency transaction risk

Foreign currency transaction risk is monitored locally by the Company and its subsidiaries and at Group level by the Corporate Financing Department.

Each Group company continually calculates its accounting foreign exchange exposure in relation to its functional currency and hedges it systematically. A number of temporary exemptions can, however, be granted by the Group Financial Department when it is not possible to hedge a currency or when it is justified under exceptional market conditions.

Foreign currency payables and receivables of the same type and with equivalent maturities are netted off and only the net exposure is hedged. This is normally carried out through Compagnie Financière Michelin Suisse SA, or, alternatively, through a bank. Compagnie Financière Michelin Suisse SA in turn assesses its own resulting net exposure and hedges it with its banking partners. The main hedging instruments used are forward currency contracts. The structural part of the exposure is hedged with long term instruments (three years maturity maximum) and the operating part is hedged with short term instruments (generally maturity is shorter than or equal to three months). Currency risk monitoring and hedging is based on Group internal standards and procedures. A system to closely monitor foreign currency transaction risk is implemented throughout the Group under the responsibility of the Corporate Financing Department. Gains and losses on foreign currency transactions are tracked on a monthly basis in a detailed management report.

Currency translation risk

The Group does not use hedging instruments to actively manage this risk.

Investments in foreign subsidiaries are booked in the functional currency of the parent company and are not included in the latter's foreign exchange position.

Foreign currency economic risk

The risk is hedged as soon as the transaction is highly probable and is above certain thresholds determined by the Group risk management policy, approved by the Financial Risks Committee. The instruments used are mainly currency options and contingent forward exchange contracts.

Currency risks - quantitative and qualitative data

Foreign currency transaction risk

Net currency hedging positions are presented in the table below:

	December 31, 2024					December 31, 2023				
(in € millions)	EUR	USD	THB	GBP	Other	EUR	USD	THB	GBP	Other
Hedges	141	(3,270)	(540)	(400)	(298)	62	(3,495)	(597)	(491)	(351)

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"Other" currencies mainly include currency hedges in CAD, AUD and CNY in 2024, and in AUD and CAD in 2023.

A 1% unfavorable change in exchange rates for the above currencies would not have a material adverse effect on the consolidated income statement. This relatively low sensitivity to foreign currency transaction risk is consistent with the objective described in the foreign currency transaction risk management system.

Because of the low volume of cash flow hedges (note 17.1.1), the sensitivity of equity to currency risk is not material.

Currency translation risk

A breakdown of equity by currency is provided in the following table:

(in € millions)	December 31, 2024	December 31, 2023
EUR	8,721	8,537
USD	5,060	4,305
GBP	1,138	1,286
CNY	1,090	1,117
BRL	827	942
THB	853	763
CAD	397	429
MXN	33	(9)
Other	515	588
TOTAL	**18,634**	**17,958**

17.2.3 Interest rate risk management

Interest rate risk

RISK FACTORS

The Group's income statement may be affected by interest rate risk. An unfavorable change in interest rates may adversely affect future finance costs and cash flows. The Group is in a net debt position and is exposed to the risk of an increase in interest rates on the portion of its debt that is at variable rates. It may also be exposed to an opportunity risk in the case of a fall in interest rates, if too great a proportion of debt is at fixed rates, as well as on financial investments, depending on their interest terms.

RISK MANAGEMENT RESPONSE

The objective of interest rate management is to minimize financing costs whilst protecting future cash flows against unfavorable movements in interest rates. For this purpose, the Group uses various derivative instruments available in the market, but restricts itself to the use of "plain vanilla" instruments (mainly interest rate swaps).

Interest rate exposure is analyzed and monitored by the Financial Risks Committee using monthly performance indicators and management reports.

The interest rate position is centralized by currency by the Corporate Financing Department, which is the only department permitted to undertake hedging operations. Interest rate hedging is concentrated on the main currencies. The Financial Risks Committee sets hedging limits by currency, taking into consideration the Group's gearing as hedging needs change in line with this ratio.

Interest rate risk - Quantitative and qualitative data

Net debt at December 31, 2024 breaks down as follows by type of hedge and by currency:

	Net debt before hedging			Currency hedging	Net debt after currency hedging but before interest rate hedging			Interest rate hedging		Net debt after hedging		
(in € millions)	Fixed	Variable	Total		Fixed	Variable	Total	Fixed	Variable	Fixed	Variable	Total
USD	289	80	**369**	2,714	289	2,794	**3,083**	800	(800)	1,089	1,994	**3,083**
THB	49	80	**129**	279	49	359	**408**	254	(254)	303	105	**408**
GBP	34	(5)	**29**	366	34	361	**395**	142	(142)	176	219	**395**
CAD	20	167	**187**	111	20	278	**298**	52	(52)	72	226	**298**
AUD	39	(5)	**34**	207	39	202	**241**	93	(93)	132	109	**241**
EUR	5,899	(3,509)	**2,390**	(3,991)	5,899	(7,500)	**(1,601)**	-	-	5,899	(7,500)	**(1,601)**
Other currencies	111	(147)	**(36)**	314	111	167	**278**	183	(183)	294	(16)	**278**
Total before derivatives	**6,441**	**(3,339)**	**3,102**	**-**	**6,441**	**(3,339)**	**3,102**	**1,524**	**(1,524)**	**7,965**	**(4,863)**	**3,102**
Fair value of derivatives included in net debt			**10**				**10**					**10**
NET DEBT (NOTE 9.3)			**3,112**				**3,112**					**3,112**

The main reference rates to which the Group is exposed are Euribor, ESTR and SOFR.

Financial instruments that are backed by a benchmark rate subject to the Libor reform have no significant impact on the Group's consolidated financial statements.

A 1-point parallel shift in the yield curves applied to the net debt components would have the following impact at December 31, 2024:

		Fair value impact			
(in € millions)	Annualized cash impact recognized in the income statement	Recognized in the income statement(1)	Recognized in other comprehensive income(2)	Not recognized(3)	Total equity
1-point downward shift	**(49)**	(15)	-	(343)	**(358)**
1-point increase	**49**	14	-	343	**357**

(1) The Group interest rate policy aims at hedging perfectly identified future cash flows. However, some derivative instruments do not qualify for hedge accounting under IFRS and are measured at fair value through profit or loss.
(2) For derivatives qualifying for hedge accounting (cash flow hedges).
(3) Some fair value impacts are not accounted for since the underlying net debt component is not booked at fair value but at amortized cost.

17.2.4 Liquidity risk management

Liquidity risk

RISK FACTORS

Liquidity is defined as the ability to repay borrowings when they fall due and to find new stable sources of financing so that there is always sufficient money to cover expenses. In the course of its business, the Group is exposed to the risk of having insufficient liquid resources to finance its operations and make the investments needed to drive its growth. It must therefore manage its cash reserves and confirmed lines of credit on a continuous basis.

RISK MANAGEMENT RESPONSE

The Corporate Financing Department is responsible for ensuring that the Group has access to adequate financing and liquidity at the lowest cost. The Group raises financing through long-term debt issues (bonds) on the capital markets, as well as through bank facilities (loans and credit lines), commercial paper programs and receivables securitization programs. The Group has also negotiated confirmed back-up credit lines and maintains cash reserves that are calibrated in order to meet short-term debt refinancing needs. Long-term financing and confirmed back-up credit lines are essentially concentrated at the level of the Group financial holding companies.

Except in the case of particular restrictions or opportunities due to the specific features of local financial markets, the Group companies are financed in accordance with the following model:

- cash pooling with the Group for the management of day-to-day liquidity requirements;
- intercompany credit lines and loans to meet medium and long-term requirements.

For subsidiaries that do not participate in the cash pool, short-term financing is the responsibility of the local treasurer.

The management of liquidity risk is supported by a forecasting system of short-, medium- and long-term financing requirements based on business forecasts and the strategic plans of the operating entities.

As a matter of prudent financial policy, the Group guards against the inclusion in its financial contracts of hard covenants or material adverse change clauses that could affect its ability to draw down credit lines or the facilities' term. At the reporting date, none of the Group's loan agreements included any clauses of this type. Concerning default and acceleration clauses included in the Group's loan agreements, the probability of trigger events occurring is low and the possible impact on the Group's financial position would not be material.

Liquidity risk – Quantitative and qualitative data

At December 31, 2024, the debt repayment schedule (principal and interest) and the maturities of undrawn confirmed credit lines are as follows:

(in € millions)	2025	2026	2027	2028	2029	2030	2031 and beyond
Bonds	848	93	389	586	87	1,076	3,467
Commercial paper	303	-	-	-	-	-	-
Loans from financial institutions and other	305	20	9	7	17	-	6
Lease liabilities	301	260	191	140	97	74	282
Derivative instruments	(9)	9	10	-	-	-	-
DEBT REPAYMENT SCHEDULE	**1,748**	**382**	**599**	**733**	**201**	**1,150**	**3,755**
LONG-TERM UNDRAWN CONFIRMED CREDIT LINES					**2,500**		

This table analyzes principal and interest payments on debt by payment date, as projected using available market data at the reporting date (interest is calculated in each currency on the basis of market rates, and converted into euros at period-end rates). The amounts shown are not discounted.

On May 23, 2022, an addendum to the agreement for the €2,500 million syndicated credit lines was signed. The new agreement provided for a new five-year maturity (2027) with two one-year extension options at the lenders' discretion. These options were exercised in 2023 and 2024, extending the lines’ maturity to 2029.

The Group considers that at December 31, 2024 its sources of financing were sufficient to meet the needs of the business:

- cash and cash equivalents for €3,936 million;
- cash management financial assets for €290 million;
- a €2,500 million commercial paper program, of which €250 million had been utilized at December 31, 2024;
- a $700 million (€671 million) commercial paper program, of which $50 million (€48 million) had been utilized at December 31, 2024;
- two €492 million receivables securitization programs that are utilized based on the availability of sufficient receivables of the required quality, with securitization debt at December 31, 2024 amounting to €15 million (note 16.3.3);
- €2,500 million in confirmed, undrawn lines of credit.

17.2.5 Counterparty risk management

Counterparty risk

RISK FACTORS

Counterparty risk is the risk of a debtor refusing or being unable to fulfill all or part of its obligations. The Group is exposed to counterparty risk on its contracts and financial instruments. Counterparty risk may lead to an impairment loss or a loss of liquidity. The Group is exposed to the risk of impairment losses arising from the investment of available cash in money market instruments and other marketable securities, as well as on finance receivables, derivative instruments and third-party guarantees. It is exposed to the risk of a loss of liquidity on its undrawn confirmed lines of credit.

RISK MANAGEMENT RESPONSE

The Group chooses its banks extremely carefully, particularly when it comes to the management of its cash investments. As it would be inappropriate to add financial risk to the other risks that are associated with its operations, the Group gives priority to the security and the liquidity of its cash investments. Cash investments consist of (i) financial instruments that are subject to no risk or an insignificant risk of changes in value purchased from a sufficiently diversified group of leading banks, and (ii) unrestricted units in diversified money market funds or short-term bond funds.

The Group is also exposed to counterparty risk on derivative instruments used for hedging purposes that have a positive fair value. These hedging instruments and the level of concentration by bank are tracked weekly by Group Treasury and monitored monthly by the Financial Risks Committee.

To limit counterparty risk on hedging instruments, the Group enters into two-way collateral agreements with its main banks.

Counterparty risk – Quantitative and qualitative data

At December 31, 2024, 63% of cash and cash equivalents (including cash management financial assets and borrowing collateral) was invested in money market or short term bond funds to allow for a maximum diversification of the counterparty risk. The balance is invested directly with international banks that meet the counterparty risk management criteria defined by the Group.

Furthermore, most derivatives are contracted with the same banks.

17.2.6 Credit risk management

Credit risk

RISK FACTORS

Credit risks may arise when the Group grants credit to its customers. If a customer becomes insolvent or files for bankruptcy, it may default on the receivables due to the Group and this may have a negative impact on the Group's earnings and cash flows.

RISK MANAGEMENT RESPONSE

The Credit Department, which is part of the Group Financial Department, sets the maximum payment terms and customer credit limits to be applied by the operating companies. It manages and controls credit activity, risk and results, and is also responsible for managing and collecting trade receivables. The main policies and procedures are defined at Group level and are monitored and controlled at both regional and Group level.

Credit risk – Quantitative and qualitative data

At December 31, 2024, net receivable balances from the ten largest customers amounted to €410 million (2023: €541 million). Out of these, five were located in North America, four in Europe and one in Asia and Oceania. At the same date, 97 customers (2023: 78) had been granted credit limits in excess of €10 million. Out of these, 47 were located in Europe, 33 in North America, ten in Asia and Oceania, two in South America, two in the Africa, India, Middle East region and three in Central America. No material collateral has been received to limit the related credit risk. In 2024, credit losses represented 0.06% of sales (2023: 0.05%).

17.2.7 Commodities derivatives

In 2024, the Group did not have any significant hedges of commodities purchases (note 17.1.2).

17.2.8 Equity risk management

Equity risk

RISK FACTORS

The Group holds non-controlling interests in companies whose share price fluctuates, among other things, in line with changes in the global stock markets, the multiples applied by the markets to the industries in which these companies operate and their specific economic and financial metrics. Equity investments are made for strategic rather than trading purposes.

Equities are held under a medium- or long-term strategy, and not for short-term trading portfolio management. Equity investments are made for strategic rather than trading purposes. Equities are held under a medium- or long-term strategy, and not for short-term trading portfolio management.

RISK MANAGEMENT RESPONSE

The Group Investments Committee, which comprises representatives from the Finance, Legal Affairs, Mergers & Acquisitions and Strategy Departments, is responsible for ensuring that investment management and monitoring rules are properly applied for its non-controlling interests. To this end, it reviews investments at annual intervals to assess the risk level and actual results compared to defined targets.

Equity risk – Quantitative and qualitative data

Equity risk is the risk of a 10% unfavorable change in the price of equities held by the Group.

(in € millions)	December 31, 2024	December 31, 2023
Carrying amount (note 9.4)	373	412
IMPACT ON EQUITY OF A 10% UNFAVORABLE CHANGE IN THE PRICE OF EQUITIES HELD BY THE GROUP	**(30)**	**(33)**

17.2.9 Capital risk management

The Group's objectives when managing its capital are to protect its ability to continue as a going concern and to ensure its development, so that it can provide returns for shareholders and benefits for other stakeholders.

The main indicator used for capital management purposes is gearing. Gearing corresponds to the ratio of net debt to equity.

(in € millions)	December 31, 2024	December 31, 2023
Net debt (note 9.3)	3,112	3,281
Total equity	18,634	17,958
GEARING	**0.17**	**0.18**

17.3 Classification and fair values of financial assets and liabilities

ACCOUNTING POLICIES

Fair value of financial instruments

Fair value measurements are disclosed by level in the following fair value measurement hierarchy:

- Level 1: quoted prices in active markets. The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the consolidated statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is *the current bid price.* These instruments, essentially cash and cash equivalents, as well as quoted unconsolidated equity investments, are included in level 1.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value these instruments are observable, these instruments, essentially cash management financial assets and derivative instruments, are included in level 2.
- Level 3: inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument, essentially non-quoted unconsolidated equity investments, is included in level 3.

Specific valuation techniques used to value, generally internally, financial instruments include:

- quoted market prices or dealer quotes for similar instruments (level 1);
- the fair value of interest rate swaps calculated internally as the present value of the estimated future cash flows based on observable yield curves (level 2); and
- the fair value of forward foreign exchange contracts determined internally using spot exchange rates at the date of the consolidated statement of financial position, applied to discounted future cash flows (level 2).

Other techniques, such as discounted cash flow analysis, are used internally to determine fair value for the remaining financial instruments (level 3).

The Group assesses the counterparty risk included in the fair value of its over-the-counter derivatives for which there is no exchange of collateral. The Group includes the effect of its exposure to the credit risk of the counterparty or the counterparty's exposure to the credit risk of the Group. The valuation for long-term derivatives with no exchange of collateral is based on discounted cash flows using a rate including the counterparty credit risk.

17.3.1 Classification of financial assets

Group financial assets break down as follows between the categories "at fair value through profit or loss (FVTPL)", "at fair value through other comprehensive income (FVOCI)" and "at amortized cost" at December 31, 2024:

(in € millions)	FVTPL	FVOCI	Amortized cost	Total 2024
Trade receivables	-	-	3,595	3,595
Current financial assets	82	-	462	544
Cash and cash equivalents	2,889	-	1,047	3,936
Non-current financial assets	314	374	463	1,151
TOTAL FINANCIAL ASSETS	**3,285**	**374**	**5,568**	**9,227**

Non-current financial assets at fair value through profit or loss consist mainly of Solesis preference shares.

Investments in non-consolidated companies are measured at fair value through other comprehensive income (note 9.4).

17.3.2 Fair value measurement hierarchy

The following tables present Group assets and liabilities measured at fair value at December 31, 2024 and 2023 by level in the fair value measurement hierarchy:

(in € millions)	Level 1	Level 2	Level 3	Total 2024
Cash and cash equivalents	2,889	-	-	2,889
Current financial assets (including derivatives)	40	42	-	82
Non-current financial assets (including derivatives)	31	301	356	688
TOTAL ASSETS	**2,960**	**343**	**356**	**3,659**
Derivative instruments	-	70	-	70
TOTAL LIABILITIES	**-**	**70**	**-**	**70**

(in € millions)	Level 1	Level 2	Level 3	Total 2023
Cash and cash equivalents	1,282	-	-	1,282
Current financial assets (including derivatives)	43	35	-	78
Non-current financial assets (including derivatives)	159	334	387	880
TOTAL ASSETS	**1,484**	**369**	**387**	**2,240**
Derivative instruments	-	20	-	20
TOTAL LIABILITIES	**-**	**20**	**-**	**20**

There has been no significant transfer during these two years between level 1 and level 2.

The following table presents the changes in level 3 instruments for the year ended December 31, 2024:

(in € millions)	
At January 1, 2024	**387**
Acquisitions	10
Disposals	(12)
Gains or losses for the year recognized in other comprehensive income	(36)
Other	7
AT DECEMBER 31, 2024	**356**

NOTE 18 RELATED-PARTY TRANSACTIONS

Management and Supervisory Bodies

In 2024, Florent Menegaux, Managing Chairman and Managing General Partner of Compagnie Générale des Établissements Michelin, received a statutory distribution of €1.7 million in 2023 based on 2023 net income (2023 based on 2022 net income: €0.9 million). He was also awarded compensation of €1.5 million (payroll taxes included) as Chairman of Manufacture Française des Pneumatiques Michelin (2023: €1.5 million). The benefits that vested during the period in respect of a post-employment defined benefit plan amounted to €0.3 million (2023: €0.4 million). In addition, an expense of €1.1 million (2023: €0.8 million) was recognized in the Company's financial statements, corresponding to performance shares granted to Florent Menegaux in respect of years after 2019.

Yves Chapot received compensation of €2.4 million (payroll taxes included) in 2023 as General Manager of Compagnie Générale des Établissements Michelin (2023: €1.9 million). The benefits that vested during the period in respect of a post-employment defined benefit plan amounted to €0.5 million (2023: €0.6 million). A provision of €0.6 million (including payroll taxes) was recognized based on vested rights under the annual variable compensation plan. In addition, an expense of €0.7 million (2023: €0.5 million) was recorded in the Company's financial statements, corresponding to performance shares granted to Yves Chapot in respect of years after 2019.

At December 31, 2024, the Group Executive Committee had nine members (2023: nine members). Employee benefits costs for members of the Group Executive Committee break down as follows:

(in € millions)	**2024**	**2023**
Short-term and termination benefits	14.2	9.2
Post-employment benefits	2.2	1.5
Other long-term benefits	-	-
Share-based payments	1.8	1.5
COMPENSATION GRANTED TO MEMBERS OF THE GROUP EXECUTIVE COMMITTEE	**18.1**	**12.2**

The compensation paid in 2024 to the members of the Supervisory Board for their services in 2023 amounted to €0.9 million.

NOTE 19 EVENTS AFTER THE REPORTING DATE

No material events occurred between the reporting date and the date when the consolidated financial statements were authorized for issue by the Managing Chairman.

NOTE 20 LIST OF CONSOLIDATED COMPANIES

Countries are presented based on the Michelin geographical regions and are listed within each region according to the alphabetical order of the French names.

