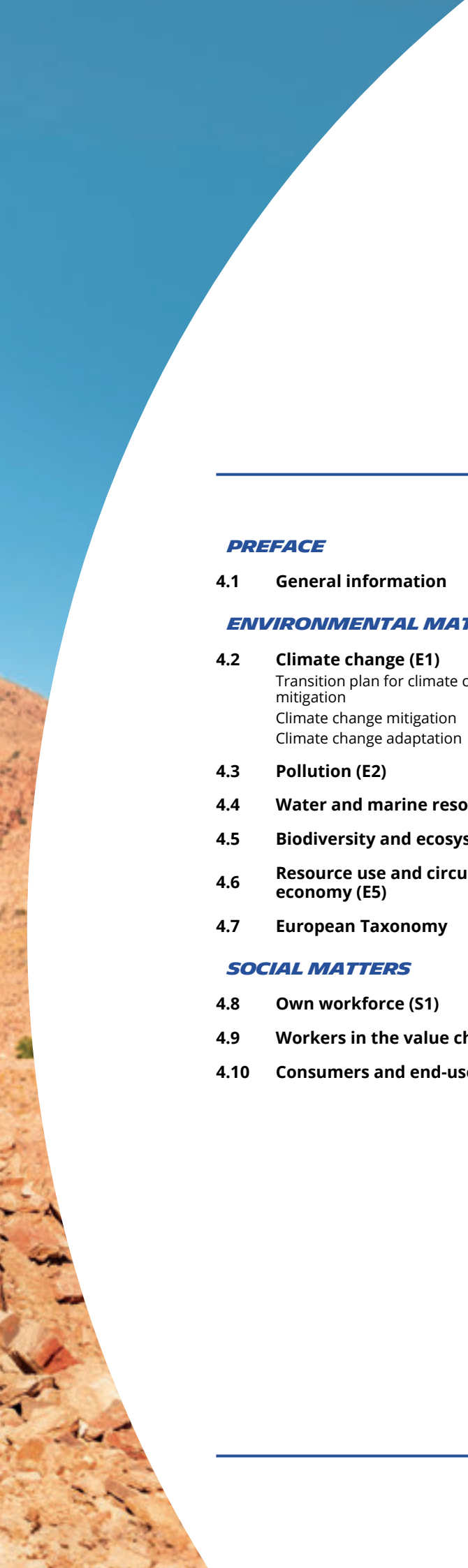


CHAPTER 04

SUSTAINABILITY STATEMENT

PREFACE

THREE QUESTIONS FOR YVES CHAPOT, GENERAL MANAGER AND CHIEF FINANCIAL OFFICER

This is Michelin's second Sustainability Statement issued in compliance with the European Union's Corporate Sustainability Reporting Directive (CSRD). What were the lessons from the first edition?

Applying the CSRD has increased the Michelin Sustainability Statement's impact and visibility. The selective approach to the most significant issues enables us to highlight our performance in an orderly, quantified way. In addition, the CSRD ensures that data are collected for the entire reporting scope with a focus on our core policies and actions, and all the information is audited by our Statutory Auditors.

Nevertheless, the first-year reporting exercise was both complicated and time-consuming for our teams. The ESRS are complex and difficult to interpret, creating a risk of diluting the important messages linked to our sustainability strategy and initiatives. In the current environment, it is critical to preserve a fair level playing field between companies, so as not to penalize those required to apply the CSRD. That's why we support the Omnibus simplification process underway at European Union level, which aims to reconcile ambitious objectives with the imperatives of competitiveness.

What we need to remember is that our 2024 Sustainability Statement attracted considerable positive feedback from our stakeholders, especially investors and non-governmental organizations. Our stakeholders welcomed the wealth of high quality reported data, attesting to the Group's level of maturity on material issues.

For you, what are the benefits of complying with these new sustainability disclosure regulations?

The CSRD's contribution to improving data transparency is positive and welcome. By introducing rules for the collection and presentation of sustainability data and requiring the data to be audited by an external third-party, the directive ensures that investors and all other stakeholders are provided with relevant, comparable and reliable information. Improvements in this area have also supported the objective of aligning non-financial and financial information, contributing to a consolidated understanding of company performance and, ultimately, to tighter management of our activities.

This being said, we observed some discrepancies in the directive's first-year application, either on the part of companies or due to the failure of certain European Union countries to transpose the CSRD into their national legislation. It is essential that this publication should eventually enable our sustainability performance to be measured objectively against that of other comparable industry players.

What are the key takeaways from the 2025 Sustainability Statement?

The 2025 Statement highlights our differentiating factors and ongoing progress. Michelin has made advances on the environmental front (with a 12% reduction in water withdrawals compared with 2024) and also on the social front (in the shape of ongoing collaboration with the Fair Wage Network and improved internal promotion rates). The work of Michelin's teams around the world has been recognized by the triple A-rating awarded by the Carbon Disclosure Project. New products combining durability, energy efficiency and unrivaled abrasion performance also contribute to this performance.

I would like to emphasize one last point: it is our deep belief that companies must play a role in society to provide collective responses to today's challenges. This Statement highlights the Group's actions in favor not only of its employees but of all 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 scope of consolidated financial reporting of Compagnie Générale des Etablissements Michelin (CGEM; hereinafter, the "Group" or "Michelin"). This annual Sustainability Statement covers the period from January 1 to December 31, 2025. After a review by the Supervisory Board, the Statement was authorized for issue by the Managers on February 11, 2026.

It has been prepared in compliance with the European Corporate Sustainability Reporting Directive (CSRD) 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.

Scope of reporting of the Sustainability Statement

The Sustainability Statement's reporting scope is based on the scope of the Group's consolidated financial reporting. Quantitative metrics cover fully consolidated companies, unless otherwise stated in the topic-specific sections of this Sustainability Statement.

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_2e 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).

Calculation methodology used for the metrics and main estimates

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:

- water consumption: this metric corresponds to actual withdrawals less actual water discharges or estimated discharges in cases where water meters have not yet been installed (see section 4.4.4.3);
- CO_2e, Scope 3: these metrics are calculated in accordance with GHG Protocol Corporate Standard 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.

Methodological changes, 2025 vs. 2024

- water consumption: the gradual installation of water discharge meters is making published values more reliable. The relevant values for 2024 have been recalculated accordingly (see section 4.4.4.3);
- renewable energy: the calculation methodology has changed for 2025 and the relevant values for 2024 have been recalculated accordingly (see section 4.2.9.5);
- Scope 3 category 3 CO_2e emissions: new emission factors for oil industry-linked products have been taken into account in 2025. The relevant values for 2019 (baseline), 2023 and 2024 have been recalculated accordingly (see section 4.2.9.6);
- Scope 3 category 11 CO_2e emissions: the calculation methodology has changed for 2025 and the relevant value for 2024 has been recalculated accordingly (see section 4.2.9.6).

Evolving sustainability reporting environment

As well as preparing the ESRS-based Sustainability Statement, the Group is attentive to emerging international sustainability reporting standards and stakeholder expectations (notably the GRI reporting standards, IFRS Sustainability Disclosure Standards S1[1] and S2[2], and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) incorporated into ISSB standards).

The 2025 Sustainability Statement has been prepared in a more unstable regulatory environment than in 2024.

As of December 31, 2025, a process to simplify the ESRS was underway and the entry into force was pending of a new taxonomy delegated act published in July 2025.

In this uncertain environment and bearing in mind that the ESRS are in the process of being simplified, the Group has prepared this Sustainability Statement in accordance with the ESRS currently in force, based on the same legal taxonomy framework as that applicable in 2024 (see section 4.7.1 below).

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 (CSR) Committee, both chaired by independent Supervisory Board members.

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	2024	2025
Total number of Supervisory Board members	11	11
Number of executive members of the Supervisory Board	0	0
Number of non-executive members of the Supervisory Board	11	11
Number of women Supervisory Board members[1]	5	5
Percentage of women Supervisory Board members[1]	45.5%	45.5%
Number of Supervisory Board members representing other aspects of diversity[2]	3	3
Percentage of Supervisory Board members representing other aspects of diversity[2]	27.3%	27.3%
Number of independent members of the Supervisory Board[3]	8	8
Percentage of independent members of the Supervisory Board[3]	72.7%	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.

(1) IFRS Sustainability Disclosure Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information.
(2) IFRS Sustainability Disclosure Standard S2 – Climate-related Disclosures.

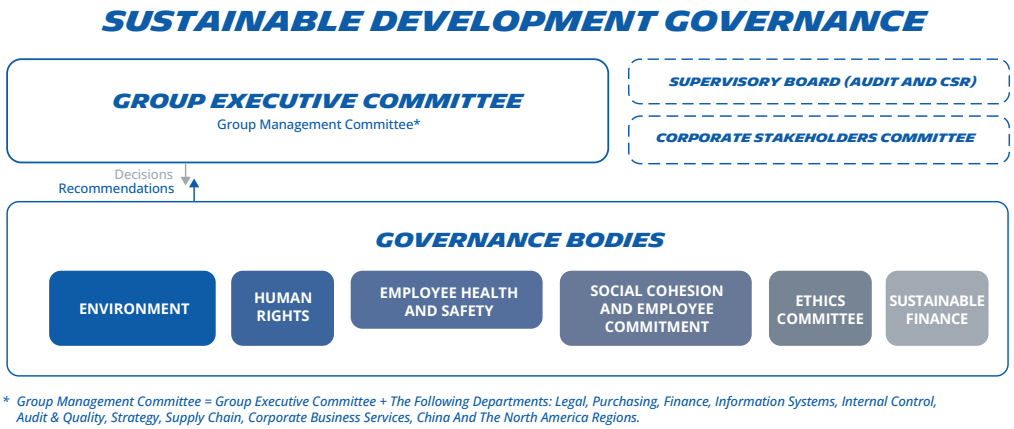
4.1.2.2 The key role of the administrative, management and supervisory bodies

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.

The Supervisory Board's CSR Committee plays an oversight role on sustainability issues[1]. Every four months, the 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 2025, the following topics were addressed by the Supervisory Board's CSR Committee: CSR regulations and competitiveness, climate plan, corporate citizenship strategy, water strategy, AI ethics, circular economy and social dialogue. 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 within the Group.