Companies	Consolidation method	Registered office	Type	% interest
EUROPE				
GERMANY				
Michelin Reifenwerke AG & Co. Kommanditgesellschaft auf Aktien	Full consolidation method	Karlsruhe	Manufacturing & commercial	100
Euromaster GmbH	Full consolidation method	Mannheim	Commercial	100
Euromaster Reifenservice Deutschland GmbH	Full consolidation method	Mannheim	Commercial	100
Advantico GmbH	Full consolidation method	Mannheim	Commercial	60
Michelin Deutschland GmbH	Full consolidation method	Karlsruhe	Financial	100
PTG Reifendruckregelsysteme GmbH	Full consolidation method	Neuss	Commercial	100
Michelin Finanz Gesellschaft für Beteiligungen AG & Co. OHG	Full consolidation method	Karlsruhe	Financial	100
Ihle Tires GmbH	Full consolidation method	Muggensturm	Commercial	100
Tirecorp GmbH	Full consolidation method	Muggensturm	Commercial	100
ProServ Produktionsservice und Personaldienste GmbH	Equity method	Karlsruhe	Miscellaneous	35
Dichtelemente Hallite GmbH	Full consolidation method	Hamburg	Manufacturing & commercial	100
Camso Deutschland GmbH	Full consolidation method	Duisbourg	Commercial	100
Masternaut GmbH	Full consolidation method	Munich	Commercial	100
AUSTRIA				
Michelin Reifenverkaufsgesellschaft m.b.H.	Full consolidation method	Vienna	Miscellaneous	100
Euromaster Reifenservice GmbH	Full consolidation method	Vienna	Commercial	100
Camso Austria GmbH	Full consolidation method	Korneubourg	Commercial	100
BELGIUM				
Michelin Belux SA	Full consolidation method	Zellik	Commercial	100
Michelin R&D Belgium NV	Full consolidation method	Ghent	Financial	100
Eurowheel BVBA	Full consolidation method	Herenthout	Manufacturing	100
ITC International Tire NV	Full consolidation method	Wommelgem	Commercial	100
Industrial International Tire Company NV	Full consolidation method	Wommelgem	Commercial	100
Pennel & Flippo	Full consolidation method	Mouscron	Financial	100
BULGARIA				
Michelin Bulgaria EOOD	Full consolidation method	Sofia	Miscellaneous	100
CROATIA				
Michelin Hrvatska d.o.o.	Full consolidation method	Zagreb	Commercial	100
DENMARK				
Michelin Gummi Compagni A/S	Full consolidation method	Frederiksberg	Miscellaneous	100
SPAIN				
Michelin España Portugal, S.A.	Full consolidation method	Valladolid	Manufacturing & commercial	99.81
Euromaster Automoción y Servicios, SA	Full consolidation method	Madrid	Commercial	100
Nex Tyres, SL	Full consolidation method	Lleida	Commercial	50
Lehigh Spain, SL	Full consolidation method	Barcelona	Miscellaneous	100
Servicios y Asistencia OK24, SL	Full consolidation method	Madrid	Commercial	51
Fundación Michelin España Portugal	Full consolidation method	Valladolid	Miscellaneous	99.81
Rodi Metro, SL	Equity method	Lleida	Miscellaneous	20
Fenner Dunlop SL	Full consolidation method	Esparreguera	Manufacturing & commercial	100
Camso Spain, SL	Full consolidation method	Saragossa	Commercial	100
Masternaut Iberica, SL	Full consolidation method	Madrid	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
ESTONIA				
Michelin Rehvide OÜ	Full consolidation method	Tallinn	Miscellaneous	100
Technobalt Eesti OÜ	Full consolidation method	Peetri	Manufacturing & commercial	100
FINLAND				
Oy Suomen Michelin Ab	Full consolidation method	Espoo	Miscellaneous	100
Suomen Euromaster Oy	Full consolidation method	Pori	Commercial	100
FRANCE				
Compagnie Générale des Établissements Michelin	Full consolidation method	Clermont-Ferrand	Parent	-
Compagnie Financière Michelin	Full consolidation method	Clermont-Ferrand	Financial	100
Manufacture Française des Pneumatiques Michelin	Full consolidation method	Clermont-Ferrand	Manufacturing & commercial	100
Pneu Laurent	Full consolidation method	Avallon	Manufacturing & commercial	100
Simorep et Cie – Société du Caoutchouc Synthétique Michelin	Full consolidation method	Bassens	Manufacturing	100
Euromaster France	Full consolidation method	Montbonnot-Saint-Martin	Commercial	100
Michelin Aircraft Tyre	Full consolidation method	Clermont-Ferrand	Commercial	100
Spika	Full consolidation method	Clermont-Ferrand	Financial	100
Michelin Air Services	Full consolidation method	Clermont-Ferrand	Miscellaneous	100
Tyredating	Full consolidation method	Lyon	Commercial	100
Ihle France	Full consolidation method	Schiltigheim	Commercial	100
Euromaster Services et Management	Full consolidation method	Clermont-Ferrand	Commercial	100
GIE Michelin Placements	Full consolidation method	Clermont-Ferrand	Financial	100
Société d'Investissements et de Mécanique	Full consolidation method	Montagny	Miscellaneous	100
Michelin Ventures SAS	Full consolidation method	Clermont-Ferrand	Financial	100
Oxymore	Full consolidation method	Montbonnot-Saint-Martin	Commercial	95
Teleflow SAS	Full consolidation method	Mably	Miscellaneous	100
Michelin Middle East	Full consolidation method	Clermont-Ferrand	Financial	100
MMM !	Full consolidation method	Paris	Miscellaneous	100
Allopneus	Full consolidation method	Aix-en-Provence	Commercial	100
Call For You	Full consolidation method	Aix-en-Provence	Commercial	100
Log For You	Full consolidation method	Aix-en-Provence	Commercial	100
Watèa SAS	Full consolidation method	Clermont-Ferrand	Commercial	70
Société Internationale de Plantations d'Hévéas	Equity method	Courbevoie	Miscellaneous	39.26
Symbio	Equity method	Fontaine	Miscellaneous	33.33
Taquipneu	Equity method	Montauban	Miscellaneous	22.92
Hympulsion	Equity method	Lyon	Manufacturing & commercial	22.78
Fenner Dunlop SARL	Full consolidation method	Elancourt	Manufacturing & commercial	100
Camso France SAS	Full consolidation method	Le Malesherbois	Commercial	100
Masternaut SAS	Full consolidation method	Boulogne-Billancourt	Commercial	100
Runa	Equity method	Lyon	Miscellaneous	48.99
Michelin Engineered Polymers	Full consolidation method	Clermont-Ferrand	Manufacturing	100
Michelin Inflatable Solutions	Full consolidation method	Trappes	Miscellaneous	100
Michelin Editions SAS	Equity method	Paris	Miscellaneous	40
SAS Foncière Le Pic	Equity method	Clermont-Ferrand	Miscellaneous	22
Flex Composite Group SA	Full consolidation method	Lille	Financial	100
Orca Sales	Full consolidation method	Lille	Commercial	100
Foncière Centre des Matériaux Durables	Equity method	Clermont-Ferrand	Miscellaneous	22
ASM Clermont Auvergne	Full consolidation method	Clermont-Ferrand	Miscellaneous	100
Campus	Full consolidation method	Clermont-Ferrand	Miscellaneous	100

Companies	Consolidation method	Registered office	Type	% interest
GREECE				
Elastika Michelin Single Member S.A.	Full consolidation method	Athens	Commercial	100
HUNGARY				
Michelin Hungaria Tyre Manufacture Ltd.	Full consolidation method	Nyíregyháza	Manufacturing & commercial	100
Ihle Magyarország Kft.	Full consolidation method	Komárom	Commercial	100
IRELAND				
Miripro Insurance Company DAC	Full consolidation method	Dublin	Miscellaneous	100
Async Technologies Limited	Equity method	Ennis	Miscellaneous	25
ITALY				
Società per Azioni Michelin Italiana	Full consolidation method	Turin	Manufacturing & commercial	100
Fondazione Michelin Sviluppo	Full consolidation method	Turin	Miscellaneous	100
Euromaster Italia S.r.l.	Full consolidation method	Milan	Commercial	100
MAV S.p.A.	Full consolidation method	Bosentino	Manufacturing & commercial	100
Hallite Italia S.r.l.	Full consolidation method	Collesalvetti	Manufacturing & commercial	100
Fenner Dunlop Italia S.r.l.	Full consolidation method	Milan	Manufacturing & commercial	100
Camso Manufacturing Italy S.r.l.	Full consolidation method	Milan	Manufacturing	100
Camso Italy S.p.A.	Full consolidation method	Ozzero	Commercial	100
Webraska Italia S.r.l.	Full consolidation method	Milan	Miscellaneous	100
TRK S.r.l.	Full consolidation method	Milan	Commercial	100
Black Circles Italy	Full consolidation method	Milan	Commercial	100
Fait Plast Developpement SpA	Full consolidation method	Cellatica	Financial	100
FCG Composite Italy S.p.A.	Full consolidation method	Venice	Financial	100
Fait plast S.p.A.	Full consolidation method	Cellatica	Manufacturing & commercial	100
Angeloni Group S.r.l.	Full consolidation method	Venice	Manufacturing & commercial	100
Selcom S.r.l.	Full consolidation method	Fregona	Manufacturing & commercial	100
LATVIA				
TB Industry SIA	Full consolidation method	Riga	Manufacturing & commercial	100
LITHUANIA				
Technobalta UAB	Full consolidation method	Vilnius	Manufacturing & commercial	100
NORWAY				
Norsk Michelin Gummi AS	Full consolidation method	Oslo	Miscellaneous	100
Fenner Mandals AS	Full consolidation method	Mandal	Manufacturing & commercial	100
NETHERLANDS				
Euromaster Bandenservice BV	Full consolidation method	Deventer	Commercial	100
Michelin Nederland N.V.	Full consolidation method	Drunen	Commercial	100
Transityre BV	Full consolidation method	Breda	Commercial	100
Michelin Distribution BV	Full consolidation method	Breda	Commercial	100
Actor BV	Full consolidation method	Deventer	Commercial	100
MC Projects BV	Equity method	Maastricht	Miscellaneous	50
Dunlop Service BV	Full consolidation method	Klazienaveen	Manufacturing & commercial	100
Fenner Dunlop BV	Full consolidation method	Drachten	Manufacturing & commercial	100
Dunlop Enerka Netherlands B.V.	Full consolidation method	Drachten	Financial	100
Dunlop Service International B.V.	Full consolidation method	Drachten	Financial	100
Camso Nederland BV	Full consolidation method	Nieuwegein	Commercial	100
Masternaut BV	Full consolidation method	Rotterdam	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
POLAND				
Michelin Polska sp. z o.o.	Full consolidation method	Olsztyn	Manufacturing & commercial	100
Euromaster Polska sp. z o.o.	Full consolidation method	Olsztyn	Commercial	100
Michelin Development Foundation (Fundacja Rozwoju Michelin)	Full consolidation method	Olsztyn	Miscellaneous	100
Dunlop Conveyor Belting Polska sp. z.o.o.	Full consolidation method	Mikołów	Manufacturing & commercial	100
Camso Polska SA	Full consolidation method	Warsaw	Commercial	100
Michelin Speciality Materials Recovery Poland sp. z o.o.	Full consolidation method	Olsztyn	Manufacturing & commercial	100
PORTUGAL				
Michelin-Companhia Luso-Pneu, Limitada	Full consolidation method	Lisbon	Miscellaneous	100
Euromaster Portugal - Sociedade Unipessoal, LDA	Full consolidation method	Lisbon	Commercial	100
CZECH REPUBLIC				
Euromaster Česká republika s.r.o.	Full consolidation method	Prague	Commercial	100
Michelin Česká republika s.r.o.	Full consolidation method	Prague	Miscellaneous	100
Ihle Czech, s.r.o.	Full consolidation method	Plzen	Commercial	100
Cemat trading spol s.r.o.	Full consolidation method	Bohumín	Commercial	100
ROMANIA				
Michelin Romania SA	Full consolidation method	Voluntari	Manufacturing & commercial	99.86
Euromaster Tyre & Services Romania S.A.	Full consolidation method	Voluntari	Commercial	100
Ihle Anvelope SRL	Full consolidation method	Pitesti	Commercial	100
UNITED KINGDOM				
Michelin Tyre Public Limited Company	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
ATS Euromaster Limited	Full consolidation method	Birmingham	Commercial	100
Associated Tyre Specialists (Investment) Limited	Full consolidation method	Birmingham	Commercial	100
ATS Property and Real Estate Limited	Full consolidation method	Birmingham	Commercial	100
Blackcircles.com Limited	Full consolidation method	Edinburgh	Commercial	100
Michelin Finance (UK) Limited	Full consolidation method	London	Financial	100
Michelin Lifestyle Limited	Full consolidation method	Stoke-on-Trent	Commercial	100
Michelin Development Limited	Full consolidation method	Stoke-on-Trent	Miscellaneous	100
TFM Holdings Limited	Full consolidation method	Eastleigh	Commercial	100
Fenner Group Holdings Limited	Full consolidation method	Stoke-on-Trent	Financial	100
Fenner International Limited	Full consolidation method	Stoke-on-Trent	Financial	100
J.H. Fenner & Co. Limited	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
Hallite Seals International Limited	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
James Dawson & Son Limited	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
Dunlop Conveyor Belting Investments Limited	Full consolidation method	Stoke-on-Trent	Financial	100
Hall & Hall Limited	Full consolidation method	Stoke-on-Trent	Financial	100
J.H. Fenner & Co. (Advanced Engineering Products) Limited	Full consolidation method	Stoke-on-Trent	Financial	100
J.H. Fenner & Co. (India) Limited	Full consolidation method	Stoke-on-Trent	Financial	100
James Dawson (China) Limited	Full consolidation method	Stoke-on-Trent	Financial	100
Fenner Pension Scheme Trustee Limited	Full consolidation method	Stoke-on-Trent	Miscellaneous	100

Companies	Consolidation method	Registered office	Type	% interest
Vulcanisers International Limited	Full consolidation method	Hull	Financial	100
Camso UK Limited	Full consolidation method	Cowbridge	Commercial	100
Masternaut Group Holdings Limited	Full consolidation method	Marlow	Financial	100
Masternaut Limited	Full consolidation method	Aberford	Commercial	100
Masternaut Bidco Limited	Full consolidation method	London	Financial	100
Masternaut Holdings Limited	Full consolidation method	Marlow	Commercial	100
Masternaut Risk Solutions Limited	Full consolidation method	Marlow	Commercial	100
Old World Limited	Full consolidation method	London	Miscellaneous	100
Canopy Technologies Ltd.	Full consolidation method	Southampton	Financial	100
Canopy Simulations Ltd.	Full consolidation method	Southampton	Miscellaneous	100
SERBIA				
Tigar Tyres d.o.o.	Full consolidation method	Pirot	Manufacturing & commercial	100
SLOVAKIA				
Michelin Slovensko, s.r.o.	Full consolidation method	Bratislava	Miscellaneous	100
Ihle Slovakia s.r.o.	Full consolidation method	Bratislava	Commercial	100
Ihle Slovakia Logistic a Servis s.r.o.	Full consolidation method	Bratislava	Commercial	100
CEMAT s.r.o. Slovakia	Full consolidation method	Martin-Priekopa	Commercial	100
SLOVENIA				
Michelin Slovenija, pnevmatike, d.o.o.	Full consolidation method	Ljubljana	Miscellaneous	100
Ihle pnevmatike, d.o.o.	Full consolidation method	Maribor	Commercial	100
SWEDEN				
Euromaster AB	Full consolidation method	Varberg	Commercial	100
Michelin Nordic AB	Full consolidation method	Stockholm	Commercial	100
Masternaut AB	Full consolidation method	Stockholm	Commercial	100
Scandinavian Enviro Systems AB	Equity method	Gothenburg	Manufacturing & commercial	16.28
SWITZERLAND				
Euromaster (Suisse) SA	Full consolidation method	Givisiez	Commercial	100
Nitor SA	Full consolidation method	Granges-Paccot	Financial	100
Michelin Suisse SA	Full consolidation method	Givisiez	Commercial	100
Compagnie Financière Michelin Suisse S.A.	Full consolidation method	Granges-Paccot	Financial	100
Michelin Recherche et Technique SA	Full consolidation method	Granges-Paccot	Miscellaneous	100
Michelin Mexico Properties Sàrl	Full consolidation method	Granges-Paccot	Financial	100
Michelin Finanz Gesellschaft für Beteiligungen S.A.	Full consolidation method	Granges-Paccot	Financial	100
Michelin Invest SA	Full consolidation method	Granges-Paccot	Financial	100
Ihle Service & Logistik Schweiz AG	Full consolidation method	Bülach	Commercial	100
Michelin Global Mobility S.A.	Full consolidation method	Granges-Paccot	Miscellaneous	100
Camso Schweiz AG	Full consolidation method	Schaffhouse	Commercial	100
TURKEY				
Michelin Lastikleri Ticaret A.S.	Full consolidation method	Istanbul	Commercial	100
Euromaster Lastik Ve Servis Limited Sirketi	Full consolidation method	Istanbul	Commercial	100
Camso Lastik Ticaret Limited Sirketi	Full consolidation method	Istanbul	Commercial	100
UKRAINE				
Michelin Ukraine LLC	Full consolidation method	Kyiv	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
AFRICA/INDIA/MIDDLE EAST				
SOUTH AFRICA				
Michelin Tyre Company South Africa Proprietary Limited	Full consolidation method	Boksburg	Commercial	100
Fenner (South Africa) (Pty) Limited	Full consolidation method	Isando	Financial	100
Fenner Conveyor Belting (South Africa) (Pty) Limited	Full consolidation method	Isando	Manufacturing & commercial	100
Michelin Connected Fleet South Africa (Pty) Limited	Full consolidation method	Boksburg	Miscellaneous	100
ALGERIA				
Société d'Applications Techniques Manufacturings	Full consolidation method	Algiers	Commercial	100
SAUDI ARABIA				
Juffali Tyres Co. Ltd.	Equity method	Jeddah	Commercial	50
CDI Products Arabia Industrial LLC	Full consolidation method	Al Khobar	Manufacturing & commercial	50
CAMEROON				
Société Moderne du Pneumatique Camerounais	Full consolidation method	Douala	Commercial	100
IVORY COAST				
Société Africaine de Plantations d'Hévéas	Equity method	Abidjan	Miscellaneous	18
UNITED ARAB EMIRATES				
Michelin AIM FZCO	Full consolidation method	Dubai	Miscellaneous	100
GHANA				
Dunlop Conveyor Belting Ghana Limited	Full consolidation method	Accra	Manufacturing & commercial	100
INDIA				
Michelin India Private Limited	Full consolidation method	Chennai	Manufacturing	100
Fenner Conveyor Belting Private Limited	Full consolidation method	Madurai	Manufacturing & commercial	100
Hallite Sealing Solutions India Private Limited	Full consolidation method	Bangalore	Manufacturing & commercial	100
Camso India LLP	Full consolidation method	Gurgaon	Commercial	100
KENYA				
Tyre Distribution Africa Limited	Equity method	Nairobi	Miscellaneous	49
MOROCCO				
Fenner Dunlop Maroc SARL	Full consolidation method	Casablanca	Manufacturing & commercial	100
Michelin Maroc SARL	Full consolidation method	Casablanca	Commercial	100
NIGERIA				
Michelin Tyre Services Company Ltd.	Full consolidation method	Lagos	Commercial	95.83
SRI LANKA				
Michelin Lanka (Private) Limited	Full consolidation method	Ja-Ela	Manufacturing	100
Camso Trading (Private) Limited	Full consolidation method	Ja-Ela	Commercial	100
Michelin Business Services Lanka (private) Limited	Full consolidation method	Colombo	Financial	100
NORTH AMERICA				
CANADA				
Michelin North America (Canada) Inc.	Full consolidation method	Laval	Manufacturing & commercial	100
Michelin Retread Technologies (Canada) Inc.	Full consolidation method	New Glasgow	Commercial	100
Michelin Development (Canada) Inc.	Full consolidation method	New Glasgow	Miscellaneous	100
Oliver Rubber Canada Limited	Full consolidation method	Granton, Nova Scotia	Commercial	100
Fenner Dunlop (Bracebridge), Inc.	Full consolidation method	Bracebridge	Manufacturing & commercial	100
Hallite Seals (Canada) Ltd	Full consolidation method	Mississauga	Manufacturing & commercial	100
Camso Inc.	Full consolidation method	Magog	Financial	100
Camso Distribution Canada Inc.	Full consolidation method	Mississauga	Commercial	100
Klinge Tire Management Consultants CA Ltd	Full consolidation method	Toronto	Miscellaneous	100

Companies	Consolidation method	Registered office	Type	% interest
UNITED STATES OF AMERICA				
Michelin North America, Inc.	Full consolidation method	New York	Manufacturing & commercial	100
Michelin Retread Technologies, Inc.	Full consolidation method	Wilmington	Commercial	100
CR Funding Corporation	Full consolidation method	Wilmington	Financial	100
Michelin Corporation	Full consolidation method	New York	Financial	100
Oliver Rubber Company, LLC	Full consolidation method	Wilmington	Manufacturing	100
NexTraq, LLC	Full consolidation method	Wilmington	Commercial	100
Tire Centers West, LLC	Full consolidation method	Wilmington	Commercial	100
Lehigh Technologies, Inc.	Full consolidation method	Wilmington	Commercial	100
TBC Corporation	Equity method	Palm Beach Gardens	Commercial	50
T & W Tire, LLC	Equity method	Oklahoma City	Commercial	25
Snider Tire, Inc.	Equity method	Greensboro	Commercial	25
Fenner Inc.	Full consolidation method	Harrisburg	Manufacturing & commercial	100
Fenner America, Inc.	Full consolidation method	Wilmington	Financial	100
Fenner Advanced Sealing Technologies, LLC	Full consolidation method	Wilmington	Financial	100
American Industrial Plastics, LLC	Full consolidation method	Plantation	Manufacturing & commercial	100
CDI Energy Products, LLC	Full consolidation method	Dallas	Manufacturing & commercial	100
Hallite Seals Americas, LLC	Full consolidation method	Plymouth	Manufacturing & commercial	100
Fenner Medical Holdings Inc.	Full consolidation method	Harrisburg	Financial	100
Fenner Dunlop Conveyor Systems and Services, LLC	Full consolidation method	Harrisburg	Manufacturing & commercial	100
Fenner Dunlop Americas, LLC	Full consolidation method	Harrisburg	Manufacturing & commercial	100
Fenner Dunlop (Port Clinton), LLC	Full consolidation method	Columbus	Manufacturing & commercial	100
Fenner Dunlop (Toledo), LLC	Full consolidation method	Columbus	Manufacturing & commercial	100
Mandals US, LLC	Full consolidation method	Dallas	Manufacturing & commercial	100
Solesis Holdings, LLC	Equity method	Charlotte	Miscellaneous	49
Camso Holding USA, LLC	Full consolidation method	Wilmington	Financial	100
Camso Manufacturing USA, Ltd.	Full consolidation method	Wilmington	Manufacturing	100
Camso USA Inc.	Full consolidation method	Tallahassee	Commercial	100
Industrial Tire/DFW, LLC	Full consolidation method	Irving	Commercial	67
Airflash, Inc.	Full consolidation method	Saratoga	Miscellaneous	100
Achilles Tires USA, Inc.	Full consolidation method	Los Angeles	Commercial	99.64
The Wine Advocate, Inc.	Full consolidation method	Parkton	Miscellaneous	100
Tablet, LLC	Full consolidation method	Wilmington	Miscellaneous	100
Klinge Tire Management Consultants, Inc.	Full consolidation method	Carson City	Miscellaneous	100
Michelin Mobility Intelligence, Inc.	Full consolidation method	Pittsburgh	Miscellaneous	100
Pennel USA, Inc.	Full consolidation method	Wando	Commercial	100
EGC Operating Company, LLC	Full consolidation method	Chardon	Manufacturing & commercial	100
MEXICO				
Industrias Michelin, SA de CV	Full consolidation method	Querétaro	Manufacturing & commercial	100
Michelin Sascar Mexico SA de CV	Full consolidation method	Querétaro	Commercial	100
Michelin Mexico Services, SA de CV	Full consolidation method	Querétaro	Miscellaneous	100
Camso Distribución México, SA de CV	Full consolidation method	Tultitlan	Commercial	100
PANAMA				
Michelin Panama Corp.	Full consolidation method	Panama	Miscellaneous	100