* *Group Management Committee = Group Executive Committee + The Following Departments: Legal, Purchasing, Finance, Information Systems, Internal Control, Audit & Quality, Strategy, Supply Chain, Corporate Business Services, China And The North America Regions.*

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, 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.

(1) See section 4.1.3.2 on the advisory role of the Corporate Stakeholders Committee.

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;
- 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

For several years and as in 2024, to align the interests of the Managers more closely with the Group's sustainability performance, their 2025 short-term (annual) and long-term (multi-year) variable compensation was subject to ESG criteria, based on the following values:

Annual variable compensation

20% of this compensation depends on meeting ESG performance targets, two of which concern People (accidentology rate and gender balance) and one that relates to the Planet (Scope 1 and 2 CO_2e emissions). The accidentology and CO_2e emissions targets also apply to all Group employees eligible for variable annual compensation via the Group Bonus.

Deferred variable compensation

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 (improvement in Rolling Resistance (RR) and the Renewable and Recycled Materials Rate (RRMR)) and the other, also accounting for 20%, concerns People (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.

The criteria determining the Manager's variable compensation are defined by the Supervisory Board.

They are based on the information about the Managers' compensation for the reporting year, presented in the Supervisory Board's Corporate Governance Report.

(1) Quarterly for the Environmental and Sustainable Finance Governance bodies and the Ethics Committee; twice a year for the Employee Health & Safety, Human Rights, and Social Cohesion & People Management Governance bodies.

4.1.2.4 Statement on due diligence

In 2025, and in every other year since 2017, Michelin met the requirements of French Act No. 2017-399 of March 27, 2017 by preparing a Duty of Care Plan[1] describing its commitments to stakeholders in terms of sustainability[2]. The Plan identifies the risks faced by the Group and its value chain, and describes the measures taken to prevent and mitigate serious adverse impacts on the environment, health and safety, and human rights.

The Duty of Care Plan is also an opportunity to deepen, year after year, its due diligence with subcontractors as part of a continuous improvement process. It incorporates a double materiality assessment, including a discussion of risks below the materiality threshold.

The Duty of Care Plan is organized around the policies underpinning the Group's sustainability commitment. These include the Code of Ethics, the Purchasing Principles, the Supplier Relations Code of Conduct, and the Health, Environment, Employee Relations, Diversity & Inclusion and Human Rights policies.

Core elements of due diligence	Challenges	Sections in the Sustainability Statement	Sections in the Duty of Care Plan
a) Embedding due diligence in governance, strategy and business model		4.1 General information, 4.1.3 Strategy	Introduction: General – Duty of Care Plan governance
b) Engaging with affected stakeholders in all key steps of the due diligence process		4.1 General information, 4.1.3 Strategy	Introduction: General – Stakeholder Dialogue
c) Identifying and assessing adverse impacts **d) Taking action to address those adverse impacts** **e) Tracking the effectiveness of these efforts and communicating**		4.1.4 Double materiality assessment	Introduction: General – Duty of care Risk-mapping methodology
	ESRS E1 Climate change	4.2 Climate change	Overall impact on climate change and transition plan Impact of our operations on climate change (Scopes 1 & 2) Impact of Scope 3 on climate change
	ESRS E2 – Pollution (including tire and road wear particles)	4.3 Pollution	Risk of air and water pollution
	ESRS E3 – Water resources	4.4 Water and marine resources	Water consumption
	ESRS E4 Biodiversity and ecosystems	4.5 Biodiversity and ecosystems	Risk of harm to biodiversity (including Michelin's Act4Nature International commitments through 2030)
	ESRS E5 - Resource use and circular economy	4.6 Resource use and circular economy	Resource depletion Reducing and recovering waste Resource use
	ESRS S1 – Own workforce (including staff training)	4.8 Own workforce	Discrimination and harassment Freedom of association Personal Data Protection Living wage and social protection Occupational accidents Exposure to chemicals Psychosocial issues at work Risk to employee safety
		4.9 Workers in the value chain	Human rights violations by our suppliers Risks linked to suppliers' CSR practices
		4.11 Business conduct	Whistleblowing and alert mechanisms

(1) https://www.michelin.com/en/investors/regulatory-information.

(2) In 2025, as in 2024, preparation and tracking of the Plan was coordinated by the Corporate Sustainable Development and Impact Department, which leads a Duty of Care Committee comprising representatives of the Risk Management, Internal Audit, Purchasing, Health & Safety, 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 body, 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.

The generic risk assessment and prioritization method applied by the Group is described in Chapter 3. Concerning the specific risk of inaccurate or unfair reporting of non-financial data, a method was defined during the above-mentioned audits based on an assessment and prioritization matrix for non-financial indicators covering two areas: (i) the challenges and (ii) the vulnerabilities at every stage of the reporting process (definition, scope, capture, collection, control, consolidation and publication).

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. Successful implementation of these action plans will be the subject of a follow-up audit in 2026.

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.

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.

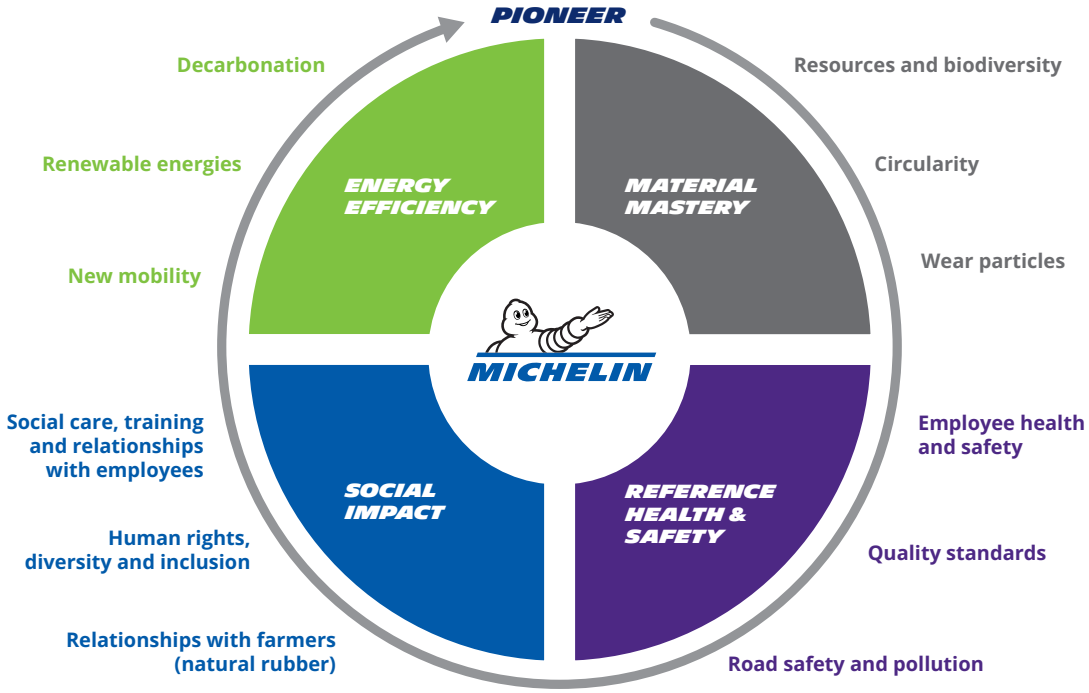
4.1.3 STRATEGY

4.1.3.1 Michelin's 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. Its proficient materials expertise and its ability to combine materials to create composite solutions make Michelin a global leader that contributes significantly to human progress and a more sustainable world.

In 2021, Michelin launched its Michelin in Motion strategic plan, which sets out a roadmap for 2030 and a clear vision for 2050 in support of the Group's belief 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.

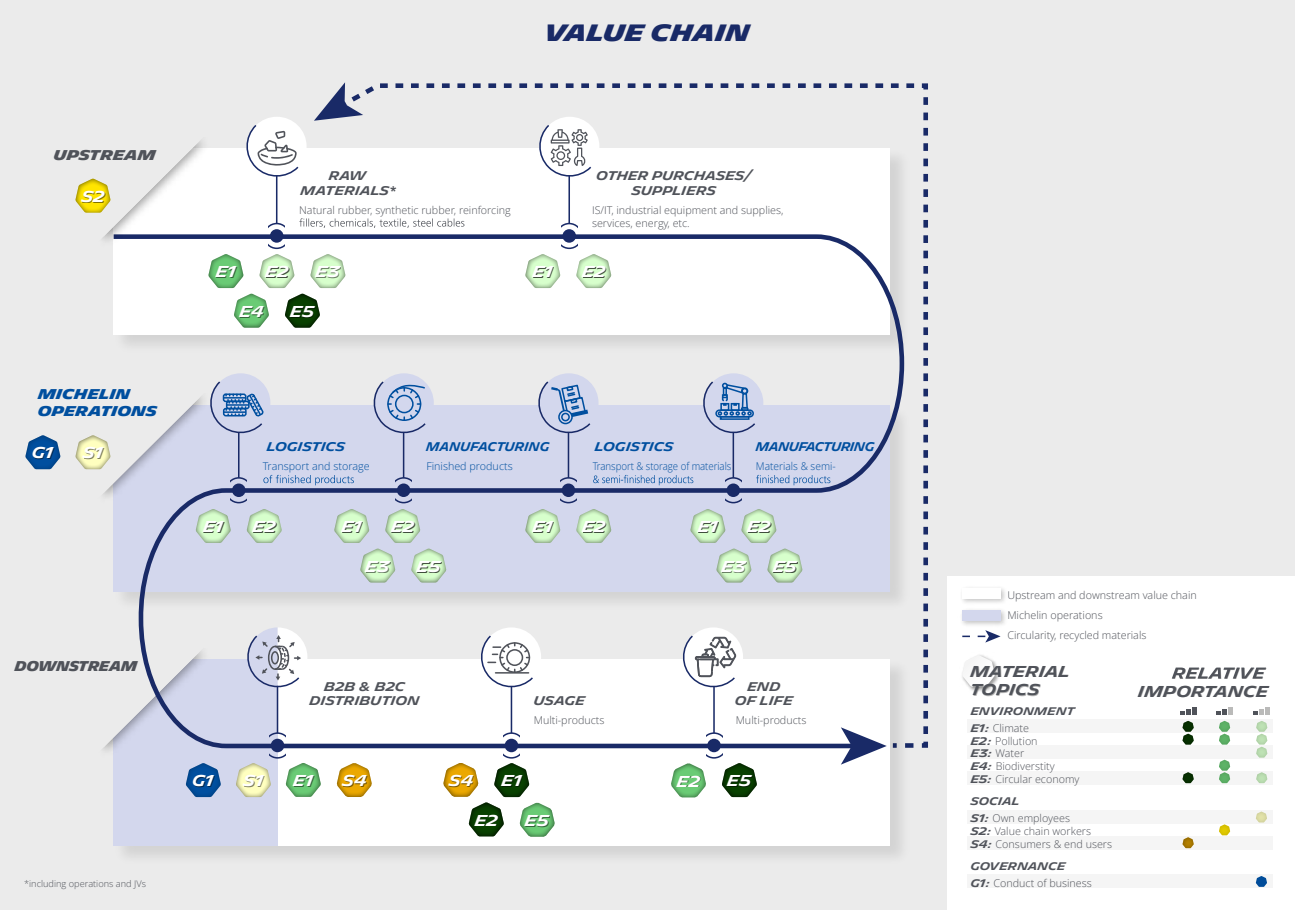
In 2025, Michelin worked with its stakeholders to define the sustainability issues that are specific to the Group and on which it has a strong positive impact. Four hallmarks were selected: **energy efficiency, materials management, social innovation and excellence in employee health and safety.** Rooted in the Group's history, these hallmarks have been integrated into its roadmap to guide strategic decisions.



(1) See Chapter 1 above for a presentation of Michelin's strategy and business model.

The Michelin value chain

This "All-Sustainable" 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 based on double materiality criteria for sustainability reporting purposes. The following diagram ranks matters according to their materiality across the Group's value chain:



4.1.3.2 Constant, careful attention to the interests and views of stakeholders on sustainability

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.

The following diagram illustrates Michelin's stakeholder ecosystem:

Michelin has long nurtured sustained dialogue with all its stakeholders (see illustration), with dedicated, regularly scheduled meetings organized every year for each stakeholder group by the Group's corporate and local departments.

With regard to employee representatives and sustainability reporting in particular, Michelin consulted the European Works Council on the subject on October 21, 2025.

The following table presents Michelin's activities with its many stakeholders in 2025:

Why and with whom is the Group engaged?	How and on which issues?	2025 initiatives addressing the interests and views of stakeholders
CORPORATE STAKEHOLDERS COMMITTEE		
Since 2016, the Corporate Stakeholders Committee has had 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 recommendations into Group policies and actions. For the first time in 2025, regional stakeholder engagement meetings were held in China and Mexico.	■ Annual meeting organized between the Group Executive Committee and the Stakeholder Committee (1.5 days); ■ Special-purpose sessions dedicated to specific issues of strategic importance to the Group. **Key topics:** impact, sustainable performance, recycled and renewable materials, adequate wages, biodiversity, employee mental health, and other environmental and social issues.	In 2025, the Group organized two events: ■ a physical meeting on October 6 and 7, focusing on biodiversity and mental health in the workplace; ■ a webinar on sustainable product performance.
CIVIL SOCIETY AND NGOS		
Michelin has a unit in charge of relations with civil society. The Group engages in ongoing dialogue with numerous social and environmental NGOs (FIDH, Oxfam, Transport et Environnement, WWF), to keep them informed and seek their advice. This dialogue provides ongoing input for the Group's sustainable development policies and actions.	■ 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, with the latest meeting held in Jakarta in February 2025; ■ Regional, country and site-level discussions. **Leading issues:** human rights, anti-corruption, the value chain, natural rubber, climate change, biodiversity and the circular economy.	In 2025, the Group consulted NGOs on several technical issues linked to the decarbonization plan for its industrial activities, biomaterials, deforestation, tire and road wear particles (TRWP) and the mass balance method.
CUSTOMERS		
Customers play a central role in implementing the Group's strategy and meeting its objectives. Extensive engagement with its customers enables it to understand their needs and foresee emerging market trends. Michelin protects its customers by guaranteeing product quality and safety and complying with applicable laws, regulations and policies, while offering ever more innovative products and services to meet their expectations. The Group continues to deploy and improve the maturity of its Customer Promise Guarantee to meet their needs more effectively.	■ Responses to customer requests on CSR issues; ■ Audits; ■ Capturing of customer requests and responses that fulfill the customer promise; ■ Market monitoring to measure product performance in use; ■ 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, EU taxonomy, and service satisfaction.	In 2025, the Group continued to: ■ measure customer satisfaction; ■ build long-term relationships with key customers and partners; ■ nurture its Customer Centricity approach, including in Michelin's host regions and countries; ■ build strategic partnerships with key B2B customers.
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 employee engagement survey. **Leading issues:** working conditions, personal development, social protection, etc.	The CEEM met on October 21 and 22, 2025, and the MWC on October 23, 2025. CEEM and MWC elections will be held in 2026.

Why and with whom is the Group engaged?	How and on which issues?	2025 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.	■ Physical and digital roadshows; ■ General-interest, automotive and ESG conferences; ■ Shareholder events; ■ Rating agency questionnaires; ■ Shareholders Committee. **Leading issues:** the "All Sustainable" vision, materials and composites, technological leadership, risk management.	In 2025, the Group organized a number of events for shareholders and investors, including: ■ Annual General Meeting in May; ■ an individual shareholder day in October; ■ an ESG roadshow in June and a governance roadshow in October.
SUPPLIERS		
The Purchasing Department engages regularly with suppliers, Supplier Relationship Management (SRM) reviews are conducted, addressing the sustainability issues impacting each purchasing category and supplier. These reviews serve as the basis for developing joint improvement plans.	■ Supplier segmentation reviewed annually; ■ Key supplier relationships tracked through regularly scheduled reviews; ■ Strategic relationships with certain suppliers, in particular to support the CO_2e roadmap and the development of new renewable or recycled materials; ■ A dedicated natural rubber roadmap; ■ CSR assessment for key suppliers. **Leading issues:** the "All Sustainable" vision, responsible purchasing, natural rubber, raw materials, climate, CO_2e & energy, human rights, health & safety.	■ 4th stakeholder consultation organized in February 2025, dedicated to natural rubber; ■ Responsible Supplier Relations and Purchasing label renewed, along with ISO 20400 maturity certification (Responsible Purchasing); ■ Nature questionnaire trialled for raw materials other than natural rubber.
PUBLIC AUTHORITIES AND TRADE ORGANIZATIONS		
Through its Public Affairs (PA) department, the Group maintains regular dialogue with public authorities, trade associations and non-governmental organizations (NGOs). The objectives of this dialogue are to: ■ contribute to the quality of public debate and decision-making; ■ participate in promoting, developing and defending the Group's interests; ■ capture as early as possible any positive or negative developments likely to affect the Group; ■ anticipate potential crises. Our lobbying activities aim to ensure that the industry remains competitive, promote fair international trade rules, and help develop regulatory frameworks favoring the circular economy and greater consideration of tires' environmental performance.	Lobbying activities are carried out: ■ directly by Michelin; ■ indirectly, through the trade associations of which Michelin is a member, whether they be tire industry associations (e.g., Tyres Europe, USTMA) or cross-industry associations. The Public Affairs teams keep an up-to-date list of these associations. **Leading issues:** international trade, 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 2025 were: ■ the introduction of minimum tire abrasion standards in the Euro 7 Regulation to reduce tire and road wear particle emissions; ■ implementation of the European Union Deforestation Regulation (EUDR) at end-2025; ■ removal of the legal status of end-of-life tire waste materials, to speed the transition to greater circularity in Europe; ■ support for the definition of principles guiding the definition of tire ecodesign criteria in the Ecodesign for Sustainable Products Regulation; ■ implementation of Extended Producer Responsibility (EPR) policies for the treatment of end-of-life tires in the countries concerned. The positions taken by Michelin's public affairs teams are seamlessly aligned with its climate strategy and consistent with the Paris Agreements.

Why and with whom is the Group engaged?	How and on which issues?	2025 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 (CIRAIG, International Transport Forum, 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 2025, the Group worked with academia on a wide range of issues, including: ■ biomaterials, avoided emissions, resilience analysis or social footprint measurement; ■ 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 UN's 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 (Treillis) 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 2025, the Group actively participated in work on sustainability issues through its networks, including: ■ within the Global Compact, by chairing the France network; ■ participating in various events leading up to Climate Week in New York, including the Private Sector Forum's celebration of 10 years of the Paris Climate Agreement, in collaboration with the Global Compact networks in France, Brazil and Spain; ■ COP 30-related events through SLOCAT, WBCSD, the Global Compact; ■ actively contributing to the Entreprises pour l'Environnement working groups (climate, biodiversity, etc).
LOCAL COMMUNITIES		
Michelin is committed to operating harmoniously with all of its host local communities and respecting their rights, as a positive presence. Particular attention is paid to the most vulnerable populations. To ensure that this harmony is preserved over time, site managers are encouraged to maintain regular direct relations with potentially affected communities around the Group's sites and further afield if necessary.	Each Group site or establishment is encouraged to: ■ get to know local and indigenous communities in their area of influence and beyond if necessary; ■ talk to them; ■ ensure that these communities can contact the Group with any requests or complaints, so that the necessary corrective action can be taken; ■ set up initiatives that directly benefit these communities, such as volunteering and sponsoring programs. **Leading issues:** training, sport, biodiversity, social inclusion, etc.	In 2025, the Group: ■ drafted a formal Position Paper; ■ set up a tool to track volunteering programs and the hours worked; ■ worked with the Global Compact on a practical guide for affected communities; ■ organized a local communities day (September 23, 2025), to promote awareness of these communities' importance in the life of the Group.