Companies	Consolidation method	Registered office	Type	% interest
SOUTH AMERICA				
ARGENTINA				
Michelin Argentina Sociedad Anónima, Industrial, Comercial y Financiera	Full consolidation method	Buenos Aires	Commercial	100
Rodaco Argentina SAU	Full consolidation method	Buenos Aires	Commercial	100
BRAZIL				
Sociedade Michelin de Participações, Indústria e Comércio Ltda.	Full consolidation method	Rio de Janeiro	Manufacturing & commercial	100
Sociedade Tyreplus Brasil Ltda.	Full consolidation method	Rio de Janeiro	Commercial	100
Plantações Michelin da Bahia Ltda.	Full consolidation method	Rio de Janeiro	Miscellaneous	100
Plantações E. Michelin Ltda.	Full consolidation method	Rio de Janeiro	Miscellaneous	100
Sascar Tecnologia e Segurança Automotiva S.A.	Full consolidation method	Barueri	Miscellaneous	100
Seva Engenharia Eletrônica S.A.	Full consolidation method	Contagem	Miscellaneous	100
CVB Produtos Industriais Ltda.	Full consolidation method	São Paulo	Manufacturing	100
CHILE				
Michelin Chile Ltda.	Full consolidation method	Santiago	Commercial	100
Conveyor Services SA	Full consolidation method	Antofagasta	Manufacturing & commercial	100
Michelin Specialty Materials Recovery SpA	Full consolidation method	Santiago	Manufacturing & commercial	100
CPS Conveyors SpA	Full consolidation method	Santiago	Commercial	100
COLOMBIA				
Industria Colombiana de Llantas SA	Full consolidation method	Bogotá	Commercial	99.96
ECUADOR				
Michelin del Ecuador S.A.	Full consolidation method	Quito	Commercial	100
PERU				
Michelin del Perú S.A.	Full consolidation method	Lima	Commercial	100
Conveyor Pulleys & Solutions SAC	Full consolidation method	Lima	Commercial	100
VENEZUELA				
Michelin Venezuela, SA	Equity method	Valencia	Commercial	100
SOUTH EAST ASIA/AUSTRALIA/CENTRAL ASIA				
AUSTRALIA				
Michelin Australia Pty Ltd	Full consolidation method	Melbourne	Commercial	100
Klinge Holdings Pty Ltd	Full consolidation method	Brisbane	Miscellaneous	100
Hallite Seals Australia Pty Limited	Full consolidation method	Wetherill Park	Manufacturing & commercial	100
Fenner Dunlop Australia Pty Limited	Full consolidation method	West Footscray	Manufacturing & commercial	100
Fenner (Pacific) Pty Limited	Full consolidation method	West Footscray	Financial	100
Fenner Australia Financing Pty Limited	Full consolidation method	West Footscray	Financial	100
Australian Conveyor Engineering Pty Limited	Full consolidation method	West Footscray	Manufacturing & commercial	100
Agile Maintenance Services Pty Limited	Full consolidation method	West Footscray	Financial	100
BBV Partnership	Full consolidation method	West Footscray	Manufacturing & commercial	100
Belle Banne Conveyor Services Pty Limited	Full consolidation method	West Footscray	Manufacturing & commercial	100
Bearcat Tyres Pty Ltd	Full consolidation method	Girraween	Commercial	100
Conveyor Products & Solutions Pty Ltd	Full consolidation method	Victoria	Manufacturing & commercial	100
Conveyor Pulleys & Solutions Pty Ltd	Full consolidation method	Victoria	Manufacturing & commercial	100
Wilvic Australia Pty Ltd	Full consolidation method	Victoria	Manufacturing & commercial	50
Michelin Connected Fleet Australia PTY Ltd.	Full consolidation method	Melbourne	Commercial	100
Tyroola PTY Ltd.	Full consolidation method	Sydney	Commercial	100
Tyroola Holding	Full consolidation method	Sydney	Financial	100
Tyroola International Limited	Full consolidation method	Sydney	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
INDONESIA				
PT Michelin Indonesia	Full consolidation method	Jakarta	Commercial	99.64
PT Synthetic Rubber Indonesia	Full consolidation method	Jakarta	Manufacturing	55
PT Royal Lestari Utama	Full consolidation method	Jakarta	Miscellaneous	100
PT Lestari Asri Jaya	Full consolidation method	Jakarta	Manufacturing	100
PT Multi Kusuma Cemerlang	Full consolidation method	Jakarta	Manufacturing	100
PT Wanamukti Wisasa	Full consolidation method	Jakarta	Manufacturing	100
PT Multistrada Arah Sarana Tbk	Full consolidation method	Bekasi	Manufacturing & commercial	99.64
PT Kawasan Industri Multistrada	Full consolidation method	Bekasi	Miscellaneous	99.63
KAZAKHSTAN				
Michelin Kazakhstan Limited Liability Partnership	Full consolidation method	Amaty	Commercial	100
MALAYSIA				
Michelin Malaysia Sdn. Bhd.	Full consolidation method	Petaling Jaya	Commercial	100
Michelin Services (S.E.A.) Sdn. Bhd.	Full consolidation method	Petaling Jaya	Miscellaneous	100
NEW ZEALAND				
Tyreline Distributors Limited	Equity method	Hamilton	Commercial	25
Beau Ideal Limited	Equity method	Te Awamutu	Commercial	25.01
Camso New Zealand Limited	Full consolidation method	Auckland	Commercial	100
Tyroola Limited	Full consolidation method	Auckland	Miscellaneous	100
SINGAPORE				
Michelin Asia (Singapore) Co. Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Michelin Asia-Pacific Pte. Ltd.	Full consolidation method	Singapore	Miscellaneous	100
Michelin Asia-Pacific Import (SG) Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Michelin Asia-Pacific Export (SG) Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Michelin Asia-Pacific Import-Export (SG) Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Société des Matières Premières Tropicales Pte. Ltd.	Full consolidation method	Singapore	Miscellaneous	100
Wine Advocate Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Fenner Singapore Pte. Ltd.	Full consolidation method	Singapore	Financial	100
CDI Energy Products Pte. Ltd.	Full consolidation method	Singapore	Manufacturing & commercial	100
THAILAND				
Michelin Siam Company Limited	Full consolidation method	Bangkok	Manufacturing & commercial	100
Michelin Roh Co., Ltd.	Full consolidation method	Bangkok	Miscellaneous	100
NTeq Polymer Co., Ltd.	Equity method	Surat Thani	Miscellaneous	45
VIETNAM				
Michelin Vietnam Company Limited	Full consolidation method	Ho Chi Minh City	Commercial	100
Camso Vietnam Co., Ltd	Full consolidation method	Tan Uyen	Manufacturing	100

Companies	Consolidation method	Registered office	Type	% interest
CHINA				
CHINA				
Michelin Shenyang Tire Co., Ltd.	Full consolidation method	Shenyang	Manufacturing	100
Shanghai Michelin Tire Co., Ltd.	Full consolidation method	Shanghai	Manufacturing	100
Michelin Asia (Hong Kong) Limited	Full consolidation method	Hong Kong	Commercial	100
Michelin (China) Investment Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Shanghai Suisheng Information Technology Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Michelin Tyre Research and Development Center	Full consolidation method	Shanghai	Miscellaneous	100
Tyre Plus (Shanghai) Auto Accessories Trading Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Michelin (Shanghai) Aircraft Tires Trading Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Dawson Polymer Products (Shanghai) Company Limited	Full consolidation method	Shanghai	Manufacturing & commercial	100
Hallite Shanghai Company Limited	Full consolidation method	Shanghai	Manufacturing & commercial	100
Camso Enterprise Management (China) Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Wine Advocate (HK) Ltd.	Full consolidation method	Hong Kong	Miscellaneous	100
Fait plast Hong Kong Ltd	Full consolidation method	Hong Kong	Commercial	100
Michelin Engineered Polymers (Shanghai), Co., Ltd.	Full consolidation method	Shanghai	Miscellaneous	100
TAIWAN				
Michelin Tire Taiwan Co., Ltd.	Full consolidation method	Taipei	Commercial	100
JAPAN/KOREA				
JAPAN				
Nihon Michelin Tire Co., Ltd.	Full consolidation method	Tokyo	Commercial	100
SOUTH KOREA				
Michelin Korea Co., Ltd.	Full consolidation method	Seoul	Commercial	100

NOTE 21 STATUTORY AUDITORS' FEES

	Deloitte				PricewaterhouseCoopers			
	Statutory Auditor (Deloitte & Associés)		Network		Statutory Auditor (PricewaterhouseCoopers Audit)		Network	
(in € thousands)	Amount	%	Amount	%	Amount	%	Amount	%
STATUTORY AUDIT AND HALF-YEAR REVIEW OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS								
■ Issuer(1)	1,427	53%	-	0%	1,384	55%	-	0%
■ Fully consolidated subsidiaries	1,274	47%	4,382	100%	1,128	45%	4,669	100%
Sub-total	**2,701**	**100%**	**4,382**	**100%**	**2,512**	**100%**	**4,669**	**100%**
NON-AUDIT SERVICES								
■ Issuer(2)	68	68%	-	0%	113	48%	-	0%
■ Fully consolidated subsidiaries(2)	32	32%	220	100%	124	52%	585	100%
Sub-total	**100**	**100%**	**220**	**100%**	**237**	**100%**	**585**	**100%**
TOTAL	**2,801**		**4,602**		**2,749**		**5,254**	

(1) Fees for the certification of the 2024 sustainability report are included in statutory audit services and amount to €1,370 thousand for the co-auditors.
(2) Corresponding chiefly to procedures performed in connection with acquisitions or planned acquisitions, diagnostic reviews, tax compliance reviews and certifications issued at the request of the audited companies.

5.2.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2024)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of Compagnie Générale des Etablissements Michelin,

Compagnie Générale des Établissements Michelin
23 place des Carmes-Déchaux
63000 Clermont Ferrand

Opinion

In compliance with the engagement entrusted to us by your Shareholders Meeting, we have audited the accompanying consolidated financial statements of Compagnie Générale des Etablissements Michelin for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill allocated to sensitive CGUs

Description of risk

At December 31, 2024, the net value of goodwill totaled €2,829 million, and represented approximately 8% of total assets.

For the purpose of impairment testing in accordance with IAS 36, goodwill is allocated to cash-generating units (CGUs) or to groups of CGUs. Notes 2.8.1 and 12 to the consolidated financial statements describe the methods used by the Group to ensure that the carrying amount of non-current non-financial assets (including goodwill) allocated to CGUs does not exceed their recoverable amount. Note 2.7 specifies how climate risk is recognized by the Group in impairment tests.

For the majority of the assets, this recoverable amount is assessed based on future discounted cash flows, using the forecasts set out in the Group's five-year business plan. For the Distribution CGUs, the recoverable amount is measured based on the fair value of land and buildings, which represent most of their assets, less costs of disposal.

We considered the measurement of goodwill allocated to sensitive CGUs to be a key audit matter due to its materiality in the consolidated statement of financial position and because the determination of its recoverable amount requires judgment, notably for the cash flow projections.

How our audit addressed this risk

With the assistance of our valuation experts, we performed the following procedures with respect to impairment tests:

- examined the compliance of the method applied by the Group with the provisions of IAS 36 "Impairment of Assets";
- reconciled the value of the assets subject to the impairment tests with the consolidated financial statements to ensure that the CGUs cover all of the Group's assets;
- assessed the reasonableness of the cash flow forecasts, with the finance managers of the relevant businesses, in particular with respect to past performance;
- assessed the reasonableness of the discount rates and long-term growth rates used to perform the impairment tests, based on comparable market data;
- carried out our own sensitivity analyses for certain key variables in the valuation model, in particular in relation to climate risks;
- verified the appropriateness of the disclosures provided in Notes 2.8.1 and 12 to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Managing Chairman's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and prepared under the Managing Chairman's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Compagnie Générale des Etablissements Michelin by the annual Shareholders Meeting held on May 14, 2004 for PricewaterhouseCoopers Audit and May 7, 2010 for Deloitte & Associés.

At December 31, 2024, PricewaterhouseCoopers Audit and Deloitte & Associés were in the twenty-first and fifteenth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Managing Chairman.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.

He also:

- identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and performs audit procedures in response to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, he is required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, February 18, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit
Itto El Hariri

Deloitte & Associés
Frédéric Gourd

5.3 FINANCIAL STATEMENTS

5.3.1 REVIEW OF THE FINANCIAL STATEMENTS OF COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

Compagnie Générale des Établissements Michelin (CGEM) is the Group's parent company, which directly or indirectly owns all of its subsidiaries and affiliates.

Further information about the company is available in section 6.1 “Information about the Company”.

5.3.1.1 Income statement

CGEM reported net income of €1,217 million in 2024, versus €272 million in 2023.

5.3.1.1.1. Net operating income

Revenue increased by €1,797 million.

Net operating income amounted to €160 million in 2024, compared with €243 million in 2023.

Operating expenses increased by €81 million to €1,810 million, versus €1,729 million in 2023.

5.3.1.1.2. Net financial income

Net financial income amounted to €1,033 million in 2024, compared with €33 million in 2023. The increase was mainly due to the payment of a dividend of €1 billion by Compagnie Financière Michelin.

5.3.1.1.3. Net non-recurring expense

A slight net non-recurring expense of €0.41 million was recognized in 2024, reflecting a year shaped by few exceptional events.

5.3.1.2 Balance sheet

Equity amounted to €7,057 million at December 31, 2024, versus €7,186 million a year earlier, a €129 million decrease. The year-on-year change primarily reflects the recognition of 2024 net income of €1,217 million and the payment of dividends and the General Partners' profit share for €965 million, and the share buyback program for €502 million.

5.3.2 FINANCIAL STATEMENTS OF COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN (PARENT)

ASSETS *(in € thousands)*	Note	December 31, 2024 Cost	December 31, 2024 Depreciation, amortization & provisions	December 31, 2024 Net	December 31, 2023 Net
Intangible assets	5	427,379	(309,140)	118,239	119,516
Investments	6	12,395,359	(29,657)	12,365,702	11,282,052
NON-CURRENT ASSETS		**12,822,738**	**(338,797)**	**12,483,941**	**11,401,568**
Receivables	7	1,247,045		1,247,045	1,349,583
Derivative instruments	8.1	43,064	(42,906)	158	250
Cash		2,914,626		2,914,626	1,176,393
Prepaid expenses		3,789		3,789	4,922
CURRENT ASSETS		**4,208,524**	**(42,906)**	**4,165,618**	**2,531,148**
Deferred charges and bond call premiums		42,847	(6,898)	35,949	25,375
Conversion losses					
TOTAL ASSETS		**17,074,109**	**(388,601)**	**16,685,508**	**13,958,092**

EQUITY AND LIABILITIES *(in € thousands)*	Note	December 31, 2024	December 31, 2023
Share capital	9	352,874	357,479
Paid-in capital in excess of par	9	2,325,852	2,701,774
Revaluation reserve	10	624,772	624,772
Other reserves	10	1,282,107	1,282,573
Retained earnings	10	1,193,231	1,885,645
Net income	10	1,216,874	272,053
Untaxed reserves	10	61,598	61,598
EQUITY		**7,057,308**	**7,185,894**
Convertible bonds	8.1		
Ordinary bonds and other borrowings	8.2	5,953,808	4,930,951
Other financial liabilities	11	2,748,686	949,606
Accrued taxes and payroll costs	11	11,700	3,531
Other liabilities	11	914,006	888,110
Derivative instruments		-	-
LIABILITIES		**9,628,200**	**6,772,198**
Conversion gains			
TOTAL EQUITY AND LIABILITIES		**16,685,508**	**13,958,092**

Income statement

(in € thousands)	Note	2024	2023
Revenue (royalties)	13	1,797,318	1,790,853
Other revenue		20,627	10,308
Exchange gains		152,906	170,713
Revenue		**1,970,851**	**1,971,874**
External charges	14	(1,617,315)	(1,506,991)
Taxes other than on income		(30,760)	(1,272)
Payroll costs		(2,712)	(3,502)
Depreciation and amortization	5	(2,803)	(46,070)
Other expenses		(1,652)	(1,341)
Exchange losses		(155,234)	(169,828)
Operating expenses		**(1,810,476)**	**(1,729,004)**
NET OPERATING INCOME		**160,375**	**242,870**
Dividends from subsidiaries and affiliates	20	1,059,819	82,028
Interest income		114,484	126,223
Provision reversals	6	-	
Exchange gains		1,198	4,540
Financial income		**1,175,501**	**212,791**
Amortization and provision expense	6	(39,892)	(82,547)
Interest expense		(101,950)	(95,682)
Exchange losses		(312)	(1,403)
Financial expense		**(142,154)**	**(179,632)**
NET FINANCIAL INCOME		**1,033,347**	**33,159**
INCOME BEFORE NON-RECURRING ITEMS AND TAX		**1,193,722**	**276,029**
Non-recurring income	**6**	**195,548**	**2,475,763**
Non-recurring expenses	**6**	**(195,958)**	**(2,460,627)**
NET NON-RECURRING INCOME/(EXPENSE)		**(410)**	**15,136**
Income tax	15	23,562	(19,112)
NET INCOME		**1,216,874**	**272,053**

NOTES TO THE FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

The financial year of Compagnie Générale des Établissements Michelin (the Company) covers the 12 months from January 1 to December 31.

The following notes and tables form an integral part of the financial statements.

The financial statements were approved for publication by the Managing Chairman on February 12, 2025 after being reviewed by the Supervisory Board.

Unless otherwise specified, all amounts are presented in thousands of euros.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

2.1 Bond issue

On May 7, 2024, Compagnie Générale des Établissements Michelin carried out a €1 billion euro-denominated bond issue in two €500 million tranches with maturities of 7 and 12 years.

The 7-year tranche pays interest at 3.125% and the 12-year tranche at 3.375%. The net issue proceeds have been used for general corporate financing requirements.

2.2 Share buyback program

As part of its capital management and optimization policy, on February 12, 2024 the Group announced the launch of a multi-year share buyback program. Up to €1 billion will be invested in the program, which will be carried out over a three-year period from 2024 to 2026.

On February 29, 2024, the Group signed two agreements with investment service providers covering €500 million worth of share buybacks. The agreements were executed in full during the year, with 14,476,942 shares bought back at an average price of €34.6 per share and subsequently canceled.

2.3 Employee share ownership plan (Bib'Action)

In September 2024, the Company launched its "Bib'Action" employee share ownership plan, which closed in October 2024.

At the end of the subscription period, 4,334,310 new shares had been issued, resulting in a capital increase of €121 million.

2.4 Dividends received

In May 2024, the Company received a dividend of €19.3 million from PT Multistrada.

In June 2024, the Company received a dividend of €1 billion from Compagnie Financière Michelin.

In July 2024, the Company received a dividend of €37.6 million from Camso Inc.

The Company also received dividends from its other subsidiaries in a total amount of €2.4 million.

2.5 Movements in Camso International S.à.r.l shares

In December 2024, the Company transferred its shares in Camso International S.à.r.l to Compagnie Financière Michelin for an amount of €78 million (after taking into account a €37 million impairment loss). In return, the Company received 454,004 shares from Compagnie Financière Michelin.

2.6 Adjustment in respect of 2023

In 2023, the Group implemented its new "Odyssey" transfer pricing policy. In 2024, an adjustment to the amount invoiced in 2023 gave rise to a €48 million negative adjustment to the Company's total revenue in the 2024 financial statements.

2.7 European Commission inquiry

In January 2024, the European Commission launched a competition inquiry into the tire industry in Europe. Michelin is one of the manufacturers concerned by the inquiry. In 2024, class actions were filed in the USA and Canada as a direct consequence of this inquiry. However, in April 2024, the Group lodged an appeal with the European Court of First Instance to have the decision authorizing the inspection annulled. As a reminder, the Group applies a strict policy of compliance with competition law across all of its businesses and in all of its host countries. In its public communication, the Commission has clearly stated that the opening of this inquiry does not prejudge the inquiry's outcome. At the same time, Michelin has reiterated its right to be presumed innocent. No provision was set aside for this matter at December 31, 2024.

NOTE 3 BASIS OF PREPARATION

The financial statements of Compagnie Générale des Établissements Michelin have been prepared and presented in accordance with French generally accepted accounting principles, including regulation ANC 2016-07 dated November 4, 2016 and the guidance and recommendations issued since that date by the French Accounting Standards Board (ANC). These principles have been applied consistently in all periods presented unless otherwise specified.

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Intangible assets

"Brands, patents and other rights" are stated at historical cost. Brands have an indefinite life and are not amortized. Patents and other rights are amortized on a straight-line basis over seven years. If there is any indication that the value of brands, patents or other rights may be impaired, a provision for impairment is recorded. Expenses incurred for the creation and protection of brands are recognized as expenses for the year.

Research and development costs are also recorded as expenses during the year.

4.2 Investments

4.2.1 Shares in subsidiaries and affiliates

Shares in subsidiaries and affiliates are stated at historical cost, except for investments held at the time of the 1976/1978 legal revaluation, which are stated at valuation.

At each annual closing, the fair value of shares in subsidiaries and affiliates is estimated based on the investee's net assets (stated at valuation if applicable), profitability and outlook, and its fair value for the investor company. In the event of a lasting decline in fair value to below the carrying amount, an impairment loss is recognized.

Investment acquisition costs are recorded as an expense on the transaction date.

4.2.2 Loans and advances to subsidiaries and affiliates

Loans and advances to subsidiaries and affiliates are stated at nominal value and a provision for impairment is recognized to cover any risk of non-recovery.

4.3 Receivables

Accounts receivable are stated at nominal value and a provision for impairment is recognized to cover any risk of non-recovery.

4.4 Paid-in capital in excess of par

This item corresponds to premiums on shares issued for cash or on conversion of bonds, after deducting issuance costs net of tax. When shares are cancelled, the difference between their purchase cost and par value is recorded as a deduction from paid-in capital in excess of par.

4.5 Untaxed reserves

Substantially all untaxed reserves correspond to reinvested capital gains qualifying for rollover relief under the former Article 40 of the French General Tax Code (*Code général des impôts*).

4.6 Conversion of foreign currencies

Revenues and expenses in foreign currencies are converted at the transaction date exchange rate.

Foreign currency receivables and payables are converted at the year-end exchange rate.

In accordance with regulation ANC 2015-05 dated July 2, 2015, separate accounting treatments are applied to commercial transactions in foreign currencies and financial transactions in foreign currencies:

- exchange gains and losses on commercial transactions are included in operating income and expenses;
- exchange gains and losses on financial transactions are included in financial income and expenses.

4.7 Derivative instruments

4.7.1 Currency derivatives at fair value through profit or loss

Forward foreign exchange contracts that are outstanding at the balance sheet date are marked to market in the balance sheet.

4.7.2 Currency derivatives qualifying for hedge accounting

Losses and gains arising from remeasurement at fair value of currency derivatives qualified as hedges are recorded in the balance sheet under conversion losses or conversion gains, to offset the gain or loss on the hedged item.

4.8 Income tax

Income tax in the income statement includes current taxes due by the tax group, tax credits, fiscal integration gains and Pillar Two tax.

4.9 Other financial liabilities

Other financial liabilities are stated at their nominal value.

Debt issuance costs are recorded in deferred charges and amortized on a straight-line basis.

4.10 Revenue

Revenue is mainly made up of the proceeds generated from:

- royalties on trademarks and technology licensed by CGEM,

- management services, and development and process engineering work carried out by other Michelin subsidiaries, subcontractors of the Company.

NOTE 5 INTANGIBLE ASSETS

(in € thousands)	December 31, 2023	Additions/ increases	Disposals/ decreases	December 31, 2024
Brands, patents and other rights	427,379			427,379
Total cost	**427,379**			**427,379**
Brands, patents and other rights	(307,863)	(1,277)		(309,140)
AMORTIZATION	**(307,863)**	**(1,277)**		**(309,140)**
TOTAL	**119,516**	**(1,277)**	**-**	**118,239**

NOTE 6 INVESTMENTS

(in € thousands)	December 31, 2023	Additions/ increases	Disposals/ decreases	December 31, 2024
Shares in subsidiaries and affiliates (note 20)	9,287,446	78,481	(195,550)	9,170,377
Loans and advances to subsidiaries and affiliates (note 7)	221,241	103,385	-	324,626
Other loans (note 7)	1,869,615	1,019,168	(3,436)	2,885,347
Other equity interests	13,417	90,960	(89,368)	15,009
Total cost	**11,391,719**	**1,291,994**	**(288,354)**	**12,395,359**
Shares in subsidiaries and affiliates(1) (note 20)	(109,667)	-	80,010	(29,657)
Other loans (note 7)	-	-		-
Impairment	**(109,667)**	**-**	**80,010**	**(29,657)**
TOTAL	**11,282,052**	**1,291,994**	**(208,344)**	**12,365,702**

NOTE 7 MATURITIES OF LOANS AND RECEIVABLES

(in € thousands)	Due within one year	Due in more than one year	Cost	Impairment	Net
NON-CURRENT ASSETS (NOTE 6)					
Loans and advances to subsidiaries and affiliates (note 20)	324,626	-	324,626	-	324,626
Other loans	2,270,781	614,566	2,885,347	-	2,885,347
CURRENT ASSETS					
Receivables	1,247,045	-	1,247,045	-	1,247,045
TOTAL AT DECEMBER 31, 2024	**3,842,452**	**614,566**	**4,457,018**	**-**	**4,457,018**

NOTE 8 BONDS

8.1 Convertible bonds

(in € thousands)	December 31, 2024	December 31, 2023
CONVERTIBLE BONDS (NOTE 11)	-	-
2017-2022 convertible bond issue	-	-
2018-2023 convertible bond issue	-	-
TOTAL	**-**	**-**

(in € thousands)	Cost	Amortization	Net
DERIVATIVE INSTRUMENTS (ASSETS)			
Conversion risk hedges (options) – 2018-2023 bonds	42,905	(42,905)	-
Currency derivatives	250	(92)	158
TOTAL AT DECEMBER 31, 2024	**43,155**	**(42,997)**	**158**

8.2 Ordinary bonds and other borrowings

(in € thousands)	Annual interest	December 31, 2024	December 31, 2023
ORDINARY BONDS AND OTHER BORROWINGS (NOTE 11)			
2018-2025 bond issue	0.875%	750,000	750,000
2018-2030 bond issue	1.750%	1,000,000	1,000,000
2018-2038 bond issue	2.500%	750,000	750,000
2015-2027 bond issue	1.750%	300,000	300,000
2015/16-2045 bond issue	3.250%	314,954	315,578
2020-2028 bond issue	0.000%	500,000	500,000
2020-2032 bond issue	0.250%	500,000	500,000
2020-2040 bond issue	0.625%	500,000	500,000
2024-2031 bond issue	3.125%	500,000	-
2024-2036 bond issue	3.375%	500,000	-
Accrued interest on ordinary bonds and other borrowings		40,911	20,381
Negotiable European Commercial Paper (NEU CP)		250,000	250,000
US Commercial Paper (US CP)		47,943	44,992
TOTAL		**5,953,808**	**4,930,951**

The Negotiable European Commercial Paper program totals €2.5 billion, and the US Commercial Paper program amounts to USD 700 million.