4.1.4 DOUBLE MATERIALITY ASSESSMENT

Throughout its history, Michelin has always upheld mobility as a fundamental right and source of human progress. The Group is committed to helping to shape a more attractive future by promoting a business growth model that strikes an appropriate balance between financial performance, human development and respect for the environment. For the Group, the success of any growth strategy depends on considering the limits of our planet and genuinely acting responsibly towards employees and society. Michelin believes that no transformation is possible without a concomitant creation of value.

To this end, the Group is contributing to the UN's 2030 Agenda for Sustainable Development, by integrating its interactions with leading stakeholders and its commitments to each of the Sustainable Development Goals (SDGs), as illustrated below:

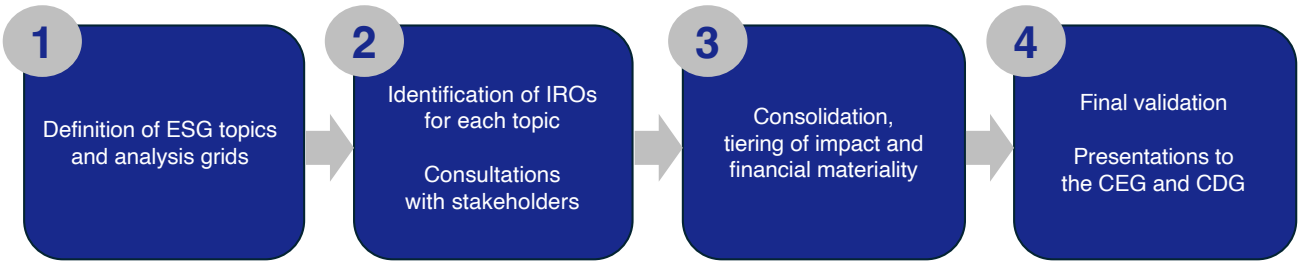
4.1.4.1 Double materiality assessment methodology

As part of its environmental and social responsibility commitment, the Michelin Group has plotted a **double materiality matrix.** The methodology used is based on the ESRS, especially ESRS 1, Chapter 3. The materiality matrix was approved and a materiality threshold defined by the Group Executive Committee in April 2024.

The assessment was 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.

In 2025, no major event or material change concerning the Group's scope of consolidation or business model, and no material change of strategy was identified as being likely to modify the sustainability matters arising from the double materiality assessment conducted in 2024. The Sustainable Finance Governance body therefore decided to roll over the double materiality assessment to the 2025 fiscal year.

The assessment was performed with the support of a third party with the expertise needed to ensure that the methodology was meaningful and reliable. The assessment process comprised four steps:



Stakeholder consultations

The stakeholders consulted to assess each impact's materiality were considered as representative of 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.**

Materiality assessment

Impacts, risks and opportunities (IROs) were first identified and assessed for probability and severity, and then consolidated in the double materiality 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,
    - for potential impacts: materiality depends on the impact's scale and scope and its probability of occurrence.

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).

Materiality threshold

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 in April 2024, enabling the most material matters to be prioritized.

Michelin concluded that the affected communities matter (ESRS S3) is below the materiality threshold. Nevertheless, 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.

Sources used in the analysis

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 Tyres Europe 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.

Finally, a list of the ESRS addressed by this Sustainability Statement is provided in Appendix D below.

4.1.4.2 The relationship between the double materiality assessment and the 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 2025, as in 2024, the double materiality matrix comprised twenty-six impacts, risks and opportunities (IROs) 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. It is followed by a table detailing the twenty-six underlying material IROs, each with a description of the scenario, its positioning in Michelin's value chain and its time horizon.

These impacts, risks and opportunities mesh with the sustainability matters 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.

SUSTAINABILITY STAKES FROM THE DOUBLE MATERIALITY ASSESSMENT

(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.

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 Downstream · Short-term **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 Downstream · Short-term **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) Upstream · OP · Short-term **Negative impact**	Michelin is a global manufacturer with a broad industrial footprint. Greenhouse gases are emitted by its own operations and by the energy used in its 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) Downstream · Upstream · Short-term **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; ■ 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 about 90% of Michelin's carbon footprint (125 million tonnes of CO_2e in 2025). 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 · Short-term **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.
Climate change adaptation	
Impact of physical climate risks on business activities, assets, employees, raw materials, delays and logistics costs Downstream · Upstream · OP · Short-term **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.

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) and substances (e.g., 6PPD) Downstream · Medium-term · **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 tested competitors, this could represent an opportunity for the Group.
Water, soil and air pollution from the use of tires (TRWP) Downstream · Medium-term · **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 · Medium-term · **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 · Short-term · **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 · Medium-term · **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 · 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).
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**	Growing demand for natural rubber could potentially cause deforestation as forests are converted to rubber plantations. The Group's natural rubber purchases represent around 5% 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 natural 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.

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 · Short-term **Positive impact**	Renewable and recycled materials require the development of new value chains. They reduce supply risks and encourage local economic activity. The Group is aiming to raise the proportion of renewable and recycled materials in its tires from 31% in 2024 to 40% in 2030, while reducing the CO_2e emitted during the production process by 30%.
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**	One billion end-of-life tires are generated worldwide every year and four billion are currently held in landfill. This could lead to environmental impacts through illegal dumping, land occupation and destruction of natural habitats, and to air, water and soil pollution from fires.
Human health impacts from the mismanagement of end-of-life tires (ELT) Downstream · Medium-term **Negative impact**	Inappropriate disposal of end-of-life tires (illegal dumping, landfill sites, etc.) can 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 pollution in the event of fire.
S1 - OWN WORKFORCE	
Attracting and retaining talent	
Deterioration of the employer brand and talent turnover; shortage of talent on the market OP · Medium-term **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 · Short-term **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 · Short-term **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 · Short-term **Positive impact**	Adequate wages and social protection benefits for Michelin employees around the world.
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 Upstream · Medium-term **Negative impact**	Forced labor, child labor and illegal labor practices are risks in agricultural supply chains, including in the natural rubber industry.

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 · 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.
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.

4.1.4.3 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 2025 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 relevant sections of this document. 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 2025, 21% of the Group's total capital expenditure was committed to sustainability matters (18% in 2024).**

Financial resources allocated to sustainability matters *(in € millions)*	**2024 Reporting year**	**2024 Next 5 years (1)**	**2025 Reporting year**	**2025 Next 5 years (2)**
E1 - Climate change	**226**	**> 1,000**	**237**	***>900***
Climate change mitigation (Scopes 1 and 2)	107	*> 400*	*86*	*>300*
Climate change mitigation (Scope 3)	119	> 600	*151*	*>600*
E5 - Resource use and circular economy	**12**	**> 200**	**34**	***>250***
S1 - Own workforce	**133**	**> 450**	**112**	***>450***
Employee attraction and retention	76	*> 300*	*66*	*>300*
Employee health and safety (OP)	56	> 150	*46*	*>150*
Financial resources (non-material) allocated to other sustainability matters	**24**	**> 100**	**21**	***>100***
TOTAL	**395**	**> 1,850**	**404**	***>1,800***

OpEx allocated to action plans

As in 2024, information about OpEx allocated to action plans is provided in the notes to the consolidated financial statements. However, the expenditure is not broken down by CSRD matter, as the outlays are directly tied to the operation of the Group's business sites.

(1) Future CapEx identified during the 2024 reporting exercise for the years 2025-2029. These CapEx figures are updated in the *2025 Next 5 years* column, for the period 2026-2030.
(2) The material changes in future projections are mainly linked to decarbonization projects completed in 2025.

4.1.5 HOLISTIC IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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. To support its operational implementation, the Policy is organized into several different chapters and covers the Group's main matters at each phase of the life cycle approach which includes 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.

Certain chapters of the Policy were updated in 2025.

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 sets out Michelin's 2030 Commitments, its vision for the years beyond 2050 (2050+ vision), and the 2050 objectives which include reaching net-zero emissions and making tires entirely from renewable or recycled materials.

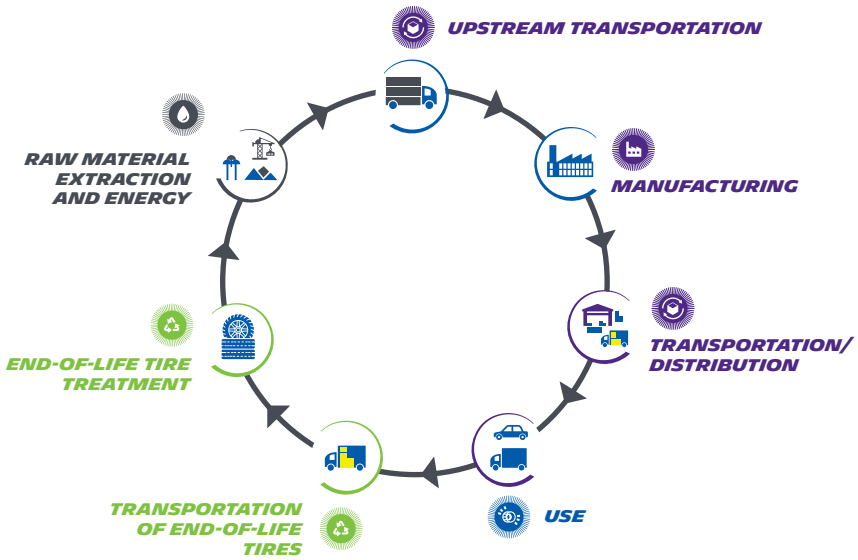
Life cycle assessments (LCA)

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 SMEP Environmental and Risk Prevention Management System in tire 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 was updated in 2025. It can be found on the Michelin website (www.michelin.com).

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.

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).

4.1.5.1.4. 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.	Concerns all Group employees involved in supplier relations.	Focuses on natural rubber and covers Michelin's own operations, joint ventures and its entire upstream supply chain.
Included in every Group procurement contract and the general terms and conditions of purchase.	An integral part of the Group's Code of Ethics.	Informs decision-making processes, systems and performance metrics.

(1) It may be downloaded from https://purchasing.michelin.com/en/sustainable-purchasing/.