NOTE 9 SHARE CAPITAL AND PAID-IN CAPITAL IN EXCESS OF PAR

Share capital and paid-in capital in excess of par break down as follows:

(in € thousands)	Share capital	Share premiums	Total
At January 1, 2024: 714,958,226 shares	**357,479**	**2,701,773**	**3,059,253**
Performance shares: 931,739 shares delivered	466		466
Bib'Action: 4,334,410 shares issued	2,168	118,340	120,508
Share cancellations: 14,477,103 treasury shares canceled	(7,239)	(494,261)	(501,500)
AT DECEMBER 31, 2024: 705,747,272 SHARES	**352,874**	**2,325,852**	**2,678,726**

The shares have a par value of €0.50.

All outstanding shares are registered and fully paid.

NOTE 10 OTHER EQUITY

(in € thousands)	Revaluation reserve	Other reserves	Retained earnings	Net income	Untaxed reserves	Total
At January 1, 2024	**624,772**	**1,282,573**	**1,885,645**	**272,053**	**61,598**	**4,126,641**
Appropriation of 2023 net income	-	-	(692,414)	(272,053)	-	(964,467)
Share issues	-	(466)			-	(466)
2024 net income	-	-	-	1,216,874	-	1,216,874
AT DECEMBER 31, 2024	**624,772**	**1,282,107**	**1,193,231**	**1,216,874**	**61,598**	**4,378,582**

At the 2024 Annual Shareholders Meeting, shareholders approved the payment of a dividend of €1.35 per share, representing a total payout of €964 million after deducting the €3.3 million profit share allocated to the General Partners in accordance with the Bylaws.

NOTE 11 MATURITIES OF PAYABLES AND LONG- AND SHORT-TERM DEBT

(in € thousands)	Total	Due within one year	Due in one to five years	Due in more than five years
Ordinary bonds and other borrowings (note 8.2)	5,953,808	1,088,854	2,300,000	2,564,954
Other financial liabilities	2,748,686	2,748,686	-	-
Accrued taxes and payroll costs	11,700	11,700	-	-
Other liabilities	914,006	914,006	-	-
TOTAL AT DECEMBER 31, 2024	**9,628,200**	**4,763,246**	**2,300,000**	**2,564,954**

NOTE 12 RELATED PARTIES

12.1 Related-party assets and liabilities

(in € thousands)	Note	Related parties	Third parties	Total in the balance sheet (net book value)
Shares in subsidiaries and affiliates	6	9,140,720	-	9,140,720
Loans and advances to subsidiaries and affiliates	6	324,626	-	324,626
Other loans	6	2,885,347	-	2,885,347
Other equity interests	6		15,009	15,009
Receivables	7	769,086	477,959	1,247,045
Other financial liabilities	11	2,748,686	-	2,748,686
Accrued taxes and payroll costs	11		11,700	11,700
Other liabilities	11	911,594	2,412	914,006

12.2 Related-party transactions

All related-party transactions are on arm's length terms.

NOTE 13 REVENUE

Revenue consists entirely of royalties received from related companies, as follows:

(in € thousands)	2024	2023
Companies in France	(140,800)	52,939
Companies outside France	1,938,118	1,737,914
TOTAL	**1,797,318**	**1,790,853**

Revenue (royalties) in France was negative due to the application of the Group's transfer pricing policy, which takes into account the impact of restructuring costs relating to the closure of the Vannes and Cholet plants.

NOTE 14 EXTERNAL CHARGES

(in € thousands)	2024	2023
Outsourcing expenses	(1,181,551)	(1,062,405)
Research and development expenses	(390,119)	(398,887)
Miscellaneous	(45,645)	(45,699)
TOTAL	**(1,617,315)**	**(1,506,991)**

NOTE 15 INCOME TAX

Compagnie Générale des Établissements Michelin is the parent company of a tax group that also comprises 19 French subsidiaries that are at least 95%-owned directly or indirectly.

Under the terms of the group relief agreement, each subsidiary in the tax group continues to record the income tax expense that it would have paid if it had been taxed on a stand-alone basis and any group relief is recorded at the level of Compagnie Générale des Établissements Michelin. In 2024, the Company recorded an additional tax of €8.7 million under the Pillar Two tax rules.

The income tax benefit recognized in the Company's financial statements comprises the following:

(in € thousands)	2024	2023
Current tax due by the Company on a stand-alone basis	(30,879)	(28,690)
Group relief	64,065	17,455
Pillar Two tax	(8,754)	-
Other	(870)	(7,877)
TOTAL	**23,562**	**(19,112)**

NOTE 16 SHARE-BASED PAYMENTS

Share grants and performance share plans

Changes in the number of share grants and performance share rights outstanding are as follows:

	2024	2023
At January 1	**7,303,830**	**5,949,494**
Granted	3,107,516	3,257,003
Forfeited	(621,054)	(1,061,855)
Exercised	(931,739)	(840,812)
AT DECEMBER 31	**8,858,553**	**7,303,830**

Excellence Plan

In November 2024, 2,589,138 rights to performance shares were granted to Group employees and the Managers. The rights are subject to a four-year vesting period ending in November 2028 without any lock-up period. The shares will vest at the end of this period if the performance objectives are met (stock market performance, environmental performance of manufacturing operations, employee engagement rate, sales growth and ROCE).

Recognition Plan

In November 2024, the Group granted 518,378 free share rights to employees, with a four-year vesting period ending in November 2028 and no lock-up period. The shares will vest automatically at the end of the period provided that the employees concerned are still employed by the Group at that date. As the allocation per employee does not exceed 250 shares, they are not subject to any performance conditions.

The share grants and performance share plans have the following characteristics:

	Vesting date		Lock-up period		Number of share grants or performance share rights outstanding December 31, 2024	Number of share grants or performance share rights outstanding December 31, 2023
Grant date	France	Other countries	France	Other countries		
2020	2024	2024	None	None		948,984
2020	2022	N/A	None	N/A		-
2021	2025	2025	None	None	739,796	1,228,236
2022	2026	2026	None	None	1,816,589	1,869,607
2023	2027	2027	None	None	2,634,989	2,679,985
2023	2027	2027	None	None	559,663	577,018
2024	2028	2028	None	None	2,589,138	-
2024	2028	2028	None	None	518,378	-
NUMBER OF SHARE GRANTS OR PERFORMANCE SHARE RIGHTS OUTSTANDING					**8,858,553**	**7,303,830**

NOTE 17 MARKET RISKS AND DERIVATIVE FINANCIAL INSTRUMENTS

17.1 Interest rate risk

The Company does not hold any interest rate instruments.

17.2 Currency risk

At December 31, 2024, the Company held a number of receivables and payables denominated in foreign currencies, corresponding to proceeds not yet received for royalties and services, and invoices not yet paid for purchased services, with a total net book value of €194 million. These receivables and payables have been converted into euros at the year-end exchange rate. The policy is to hedge currency risk through forward foreign currency contracts. The forwards are measured at fair value through profit or loss.

17.3 Equity risk

The Company holds shares in subsidiaries and affiliates and other equity interests that are measured at value in use.

NOTE 18 MANAGEMENT COMPENSATION

As per its Bylaws, the Company is administered by one or several Managers. Managers who are General Partners are entitled to a share of the income distributed among all the General Partners in accordance with the provisions of the Bylaws. The General Manager is paid fixed and variable compensation.

The statutory share of 2023 profit paid in 2024 to Florent Menegaux, Managing General Partner and Managing Chairman, amounted to €1,650 thousand (2023 for 2022: €906 thousand).

The total compensation (fixed compensation, variable compensation payable in 2024 for 2023) paid by the Company to Yves Chapot, General Manager, amounted to €2,420 thousand (including payroll taxes) in 2024 (2023: €1,910 thousand). In addition, a €641 thousand accrual (including payroll taxes) was recorded at December 31, 2024 to cover his 2024 bonus payable in 2025. Benefits in kind amounted to €8 thousand.

NOTE 19 FEES PAID TO THE STATUTORY AUDITORS

Fees paid to the Statutory Auditors are disclosed in note 21 to the consolidated financial statements.

NOTE 20 LIST OF SUBSIDIARIES AND AFFILIATES

(in € thousands unless otherwise specified)	Share capital[1][2]	Other equity excl. income[1][2]	% interest	Book value of shares: Cost	Book value of shares: Net	Outstanding loans and advances	Guarantees given by the Company	Last published revenue[1][2]	Last published profit/(loss)[1][2]	Dividends received during the year
A. SUBSIDIARIES (OVER 50%-OWNED)										
Camso Inc. Magog (Canada)	401,000 *(USD)*	34,151 (USD)	100.0%	354,316	354,316	-		43,952 *(USD)*	9,676 *(USD)*	37,597
Camso Vietnam Co., Ltd Tan Uyen (Vietnam)	32,300 *(USD)*	(73) *(USD)*	100.0%	29,840	29,840	-		44,294 *(USD)*	3,011 *(USD)*	1,374
Compagnie Financière Michelin Clermont-Ferrand (France)	3,597,516	15,421,995	100.0%	6,849,410	6,849,410	-		-	1,715,563	1,000,000
Fenner Group Holdings Limited Stoke-on-Trent (United Kingdom)	48,751 *(GBP)*	(16,910) *(GBP)*	100.0%	1,365,554	1,365,554	-	-	-	(12,529)*(GBP)*	-
Masternaut Bidco Limited London (United Kingdom)	85,237 *GBP*	26,174 GBP	100.0%	85,975	56,409	-		-	16	-
Rodaco Argentina S.A.U. Buenos Aires (Argentina)	170,873 *(USD)*	1,285,145 *(USD)*	100.0%	4,104	4,104	-		3,055,815 *(USD)*	1,265,623 *(USD)*	-
PT Multistrada Arah Sarana Tbk Bekasi (Indonesia)	137,343 *(USD)*	169,238 *(USD)(*	99.64%	481,051	481,051	-		488,891 *(USD)*	74,420 *(USD)*	19,297
B. OTHER SUBSIDIARIES AND AFFILIATES										
1 – Subsidiaries not listed under A										
■ Foreign companies		-	-	128	37	-		-	-	1,035
2 – Affiliates not listed under A										
■ French companies		-	-	13,971	13,971	-		-	-	516
TOTAL SHARES IN SUBSIDIARIES AND AFFILIATES AND OTHER EQUITY INTERESTS				**9,184,349**	**9,154,692**					**1,059,819**

(1) In thousands of local currency units.
(2) Most recent fiscal year.
(3) Last published consolidated financial statements.

NOTE 21 FINANCIAL COMMITMENTS

21.1 Forward currency exchange contracts

At December 31, 2024, the value in euros of the forward foreign exchange contracts was as follows:

- currency to be received €502 million;
- currency to be delivered €504 million.

21.2 Commitments given: Guarantees

None.

21.3 Commitments received

On May 23, 2022, the agreement for the €2,500 million syndicated credit lines was amended. The new agreement provided for a new five-year maturity (2027) with two one-year extension options at the lenders' discretion. These options were exercised in 2023 and 2024, extending the lines' maturity to 2029.

NOTE 22 EVENTS AFTER THE REPORTING DATE

No material events occurred between the reporting date and the date when the financial statements were authorized for issue by the Managing Chairman.

5.3.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2024)

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Compagnie Générale des Établissements Michelin,

Compagnie Générale des Établissements Michelin
23 place des Carmes-Déchaux
63000 Clermont Ferrand

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Compagnie Générale des Établissements Michelin for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Compagnie Générale des Établissements Michelin as at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Valuation of shares in subsidiaries and affiliates

Risk identified

At December 31, 2024, the carrying amount of shares in subsidiaries and affiliates was €9,141 million, representing 55% of total assets on the balance sheet. The securities are recognized at historical cost, increased by the impact of value adjustments made in accordance with the law where applicable.

At the end of each reporting year, the Company estimates the value in use of shares in subsidiaries and affiliates. This value in use is based either on the net assets (adjusted if necessary) or on the profitability and outlook of the investee as well as its usefulness for the investor company. In the event of a lasting decline in value in use to below the carrying amount, an impairment loss is recognized.

To estimate the value in use of the shares, management exercises judgment when choosing the items to be taken into consideration, depending on the relevant subsidiary or affiliate.

Accordingly, we deemed the measurement of the value in use of shares in subsidiaries and affiliates to be a key audit matter due to the materiality of these assets in the balance sheet, the degree of judgment required by management and the uncertainties inherent in determining the cash flow assumptions particularly as regards the probability and time frame of achieving the forecasts used by management. Note 4.2.1 to the financial statements describes the methods used to measure shares in subsidiaries and affiliates.

How our audit addressed this risk

Concerning shares with a material value or which carry a specific risk of impairment, our audit work consisted in:

- for valuations based on historical data: verifying that the net asset figures used are consistent with the relevant entities' financial statements and that any adjustments made were based on probative documentation;
- for valuations based on forecast data: obtaining the cash flow from operations projections prepared by management for the relevant entities' operations and assessing the consistency of the assumptions with business trends.

Our work also consisted in assessing, with the help of our financial valuation experts, the reasonableness of the perpetual growth rates and discount rates used by management.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report prepared by the Managing Chairman and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Article L. 225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to remunerations and benefits received by or awarded to the corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Managing Chairman's, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Compagnie Générale des Établissements Michelin by the annual Shareholders' Meetings held on May 14, 2004 for PricewaterhouseCoopers Audit and on May 7, 2010 for Deloitte & Associés.

At December 31, 2024, PricewaterhouseCoopers Audit and Deloitte & Associés were in the twenty-first year and fifteenth year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Managing Chairman.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to issue a qualified opinion or a disclaimer of opinion.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, February 18, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Deloitte & Associés
Itto El Hariri	Frédéric Gourd

5.3.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

(Annual Shareholders Meeting for the approval of the financial statements for the year ended December 31, 2024)

This is a free translation into English of the Statutory Auditors' special report on related-party agreements 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 auditing standards applicable in France.

To the Shareholders' Meeting of Compagnie Générale des Établissements Michelin,

Compagnie Générale des Établissements Michelin
23 place des Carmes-Déchaux
63000 Clermont-Ferrand

In our capacity as Statutory Auditors of Compagnie Générale des Établissements Michelin, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 226-2 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 226-2 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual Shareholders Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

Agreements to be submitted for the approval of the annual shareholders meeting

We were not informed of any agreements authorized and entered into during the year to be submitted for the approval of the Annual Shareholders Meeting pursuant to the provisions of Article L. 226-10 of the French Commercial Code.

Agreements already approved by the annual shareholders meeting

We were not informed of any agreement already approved by the Annual Shareholders Meeting which remained in force during the year.

Neuilly-sur-Seine and Paris La Défense, February 18, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Deloitte & Associés
Itto El Hariri	Frédéric Gourd

5.3.5 STATEMENT OF CHANGES IN EQUITY

(in € thousands and € per share)	2024	2023
NET INCOME		
Accounting profit		
Total: Net income/(loss)	1,216,874	272,053
Per share: Net income/(loss)	1.72	0.38
RECOMMENDED TOTAL DIVIDEND PAYOUT	**973,931**[(1)]	**965,194**
Recommended dividend per share	1.38[(1)]	1.35

(1) Subject to approval by shareholders at the Annual Meeting on May 16, 2025.

STATEMENT OF CHANGES IN EQUITY

(in € thousands)	2024	2023
A) 1. Equity at prior year-end before dividends	7,185,894	7,808,429
2. Dividend approved by the Annual Shareholders Meeting	(964,466)	(894,459)
B) Equity at January 1, 2024 after dividends	6,221,428	6,913,970
C) Movements for the year:		
1. Change in capital	(4,605)	420
2. Change in paid-in capital in excess of par	(375,922)	(129)
3. Change in reserves and retained earnings[(1)]	(467)	(420)
4. Net income	1,216,874	272,053
D) Equity at December 31, 2024 before dividends	7,057,308	**7,185,894**
E) TOTAL CHANGES IN EQUITY DURING THE YEAR	**(835,880)**	**271,924**
F) of which changes due to changes in Group structure	0	0
G) TOTAL CHANGES IN EQUITY DURING THE YEAR EXCLUDING CHANGES IN GROUP STRUCTURE	**(835,880)**	**271,924**

(1) Excluding appropriation of net income.

5.3.6 APPROPRIATION OF 2024 NET INCOME

(in € thousands)		
AMOUNT TO BE APPROPRIATED		
Retained earnings brought forward from prior year		1,193,231
Net income		1,216,874
RECOMMENDED APPROPRIATIONS		
Dividend	973931[(1)]	
Statutory share of income attributed to the General Partners	3,071	
Retained earnings	1,433,103	
AVAILABLE AT DECEMBER 31	**2,410,105**	**2,410,105**

(1) Subject to approval by shareholders at the Annual Meeting on May 16, 2025.

5.3.7 FIVE-YEAR FINANCIAL SUMMARY

(in € thousands and in € per share, unless otherwise specified)		2020	2021	2022	2023	2024
I.	**CAPITAL AT DECEMBER 31**					
a)	Share capital	356,680	357,061	357,059	357,479	352,874
b)	Number of common shares outstanding	713,360,344	714,121,800	714,117,414	714,958,226	705,747,272
II.	**RESULTS OF OPERATIONS**					
a)	Net revenue	797,951	959,769	1,010,962	1,790,853	1,797,318
b)	Earnings before tax, depreciation, amortization and provisions (EBTDA)	1,072,009	635,133	426,055	419,782	1,236,007
c)	Income tax	(9,773)	18,811	(48,236)	19,112	(23,562)
d)	Net income	1,010,644	584,192	544,575	272,053	1,216,874
III.	**PER-SHARE DATA**					
a)	Earnings per share after tax, before depreciation, amortization and provision expenses (EBDA)	1.52	0.86	0.66	0.56	1.78
b)	Basic earnings per share	1.42	0.82	0.76	0.38	1.72
c)	Dividend per share[(1)]	0.58	1.13	1.25	1.35	1.38
IV.	**EMPLOYEE DATA**					
a)	Average number of employees	1	2	2	2	2
b)	Total payroll	2,280	3,190	2,603	3,502	2,712
c)	Total benefits	(76)	645	838	765	744

(1) Subject to approval by shareholders at the Annual Meeting on May 16, 2025.

5.4 ADDITIONAL INFORMATION

5.4.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person responsible for the Universal Registration Document and the Annual Financial Report

Florent Menegaux, Managing Chairman

Statement by the person responsible for the Universal Registration Document and the Annual Financial Report

I hereby declare that the information contained in the Universal Registration Document is in accordance with the facts and no information has been omitted that would be likely to affect its import.

I further declare that, to the best of my knowledge, the annual and consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation, that the Report of the Managers included on page 513 gives a true and fair view of the development and performance of the business and the financial position of the issuer and the undertakings included in the consolidation, together with a description of the main risks and uncertainties they face, and that it has been prepared in accordance with sustainability reporting standards.

Clermont-Ferrand, April 4, 2025

Florent Menegaux,

Managing Chairman

5.4.2 STATUTORY AUDITORS

5.4.2.1 Statutory Auditors

Under French law, the accounts of listed companies are required to be audited by two independent Statutory Auditors. The purpose of this requirement is to provide assurance that the financial statements have been properly prepared and comply with the true and fair view principle.

The Statutory Auditors are appointed by the Annual Shareholders Meeting for a six-year term, based on a recommendation made by the Supervisory Board following a selection process overseen by the Audit Committee. They may be re-appointed for successive terms. They test the fairness of financial statements and carry out all of the statutory audit work required by law. Michelin does not ask them to perform any other engagements that might impair their independence.

The Statutory Auditors of Compagnie Générale des Établissements Michelin, Michelin's holding Company are:

PricewaterhouseCoopers Audit

Registered member of the *Compagnie régionale des Commissaires aux Comptes de Versailles*

63, rue de Villiers

92208 Neuilly-sur-Seine

Represented by Itto El Hariri, Partner

Deloitte & Associés

Registered member of the *Compagnie régionale des Commissaires aux Comptes de Versailles*

6, place de la Pyramide

92908 Paris-La Défense

Represented by Frédéric Gourd, Partner

There are no legal or financial ties of any sort between the two firms or the lead partners.

5.4.2.2 Fees paid to the Statutory Auditors of Compagnie Générale des Établissements Michelin (CGEM)

Fees paid to the Statutory Auditors are disclosed in Note 21 to the consolidated financial statements.

5.4.3 STATEMENTS INCORPORATED BY REFERENCE

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 17, 2017, this Universal Registration Document incorporates by reference the following information to which readers are invited to refer:

- the management report, the consolidated financial statements and the parent company financial statements for the year ended December 31, 2023, as well as the relevant Statutory Auditors' reports, presented in the Universal Registration Document filed with the AMF on April 5, 2024 under number D. 24-0256;
- the management report, the consolidated financial statements and the parent company financial statements for the year ended December 31, 2022, as well as the relevant Statutory Auditors' reports, presented in the Universal Registration Document filed with the AMF on April 7, 2023 under number D. 23-0253.

The information included in said Universal Registration Documents, other than the items cited above, are superseded or updated by the information included in the 2024 Universal Registration Document. Said Universal Registration Documents are available for consultation at the Company's registered office or on its website www.michelin.com.

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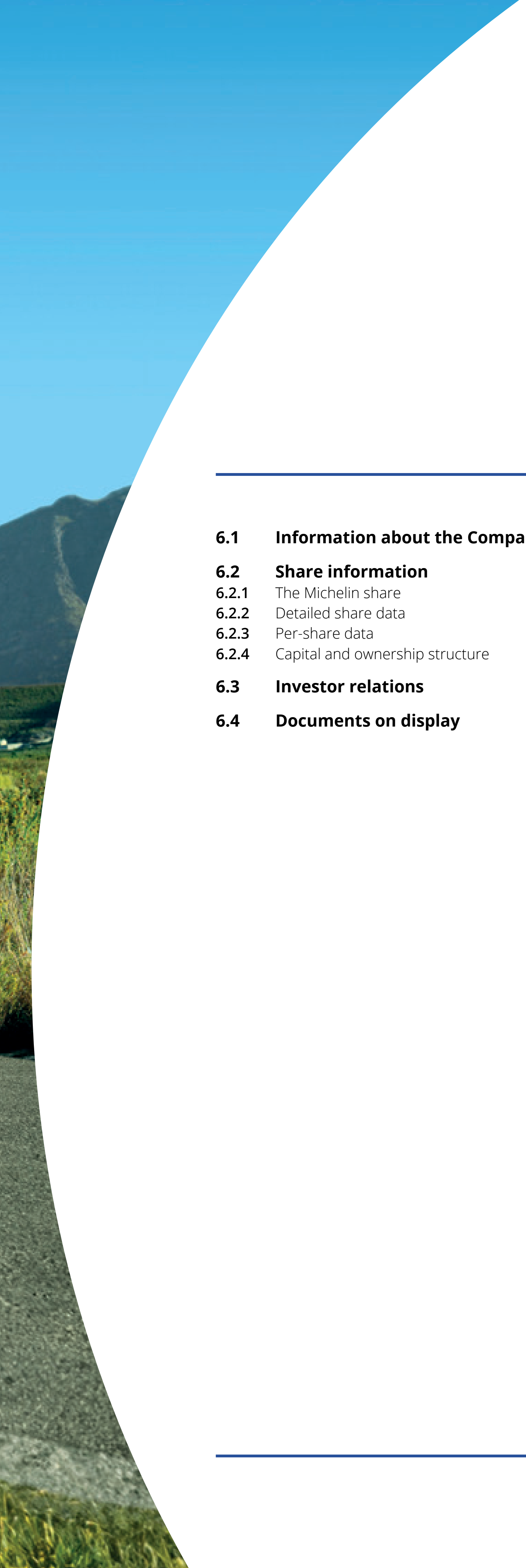


CHAPTER 06

INVESTOR RELATIONS

6.1 INFORMATION ABOUT THE COMPANY[1]

Legal and commercial name of the Company

- Compagnie Générale des Établissements Michelin.

Place of registration and registration number

- The Company is registered in the Clermont-Ferrand Trade and Companies Register under number 855 200 887.
- LEI code: 549300SOSI58J6VIW052.

Date of incorporation and term

- The Company was incorporated on July 15, 1863. Its term will end on December 31, 2050, unless it is wound up before that date or its term is extended.

Registered office

- The Company's registered office is located at 23, place des Carmes-Déchaux – Clermont-Ferrand (Puy-de-Dôme), France.
- Phone: +33 (0)4 73 32 20 00.
- Corporate website: www.michelin.com

Legal form and governing law

- The Company is a partnership limited by shares (*société en commandite par actions*) governed by Articles L. 226-1 to L. 226-14 of the French Commercial Code (Code de commerce).

Main business

- Managing subsidiaries and other interests held in any and all countries.

Summary organization chart

The Group's parent company is Compagnie Générale des Établissements Michelin (CGEM), which directly or indirectly owns all of its subsidiaries and associates.

Its two main subsidiaries are Compagnie Financière Michelin (CFM), which owns most of the Group's subsidiaries, and Manufacture Française des Pneumatiques Michelin (MFPM).

CGEM is the owner of the Group's main intellectual property assets and, as such, has set up licensing and high value-added service agreements with the operating subsidiaries. Regarding high value-added services (e.g., development and process engineering work, Group head office services, business line services, etc.), CGEM tasks certain Group companies with carrying out the work for subsidiaries.

From January 1, 2023, companies providing high value-added services will be paid according to the residual profit split method.

Apart from high value-added services, intra-group transactions involve sizable volumes in such areas as intangible assets, a wide array of services, equipment and facilities, raw materials and semi-finished and finished products. The corresponding fees or prices are set using methods that vary by type of transaction. However, all of the methods are based on the arm's length principle as defined in the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

(1) See also Chapter 2 for information on the Company's Bylaws.

6.2 SHARE INFORMATION

6.2.1 THE MICHELIN SHARE

Traded on the Euronext Paris stock exchange

- Compartment A;
- Eligible for the SRD deferred settlement system;
- ISIN: FR001400AJ45;
- Par value: €0.50;
- Traded in units of: 1.

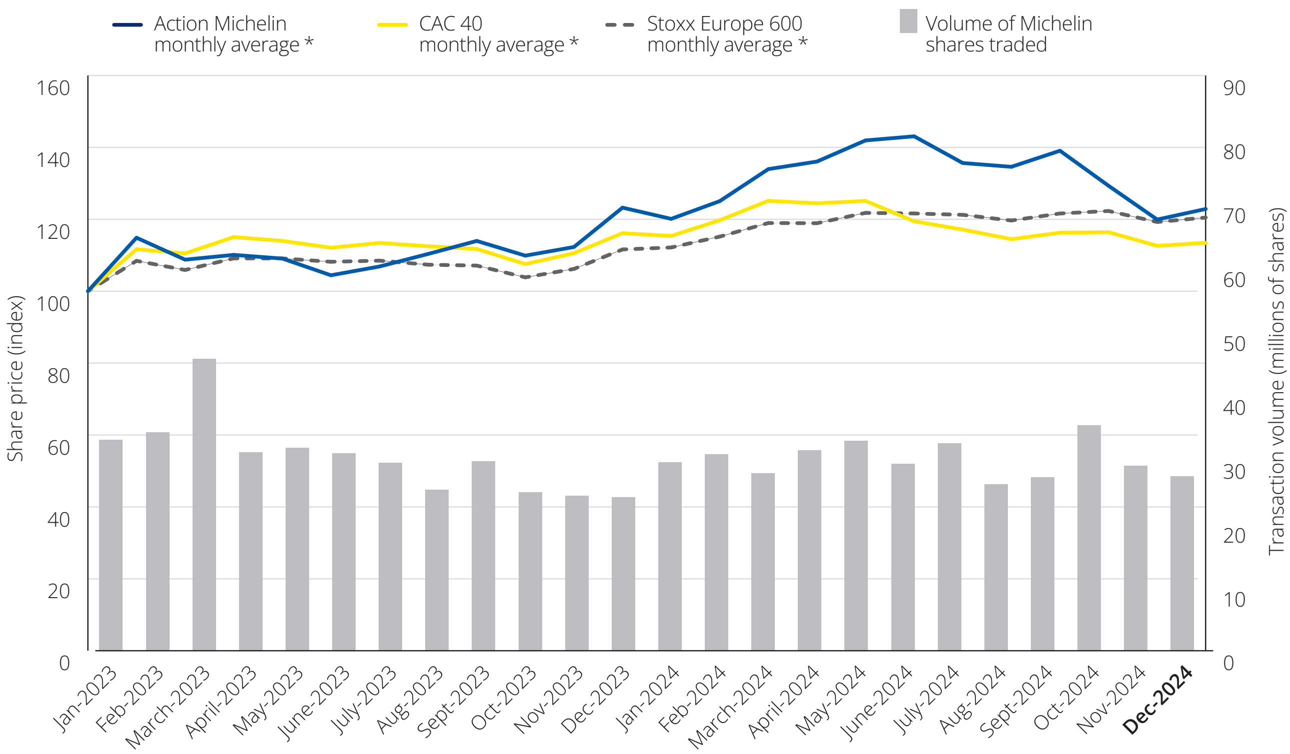
Indices

The Michelin share is included in two leading stock market indices:

- CAC 40: 1.36% of the index at December 31, 2024;
- Stoxx Europe 600: 0.21% of the index at December 31, 2024.

MICHELIN SHARE PERFORMANCE AND TRADING VOLUMES

According to statistical data collected by Euronext Paris.



* *Standardized monthly averages (base 100 = January 1, 2023).*

6.2.2 DETAILED SHARE DATA

According to statistical data collected by Euronext Paris.

Share price (in €)	2024	2023	2022	2021[(1)] (restated)	2021 (reported)	2020
Session high	38.52	32.65	38.93	36.50	146.00	112.80
Session low	30.06	25.60	21.99	25.83	103.30	68.00
High/low ratio	1.28	1.28	1.77	1.41	1.41	1.66
Closing price, end of period	31.80	32.46	25.99	36.04	144.15	104.95
Average closing price over the period	34.26	28.87	28.53	32.44	129.75	95.49
Change in the Michelin share price over the period	-2.03%	24.92%	-27.89%	37.35%	37.35%	-3.80%
Change in the CAC 40 index over the period	-2.15%	16.52%	-9.50%	28.85%	28.85%	-7.14%
Change in the Stoxx Europe 600 index over the period	5.98%	12.73%	-12.90%	22.25%	22.25%	-4.04%
Average daily Stoxx Europe 600 share price	507.51	457.04	434.40	449.58	449.58	369.26
Market capitalization (at period-end, in € billions)	**22.44**	**23.21**	**18.56**	**25.74**	**25.74**	**18.72**
Average daily trading volume over the period[(2)]	1,408,288	1,419,300	1,844,574	1,743,820	435,955	548,883
Average shares outstanding	712,283,891	714,258,055	713,400,033	713,512,772	178,378,193	178,497,159
Volume of shares traded over the period	360,521,846	366,179,447	475,900,118	449,905,428	112,476,357	141,062,953

(1) Only the 2021 share data have been restated ("2021 restated") to reflect the four-for-one stock split on June 16, 2022.
(2) Volumes traded on the Euronext platform.

6.2.3 PER-SHARE DATA

(in € per share, except ratios)	2024	2023	2022	2021 (restated)	2021 (reported)	2020
Net asset value per share	26.4	25.1	24.0	20.9	83.9	70.8
Basic earnings per share	2.65	2.77	2.81	2.58	10.31	3.52
Diluted earnings per share[(1)]	2.62	2.75	2.79	2.56	10.24	3.51
PRICE EARNINGS RATIO	**12.0**	**11.7**	**9.3**	**14.0**	**14.0**	**29.8**
Dividend per share[(2)]	1.38	1.35	1.25	1.125	4.50	2.30
Payout ratio	52%	49%	44%	44%	44%	65%
Yield[(3)]	4.3%	4.2%	4.8%	3.1%	3.1%	2.2%

(1) Earnings per share adjusted for the impact of the exercise of outstanding dilutive instruments on net income and average shares outstanding.
(2) 2024 dividend subject to approval by the Annual Shareholders Meeting on May 16, 2025. Only the 2021 share data have been restated ("2021 restated") to reflect the four-for-one stock split on June 16, 2022. Prior-year figures correspond to the reported dividend.
(3) Dividend divided by the December 31 share price.

6.2.4 CAPITAL AND OWNERSHIP STRUCTURE

At December 31, 2024, Michelin's share capital amounted to €352,873,636.

	At December 31, 2024			At December 31, 2023			At December 31, 2022		
	Number of shareholders	Shares outstanding	Voting rights outstanding	Number of shareholders	Shares outstanding	Voting rights outstanding	Number of shareholders	Shares outstanding	Voting rights outstanding
French institutional investors	4,311	20.6%	23.6%	4,497	20.4%	24.0%	4,509	22.8%	25.7%
Non-resident institutional investors		65.8%	61.5%		67.0%	61.8%		64.7%	59.7%
Individual shareholders (including former employees)	173,611	11.0%[(1)]	12.2%	170,391	10.5%	11.9%	156,694	10.3%	12.1%
Employee share ownership plan	80,261	2.6%	2.7%	71,621	2.1%	2.3%	77,557	2.2%	2.5%
TOTAL	**258,183**	**705,747,272 SHARES[(2)]**	**998,581,514 VOTING RIGHTS**	**246,509**	**714,958,226 SHARES[(2)]**	**990,275,053 VOTING RIGHTS**	**238,760**	**714,117,414 SHARES[(2)]**	**978,544,459 VOTING RIGHTS**

(1) The **1.2% of outstanding shares owned by former employees** at December 31, 2024 has been included in the percentage of shares held by individual shareholders**.**

(2) All fully paid up.

In accordance with the Company Bylaws, shares held in the same name for at least four years carry double voting rights.

To the Company's knowledge, no material portion of its issued capital has been pledged.

6.3 INVESTOR RELATIONS

Every shareholder has access to clear, comprehensive, transparent information, tailored to his or her individual needs.

In particular, extensive information about our business operations, strategy and financial performance may be found in a wide variety of regulatory filings, such as press releases, the Universal Registration Document, the Interim Financial Report and the Company Bylaws.

All of these publications are readily available in French and English at www.michelin.com in the Investors section and on request from the Investor Relations Department.

In 2024, nearly 2,000 institutional investors and financial analysts were contacted during the year. On May 28, the Capital Markets Day 2024 event offered the Group an opportunity to reaffirm the validity of its strategy while engaging with institutional investors.

At the same time, Michelin reached out to individual shareholders at dedicated meetings. On November 26, 2024, for example, the Investor Relations team took part in the sixth annual Investir Day investor fair, which attracted 6,200 visitors.

Michelin has broadened its array of contact points by issuing shareholder newsletters and organizing meetings and partnerships with universities. Moreover, on March 14, 2024, members of the Michelin Shareholders' Committee, whose deliberations help to inform discussions on improving the investor relations process, were reappointed for new two-year terms.

Each year, all shareholders and proxy solicitors are notified of the date of the Annual Shareholders Meeting and of the voting procedures.

6.4 DOCUMENTS ON DISPLAY

Historical financial information, Universal Registration Documents (Registration Documents), Notices and Minutes of Shareholders Meetings, the Company Bylaws, and all of the regulatory filings within the meaning of Article 221-1 of the AMF General Regulations (particularly press releases, quarterly reports and the Interim and Annual Reports), may be viewed in French or English at www.michelin.com. They are also available on the French website of record (www.info-financiere.fr) and, if necessary, at the Company's registered office.

6.5 ADDITIONAL SHARE INFORMATION

6.5.1 CHANGES IN SHARE CAPITAL

		Change in capital		
Year	**Transaction**	**Number of shares**	**Capital** *(in €)*	**Share premium** *(in €)*
2020	Vesting of performance shares	81,518	163,036	0
	Exercise of stock options	14,570	29,140	904,670
	Employee share issue	713,983	1,427,966	52,416,948
	Cancellation of shares	(1,097,540)	(2,195,080)	(96,689,419)
	At December 31, 2020	**178,340,086**	**356,680,172**	
2021	Vesting of performance shares	180,976	361,952	0
	Exercise of stock options	9,388	18,776	461,514
	At December 31, 2021	**178,530,450**	**357,060,900**	
2022	Vesting of performance shares	12	24	
	Adjusted for the four-for-one stock split	714,121,848	357,060,924	-
	Vesting of performance shares	450,012	225,006	0
	Employee share issue	3,872,090	1,936,045	74,017,026
	Cancellation of shares	(4,326,536)	(2,163,268)	(118,196,732)
	At December 31, 2022	**714,117,414**	**357,058,707**	
2023	Vesting of performance shares	704	352	
	Vesting of performance shares	1,840	920	
	Vesting of performance shares	838,268	419,134	
	At December 31, 2023	**714,958,226**	**357,479,113**	
2024	Cancellation of shares	(11,721,769)	(5,860,884)	(398,977,536)
	Employee share issue	4,334,410	2,167,205	119,543,027
	Vesting of performance shares	929,110	464,555	
	Cancellation of shares	(2,755,334)	(1,377,667)	(93,784,170)
	Vesting of performance shares	2,629	1,314	
	AT DECEMBER 31, 2024	**705,747,272**	**352,873,636**	

6.5.2 POTENTIAL SHARES

6.5.2 a) Outstanding securities convertible, exchangeable, redeemable or otherwise exercisable for shares

Options to purchase new shares of common stock

Please refer to the detailed information in section 6.5.3.

Performance shares

Please refer to the detailed information in section 6.5.4.

6.5.2 b) Estimated maximum number of potential new shares at December 31, 2024

	Capital *(in €)*
ISSUED CAPITAL AT DECEMBER 31, 2024	**352,873,636**

Stock options outstanding as of December 31, 2024

The last plan launched in 2012 expired in 2021 and no exercisable stock options remain.

Performance shares outstanding at December 31, 2024

Grant date	Vesting period ends	Performance shares outstanding	Capital
November 17, 2021 *(Excellence, Managers)*	November 17, 2025	739,796*	
November 17, 2022 *(Excellence, Managers)*	November 17, 2026	1,816,589**	
November 16, 2023 *(Recognition)*	November 16, 2027	559,663**	
November 17, 2023 *(Excellence, Managers)*	November 17, 2027	2,634,989**	
November 14, 2024 *(Recognition)*	November 14, 2028	518,378**	
November 15, 2024 *(Excellence, Managers)*	November 15, 2028	2,589,138**	
TOTAL PERFORMANCE SHARES OUTSTANDING		**8,858,553**	**4,429,276.5**

MAXIMUM POTENTIAL SHARES AS OF DECEMBER 31, 2024	**357,302,912.5** **up 1.26% versus issued capital**

* *Performance share rights have been restated to reflect the four-for-one stock split on June 16, 2022.*
** *Before applying the rate of achievement of the performance conditions.*

6.5.3 STOCK OPTIONS

6.5.3 a) Stock option plans in effect at December 31, 2024 (Table 8 of the AFEP/MEDEF Corporate Governance Code)

The corporate officers did not receive any stock options in respect of their positions under one of the plans adopted by the Company which, since December 31, 2021, had all expired.

6.5.3 b) Stock options granted and exercised during the year

Stock options granted by CGEM[1] to the ten grantees other than Managers who received the greatest number of options and options exercised by the ten grantees other than Managers who exercised the greatest number of options	Number of options granted/exercised	Exercise price *(in €)*	End of exercise period	Date granted by the Managers
Options granted	0	-	-	-
Options exercised (new shares issued)	0	-	-	-

(1) No options have been granted by any qualifying company apart from CGEM. The last plan launched in 2012 expired in 2021 and no exercisable stock options remain.

6.5.3 c) Special Report of the Managing Chairman

No stock options were granted during the year.

No Manager holds non-exercisable stock options.

Clermont-Ferrand, February 12, 2025

Florent Menegaux

Managing Chairman

6.5.4 SHARE GRANTS AND PERFORMANCE SHARES

6.5.4 a) Share grants and performance share plans in effect at December 31, 2024 (Table 9 of the AFEP/MEDEF Corporate Governance Code)

The number of shares and performance share rights have been restated to reflect the four-for-one stock split on June 16, 2022.

VESTED PLAN AND PLANS IN EFFECT IN 2024

	Plan 11 (Excellence)	Plan 12 (Managers)	Plan 14 (Excellence)
Date of the shareholder authorization	June 23, 2020	June 23, 2020	June 23, 2020
Date granted by the Managers	November 13, 2020	November 13, 2020	November 17, 2021
Number of rights granted	1,944,864	80,080	1,222,508
O/w to:			
■ Florent Menegaux[1] (Managing Chairman)		48,048	-
■ Yves Chapot[1] (General Manager)		32,032	-
Vesting date (in years)	November 13, 2024 (4 years)	November 13, 2024 (4 years)	November 17, 2025 (4 years)
End of lock-up period (in years)	N/A	N/A	N/A
Performance conditions[2] (period over which criteria are applied: 3 years)	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 15 points, comparing the average closing price in 2019 and in 2022 ■ Corporate social responsibility objective: – average change in MEF[3] of less than -1.5 points over the 2020-2022 period – average change in employee engagement rate of more than 1.5 points over the 2020-2022 period ■ Average annual growth in revenue (excluding tires and distribution) of at least 8% over the 2019-2021 and 2021-2022 periods[5] ■ Return on capital employed (ROCE) of at least 11% in 2022	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 15 points, comparing the average closing price in 2019 and in 2022 ■ Corporate social responsibility objective: – average change in MEF[3] of less than -1.5 points over the 2020-2022 period – average change in employee engagement rate of more than 1.5 points over the 2020-2022 period ■ Average annual growth in revenue (excluding tires and distribution) of at least 8% over the 2019-2020, 2020-2021 and 2021-2022 periods ■ Return on capital employed (ROCE) of at least 11% in 2022	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2020 and in 2023 ■ Corporate social responsibility objective: – i-MEP below 88 points in 2023 – average change in employee engagement rate of more than 1 point over the 2021-2023 period ■ Average annual growth in revenue (excluding tires and distribution) of at least 8% over the 2020-2021, 2021-2022 and 2022-2023 periods ■ Return on capital employed (ROCE) of at least 11% in 2023
Number of vested shares at December 31, 2024	893,176	40,040	0
Number of canceled or voided share rights	1,051,688	40,040	517,420
NUMBER OF PERFORMANCE SHARES OUTSTANDING AT DECEMBER 31, 2024	**0**	**0**	**705,088**
Performance conditions: achievement rate	50%	50%	62%

(1) Granted in his capacity as Manager.
(2) On a like-for-like consolidated basis, excluding changes in exchange rates for the financial criteria.

Plan 15 (Managers)	Plan 16 (Excellence)	Plan 17 (Managers)
June 23, 2020	June 23, 2020	June 23, 2020
November 17, 2021	November 17, 2022	November 17, 2022
55,980	1,791,414	108,056
33,588	-	67,983
22,392	-	40,073
November 17, 2025 (4 years)	November 17, 2026 (4 years)	November 17, 2026 (4 years)
N/A	N/A	N/A
■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2020 and in 2023 ■ Corporate social responsibility objective: – i-MEP below 88 points in 2023 – average change in employee engagement rate of more than 1 point over the 2021-2023 period ■ Average annual growth in revenue (excluding tires and distribution) of at least 8% over the 2020-2021, 2021-2022 and 2022-2023 periods ■ Return on capital employed (ROCE) of at least 11% in 2023	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2021 and in 2024 ■ Corporate social responsibility objective: – i-MEP below 83 points in 2024 – average change in employee engagement rate of more than 1 point over the 2022-2024 period ■ Average annual growth in revenue (excluding tires and distribution) of more than 10% over the 2021-2022, 2022-2023 and 2023-2024 periods ■ Return on capital employed (ROCE) strictly above 11% in 2024	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2021 and in 2024 ■ Corporate social responsibility objective: – i-MEP below 83 points in 2024 – average change in employee engagement rate of more than 1 point over the 2022-2024 period ■ Average annual growth in revenue (excluding tires and distribution) of more than 10% over the 2021-2022, 2022-2023 and 2023-2024 periods ■ Return on capital employed (ROCE) strictly above 11% in 2024
0	814	0
21,272	82,067	0
34,708	**1,708,533**	**108,056**
62%	61%	61%

(3) Michelin Environmental Footprint (MEF) indicator: energy use, water withdrawals, CO_2 emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled.

(4) Replaces the condition of reporting average consolidated operating income of more than €200 million a year over the 2019-2021 period, which was not feasible given the 2020 business environment.

(5) Given the impact of Covid-19 on the business environment, the 2020 result has been factored out of this indicator so that it remains attainable.