4.1.5.2 Cross-reference table of IROs, policies and initiatives

ESRS	Impact, risk or opportunity	Framework policies	Specific policies	Actions/initiatives
THE ENVIRONMENT				
E1	Higher energy performance standards for tires	**Environmental Policy (by life cycle stage)** **Responsible and Sustainable Purchasing Policy**	Eco-design policy (RDI)	Transition 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)			
	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		Physical climate risk adaptation policy (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 VOC Program
	Water and air pollution from direct operations, including substances of very high concern and VOCs		Chemical risk management policy	
E3	Water consumption		Physical climate risk adaptation policy Sustainable Natural Rubber Policy	Water program The 2020-2030 Water Roadmap The LEAN Water process
E4	Actual and potential deforestation from the expansion of rubber tree farms and the extraction of bio-based and other materials		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
	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			
E5	Helping to develop industry-wide sustainable material sourcing capabilities		Eco-design policy and recycled and renewable materials Sustainable Natural Rubber Policy	RRMR roadmap Collaborations and partnerships (BIOBUTTERFLY, EMPREINTE and other projects) Retread offers
	Resource inflows and their contribution to resource depletion			
	Waste produced from 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)
	Human health impacts from the mismanagement of end-of-life tires (ELT)			

ESRS	Impact, risk or opportunity	Framework policies	Specific policies	Actions/initiatives
SOCIAL				
S1	Deterioration of the employer brand and talent turnover; shortage of talent on the market	**Master Policy on Human Rights**	See table in section 4.8.2	Action Plan Talent planning Employee share ownership The "Talent Campus"
	Deaths, disabilities and injuries		See table in section 4.8.2	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		See table in section 4.8.2	Health and Safety Statement Life Saving Rules
	An adequate wage and a social protection floor		See table in section 4.8.2	Fair Wage Network certificate Michelin One Care program
S2	Violation of the rights of workers in the value chain, including child labor, forced labor and illegal labor practices		Sustainable Natural Rubber Policy	Risk map/RubberWay Global Platform for Sustainable Natural Rubber (GPSNR) EcoVadis ratings 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	Tire performance monitoring system *Customer Promise Guarantee* approach Commitment to supporting international regulations
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 Ethics training

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 climate transition and the adaptation to physical risks constitute the Group's core challenges."

What can you say about 2025 with regard to your climate commitments?

After obtaining SBTi validation of our new 1.5°C-aligned decarbonization targets in 2024, we continued to implement our decarbonization roadmaps in 2025. We are talking about several roadmaps, because while we have been acting to lower our own emissions (Scopes 1 and 2) and those of our logistics operations (Scope 3) for many years now, in 2025 we have completed our decarbonization roadmap for raw materials purchases (Scope 3) to bring our actions into line with our ambitions. The results are in, with 2025 going down as an exceptional year in terms of reducing emissions from our industrial activities thanks to strong structural advances. We are now very confident that we will achieve our 2030 targets across all our scopes, before tackling the challenges of 2050. These achievements are the result of close cooperation between all our business units (manufacturing, purchasing, supply chain, etc.), which lead the drive to achieve our objectives at the operational level.

Beyond the Group's own operations, how are you helping to decarbonize the transport industry?

We play a major role. Just imagine, if all passenger car owners in Europe(1) drove on MICHELIN tires, this would reduce the quantity of greenhouse gas emitted into the atmosphere every year by 13MtCO_2e(2). From an energy point of view, if all these cars were powered by internal combustion engines, this would reduce European oil imports by 25 million barrels(3).

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(4). The transport 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. After analyzing the exposure of several thousand sites, of both Michelin and its value chain, to adverse climate events, the Group has developed its own methodology for assessing the vulnerability of its sites to these events (droughts, heatwaves, floods, etc.). Starting in 2026, we will be stepping up our drive where necessary to prevent risks and protect people by implementing the first adaptation measures. Further measures may then be implemented in the years to come, following vulnerability assessments.

(1) Compared with the Michelin Group's current estimated share of this market per kilometer of around 15%.
(2) Michelin internal calculation, using two convergent methodologies based on 2024 market assumptions, LCA data, S&P reports and European Commission data.
(3) Assuming that, one day, the entire fleet consists of electric vehicles, this would save the equivalent of 18 TWh, equivalent to the output of two to three nuclear reactors.
(4) Compared with 2020.

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.

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 to reduce CO_2e emissions by 2030 (vs. the 2019 baseline):

- from the entire production base;
- from upstream purchased energy supplied to Group sites;
- from the supply chain with raw materials suppliers;
- from 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 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	- 90% across the entire required Scope 3

(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_2e 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_2e 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

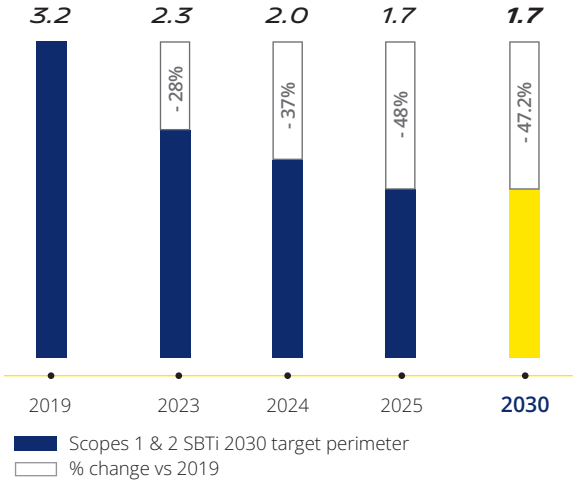
Using a tire on an internal combustion vehicle requires additional energy that entails the burning of fuel and therefore the release of greenhouse gases[3]. After reducing the rolling resistance of its tires by 50% between 1992 and 2020, Michelin's objective now is to further reduce it by 10% in 2030 compared with 2020. **As of end-2025, rolling resistance had been improved by 5.8%, in line with the target.**

(1) In line with the GHG Protocol Corporate Standard, the benchmark for corporate carbon accounting, two types of Scope 3 CO_2e emissions are calculated for tires: emissions generated while the tires are in use (Scope 3 In-Use), and emissions generated over the rest of the value chain (Scope 3 Required). This distinction has been confirmed by the SBTi, which has set emission reduction targets that only cover Scope 3 Required because tires in use only have an indirect impact on vehicle fuel efficiency. Nevertheless, every year Michelin records the quantity of Scope 3 In-Use emissions, in order to track the progress made in designing highly energy-efficient products. By convention, we therefore report Scope 3 Required emissions (for which we have set SBTi-validated improvement targets) separately from Scope 3 In-Use emissions.
(2) Based on the cross-sector method, version 5.1 updated in April 2023.
(3) See "Focus on Scope 3 In-Use emissions" in section 4.2.9.6.

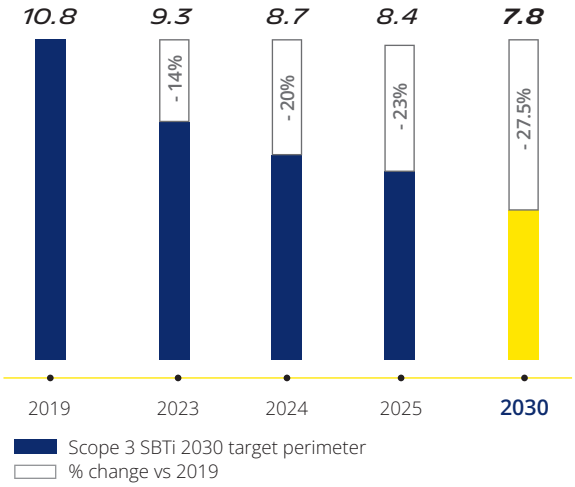
4.2.2 DECARBONIZATION LEVERS

The charts below describe the levers that Michelin is activating to meet its 2030 SBTi-approved decarbonization targets.

CHANGES IN SCOPE 1 AND 2 CO_2 EMISSIONS
(millions of tonnes of CO_2e)



CHANGES IN SCOPE 3 CO_2 EMISSIONS
(millions of tonnes of CO_2e)



			2019	2023	2024	2025
Scopes 1 and 2		Michelin emissions ($MtCO_2e$, Scopes 1 & 2)	3.2	2.3	2.0	1.7
		Reduction vs. 2019		-28%	-37%	-48%
Scope 3	Raw material procurement	Michelin emissions *($MtCO_2e$, Scope 3: 85% cat. 1)*	8.8	7.7	7.2	7.0
		Reduction vs. 2019		-13%	-18%	-21%
	Transportation and distribution	Michelin emissions *($MtCO_2e$, Scope 3: 29% cat. 4 + 100% cat. 9)*	1.4	1.0	1.0	0.9
		Reduction vs. 2019		-25%	-26%	-33%
	Upstream purchased energy	Michelin emissions *($MtCO_2e$, Scope 3 cat. 3)*	0.67	0.55	0.50	0.46
		Reduction vs. 2019		-18%	-26%	-31%

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_2e 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 Group has assessed the maturity of its main suppliers' policies, actions, indicators and publications relating to greenhouse gas emissions. The assessment was carried out between 2018 and 2024 using the CDP's Supply Chain Program questionnaire. Since 2024, an EcoVadis questionnaire has been used, supported by a Group-specific assessment. The change has simplified the process for both suppliers and buyers, and enabled us to reach a much larger number of suppliers.

The Group also encourages its suppliers to reduce their emissions. 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_2e/t) for products purchased by the Group. In 2025, 76% 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_2e emissions with a 2023 CDP Supplier Engagement Leader award.

Reducing emissions from Michelin's transportation operations

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** that consists of reducing freight volumes through:
  - the ongoing quest for operational excellence to ensure that the right products are available in the right place,
  - the promotion of direct shipments from our production sites to customers, which reduces the volumes transiting via logistics warehouses;

- **transporting better, an operational lever** that consists of reducing emissions per tonne transported through:
  - the ongoing quest for operational excellence, based on optimized logistics networks and maximized vehicle load factors,
  - the analytics guide the siting of production units, with a preference for local facilities to limit the transfer of finished products between producing and consuming regions,
  - the preference given to low-carbon transportation methods, mainly by limiting air freight (in 2025, thanks to advances in operational excellence, no unplanned use of air freight was made, saving 7 kt CO_2e compared with 2024) and shifting transportation modes (in the North America region, the share of modal shift to rail rose sharply from 25% in 2024 to 29% in 2025);
- **transporting differently, an innovation lever** that consists of implementing new solutions based on two main approaches:
  - cooperation with other 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. Our proactive involvement is helping to identify actionable levers, while laying the foundations for collaborative work on innovative solutions supporting decarbonized transportation (for example, the France Supply Chain initiative to promote modal shift by pooling shippers' needs),
  - innovating to deploy more environmentally-friendly technologies and practices (for example, Michelin is participating in the Zéphyr & Borée sailing container ship project).

Reducing emissions from the purchased energy used in our production plants (upstream purchased energy)

As with Scope 1 and 2 emissions, reducing energy consumption and using renewable energies are also the main ways of cutting upstream energy-related emissions, which are lower, on average, than for electricity from 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_2e 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 quantifiable 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_2e 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.

Numerous product ranges already demonstrate the Michelin Group's commitment to longevity (down to the last millimeter of legal wear) and fuel efficiency:

- In the **Passenger Car and Light Truck tire segment**, the progress made in rolling resistance has cut across the entire portfolio. Since January 2025, Michelin has brought to market two new ranges, MICHELIN Primacy 5 Energy and MICHELIN Pilot Sport 5 Energy, designed for thermal, hybrid and electric vehicles, which combine high performance and optimized fuel efficiency. For example, the MICHELIN Primacy 5 Energy is aimed at drivers looking for safety, longevity and comfort, combined with optimal fuel efficiency. It offers the best wet braking performance according to the European label, is the leader in longevity[(1)] among premium competitors and is the first MICHELIN tire to obtain the AAA rating[(2)] for wet braking, fuel efficiency and noise. Its promise: "*Drive safe, drive far, save energy*".

(1) Longevity – External tests conducted by DEKRA TEST CENTRE, on Michelin's request, in Aug-Oct 2025, on dimension 215/55R18 99V, on VW ID3 comparing MICHELIN Primacy 5 energy (100%) versus BRIDGESTONE Turanza 6 (71%); CONTINENTAL PremiumContact 7 (72%); GOODYEAR Efficient Grip Performance 2 (60%). PIRELLI Cinturato P7C3 (61%). Actual results may vary in real life conditions/depending on the type of road and/or weather conditions.

(2) AAA stands for Excellence in all EU label categories – rolling resistance (fuel efficiency), wet grip and external noise. Over 80% of tires on the replacement market are rated AAA. Branded tires developed by Michelin according to OEM specifications are excluded. For more information about the branded tires developed by MICHELIN, see https://www.michelin.co.uk/auto/advice/choose-tyres/marked-tyres.

- In **truck tires**, a myriad of technological advances is delivering not only improvements in fuel efficiency and concomitant reductions in CO_2e 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. The Group continued to innovate in 2025, launching the MICHELIN X® LINE GRIP D tire featuring the first chevron tread pattern for truck tires and improving the grip/life/rolling resistance trade-off for even greater performance. 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.
- Michelin also innovated in the **specialty tires segment**. For example, crane trucks equipped with MICHELIN X-Crane 2 tires offer fuel savings of around 15% compared with the main competitor, representing over 8 liters of fuel per 100km (measurement validated by Dekra).
- The **Michelin services and solutions that optimize the use and management of vehicle fleets** make a significant contribution to the functional economy. They consist of supplying, together with the product:
  - a tire monitoring and maintenance service, to optimize tire performance (particularly in terms of fuel efficiency), or
  - a stand-alone service that helps to streamline fleet operations (e.g., by digitizing tire inspections) and makes 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.

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 €86 million in 2025 (€107 million in 2024) and is budgeted at more than €300 million over the next five years in the strategic plan. The budgeted capital expenditure will be spent as follows:

- half on the deployment of best energy efficiency practices;
- a quarter on converting boilers to less carbon-intensive energy sources; and
- a quarter on the electrification of our processes.

The required financial resources have been estimated using information provided by the energy performance experts based on the projects identified in each site's roadmap. The strategic plan is reviewed and validated annually, on the basis of a prioritization matrix, by the industrial performance manager. The capital expenditure budgets do not include the renewable energy purchasing plan, which is managed by the Group's energy purchasing strategy team.

For the Scope 3 use of sold products category, €151 million was invested in 2025 (€119 million 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 (as in 2024).

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.

The annual transition plan is presented for approval to the CSR Committee of the Supervisory Board, which then reports on it to the Annual Shareholders Meeting.

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_2e 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_2e 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_2e 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 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 key 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, such as the development of offers that reduce the materials footprint of our products and services, including end-of-life tire management solutions and the adaptation of products to higher temperatures;
- there are benefits in continuing to develop CO_2e emissions reduction solutions for the Group's customers and upgrade operations across the value chain to manage physical and transition risks more effectively.

In order to mobilize Group units around the impacts of each scenario, various shocks (social, environmental, legislative, resource depletion) have been simulated.

The simulations help to:

- identify the risks and opportunities for the Group in each scenario and to design proactive responses;
- envisage non-linear trajectories based on concrete events;
- stimulate systemic thinking to identify strategic blind spots and put ourselves in a position to anticipate and act.

(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) Negative impact	Michelin is a global manufacturer with a broad industrial footprint. Greenhouse gases are emitted by its own operations and by the energy used in its 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; ■ 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 about 90% of Michelin's carbon footprint (125 million tonnes of CO_2e in 2025). 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 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

The Group's Environmental Policy is described in a publicly available reference document (www.michelin.com) issued in 2021. To support its operational implementation, the Policy is organized into several different chapters and covers the Group's main matters at each phase of the life cycle approach.

The "Production and R&D sites" chapter defines the procedures for reducing CO_2e emissions from the production plants' operations (Scope 1 and 2 emissions).

4.2.7.2 Decarbonization plan

The decarbonization plan is designed to meet the 2030 and 2050 targets approved by the SBTi in 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. For 2025:

- excluded Scope 1 and 2 emissions accounted for an estimated 2.7% of the Group total[(1)];
- excluded required Scope 3 emissions (i.e., other than use phase) accounted for an estimated 2.2% of the Group total[(2)].

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 (see IROs *"Higher energy performance standards for tires"* and "*Rising demand for a wider range of electric vehicles*"), Michelin is focusing on the same response: solutions that improve the fuel 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) test runs and trials on Group-owned vehicles; (iv) other GHGs such as methane (CH_4 and nitrous oxide (N_2O); (v) logistics hubs owned by the Group or for which it has operational control; and (vi) certain offices, 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

The amount of released CO_2e is consolidated and tracked separately, in absolute terms, at the highest corporate level.

In accordance with Group guidelines, the reduction levers are based on two major pathways to improvement: energy sufficiency and energy transition:

- **Energy sufficiency -** Consume less: each site tracks its energy performance using a metric measuring energy used per tonne of product.
- **Energy transition -** Consume better: using energy more efficiently and activating market levers. To do this, the Group is assertively developing fossil fuel substitution projects while increasing its renewable energy purchases (for heating, cooling and electricity). The manufacturing process electrification program introduced in the Transition Plan and illustrated in the graph in section 4.2.9.3 below, is a practical example of this approach.

As of end-2025, the majority of production plants, representing more than three-quarters of Scope 1 and 2 CO_2e emissions, had prepared or updated their 2050 Net-Zero Emissions roadmaps 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. The plan, launched in 2024 to upskill and increase the workforce to deal with water and energy issues, was continued in 2025.

In all, the Group continued to reduce its energy use and CO_2e emissions in 2025 through CapEx projects totaling over €86 million (€107 million in 2024). Examples include the following projects:

- **Asia zone**: electrification of presses, optimization of heating, ventilation and air-conditioning (HVAC) installations, installation of magnetic chillers and energy efficient air compressors. Systematic implementation of water and energy shutdown management systems also helped reduce fixed consumption. This practice of better controlling machine shutdowns and restarts will be extended to the Group's other sites in the near future;
- **Americas zone**: optimization and automation of chillers and air compressors in Brazil. In addition, best practices have been adopted more widely in line with an emphasis on change management, particularly in North America;
- **Europe zone**: coal phase-out at the Olsztyn site (subject to the Emissions Trading Scheme[(1)] - ETS1) as from early 2025, leading to a significant drop in the zone's CO_2 emissions.

Over €300 million in capital expenditure is budgeted for the next five years (vs. a budget of over €400 million announced in 2024).

One of the Group's core decarbonization initiatives is to eliminate coal as a primary energy source by 2030, with a dedicated roadmap being pursued at the remaining four production sites concerned[(2)].

Coal only accounted for 326,000 MWh or around 3% of the Group's total energy consumption in 2025. Progress is being tracked and led by an internal metric measuring the percentage of residual coal in produced or purchased heat and cooling.

In 2025, the Group pursued its strategy of purchasing renewable electricity to meet part of the energy needs of certain sites, mainly in the United States. In all, these contracts represented more than 3,084,000 MWh, for which the corresponding 2025 EACs were duly canceled, and covered more than 68% of electric power consumed during the year. 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. In addition, the Group has pursued its purchases of electricity with energy attribute certificates (EACs) in Brazil, Serbia and China (since 2021), Thailand (since 2022), Mexico, India, the USA and Indonesia (since 2024).

This sustainable procurement approach also applies to heat and cooling purchases, currently to a lesser extent but with increased purchases on the cards in future periods, because the commercial supply of sustainably produced biogas and biomass is not growing as quickly as the supply of electricity from guaranteed renewable sources.

(1) The European Union Emissions Trading Scheme (EU ETS) is a regulatory mechanism designed to reduce greenhouse gas (GHG) emissions.
(2) These sites are located in Pirot, Bassens, Louisville, and Shenyang. With the exception of Shenyang, which purchases coal-fired steam, they all burn coal directly in their own boilers.

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.

4.2.8.6 Michelin, an organization committed to accelerating the transition to low-carbon mobility

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. The solutions consist of creating a package comprising the product and tire monitoring and maintenance services to optimize tire performance, particularly in terms of fuel efficiency.