	Plan 18 (Recognition)	Plan 19 (Excellence)	Plan 20 (Managers)
Date of the shareholder authorization	May 12, 2023	May 12, 2023	May 12, 2023
Date granted by the Managers	November 16, 2023	November 17, 2023	November 17, 2023
Number of rights granted	577,018	2,575,723	104,262
O/w to:			
■ Florent Menegaux[1] (Managing Chairman)	-	-	65,164
■ Yves Chapot[1] (General Manager)	-	-	39,098
Vesting date (in years)	November 16, 2027 (4 years)	November 17, 2027 (4 years)	November 17, 2027 (4 years)
End of lock-up period (in years)	N/A	N/A	N/A
Performance conditions[2] (period over which criteria are applied: 3 years)	N/A	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2022 and in 2025 ■ Corporate social responsibility objective: – i-MEP below 80 points in 2025 – employee engagement rate exceeding 84.5% in 2025 ■ Average annual growth in revenue (excluding tires and distribution) of more than 12% over the 2022-2023, 2023-2024 and 2024-2025 periods ■ Return on capital employed (ROCE) strictly above 12% in 2025	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2022 and in 2025 ■ Corporate social responsibility objective: – i-MEP below 80 points in 2025 – employee engagement rate exceeding 84.5% in 2025 ■ Average annual growth in revenue (excluding tires and distribution) of more than 12% over the 2022-2023, 2023-2024 and 2024-2025 periods ■ Return on capital employed (ROCE) strictly above 12% in 2025
Number of vested shares at December 31, 2024	390	967	0
Number of canceled or voided share rights	16,965	44,029	0
NUMBER OF SHARE GRANTS OR PERFORMANCE SHARES OUTSTANDING AT DECEMBER 31, 2024	**559,663**	**2,530,727**	**104,262**
Performance conditions: achievement rate	-	-	-

(1) Granted in his capacity as Manager.
(2) On a like-for-like consolidated basis, excluding changes in exchange rates for the financial criteria.

	Plan 21 (Recognition)	Plan 22 (Excellence)	Plan 23 (Managers)
Date of the shareholder authorization	May 12, 2023	May 12, 2023	May 12, 2023
Date granted by the Managers	November 14, 2024	November 15, 2024	November 15, 2024
Number of rights granted	518,378	2,496,117	93,021
O/w to:			
■ Florent Menegaux[1] (Managing Chairman)	-	-	58,138
■ Yves Chapot[1] (General Manager)	-	-	34,883
Vesting date (in years)	November 14, 2028 (4 years)	November 15, 2028 (4 years)	November 15, 2028 (4 years)
End of lock-up period (in years)	N/A	N/A	N/A
Performance conditions[2] (period over which criteria are applied: 3 years)	N/A	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2023 and in 2026 ■ Corporate social responsibility objective: – i-MEP below 77 points in 2026 – average employee engagement rate exceeds 85% in 2024, 2025 and 2026 ■ Average annual growth in revenue (excluding tires and distribution) of more than 8% over the 2023-2024, 2024-2025 and 2025-2026 periods ■ Return on capital employed (ROCE) of at least 12% in 2026	■ Michelin share price outperforms the Euro Stoxx 600 index by at least 5 points, comparing the average closing price in 2023 and in 2026 ■ Corporate social responsibility objective: – i-MEP below 77 points in 2026 – average employee engagement rate exceeds 85% in 2024, 2025 and 2026 ■ Average annual growth in revenue (excluding tires and distribution) of more than 8% over the 2023-2024, 2024-2025 and 2025-2026 periods ■ Return on capital employed (ROCE) of at least 12% in 2026
Number of vested shares at December 31, 2024	0	0	0
Number of canceled or voided share rights	0	0	0
NUMBER OF SHARE GRANTS OR PERFORMANCE SHARES OUTSTANDING AT DECEMBER 31, 2024	**518,378**	**2,496,117**	**93,021**
Performance conditions: achievement rate	-	-	-

(1) Granted in his capacity as Manager.
(2) On a like-for-like consolidated basis, excluding changes in exchange rates for the financial criteria.

6.5.4 b) Share grants and performance shares granted during the year

A total of 2,589,138 rights to one performance share and 518,378 rights to one bonus share were granted during the year.

	Number of shares granted	Date granted by the Managers
Performance shares granted by CGEM to the ten grantees other than Managers who received the greatest number of shares	150,725	November 15, 2024

6.5.4 c) Special Report of the Managing Chairman

November 14, 2024 Plan (Recognition)

The Annual Shareholders Meeting of May 12, 2023 authorized the grant of shares without consideration to employees of the Company (including the Managers and the Chairman of the Supervisory Board) and of related companies within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code, with the number of shares that may be granted limited to 1.5% of issued capital. The authorization includes the possibility of granting up to 250 shares without performance conditions to more of the Group's production operators, technicians and middle managers, subject only to a service condition, in order to continue increasing their engagement and give them a stake in the Group's results.

This authorization was used in 2024 to grant 518,378 rights to one new share of common stock to 4,886 grantees.

November 15, 2024 Plan (Excellence)

The Annual Shareholders Meeting of May 12, 2023 authorized the grant of shares without consideration to employees of the Company (including the Managers and the Chairman of the Supervisory Board) and of related companies within the meaning of Articles L. 225-197-1 *et seq.* of the French Commercial Code, with the number of shares that may be granted limited to 1.5% of issued capital.

This authorization was used in 2024 to grant 2,589,138 rights to one new share of common stock to 2,590 grantees.

The performance condition is based on three objectives that together demonstrate effective deployment of the Group's Michelin in Motion strategy.

All grantees are expected to fulfill three performance criteria, as set out in the report detailing the related resolution of the May 12, 2023[1] Shareholders Meeting.

These criteria are as follows:

- **Michelin's share performance compared with the Stoxx Europe 600 index:** the difference between average closing prices of the Michelin share for 2023 and for 2026 must exceed or be equal to the difference between the closing Stoxx Europe 600 indexes for these same years by at least 5 points. Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points
- **Corporate social responsibility objective: employee engagement and the environmental performance of manufacturing operations.** This criterion is based on two indicators: the environmental footprint of Michelin's manufacturing operations and the level of employee engagement:
  - The i-MEP indicator tracks the environmental impact of the Group's manufacturing operations until 2030. The i-MEP makes these easier to understand by focusing on five priority areas: energy use, CO_2 emissions, organic solvent use, water withdrawals and stress, and waste production. The i-MEP must be below 77 points in 2026. *Result calculated on a straight-line basis between the threshold of 83 and the targeted 77 points.*
  - Since 2013, the annual "Moving Forward Together: Your Voice for Action" survey has measured the employee engagement rate. The average employee engagement rate must exceed 85% in 2024, 2025 and 2026. *Result calculated on a straight-line basis between the threshold of 83% and the targeted 85%.*
  - **operating performance: growth in revenue (excluding tires and distribution) and return on capital employed (ROCE). This criterion is based on two indicators: revenue growth excluding tires and distribution, and total consolidated ROCE** (i.e., including acquisitions and companies accounted for by the equity method):
  - the growth in the new business revenue indicator (like-for-like growth excluding tires and distribution) measures the Group's ability to grow its new businesses (as opposed to its historical core business). The average growth in new business revenue from 2023 to 2024, from 2024 to 2025 and from 2025 to 2026 must exceed 8%. *Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%.*
  - total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) measures the robustness of the Group's performance. It must exceed 12% in 2026. *Result calculated on a straight-line basis between the threshold of 10% and the targeted 12%.*

Provided that the grantee was still employed by the Group at the end of the vesting period (or qualified for an exemption from this requirement under French law or in the cases decided by the Managers), if the achievement rate for all of the above criteria was 100% (**with each criteria accounting for 20%**), then 100% of the performance shares would vest.

(1) Please refer to pages 455 to 457 of the 2022 Universal Registration Document.

Fulfillment of performance conditions under the performance share plans that vested in 2024

FULFILLMENT OF PERFORMANCE CONDITIONS UNDER THE NOVEMBER 13, 2020 PERFORMANCE SHARE PLAN FOR EMPLOYEES

Criteria		*Weighting*	Results				Achievement rate
			2022 vs. 2019				
Share price performance	■ **Michelin share price** must outperform the Stoxx Europe 600 index by **at least 15 points**, comparing the average daily closing price in 2019 and in 2022 ■ Result calculated on a straight-line basis between the threshold of 0 and the targeted 15 points	*30%*	-1.7 points				**0%**
			2020	**2021**	**2022**	**Average**	
Corporate social responsibility performance	■ Average change in the Michelin Environmental Footprint – **MEF** (energy use, water withdrawals, CO_2 emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled) over three years (2020-2022 period) must be **less than -1.5 points** ■ Result calculated on a straight-line basis between the threshold of 0.5 and the targeted 1.5 points	*15%*	+0.1 point	-2.5 points	-1.3 points	**-1.2 points**	11%
	■ Change in average **employee engagement rate** must **exceed 1.5 points a year** on a like-for-like consolidated basis over the 2020-2022 period ■ Result calculated on a straight-line basis between the threshold of 0.1 and the targeted 1.5 points	*15%*	+2.0 points	-2.0 points	+3.0 points	**+1.0 point**	10%
Operating performance	■ Average annual **growth in revenue**, like-for like excluding tires and distribution, must be **at least 8%** over the 2019-2021 and 2021-2022 periods(1) ■ Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%	*13%(1)*	factored out	-4.0%	+22.0%	**+9%**	13%
	■ Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) must be **at least 11% in 2022** ■ Result calculated on a straight-line basis between the threshold of 10% and the targeted 11%	*20%*	6.0%	10.3%	10.8%	**10.8%**	16%
TOTAL							**50%**

(1) Given the impact of Covid-19 on the business environment, the 2020 result has been factored out of this indicator so that it remains attainable. As a result, the indicator's achievement rate has been capped at 13%, instead of 20%, to reflect its assessment over two-thirds of the period.

In conclusion, the performance conditions were partially met and a total of 50% of the performance shares vested.

Note that the vesting period will end in November 2024 (with no lock-up period) for all grantees.

FULFILLMENT OF PERFORMANCE CONDITIONS UNDER THE NOVEMBER 13, 2020 PERFORMANCE SHARE PLAN FOR THE MANAGERS

Criteria		*Weighting*	Results 2022 vs. 2019				Achievement rate
Share price performance	■ **Michelin share price** must outperform the Stoxx Europe 600 index by **at least 15 points**, comparing the average daily closing price in 2019 and in 2022 ■ Result calculated on a straight-line basis between the threshold of 0 and the targeted 15 points	*30%*	-1.7 points				**0%**
			2020	**2021**	**2022**	**Average**	
Corporate social responsibility performance	■ Average change in the Michelin Environmental Footprint – **MEF** (energy use, water withdrawals, CO_2 emissions, volatile organic compound emissions, amount of waste produced and amount of waste landfilled) over three years (2020-2022 period) must be **less than -1.5 points** ■ Result calculated on a straight-line basis between the threshold of 0.5 and the targeted 1.5 points	*15%*	+0.1 point	-2.5 points	-1.3 points	**-1.2 points**	11%
	■ Change in average **employee engagement rate** must **exceed 1.5 points a year** on a like-for-like consolidated basis over the 2020-2022 period ■ Result calculated on a straight-line basis between the threshold of 0.1 and the targeted 1.5 points	*15%*	+2.0 points	-2.0 points	+3.0 points	**+1.0 point**	10%
Operating performance	■ Average annual **growth in revenue**, like-for like excluding tires and distribution, must be **at least 8%** over the 2019-2020, 2020-2021 and 2021-2022 periods ■ Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%	*20%*	-10.8%	+7.7%	+22.0%	**+6.3%**	13%
	■ Total consolidated **ROCE** (including acquisitions, related goodwill and equity-accounted companies) must be **at least 11% in 2022** ■ Result calculated on a straight-line basis between the threshold of 10% and the targeted 11%	*20%*	6.0%	10.3%	10.8%	**10.8%**	16%
TOTAL							**50%**

Given that the performance conditions were partially met, 50% of the performance shares vested.

Note that in accordance with the approved "say on pay" policy, the vesting period will end for all grantees in November 2024 and the Managers must retain 40% of the vested shares for as long as they remain in office.

Fulfillment of performance conditions under performance share plans in effect in 2024

FULFILLMENT OF PERFORMANCE CONDITIONS UNDER THE NOVEMBER 17, 2021 PERFORMANCE SHARE PLAN FOR EMPLOYEES AND THE MANAGERS

Criteria		*Weighting*	Results 2023 vs. 2020				Achievement rate
Share price performance	■ **Michelin share price** must outperform the Stoxx Europe 600 index by **at least 5 points**, comparing the average closing price in 2020 and in 2023 ■ Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points	*30%*	-4.6 points				0%
			2021	**2022**	**2023**	**Average**	
Corporate social responsibility performance	■ Industrial-Michelin Environmental Performance – **i-MEP**[1] must be below **88 points** in 2023 ■ Result calculated on a straight-line basis between the threshold of 92 and the targeted 88 points	*20%*	92.6 points	88.8 points	83.9 points		20%
	■ Change in average **employee engagement rate** must **exceed 1 point** a year on a like-for-like consolidated basis over the 2021-2023 period ■ Vesting prorated to the achievement rate between the trigger point of 0.0 and the targeted 1.0 point	*20%*	-2.0 points	+2.8 points	+1.0 point	0.6 points[1]	11.7%
Operating performance	■ **Average annual growth in revenue**, like-for like excluding tires and distribution, must be **at least 8%** over the 2020-2021, 2021-2022 and 2022-2023 periods ■ Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%	*15%*	+7.7%	+22.0%	10%	13.2%	15%
	■ Total consolidated **ROCE** (including acquisitions, related goodwill and equity-accounted companies) must be **at least 11% in 2023** ■ Result calculated on a straight-line basis between the threshold of 10% and the targeted 11%	*15%*	10.3%	10.8%	11.4%		15%
TOTAL							**62%**

(1) Calculation based on unrounded figures.

Given that the performance conditions were partially met, no more than 62% of the performance shares will vest.

Note that in accordance with the approved “say on pay” policy, the vesting period will end for all grantees in November 2025 and the Managers must retain 40% of the vested shares for as long as they remain in office.

FULFILLMENT OF PERFORMANCE CONDITIONS UNDER THE NOVEMBER 17, 2022 PERFORMANCE SHARE PLAN FOR EMPLOYEES AND THE MANAGERS

Criteria		*Weighting*	Interim results 2024 vs. 2021				Achievement rate
Share price performance	Michelin **share price** must **outperform the Stoxx Europe 600 index by at least 5 points**, comparing the average closing price in 2021 and in 2024 Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points	*30%*		-6.6 points			0%
			2022	**2023**	**2024**	**Average**	
Corporate social responsibility performance	Industrial-*Michelin Environmental Performance* – **i-MEP**[1] must be **below 83 points** in 2024 Result calculated on a straight-line basis between the threshold of 87 and the targeted 83 points	*20%*			82.6 points		20%
	Change in average **employee engagement rate** must **exceed 1 points** a year on a like-for-like consolidated basis over the 2022-2024 period Result calculated on a straight-line basis between the threshold of 0.0 and the targeted 1.0 point	*20%*	**+2.8 points[2]**	+1.0 point[2]	+1.2 points[2]	1.7 points[2]	20%
Operating performance	Average annual **growth in revenue**, like-for-like excluding tires and distribution, **must exceed 10%** over the 2021-2022, 2022-2023 and 2023-2024 periods Result calculated on a straight-line basis between the threshold of 5% and the targeted 10%	*15%*	**+22.0%**	10.0%	-3.5%	9.5%	14%
	Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) **must exceed 11% in 2024** Result calculated on a straight-line basis between the threshold of 10% and the targeted 11%	*15%*			10.5%		7%
TOTAL							**61%**

(1) Annual scope based on reported figures, including acquisitions from the fourth year of consolidation in the Group's financial statements.

(2) Calculation based on unrounded figures

INTERIM FULFILLMENT OF PERFORMANCE CONDITIONS UNDER THE NOVEMBER 17, 2023 PERFORMANCE SHARE PLAN FOR EMPLOYEES AND THE MANAGERS

Criteria		*Weighting*	Interim results		
			2024 vs. 2022		
Share price performance	Michelin share price must outperform the Stoxx Europe 600 index by at least 5 points between 2022 and 2025 (based on average closing prices for the two years) Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points	*30%*	-1.2 points		
			2023	**2024**	**2025**
Corporate social responsibility performance	Industrial-Michelin Environmental Performance – i-MEP[1] must be below 80 points in 2025 Result calculated on a straight-line basis between the threshold of 86 and the targeted 80 points	*20%*	83.9 points	82.6 points	-
	The employee engagement rate must exceed 84.5% in 2025. Result calculated on a prorated basis between 83% and 84%, capped at 16% Result calculated on a prorated basis between 84% and 84.5%, capped at 20%	*20%*	83.5%	84.7%	-
Operating performance	Average annual growth in revenue, like-for like excluding tires and distribution, must exceed 12% over the 2022-2023, 2023-2024 and 2024-2025 periods Result calculated on a straight-line basis between the threshold of 7% and the targeted 12%	*15%*	10%	-3.5%	-
	Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) must exceed 12% in 2025 Result calculated on a straight-line basis between the threshold of 10% and the targeted 12%	*15%*	11.4%	10.5%	-

(1) Annual scope based on reported figures, including acquisitions from the fourth year of consolidation in the Group's financial statements.

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INTERIM FULFILLMENT OF PERFORMANCE CONDITIONS UNDER THE NOVEMBER 15, 2024 PERFORMANCE SHARE PLAN FOR EMPLOYEES AND THE MANAGERS

Criteria		*Weighting*	Interim results 2024 vs. 2023		
Share price performance	Michelin share price must outperform the Stoxx Europe 600 index by at least 5 points between 2023 and 2026 (based on average closing prices for the two years) Vesting prorated to the achievement rate between the trigger point of 0 and the targeted 5 points	*20%*	+7.4%		
			2024	**2025**	**2026**
Corporate social responsibility performance	Industrial-Michelin Environmental Performance – i-MEP[1] must be below 77 points in 2026 Vesting prorated to the achievement rate between the trigger point of 83 and the targeted 77 points	*20%*	82.6 points		-
	The average employee engagement rate for 2024, 2025 and 2026 must exceed 85% Result calculated on a pro-rated basis between 83% and 85%	*20%*	84.7%		-
Operating performance	Average annual growth in revenue, like-for like excluding tires and distribution, must exceed 8% over the 2023-2024, 2024-2025 and 2025-2026 periods Result calculated on a straight-line basis between the threshold of 3% and the targeted 8%	*20%*	-3.5%		-
	Total consolidated ROCE (including acquisitions, related goodwill and equity-accounted companies) must exceed 12% in 2026 Result calculated on a straight-line basis between the threshold of 10% and the targeted 12%	*20%*	10.5%		-

(1) Annual scope based on reported figures, including acquisitions from the fourth year of consolidation in the Group's financial statements.

Performance shares vested and delivered

Note that during 2024:

the two Managers received 93,021 performance share rights (one received 58,138 and the other received 34,883);

- the two Managers received 40,040 performance shares (one received 24,024 and the other received 16,016);
- the ten employees other than Managers who were granted the greatest number of share rights:
  - received 150,725 performance share rights;
  - received 111,320 fully vested performance shares.

Clermont-Ferrand, February 12, 2025

Florent Menegaux

Managing Chairman

6.5.5 EMPLOYEE SHARE OWNERSHIP

Michelin regularly enables employees to purchase shares of Company stock on preferential terms through recurring employee share ownership plans.

Increasing the percentage of capital held by employees enhances the unique, critical role that each one plays in implementing Michelin's strategy.

As one of the Group's key priorities, share ownership by employees reflects their confidence in the Group's strategy and gives them a direct stake in its financial performance.

Michelin is committed to ensuring that its employee shareholders remain a loyal foundation. They currently represent 30% of all shareholders and own 2.6% of outstanding shares, in addition to former employees who hold an aggregate 1.2% stake.

Employee share ownership plans have been a resounding success. The 2024 offer, for example, was taken up by more than 56% of employees, for a total of more than 66,000 investors in 46 countries.

On December 18, 2024, the French Federation of Employee Shareholders (FAS) awarded Michelin its "CAC All-Tradable Grand Prize" in recognition of the Group-wide employee shareholding initiatives that have been an integral part of the Group's value-sharing commitment for more than 20 years.

6.5.6 INFORMATION CONCERNING A SHARE BUYBACK PROGRAM CURRENTLY IN EFFECT

The following information includes the disclosures reported in the Managing Chairman's Report in compliance with Article L. 225-211 of the French Commercial Code.

	Authorization to buy and sell Company stock granted by shareholders at the May 12, 2023 Annual Meeting	**Authorization to buy and sell Company stock granted by shareholders at the May 17, 2024 Annual Meeting**
Resolution valid up to	18 months	18 months
Maximum purchase price per share (excluding costs)	€55	€55
Total purchases authorized up to	10% of issued share capital	10% of issued share capital
Authorized purposes of the purchases[1]	Employee share ownership Maintaining a liquid market Share grants without consideration Cancellation Acquisitions, mergers, de-mergers or asset contributions	Employee share ownership Maintaining a liquid market Share grants without consideration Cancellation Acquisitions, mergers, de-mergers or asset contributions
Number of shares bought back during the year	2,982,980 shares	11,493,962 shares
Analysis by purpose	0 repurchased shares were allocated to employee share ownership plans 2,982,980 repurchased shares were canceled	0 repurchased shares were allocated to employee share ownership plans 11,493,962 repurchased shares were canceled
Number of shares held at December 31, 2024	0 shares	
Average share buyback price	€33.8821	€34.7078
Average exercise price	N/A	N/A
Total cost of shares repurchased	€101,069,640	€398,930,604
Transaction fees	-	-
Use of derivative instruments	None – no open positions at December 31, 2024	

(1) Including any market practices that may be authorized in the future.

6.5.6 a) Market value of treasury shares at December 31, 2024

No shares were held at December 31, 2024.

	Treasury shares bought back and sold during the year	
	Buybacks	**Sales/transfer**
Number of shares	14,476,942	0
Average transaction price per share *(in €)*	34.64	0
Average exercise price	N/A	N/A
Total cost of transactions *(in €)*	500,000,244	0

Derivative instruments were not used to buy back shares. The Company did not have any open buy or open sell positions in its own stock at December 31, 2024.

6.5.7 DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED FOR SHAREHOLDER APPROVAL AT THE ANNUAL SHAREHOLDERS MEETING OF MAY 16, 2025

The following description has been prepared in accordance with Articles 241-1 et seq. *of the General Regulations of the French securities regulator (AMF) and with European Commission regulations.*

Date of the Annual Shareholders Meeting at which the share buyback program is submitted for approval

May 16, 2025

Purposes of the new share buyback program

The objectives of the share buyback program are as follows:

- to purchase shares for sale or allocation to employees of Group companies in accordance with the conditions set down by law, including (i) on exercise of stock options, (ii) under performance share plans and (iii) by way of transfer and/or employer matching contributions, directly or indirectly, in connection with employee rights issues;
- to maintain a liquid market for the Company's shares through a liquidity contract with an independent investment services provider, using the market practices authorized by the AMF on June 22, 2021;
- to purchase shares for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- to purchase shares to be held and subsequently sold, exchanged or otherwise transferred in connection with external growth transactions. The maximum number of shares purchased for the purpose of being held and subsequently sold or exchanged in connection with a merger, de-merger or asset contribution shall not exceed 5% (five percent) of the Company's share capital;
- to implement any other market practices that may be authorized in the future;
- to acquire shares for cancellation under a shareholder-approved capital reduction.

Maximum percentage of issued capital, maximum number and characteristics of the shares the Company proposes to buy back and maximum purchase price

The Company would be authorized to buy back up to 10% of the total shares outstanding, i.e., 70,574,727 shares at the date of this report. Based on the maximum purchase price of €55.00 per share, this would correspond to a maximum theoretical amount of €3,881,609,985. In accordance with the law, when shares are bought back for the second purpose listed above, the number of shares used to calculate the 10% limit is the number bought back less the number sold during the course of the program. Pursuant to Article L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, the total value of shares held in treasury may not exceed the amount of available reserves (other than the legal reserve) recorded in the Company's balance sheet at December 31, 2024.

Duration of the share buyback program

Subject to shareholder approval, the shares may be bought back at any time during the 18 months from the May 16, 2025 Annual Shareholders Meeting, i.e., until the close of trading on November 16, 2026. Effective as from the Annual Shareholders Meeting of May 16, 2025, this authorization would replace the similar authorization granted by shareholders at the Annual Shareholders Meeting of May 17, 2024.

CHAPTER 07

ANNUAL SHAREHOLDERS MEETING OF MAY 16, 2025

7.1 REPORT OF THE MANAGING CHAIRMAN AND PROPOSED RESOLUTIONS

Ongoing dialogue between shareholders and issuers, both before and after Annual Shareholders Meetings, is essential to enable shareholders to effectively exercise their role, and for companies to enhance their communications.

One of the ways that companies can ensure the effectiveness of such dialogue is by making efforts to clearly communicate the content, rationale and import of the resolutions submitted for shareholder approval.

The resolutions proposed by the Company will be included in the Notice of Meeting published in the *Bulletin des annonces légales obligatoires*. Each shareholder will also be sent a copy of the Notice of Meeting within the period prescribed by law.

7.1.1 ORDINARY RESOLUTIONS (1ST TO 13TH RESOLUTIONS)

1ST AND 2ND RESOLUTIONS - EXPLANATORY STATEMENT

- **Approval of the Company's financial statements for the year ended December 31, 2024**
- **Appropriation of net income for the year ended December 31, 2024 and approval of the recommended dividend**

The 1st and 2nd resolutions concern the approval of the Company's 2024 financial statements and appropriation of net income for the year.

Shareholders are invited to approve the transactions reflected in the Company's income statement and balance sheet, as presented, and to appropriate net income for the year which amounts to €1,216,873,907.67.

After deducting €3,070,792.83 attributable to the General Partners in accordance with the Bylaws, the balance of €1,213,803,114.84 plus €1,193,231,436.28 in retained earnings brought forward from prior years represents a total of €2,407,034,551.12 available for distribution to shareholders.

We are recommending paying a dividend of €1.38 per share in respect of 2024.

In order to qualify for the dividend payment, beneficiaries must be shareholders of record at midnight (CEST) on May 22, 2025 *(the record date)*.

The ex-dividend date will be May 21, 2025.

The dividend will be paid as from May 23, 2025.

If the ninth resolution *(Approval of the components of the compensation paid or awarded to Florent Menegaux for the year ended December 31, 2024)* is not approved by this Shareholders Meeting, the amount attributable to the General Partners referred to above shall be added to the amount available for distribution, as provided for in Article 12.1 of the Bylaws, and shall be appropriated to retained earnings, which will be increased to €1,436,174,108.59.

If the Company holds any of its own shares on the dividend payment date, the distributable profit corresponding to the unpaid dividend on said shares shall be appropriated to retained earnings.

FIRST RESOLUTION

- **(Approval of the Company's financial statements for the year ended December 31, 2024)**

Having considered the reports of the Managing Chairman, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the Company's financial statements for the year ended December 31, 2024 which show net income for the period of €1,216,873,907.67.

The Ordinary Shareholders Meeting also approves the transactions reflected in these financial statements and referred to in these reports, including those relating to the various provision accounts.

SECOND RESOLUTION

■ (Appropriation of net income for the year ended December 31, 2024 and approval of the recommended dividend)

On the recommendation of the Managing Chairman (as approved by the Supervisory Board), the Ordinary Shareholders Meeting notes that the total amount available for distribution is as follows:

- net income for the year: €1,216,873,907.67;
- share of profits attributed to the General Partners in accordance with the Bylaws: €3,070,792.83;
- balance: €1,213,803,114.84;
- plus retained earnings brought forward from prior years: €1,193,231,436.28;
- represents a distributable amount of: €2,407,034,551.12.

And resolves:

- to pay an aggregate dividend of: €973,931,235.36;
  representing: €1.38 per share;
- to appropriate to retained earnings the balance of: €1,433,103,315.76.

The dividend will be paid as from May 23, 2025.

If the ninth resolution *(Approval of the components of the compensation paid or awarded to Florent Menegaux for the year ended December 31, 2024)* is not approved by this Shareholders Meeting, the amount attributable to the General Partners referred to above shall be added to the amount available for distribution, as provided for in Article 12.1 of the Bylaws, and shall be appropriated to retained earnings, which will be increased to €1,436,174,108.59.

If the Company holds any of its own shares on the dividend payment date, the distributable profit corresponding to the unpaid dividend on said shares shall be appropriated to retained earnings.

For individual shareholders domiciled in France for tax purposes, the tax treatment of the dividend will be as follows:

- in application of Article 200 A of the French General Tax Code (*Code général des impôts*), dividends paid to individual shareholders domiciled in France for tax purposes are subject to a 30% (thirty percent) flat tax comprising 12.8% (twelve point eight percent) for income tax and 17.2% (seventeen point two percent) for social security contributions. This flat tax does not discharge the individual from other tax liabilities;
- the 12.8% flat tax will be applied automatically unless the taxpayer makes an irrevocable election to pay income tax at the graduated rate on all dividend income. The election must be made each year, when the taxpayer's personal income tax return is filed;
- the two-step method of paying tax on dividends is maintained.

In accordance with Article 119 *bis* of the French General Tax Code, dividends paid to shareholders not domiciled in France for tax purposes are subject to withholding tax at the rate applicable to the country in which the shareholder is domiciled.

As required under Article 243 *bis* of the French General Tax Code, shareholders note that dividends paid for the past three years were as follows:

Year	Total dividend payout *(in €)*	Dividend per share *(in €)*[(2)]
2021[(1)]	803,387,025.00	4.50
2022	892,646,767.50	1.25
2023	965,193,387.75	1.35

(1) Paid on shares with a par value of €2, before the four-for-one stock-split in June 2022.
(2) The full amount of the dividend was eligible for the 40% tax allowance provided for in Article 158-3-2° of the French General Tax Code.

3RD RESOLUTION - EXPLANATORY STATEMENT

■ Approval of the consolidated financial statements for the year ended December 31, 2024

The purpose of the 3rd resolution is to approve the consolidated financial statements for the year ended December 31, 2024, which show net income for the period of €1,890,031 thousand.

The 2024 Universal Registration Document, which can be downloaded from Michelin's website (www.michelin.com), contains an analysis of the consolidated financial statements and year-on-year changes.

THIRD RESOLUTION

■ (Approval of the consolidated financial statements for the year ended December 31, 2024)

Having considered the reports of the Managing Chairman, the Statutory Auditors and the Supervisory Board, the Ordinary Shareholders Meeting approves the consolidated financial statements for the year ended December 31, 2024, which show net income for the period of €1,890,031 thousand.

4TH RESOLUTION - EXPLANATORY STATEMENT

Related-party agreements

As no related-party agreements were entered into during 2024, shareholders are invited to place on record that there are no such agreements to approve.

In addition, no related-party agreements approved in previous years remained in force during 2024.

FOURTH RESOLUTION

(Related-party agreements)

Having considered the Statutory Auditors' special report on related-party agreements governed by Article L. 226-10 of the French Commercial Code (*Code de commerce*), the Ordinary Shareholders Meeting approves said report and places on record that no such agreements requiring shareholder approval were entered into or were in force in 2024.

5TH RESOLUTION - EXPLANATORY STATEMENT

Authorization for the Managers, or either of them, to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €55

In the 5th resolution, shareholders are invited to renew the authorization granted to the Company to buy back its own shares over a period of 18 months. The maximum purchase price per share under this authorization would be €55 and the maximum number of shares purchased would not exceed 10% of the total shares outstanding at the time of the transaction(s).

This authorization is in line with the authorizations given for the same purpose by the Annual Shareholders Meetings of May 12, 2023 and May 17, 2024.

In 2024, these authorizations were used to buy back 14,J477,103 shares[(1)].

The proposed authorization could not be used during a public offer period.

FIFTH RESOLUTION

(Authorization for the Managers, or either of them, to put in place a share buyback program, except during a public offer period, based on a maximum purchase price per share of €55)

Having considered the reports of the Managing Chairman and the Supervisory Board, as well as the description of the share buyback program drawn up in accordance with the requirements of the General Regulations of the French securities regulator (*Autorité des marchés financiers* – AMF), the Ordinary Shareholders Meeting authorizes the Managers or either of them, in accordance with Articles L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, to put in place a program for the Company to buy back its own shares at a maximum purchase price per share of €55 (fifty-five euros).

In the event of any corporate actions, such as a bonus share issue paid up by capitalizing reserves or a stock split or reverse stock split, the above maximum purchase price will be adjusted accordingly.

The number of shares that may be bought back under this authorization may not represent more than 10% (ten percent) of the total shares outstanding at the time of each transaction. The total number of shares that may be purchased for the purpose of maintaining a liquid market, as set out below, will be calculated after deducting the number of shares sold over the duration of the share buyback program. In addition, the Company may not hold more than 10% (ten percent) of its own share capital at any time.

Based on the share capital at December 31, 2024, the maximum amount invested in the program would not exceed €3,881,609,985 (three billion, eight hundred and eighty-one million, six hundred and nine thousand, nine hundred and eighty-five euros), corresponding to 10% (ten percent) of the Company's share capital, or 70,574,727 (seventy million, five hundred and seventy-four thousand, seven hundred and twenty-seven) shares purchased at the maximum price of €55 (fifty-five euros) per share.

(1) See detailed description of the buyback program in section 6.5.6 of the 2024 Registration Document.

The objectives of the share buyback program are as follows:

- to purchase shares for sale or allocation to employees of Group companies in accordance with the conditions set down by law, including (i) on exercise of stock options, (ii) under performance share plans and (iii) by way of transfer and/or employer matching contributions, directly or indirectly, in connection with employee rights issues;
- to maintain a liquid market for the Company's shares through a liquidity contract with an independent investment services provider, using the market practices authorized by the AMF on June 22, 2021;
- to purchase shares for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- to purchase shares to be held and subsequently sold, exchanged or otherwise transferred in connection with external growth transactions. The maximum number of shares purchased for the purpose of being held and subsequently sold or exchanged in connection with a merger, de-merger or asset contribution shall not exceed 5% (five percent) of the Company's share capital;
- to implement any other market practices that may be authorized in the future;
- to acquire shares for cancellation under a shareholder-approved capital reduction.

The purchase, sale or transfer of shares may be effected at any time, except during a public offer period, and by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date(s), via regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, including through (i) block purchases or sales, (ii) public offers of purchase or exchange, (iii) the use of options or other forward financial instruments traded via regulated markets, multilateral trading facilities, systematic internalizers or over-the-counter, or (iv) the allocation of shares on conversion, redemption, exchange or exercise of securities carrying rights to the Company's shares or by any other means, either directly or via an investment services provider. The entire buyback program may be implemented through a block trade.

The Managers, or either of them, shall have full powers – which may be delegated – to (i) place buy and sell orders, (ii) enter into any and all agreements, (iii) make any and all filings, (iv) carry out all other formalities, (v) allocate or reallocate the purchased shares to any of the various purposes of the program and (vi) generally, do everything necessary to carry out the share buyback program.

This authorization shall be valid for a period of 18 months from the date of this Meeting.

6TH AND 7TH RESOLUTIONS - EXPLANATORY STATEMENT

■ 2025 Compensation Policy for the Managers and the Supervisory Board members

The General Partners and the Supervisory Board, based on the recommendation of its Compensation and Appointments Committee, will ask the Annual Shareholders Meeting of May 16, 2025 to approve the 2025 Compensation Policy applicable to (i) the Managers and (ii) the Supervisory Board.

The 2025 Compensation Policy is described in the Corporate Governance Report presented in section 2.3 of the 2024 Universal Registration Document.

The Compensation Policy applicable to the Managers and the Supervisory Board is determined and revised in accordance with the relevant laws and regulations.

SIXTH RESOLUTION

■ (Approval of the Compensation Policy applicable to the Managers)

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-76 II of the French Commercial Code, approves the Compensation Policy applicable to the Managers, as presented in the Corporate Governance Report set out in sections 2.3.1 and 2.3.2 of the Company's 2024 Universal Registration Document.

SEVENTH RESOLUTION

■ (Approval of the Compensation Policy applicable to members of the Supervisory Board)

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-76 II of the French Commercial Code, approves the Compensation Policy applicable to the members of the Supervisory Board, as presented in the Corporate Governance Report set out in sections 2.3.1 and 2.3.3 of the Company's 2024 Universal Registration Document.

8TH, 9TH, 10TH & 11TH RESOLUTIONS - EXPLANATORY STATEMENT

- **Information about the compensation packages of the corporate officers and about the individual compensation paid or awarded to the Managers and the Chair of the Supervisory Board in 2024**

In accordance with the applicable laws and regulations, at the Annual Shareholders Meeting, the General Partners and the Supervisory Board are submitting to the Ordinary Shareholders Meeting the required disclosures concerning the compensation paid or awarded in 2024 to the Managers and the Supervisory Board.

In 2025, the General Partners and the Supervisory Board are submitting to the Annual Shareholders Meeting for approval:

- information about the components of the compensation paid or awarded to the corporate officers for 2024 (8th resolution);
- components of the individual compensation paid or awarded to the Managers and the Chair of the Supervisory Board in 2024, in respect of their service during the year, i.e., to:
  - Florent Menegaux, General Partner and Managing Chairman (9th resolution),
  - Yves Chapot, General Manager (10th resolution),
  - Barbara Dalibard, Chair of the Supervisory Board (11th resolution).

These compensation components were determined in accordance with the principles described in the 2024 Compensation Policy[1] presented and approved at the Annual Shareholders Meeting of May 17, 2024.

EIGHTH RESOLUTION

- **(Approval of the disclosures concerning the compensation packages of the corporate officers)**

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 I of the French Commercial Code, approves the disclosures mentioned in Article L. 22-10-9 I of the Code, as presented in the Corporate Governance Report set out in sections 2.4.1 to 2.4.5 of the Company's 2024 Universal Registration Document.

NINTH RESOLUTION

- **(Approval of the components of the compensation paid or awarded to Florent Menegaux for the year ended December 31, 2024)**

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2024 or awarded in respect of that year to Florent Menegaux, Managing General Partner and Managing Chairman, as presented in the Corporate Governance Report set out in section 2.5.2 of the Company's 2024 Universal Registration Document.

TENTH RESOLUTION

- **(Approval of the components of the compensation paid or awarded to Yves Chapot for the year ended December 31, 2024)**

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2024 or awarded in respect of that year to Yves Chapot, General Manager, as set out in section 2.5.3 of the Company's 2024 Universal Registration Document.

(1) See section 3.3 of the 2023 Universal Registration Document, pages 114 *et seq.*

ELEVENTH RESOLUTION

(Approval of the components of the compensation paid or awarded to Barbara Dalibard for the year ended December 31, 2024)

Having noted the agreement of the General Partners and considered the report of the Supervisory Board, the Annual Shareholders Meeting, in application of Article L. 22-10-77 II of the French Commercial Code, approves the fixed, variable and exceptional compensation making up the total compensation and fringe benefits paid during the year ended December 31, 2024 or awarded in respect of that year to Barbara Dalibard, Chair of the Supervisory Board, as set out in section 2.5.1 of the Company's 2024 Universal Registration Document.

12TH RESOLUTION - EXPLANATORY STATEMENT

Terms of office of Supervisory Board members

The 12th resolution concerns the re-election of a Supervisory Board member.

Michelin's Supervisory Board plays a vital role for the Group

The current members of Michelin's Supervisory Board are Barbara Dalibard, Aruna Jayanthi, Catherine Soubie, Monique Leroux, Delphine Roussy, Patrick de La Chevardière, Jean-Christophe Laourde, Thierry Le Hénaff, Wolf-Henning Scheider, Jean-Michel Severino and Pascal Vinet.

The members elected by the Annual Shareholders Meeting all have very solid business experience acquired through working with leading corporations, as well as a good knowledge of the Company.

The members of the Supervisory Board actively participate in and contribute to the work of both the Board and its Committees, as illustrated by the 98.3% overall attendance rate for meetings held in 2024.

The Supervisory Board members perform their duties with total freedom of judgment.

A summary of the work carried out by the Supervisory Board in 2024 is included in section 2.2 of the Corporate Governance Report presented in the 2024 Universal Registration Document.

Michelin's General Partners do not take part in the election or re-election of Supervisory Board members

Compagnie Générale des Établissements Michelin is a *société en commandite par actions* (partnership limited by shares) and as such its Supervisory Board is entirely made up of non-executive members (89% of whom are independent) who represent the shareholders.

With a view to clearly separating management and supervisory powers, no General Partner may play a role in the nomination process – neither the Managing General Partner (who serves in an executive capacity), nor the Non-Managing General Partner, SAGES (which is responsible for ensuring the Company's continuity of leadership).

The General Partners may not be involved in decisions to recommend candidates for election to the Supervisory Board at Shareholders Meetings.

Likewise, in accordance with the law and the Company's Bylaws, the General Partners may not take part in any votes cast at Shareholders Meetings concerning the election or re-election of Supervisory Board members and their shares are not included in the quorum for the related resolutions.

The Supervisory Board is recommending that shareholders re-elect one Supervisory Board member

The Supervisory Board has unanimously decided (with the interested party abstaining) to recommend, and to ask the Managing Chairman to propose, to the Shareholders Meeting the re-election of Wolf-Henning Scheider (12th resolution).

The candidate review and selection process, the criteria applied by the Compensation and Appointments Committee and a presentation of the candidates are set out in the report of the Supervisory Board on the proposed resolutions (see the Notice of Meeting for the May 16, 2025 Annual Shareholders Meeting and section 7.2.1 of the 2024 Universal Registration Document).

TWELFTH RESOLUTION

(Re-election of Wolf-Henning Scheider as a member of the Supervisory Board)

Having considered the reports of the Managing Chairman and the Supervisory Board, the Ordinary Shareholders Meeting re-elects Wolf-Henning Scheider as a member of the Supervisory Board for a four-year term expiring at the close of the Annual Shareholders Meeting to be called to approve the financial statements for the year ending December 31, 2028.

13TH RESOLUTION - EXPLANATORY STATEMENT

Supervisory Board compensation

On the recommendation of the Compensation and Appointments Committee, the Supervisory Board has asked the Managing Chairman to present to the Annual Shareholders Meeting a resolution to adjust the total compensation paid to the Supervisory Board to a maximum of €1,150,000 per year.

This resolution is presented in the Supervisory Board's report (see section 7.2.2 of the 2024 Universal Registration Document) and in the 2025 Compensation Policy (see section 2.3.3.2 of the 2024 Universal Registration Document).

THIRTEENTH RESOLUTION

(Supervisory Board compensation)

Having considered the reports of the Chief Executive Officer and the Supervisory Board, the Ordinary Shareholders Meeting sets at €1,150,000 (one million one hundred and fifty thousand euros) per year, the ceiling for the total compensation awarded to the members of the Supervisory Board, effective from the financial year beginning on January 1, 2025.

7.1.2 EXTRAORDINARY RESOLUTIONS (14TH AND 15TH RESOLUTIONS)

14TH RESOLUTION - EXPLANATORY STATEMENT

■ Authorization for the Managers to reduce the Company's capital by canceling shares

In the 14th resolution, shareholders are invited to authorize the Managers, or either of them, for a period of 24 months, to reduce the Company's capital by canceling shares purchased under shareholder-approved buyback programs.

This authorization would replace the authorization granted for the same purpose at the Annual Shareholders Meeting of May 17, 2024 (28th resolution).

A total of 14,477,103 shares acquired under the shareholder-approved buyback programs were canceled in 2024[1].

FOURTEENTH RESOLUTION

■ (Authorization for the Managers or either of them to reduce the Company's capital by canceling shares)

Having considered the report of the Managing Chairman, the Statutory Auditors' special report and the report of the Supervisory Board, and having noted the approval of the General Partners, the Extraordinary Shareholders Meeting resolves:

- to authorize the Managers, or either of them, to:
  - cancel, at their sole discretion, on one or more occasions, all or some of the shares purchased under shareholder-approved buyback programs, provided that the number of shares canceled does not exceed 10% (ten percent) of the Company's capital,
  - charge the difference between the cost of the canceled shares and their par value against any available premium or reserve account;
- to grant the Managers, or either of them, full powers – which may be delegated in accordance with the law – to (i) carry out the capital reduction(s) following the cancelation(s) of shares authorized under this resolution, (ii) make the corresponding accounting entries, (iii) amend the Bylaws to reflect the new capital and (iv) generally, carry out all necessary formalities.

This authorization shall be valid for a period of 24 months from the date of this Meeting. It supersedes any authorization previously granted for the same purpose.

(1) The transactions are described in section 6.5.6 of the 2024 Universal Registration Document.

15TH RESOLUTION - EXPLANATORY STATEMENT

■ Powers

The purpose of the 15th resolution is to give powers to carry out the formalities related to the Annual Shareholders Meeting.

FIFTEENTH RESOLUTION

■ (Powers to carry out formalities)

The shareholders give full powers to the bearer of an original, copy or extract of the minutes of this Ordinary and Extraordinary Shareholders Meeting to carry out all legal and administrative formalities and to make all filings and publish all notices required by the applicable laws.

Summary of financial authorizations submitted for shareholder approval

Capital reduction by canceling shares (14th resolution)	10% of the issued capital	24 months *(May 2027)*
Share buyback program (5th resolution)	70 million shares at a maximum price of €55 per share	18 months *(November 2026)*

7.2 REPORT OF THE SUPERVISORY BOARD: RECOMMENDATIONS CONCERNING THE VOTES ON THE PROPOSED RESOLUTIONS

7.2.1 RE-ELECTION OF ONE SUPERVISORY BOARD MEMBER (12TH RESOLUTION)

Compagnie Générale des Établissements Michelin is a *société en commandite par actions* (partnership limited by shares) and as such its Supervisory Board is entirely made up of non-executive members (89% of whom are independent) who represent the shareholders.

With a view to clearly separating powers, no General Partner may play a role in the nomination process – neither Florent Menegaux, Managing Chairman, nor SAGES, the Non–Managing Partner, which is responsible for ensuring the Company's continuity of leadership.

The General Partners may not be involved in decisions to recommend candidates for election to the Supervisory Board at Shareholders Meetings.

In addition, French law and the Company's Bylaws prohibit the General Partners from taking part in the vote at Shareholders Meetings to elect members of the Supervisory Board and their shares are not included in the quorum for the related resolutions.

Wolf-Henning Scheider's term as Supervisory Board member expires at the close of the Annual Shareholders Meeting to be held on May 16, 2025 and he has informed the Board that he wishes to stand for re-election.

The Compensation and Appointments Committee proposes that Wolf-Henning Scheider should be re-elected as member of the Supervisory Board for the first time (12th resolution).

Re-election of a Supervisory Board member

Wolf-Henning Scheider

Michelin

112, avenue Kléber, 75016 Paris

Wolf-Henning Scheider was born in 1962 and is a German national. Since 2023, he has been a member of the Executive Committee of Partners Group AG, Head of Private Equity and Executive Director for Sustainability.

Wolf-Henning Scheider studied at Saarbruck University and RWTH Aachen University, graduating in Business Administration and Economics. He began his career with the Bosch group, holding various management positions in Germany and several other countries, including France where he spent over four years. Between 2010 and 2015, he served as a member of the Executive Committee of Robert Bosch GmbH, with overall responsibility for the Automotive group, OEM sales, and Group Sales and Marketing. From 2015 to 2018, Wolf-Henning Scheider was Chief Executive Officer of the Mahle group. He was Chairman of the Board of Management and Chief Executive Officer of ZF Friedrichshafen AG (ZF Group), a global leader in automotive, transportation and mobility technologies, from 2018 to early 2023.