In addition to tire performance improvement services, Michelin also provides fleet route optimization services through Michelin Connected Fleet, which helps to reduce empty kilometers to optimize fleet operations and vehicle use. It also offers an innovative CO_2e dashboard that improves energy efficiency and reduces the carbon footprint.

Looking further ahead, as a pioneer in hydrogen fuel cells, Michelin remains convinced that hydrogen will play a role in the energy mix of the future. Disruptive technologies always take a long time to develop and become established. The Group recognizes this and intends to continue its involvement in the development of hydrogen-related technologies[1].

Michelin is also pursuing its R&D efforts to develop membranes, a key component in water electrolysis technologies for the production of carbon-free hydrogen for industrial applications (steel production, energy transport, etc.) and hydrogen fuel cells, thereby helping to combat CO_2e emissions and air pollution.

Finally, Michelin is continuing to develop Wisamo, an inflatable wing technology that helps reduce CO_2e emissions and air pollution caused by shipping.

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-2025, rolling resistance had been improved by 5.8%, in line with the target.

Concerning the opportunity "*Rising demand for a wider range of electric vehicles*", as of 2025, all tires were designed to be fitted on both internal combustion and electric vehicles.

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 greenhouse gas emissions (Scopes 1, 2 and 3)*" Michelin has defined emissions reduction targets, which were validated by the SBTi in 2024. These targets are consistent with the 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 three 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);
- increase renewable energy use.

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.

(1) Since Stellantis announced on July 16, 2025 that it would be discontinuing its hydrogen vehicles, Symbio has structured a new roadmap to ensure the company's continuity and sustainability, with the support of Michelin, Forvia and the public authorities.

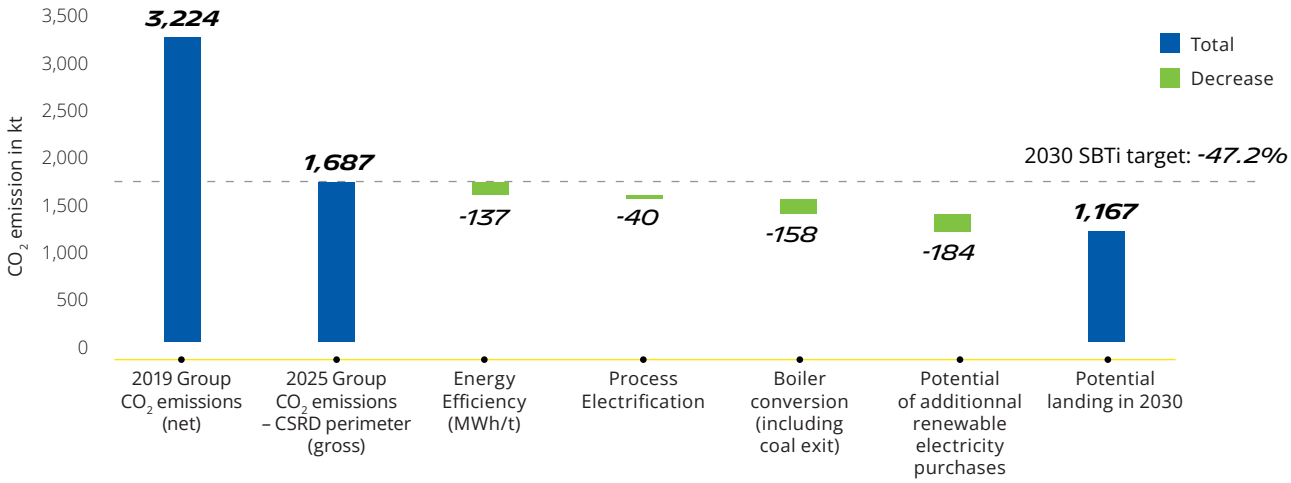
4.2.9.2 Long term

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_2e 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_2e emissions in absolute value between 2019 and 2025. It also states the projected reduction in these CO_2e emissions over the 2026-2030 period[(1)]. The reduction is based on the levers identified in the Group's roadmap which is periodically reviewed. Each lever's quantitative contribution is stated in kilotonnes.

ROADMAP FOR REDUCING SCOPE 1 AND 2 CO_2E EMISSIONS - 2019-2030



The chart presents the total contributions of levers that can be activated over the 2026-2030 period, assuming constant sales volumes. Note that renewable energy purchases remain an adjustment variable.

CO_2e emission reduction actions have been organized into four levers:

- "Energy efficiency" refers to the legacy energy 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., the transition away from coal or the transition to biomass. As an example, a project to install a boiler fuelled by sustainably sourced solid biomass began in 2025 at the Blanzy site (France);
- "Renewable energy purchasing" refers to the potential for purchasing additional renewable electricity duly backed by EACs.

Together, all the Group's projects and initiatives ensured that the SBTi target was met in 2025. These efforts will be pursued by deploying the levers identified in the strategic plan, allowing us to absorb, at the very least, the increase in emissions linked to growth in production volumes. The potential 2030 outcome indicated above should not therefore be interpreted as a new target.

(1) The data in this graph are stated as net values, with the slight difference between gross and net figures (less than 0.5% in 2025) corresponding to the energy resold by the Group.

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_2e 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 mature technologies (such as geothermal energy) or emerging technologies (such as high-temperature heat pumps) and is also participating in ecosystems in certain industrial basins (e.g., the Low Carbon Industrial Zone in the Bordeaux region (France)).

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_2e emissions.

Locked-in emissions

The Michelin Group owns a number of potentially CO_2e 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 and then by a centralized IT system, and then consolidated and analyzed at Group level using this automated system.

Periodic reviews conducted at different levels of the Group help to ensure that reported data are consistent.

Energy consumption and mix

Energy consumption and mix	2024[1]	2025
Fuel consumption from coal and coal products (E1-5-38a)	620,827 MWh	326,235 MWh
Fuel consumption from crude oil and petroleum products (E1-5-38b)	44,211 MWh	68,051 MWh
Fuel consumption from natural gas (E1-5-38c)	3,452,706 MWh	3,332,081 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)	2,763,222 MWh	2,446,251 MWh
TOTAL ENERGY CONSUMPTION FROM FOSSIL SOURCES (E1-5-37A)	**6,880,965 MWH**	**6,172,619 MWH**
Share of fossil sources in total energy consumption *(%)*	*66%*	*63%*
TOTAL ENERGY CONSUMPTION FROM NUCLEAR SOURCES (E1-5-37B)	**484,300 MWH**	**396,264 MWH**
Share of consumption from nuclear sources in total energy consumption (%)	*5%*	*4%*
Fuel consumption from renewable sources (E1-5-37c (i))	305,375 MWh	105,019 MWh
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (E1-5-37c (ii))	2,738,524 MWh	3,076,219 MWh
Consumption of self-generated non-fuel renewable energy (E1-5-37c (iii))	- MWh	- MWh
TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES (E1-5-37C)	**3,043,899 MWH**	**3,181,237 MWH**
Share of consumption from renewable sources in total energy consumption (%)[3]	*29%*	*33%*
TOTAL ENERGY CONSUMPTION RELATED TO OWN OPERATIONS (E1-5-37)	**10,409,164 MWH**	**9,750,121 MWH**
Energy intensity based on net revenue (E1-5-40)	**383 MWh/€m**	**375 MWh/€m**
Energy intensity, based on net revenue, associated with activities in high climate impact sectors[2] (E1-5-40)	**383 MWh/€m**	**375 MWh/€m**

(1) Values updated in 2025 following the change of method for quantifying renewable energies in Market Based accounting.
(2) All the Group's manufacturing activities are associated with NACE codes A to H, with a majority corresponding to NACE code C22.11 (manufacture of rubber tires and tubes, retreading and rebuilding of rubber tires).
(3) The share of renewable energy rose from 29% to 33% between 2024 and 2025, primarily reflecting the increase in renewable electricity purchase from 61% to 68%.

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 6.3% year on year in 2025. Taking into account the impact of lower production output, this translated into a 1.1% improvement in energy performance in 2025 (consumption in MWh relative to production volume).

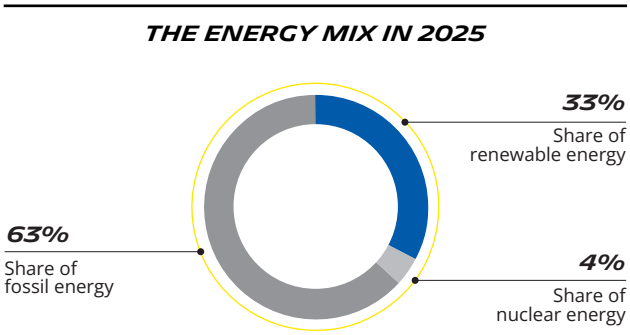
The improvement between 2019 and 2025 stood at 4% compared to the improvement target for plant energy efficiency of 24% for the period 2019-2030. The underperformance stemmed primarily from fixed energy use, as volatile production volumes led to unscheduled production facility shutdowns and restarts. Managing these shutdowns represents a genuine challenge.

Despite the significant gap between this result and the trajectory, the Group is holding firm to its target and has launched an acceleration program for the next two years. The dedicated initiatives and resources are based on several levers:

- controlling fixed consumption at thirty priority sites;
- prioritizing best practices and technical levers by type of activity;
- supporting change and skills development, with a particular focus on behavioral skills;
- optimizing plant energy performance through digitization and process control monitoring.

The feasibility of this approach is confirmed by the results obtained at several Group sites, which succeeded in improving their energy efficiency in 2025 against a backdrop of falling production.

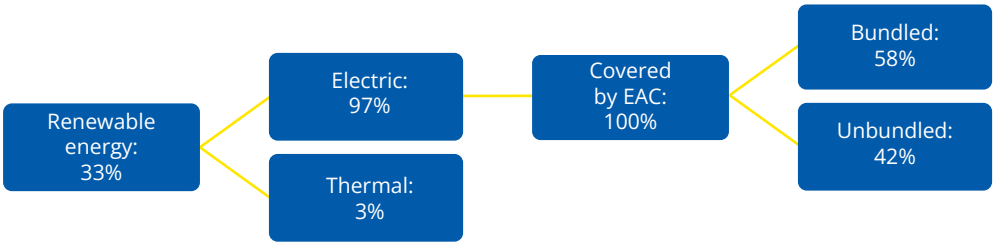
Energy mix



The proportion of total energy consumption derived from renewable sources continues to rise. According to the following diagram, in 2025, renewable energy accounted for more than a third (33%) of the Group's total energy mix (compared with 29%[1] 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 share of nuclear energy in the mix stems solely from the electricity purchased from the grid.