He owned 1,600 Michelin shares at December 31, 2024.

Wolf-Henning Scheider was elected as a member of Michelin's Supervisory Board by the Annual Shareholders Meeting of May 21, 2021 by a majority of 99.68% of the votes cast.

Wolf-Henning Scheider:

- does not have any family ties with either the Managers or any other member of the Supervisory Board;
- is not currently and never has been an employee of Michelin or any of its subsidiaries;
- is not an executive officer of a company in which Michelin, directly or indirectly, has a seat on the Board, or in which an executive officer of Michelin has a seat on the Board;
- has not been an auditor of Michelin in any of the past five years;
- is not a shareholder or an executive officer of SAGES, one of Michelin's General Partners;
- is not a customer, supplier or banker that is material for Michelin or that derives a significant portion of its business from Michelin.

The Board examined Wolf-Henning Scheider's candidacy for re-election (for the first time) for a four-year term, paying particular attention to the subject of potential conflicts of interest, and taking into account:

- the appropriateness of his re-election;
- the skills and experience he brings to the work of the Board and to that of the Audit Committee and the Corporate Social Responsibility Committee; in particular, the Compensation and Appointments Committee considers that Wolf-Henning Scheider will continue to provide the Company with the following expertise, presented according to the classification established by the Supervisory Board in its detailed expertise matrix and its sustainability expertise matrix[1]:
  - International Management: member of the Executive Committee of Partners Group AG, former CEO of ZF Group and Mahle, former senior executive at Bosch,
  - Automotive and Mobility sector: former CEO of international automotive sector companies and former member of the Board of VDA (German automotive industry association),
  - Environment, Climate and Biodiversity: Executive Director in charge of Sustainability at Partners Group AG; knowledge and/or skills covering all sustainability issues identified by the Company,
  - Manufacturing: former CEO of ZF company, Mahle, and former senior executive at Bosch,
  - Wolf-Henning Scheider's educational background and experience furthermore give him special expertise in financial and accounting matters;
- his regular attendance, availability and involvement in Board meetings and meetings of the Audit Committee and Corporate Social Responsibility Committee. Wolf-Henning Scheider's attendance rate at meetings of the Supervisory Board, the Audit Committee and the Corporate Social Responsibility Committee during the last three years (the period used by the Board to assess the attendance rate of incumbent Board members) was 91.5%.

In conclusion, on the recommendation of the Compensation and Appointments Committee, the Supervisory Board decided to recommend that Wolf-Henning Scheider be re-elected for a further four-year term. Wolf-Henning Scheider did not take part in the Board's discussion or vote.

(1) See detailed disclosures in section 2.1.3.3 of the 2024 Universal Registration Document.

Summary of the Supervisory Board's Report to the Annual Shareholders' Meeting

Including the member proposed for election at the Annual Shareholders Meeting and the Board's planned changes to the membership of its Committees, the Board and its Committees would be constituted as follows:

Member		Independent[1]	Committee(s)	First elected	Re-elected[2]	Current term expires (AGM)[3]	Years on the Board	Number of shares held	Nationality	Age	Gender
Barbara Dalibard	P	⊖	-	2008	2013[2] 2015[3] 2019 2023	2027	16	2,740	French	66	F
Aruna Jayanthi		✓	Audit	2015	2019 2023	2027	9	1,600	Indian	62	F
Patrick de La Chevardière		✓	Audit P	2020	2024	2028	4	1,600	French	67	M
Jean-Christophe Laourde	RS	⊖	Corporate Social Responsibility	2020	2024	2028[4]	4	459	French	49	M
Thierry Le Hénaff	MR	✓	Compensation and Appointments	2018	2022	2026	6	1,600	French	61	M
Monique Leroux		✓	Audit Corporate Social Responsibility P	2015[5]	2018 2022	2026	9	4,000	Canadian	70	F
Delphine Roussy	RS	⊖	Compensation and Appointments	2020	2024	2028[4]	4	1,159	French	42	F
Wolf-Henning Scheider		✓	Audit Corporate Social Responsibility	2021	2025	2029	3	1,600	German	62	M
Jean-Michel Severino		✓	Corporate Social Responsibility Compensation and Appointments P	2020[6]	2022	2026	4	1,600	French	67	M
Catherine Soubie		✓	Audit	2024	-	2028	0	1,600	French	59	F
Pascal Vinet		✓	Compensation and Appointments	2024	-	2028	0	1,600	French	62	M

P: Chair MR: Senior Independent Member RS: Members representing employees

(1) Based on the criteria set in the Supervisory Board's internal rules which correspond to those recommended in the AFEP/MEDEF Corporate Governance Code for listed companies.

(2) At the Annual Meeting of May 15, 2009, shareholders voted to reduce the term of Supervisory Board members from five years to four.

(3) At the Annual Meeting of May 17, 2013, shareholders voted to elect Supervisory Board members for terms of two, three or four years, so that their terms do not all expire at the same time.

(4) Appointed pursuant to the Bylaws and not elected by the shareholders.

(5) Monique Leroux was appointed as a member of the Supervisory Board on October 1, 2015 to replace Laurence Parisot, who had resigned, for the remainder of Ms. Parisot's term of office.

(6) Jean-Michel Severino was appointed as a member of the Supervisory Board on November 12, 2020 to replace Cyrille Poughon, who had resigned, for the remainder of Mr. Poughon's term of office.

7.2.2 APPROVAL OF THE COMPENSATION OF THE CORPORATE OFFICERS, ADJUSTMENT OF THE TOTAL COMPENSATION AWARDED TO THE SUPERVISORY BOARD (6TH TO 11TH AND 13TH RESOLUTIONS)

The policy and the components of the corporate officer compensation packages were presented to the corresponding Annual Shareholders Meetings by the Chair of the Compensation and Appointments Committee.

In 2025, the General Partners and the Supervisory Board are submitting to the Annual Shareholders Meeting for approval:

- the 2025 Compensation Policy applicable to (i) the Managers (6th resolution) and (ii) the Supervisory Board (7th resolution)[(1)];
- the information about the compensation of the Managers and the Chair of the Supervisory Board (8th resolution) and the individual compensation paid or awarded to them (9th to 11th resolutions) for 2024[(2)].

At this year's Meeting, we intend to ask shareholders to approve an adjustment of the total annual compensation awarded to the Supervisory Board (13th resolution).

The challenges facing Michelin, such as developing innovative technologies, managing risks and deploying its strategy, require its senior executives and corporate officers to increase their levels of expertise.

The Supervisory Board members devote an increasing amount of time to their Board responsibilities, not only to fulfill their legal and statutory duties, but also due to (i) the steady increase in their workload as members of the Committees of the Board (Audit Committee, CSR Committee, Compensation and Appointments Committee) and (ii) the requirement for them to participate in ongoing training, especially on emerging issues such as AI and cybersecurity, adaptation to climate change, and changes in terms of corporate social responsibility.

The conclusions of the periodic assessments of the Board's practices, the observations of its independent members as reported by the Senior Independent Member, and the growing range of topics that they are called on to examine, all attest to the Board member's high quality long-term commitment to the Company and its shareholders.

Michelin is concerned by the need to offer competitive rates of compensation to the Supervisory Board members and therefore reviews their compensation at intervals that are consistent with their terms of office, unless a major event occurs.

To take into account the current and future increase in the number of Supervisory Board meetings, and the growing participation of its members in the work of the Committees of the Board as well as in coordinating this work, the Supervisory Board intends to recommend to the Annual Shareholders Meeting (13th resolution) an increase in the total annual amount payable to its members as from 2025 to €1,150,000 from €950,000 currently (amount set three years ago at the Annual Shareholders Meeting of May 13, 2022). The proposed new ceiling is below the average total compensation awarded to the boards of comparable CAC 40 industrial groups[(3)].

Adoption of this new ceiling would not lead to any change in the other components of the compensation policy for 2025[(4)] compared with the previous shareholder-approved policy; in particular:

- the individual shares of the total compensation paid to Board members would be unchanged and would not be increased;
- payment of 60% of the total amount receivable would continue to depend on the member's attendance rate at meetings of the Supervisory Board and of any Committees of which he or she is a member;
- the specific compensation paid to the Chair of the Supervisory Board, which is not included in the Board's total compensation, would also be unchanged and would not be increased.

We concur with the proposal of the Compensation and Appointments Committee and recommend that shareholders adopt the corresponding proposed resolutions.

(1) Detailed policy described in the Supervisory Board's Corporate Governance Report; see section 2.3 of the 2024 Universal Registration Document.
(2) Detailed disclosures in the Supervisory Board's Corporate Governance Report; see sections 2.4 and 2.5 of the 2024 Universal Registration Document.
(3) Based on information available or estimated for the boards of the following companies: Airbus, Air Liquide, Danone, Engie, Legrand, Stellantis, Renault, STMicroelectronics, Valeo, Wordline.
(4) See detailed description of the 2025 Supervisory Board compensation policy in section 2.3.3 of the 2024 Universal Registration Document.

7.2.3 APPROVAL OF THE FINANCIAL STATEMENTS, RELATED-PARTY AGREEMENTS AND FINANCIAL AUTHORIZATIONS (1ST TO 5TH AND 14TH RESOLUTIONS)

Concerning the other ordinary resolutions, the accounting and financial information communicated to shareholders and the Managing Chairman's report present the Group's operations and results for 2024 (for the purposes of the 1st, 2nd and 3rd ordinary resolutions).

We have no comments on the Statutory Auditors' reports on the financial statements.

As no new related-party agreements requiring shareholder approval were entered into in 2024, shareholders are asked to place on record that there are no such agreements to approve (4th resolution).

Before asking shareholders to approve the financial statements of the Company, the consolidated financial statements and the proposed appropriation of net income, we would like to repeat our very positive assessment of the way the Group is run and to reaffirm our absolute confidence in its management.

Michelin's teams have provided a compelling demonstration of their engagement and the Group's resilience in a very unstable economic and geopolitical environment.

They also lead us to support the Managing Chairman's recommendation to set the dividend at €1.38 per share (2nd resolution).

The Company wishes to renew its share buyback program on similar terms as for the previous program (5th resolution).

An authorization to cancel shares bought back under the program is also being sought to replace the authorization granted at the 2024 Meeting (14th extraordinary resolution).

We recommend that shareholders adopt the proposals submitted by the Managing Chairman for their approval by voting in favor of the corresponding ordinary and extraordinary resolutions.

February 11, 2025

The Supervisory Board

7.3 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL DECREASE

(Annual Shareholders Meeting of May 16, 2025 – 14th resolution)

This is a free translation into English of the Statutory Auditors' report 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.

To the Shareholders's meeting,

Compagnie Générale des Établissements Michelin
23 place des Carmes-Déchaux
63000 Clermont Ferrand

In our capacity as Statutory Auditors of your company and in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code (*Code de commerce*), in the event of a share capital decrease by canceling shares, we hereby report to you on our assessment of the reasons for and the terms and conditions pertaining to the proposed share capital decrease.

Your Managing Chairman proposes that you delegate to the Managers, or anyone of them, for a 24-month period from this Shareholder's Meeting, the authority to cancel, for up to a maximum of 10% of the share capital per 24-month period, the shares bought back pursuant to an authorization for the Company to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in ensuring that the reasons for and terms and conditions of the proposed share capital decrease, which would not undermine shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and terms and conditions of the proposed share capital decrease.

Fait à Neuilly-sur-Seine et Paris La Défense, March 19, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Deloitte & Associés
Itto El Hariri	Frédéric Gourd


08

CHAPTER 08

TABLES OF CONCORDANCE

8.1 TABLE OF CONCORDANCE FOR THE UNIVERSAL REGISTRATION DOCUMENT

In order to make the Universal Registration Document easier to navigate, the following table cross-references the key information required under Annex 1 of European Regulation No. 2019/980 supplementing European Regulation No. 2017/1129.

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17. Related party transactions	5.2 (note 18)
18.1. Historical financial information	5.1.14; 5.2; 5.3
18.2. Interim and other financial information	N/A
18.3. Auditing of historical financial information	5.2.2; 5.3.3
18.4. Pro forma financial information	5.2; 5.3
18.5. Dividend policy	6.2.3
18.6. Legal and arbitration proceedings	5.2 (note 16.2.2)
18.7. Significant change in the issuer's financial position	5.1.11
19.1. Share capital	6.5
19.1.1. Issued capital and authorized capital	6.5
19.1.2. Shares not representing capital	N/A
19.1.3. Shares held by the issuer or its subsidiaries	6.5.6; 6.5.7
19.1.4. Convertible securities, exchangeable securities or securities with warrants	6.5.3
19.1.5. Acquisition rights and/or obligations attached to authorized but unissued capital, or any undertaking to increase the capital	6.5
19.1.6. Options on the capital relating to members of the Group	6.5.3
19.1.7. A history of share capital	6.5.1
19.2. Articles of incorporation and bylaws	2.10; 6.1
19.2.1. Register and corporate purpose	2.10
19.2.2. Rights, preferences and restrictions attached to shares	2.10
19.2.3. Provisions that could delay, defer or prevent a change in control	N/A
20. Material contracts	5.1.9
21. Documents available	6.4

8.2 TABLE OF CONCORDANCE FOR THE ANNUAL FINANCIAL REPORT

In order to make the Annual Financial Report easier to navigate, the following table cross-references the key information required by Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-3 of the AMF General Regulations.

Section headings provided under Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulations	**Section**
1. Annual financial statements	5.3
2. Consolidated financial statements	5.2
3. Management report including the report on sustainability information *(table of concordance)*	8.4
4. Corporate governance report	2
5. Statement by the person responsible for the Annual Financial Report	5.4.1
6. Statutory Auditors' report on the annual financial statements	5.3.3
7. Statutory Auditors' report on the consolidated financial statements	5.2.2
8. Limited assurance report on sustainability information	4.12
9. Fees paid to the Statutory Auditors	5.2.1 (note 21)

8.3 TABLE OF CONCORDANCE WITH THE AMF TABLES ON CORPORATE OFFICER COMPENSATION

The following cross-reference table has been drawn up in order to put information on compensation into perspective with regard to the breakdown of such information in the 11 tables recommended by the AMF in its guide for the preparation of Universal Registration Documents (see also the AFEP-MEDEF Code).

Remuneration tables in the AMF recommendations	**2.6.1**
Table 1 Summary of compensation, options and shares granted to each executive officer	2.6.1.1
Table 2 Summary of compensation paid to each executive officer	2.6.1.2; 2.6.1.3
Table 3 Directors' fees and other compensation received by the non-executive officers	2.6.1.4
Table 4 Stock options granted during the year to executive officers by the issuer and any other Group company	2.6.1.5
Table 5 Stock options exercised during the year by the executive officers	2.6.1.6
Table 6 Performance shares granted to the executive officers	2.6.1.7
Table 7 Performance shares that became available to each corporate officer	2.6.1.8
Table 8 History of stock option grants	2.6.1.9; 6.5.3 a)
Table 9 Stock options granted to and exercised by the ten employees other than executive officers who received the greatest number of options	2.6.1.10; 6.5.4 a)
Table 10 Past awards of free shares	2.6.1.11; 2.6.2
Table 11 Commitments related to the termination of the duties of an executive officer	2.6.1.12

8.4 TABLE OF CONCORDANCE BETWEEN THE MANAGEMENT REPORT AND THE CORPORATE GOVERNANCE REPORT

To make the management report easier to navigate, the following table cross-references the key information required by Articles L. 225-100, L. 22-10-35, L. 22-10-36, L. 232-1 and R. 225-102 *et seq.* of the French Commercial Code (*Code de commerce*), as well as the specific section of the management report dedicated to corporate governance, pursuant to sub-paragraph 6 of Article L. 225-37 *et seq.* and Article L. 22-10-8 *et seq.* of the French Commercial Code.

Content of the 2024 management report	Reference text	Section
Position and activity of the Group in 2024		
Position of the Company over the year and objective and comprehensive analysis of the changes in business, results and financial position of the Company and the Group, in particular its debt situation, in relation to the volume and complexity of its business	Articles L. 232-1, II, L. 233-6 and L. 233-26 of the French Commercial Code	5.1
Key financial performance indicators	Articles L. 232-1, II-4 and L. 232-26 of the French Commercial Code	1; 5.1
Key non-financial performance indicators relating to the Company's and the Group's specific operations	Articles L. 232-1, II-4 and L. 232-26 of the French Commercial Code	1; 5.1.12
Material events arising since the beginning of the 2025 fiscal year	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	5.1.7
Foreseeable change in the situation of the Company and the Group and future prospects	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	5.1.7
Names of the major shareholders and holders of voting rights at Shareholders Meetings, and changes during the year	Article L. 233-13 of the French Commercial Code	2.11; 6.2.4; 6.5
Existing branches	Article L. 232-1, II-3 of the French Commercial Code	5.2 (note 20); 6.1
Significant shareholdings in companies with their registered office in France	Article L. 233-6 paragraph 1 of the French Commercial Code	5.2 (note 20)
Disposals of cross-shareholdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	N/A
Hedge accounting and financial instruments	Article L. 232-1, II-6 of the French Commercial Code	5.2 (note 17)
Essential intangible resources	Article L. 232-1, II-7 of the French Commercial Code	1
Installations on the list required under Article L. 515-36 of the French Environmental Code (*Code de l'environnement*)	Article L. 232-1-1 of the French Commercial Code	N/A
Research and development activity	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	5.1.3 c)
Table of the Company's financial results over each of the last five years	Article R. 225-102 of the French Commercial Code	5.1.14
Information on payment deadlines for suppliers and clients	Article D. 441-4 of the French Commercial Code	5.1.10
Amount of inter-company loans granted and the Statutory Auditor's statement	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A
Internal control and risk management		
Description of the main risks and contingencies to which the Company is exposed	Article L. 232-1, II-5 of the French Commercial Code	3.2
Anti-bribery and corruption system	French Act no. 2016-1691 of December 9, 2016 ("Sapin II")	3.1.6; 4.11

Content of the 2024 management report	Reference text	Section
Duty of care plan and report on its effective implementation	Article L. 225-102-4 of the French Commercial Code	5.1.13
Corporate governance		
Information on remuneration		
Remuneration policy for corporate officers	Article L. 22-10-8, I., paragraph 2 of the French Commercial Code	2.3.1
Remuneration and benefits in kind paid during the financial year or granted in respect of the financial year to each corporate officer	Article L. 22-10-9, I., 1 of the French Commercial Code	2.4
Relative proportion of fixed and variable remuneration	Article L. 22-10-9, I., 2 of the French Commercial Code	2.4.3; 2.4.4
Possibility to request repayment of variable remuneration	Article L. 22-10-9, I., 3 of the French Commercial Code	N/A
Commitments of any kind entered into by the Company for the benefit of its corporate officers concerning the remuneration, compensation and benefits that would be due or potentially due at the time of or following their appointment, loss of office or change in position	Article L. 22-10-9, I., 4 of the French Commercial Code	2.6.1.12
Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	Article L. 22-10-9, I., 5 of the French Commercial Code	2.4
Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration of company employees	Article L. 22-10-9, I., 6 of the French Commercial Code	2.4.5
Annual changes in remuneration, Company performance, average remuneration of Company employees and the above ratios over the last five years	Article L. 22-10-9, I., 7 of the French Commercial Code	2.4.5
How total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the Company and how the performance criteria have been applied	Article L. 22-10-9, I., 8 of the French Commercial Code	2.3.1
Procedure for taking into account the vote of the last ordinary Shareholders Meeting provided for in paragraph I of Article L. 22-10-34 of the French Commercial Code	Article L. 22-10-9, I., 9 of the French Commercial Code	2.3.1
Non-compliance with the procedure for implementing the remuneration policy and any deviation from the procedure	Article L. 22-10-9, I., 10 of the French Commercial Code	N/A
Application of the provisions of paragraph 2 of Article L. 225-45 of the French Commercial Code (suspension of payment of directors' remuneration in the event of lack of gender diversity on the Board)	Article L. 22-10-9, I., 11 of the French Commercial Code	N/A
Stock options granted to and held by corporate officers	Article L. 225-185 of the French Commercial Code	N/A
Free shares granted to and held by executive corporate officers	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	2.4.3.3; 2.4.4.3; 6.5.4
Information of governance		
List of positions held and duties performed by each corporate officer in all companies during the reporting period	Article L. 225-37-4, 1 of the French Commercial Code	2.1.2; 2.1.3
Agreements entered into between a corporate officer or a significant shareholder and a subsidiary	Article L. 225-37-4, 2 of the French Commercial Code	N/A
Summary table showing delegations granted by the Shareholders Meeting to increase the share capital currently in force	Article L. 225-37-4, 3 of the French Commercial Code	2.12
General management procedures	Article L. 225-37-4, 4 of the French Commercial Code	2.1
Composition, preparation and organization of the work of the Board	Article L. 22-10-10, 1 of the French Commercial Code	2.2

Content of the 2024 management report	Reference text	Section
Description of the diversity policy, objectives and results, including Supervisory Board gender balance	Article L. 22-10-10, 2 of the French Commercial Code	2.1.3.3
Limitations placed by the Board on the powers of the Managing General Partner	Article L. 22-10-10, 3 of the French Commercial Code	2.1.3.2; 2.2.8
Reference to the AFEP/MEDEF Code and application of the "comply or explain" principle	Article L. 22-10-10, 4 of the French Commercial Code	2.2.8
Specific conditions for shareholder participation in the Shareholders Meeting	Article L. 22-10-10, 5 of the French Commercial Code	2.10.6
Procedure for evaluating current agreements – Implementation	Article L. 22-10-10, 6 of the French Commercial Code	2.9
Main characteristics of the issuer's internal control and risk management systems relating to the preparation and processing of accounting and financial information	Article L. 22-10-10, 7 of the French Commercial Code	3.3
Items likely to have an impact in the event of a takeover bid or exchange offer Shareholders' agreements relating to the Company's capital	Article L. 22-10-11 of the French Commercial Code	2.13
Shareholdings and capital		
Structure, changes in the Company's capital and threshold crossings	Article L. 233-13 of the French Commercial Code	2.11; 6.5.1
Purchase and sale of treasury stock	Article L. 225-211 of the French Commercial Code	6.5.6
Employee share ownership at the period end (proportion of share capital represented)	Article L. 225-102, paragraph 1 of the French Commercial Code	6.5.5
Any adjustments made to securities giving rights to share capital in the event of share buybacks or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	6.5
Information on transactions by executive corporate officers and related persons in the Company's shares	Article L. 621-18-2 of the French Monetary and Financial Code	2.8; 6.5.4
Dividends paid during the last three financial years	Article 243 *bis* of the French General Tax Code (*Code général des impôts*)	5.1.14; 6.2.3; 7.1.1
Sustainability reporting	Article L. 232-6-3 of the French Commercial Code	4
Impact of the issuer's activities on the fight against tax evasion	Article L. 22-10-35, 1 of the French Commercial Code	4 Appendix A
Actions to promote ties between France and its armed forces and support commitment to the national guard reserves	Article L. 22-10-35, 2 of the French Commercial Code	4 Appendix A
Additional information		
Additional tax information	Articles 223 *quater* and 223 *quinquies* of the French General Tax Code	N/A
Injunctions or penalties for anti-competitive practices	Article L. 464-2 of the French Commercial Code	N/A

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