Electricity accounts for most of the renewable energy used (more than 97% in 2025). In line with the market-based method, purchased electricity is considered to be of renewable origin and CO_2e emissions-free only if each MWh is covered by a bundled or unbundled[2] energy attribute certificate (EAC) attesting to a renewable source. The proportion of renewable heat and cooling in renewable energy use was 3.8% in 2024 and 3% in 2025.

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_2e emissions are calculated using raw energy data (see ESRS 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_2e emissions from Michelin-managed sites are presented, by default, according to the market-based method, which expresses the progress made in reducing CO_2e emissions driven by the Group's commitment to the energy transition (the "Renew" lever in the Environmental Policy).

The 2025 scope included CO_2e emissions from the Group's industrial and R&D sites, representing over 97% of total emissions (see section 4.2.7.2).

(1) Calculation updated in 2025 following the change of method for quantifying renewable energies in Market Based accounting.
(2) The term bundled means that the MWh of energy and its related EAC were purchased from the same supplier. 58% 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 42% of all EACs, in the form of GOs, I-RECs and green electricity certificates (GECs).

	Retrospective data					Reduction milestones and targets		
Total GHG emissions	**Baseline 2019** *(tCO_2e)*	**2023** *(tCO_2e)*	**2024** *(tCO_2e)*	**2025** *(tCO_2e)*	**% change 2025/ 2024**	**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	826,304	-13.6%			
Scope 1 GHG emissions from regulated emission trading schemes (E1-6-48b)	808,242	445,211	343,448	303,314				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (E1-6-48b)	46.8%	42.6%	35.9%	36.7%				
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	1,873,962	-5.0%			
Gross market-based Scope 2 GHG emissions (E1-6-49b and E1-6-50a)	1,713,199	1,271,594	1,069,582	860,289	-19.6%			
SCOPE 1 AND 2 GHG EMISSIONS								
Gross location-based Scope 1 and 2 GHG emissions	3,770,450	3,085,014	2,929,858	2,700,266	-7.8%			
Gross market-based Scope 1 and 2 GHG emissions	3,439,038	2,321,524	2,026,491	1,686,593	-16.8%	-47.2%	-4.2%	-90%
SCOPE 3 REQUIRED + IN-USE GHG EMISSIONS (E1-6-51)								
Gross Scope 3 Required GHG emissions[1]	15,029,349	13,617,627	12,724,408	12,096,228	-4.9%			-90%
Gross Scope 3 In-Use GHG emissions[2]			131,000,000	125,000,000				
TOTAL LOCATION-BASED SCOPES 1, 2 AND REQUIRED SCOPE 3 GHG EMISSIONS[1] (E1-6-52A)	**18,799,799**	**16,702,641**	**15,654,266**	**14,796,494**	**-5.5%**			
TOTAL MARKET-BASED SCOPES 1, 2 AND REQUIRED SCOPE 3 GHG EMISSIONS[1] (E1-6-52B)	**18,468,387**	**15,939,151**	**14,750,899**	**13,782,821**	**-6.6%**			

(1) Scope 3 values for 2019, 2023 and 2024 have been recalculated following the increase in oil industry emission factors.
(2) The 2024 value has been recalculated following a methodological adjustment: see "Focus on Scope 3 In-Use emissions" below.

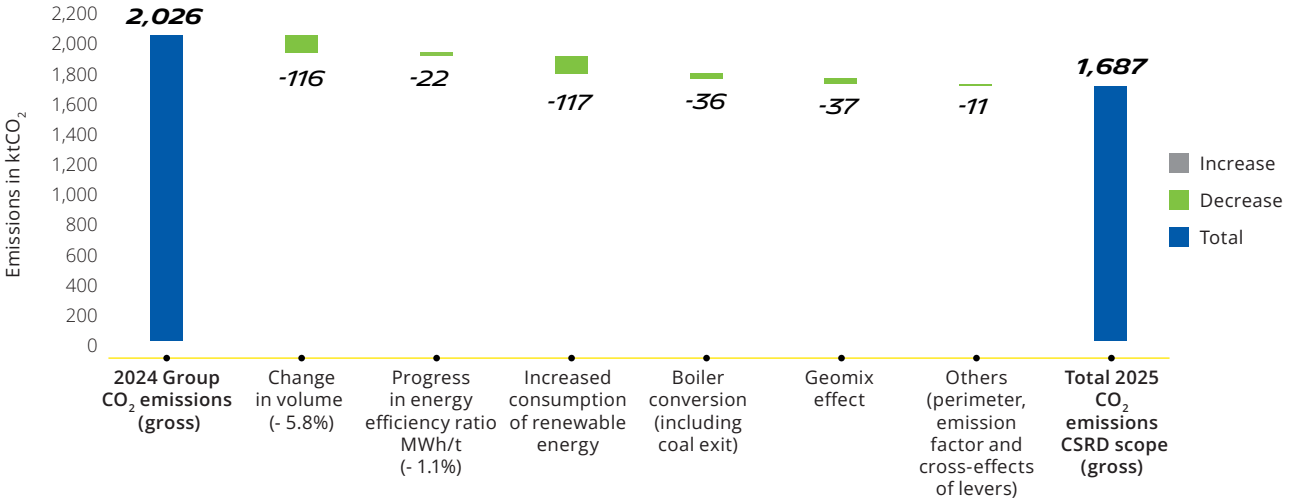
GHG emissions intensity based on net revenue	**2023**	**2024**	**2025**	**% change 2025/2024**
Location-based GHG emissions intensity (E1-6-53)	589 tCO_2e/€m	576 tCO_2e/€m	569 tCO_2e/€m	-1.1%
Market-based GHG emissions intensity (E1-6-53)	562 tCO_2e/€m	542 tCO_2e/€m	530 tCO_2e/€m	-2.2%

CO_2e emissions from the Group's manufacturing sites declined by 16.8% year on year in 2025.

Over the period 2019-2025, the overall reduction in Scope 1 & 2 CO_2e emissions was 47.7%. The Group therefore met its SBTi target of 47.2% by 2030 five years ahead of schedule[1]. This result was attributable primarily to the energy sufficiency process described in section 4.2.8.3, the production environment and the additional purchases of EAC-backed renewable electricity described in section 4.2.9.3. Encouraged by this performance, the Group intends to continue cutting its CO_2e emissions, by deploying the levers included in its strategic plan over the period to 2030 (see graph tracking the reduction in CO_2e emissions between 2019 and 2030 in section 4.2.9.3).

QUANTITATIVE CONTRIBUTION OF EACH LEVER TO THE YEAR-ON-YEAR IMPROVEMENT IN 2025

Reduction in Scope 1 and 2 CO_2e emissions year on year in 2025



Biogenic emissions

In 2025, the Group decided to amend its contracts with renewable electricity suppliers by phasing out the use of biomass as a primary energy source for renewable electricity generation. This decision was based on the desire to give priority to biomass uses that are considered more relevant, such as supplying thermal energy or incorporating biomass into the share of biosourced products. It also aimed to avoid potentially uncontrolled impact transfers, notably on biodiversity, and the biogenic CO_2 emissions associated with Scope 2.

Reported biogenic emissions therefore mainly comprise Scope 1 and 2 emissions from internal or external biomass power plants, dedicated to meeting thermal energy supply needs.

In 2025, biogenic CO_2e emissions from the combustion of biomass to generate heat or cooling represented around 12,500 tonnes (21,400 tonnes in 2024) in Scope 1 and some 36,000 tonnes (41,200 tonnes in 2024) in Scope 2[2]. As in 2024, the Group is not aware of any biogenic CO_2e emissions from its Scope 3 categories.

(1) The target and trend have been calculated by reference to a 2019 baseline (net basis), in line with our SBTi commitment.
(2) These biogenic CO_2e emissions are disclosed separately from fossil emissions, in compliance with current accounting rules.

SCOPE 3 EMISSIONS

	Retrospective data					Reduction milestones and targets		
Scope 3 GHG emissions by category	**Baseline 2019** *(tCO_2e)*	**2023** *(tCO_2e)*	**2024** *(tCO_2e)*	**2025** *(tCO_2e)*	**% change 2025/ 2024**	**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**	**8,580,264**	**-4.8%**			
Category 2: Capital goods (E1-6-51)	564,142	569,102	549,634	478,193	-13.0%			
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2) (E1-6-51)[1]	**670,364**	**547,088**	**498,176**	**460,812**	**-7.5%**			
Category 4: Upstream transportation and distribution (E1-6-51)	**1,291,871**	**1,189,177**	**874,072**	**888,270**	**1.6%**			
Category 5: Waste generated in operations (E1-6-51)	61,708	118,672	108,140	150,389	39.1%			
Category 6: Business travel (E1-6-51)	43,327	30,570	38,656	29,759	-23.0%			
Category 7: Employee commuting (E1-6-51)	213,483	224,134	223,512	210,439	-5.8%			**-90%**
Category 8: Upstream leased assets (E1-6-51)	40,238	41,237	40,257	35,958	-10.7%			
Category 9: Downstream transportation and distribution (E1-6-51)	**981,722**	**737,473**	**720,445**	**661,835**	**-8.1%**			
Category 12: End-of-life treatment of sold products (E1-6-51)	270,820	247,043	239,797	222,664	-7.1%			
Category 14: Franchises (E1-6-51)	233,588	250,584	260,746	217,787	-16.5%			
Category 15: Investments (E1-6-51)	150,199	187,735	155,124	159,858	3.1%			
TOTAL REQUIRED DISCLOSURE SCOPE 3 EMISSIONS[1]	**15,029,349**	**13,617,627**	**12,724,408**	**12,096,228**	**-4.9%**			
CO_2 EMISSIONS FROM THE SBTI 2030 TARGET SCOPE[1][2]	**10,863,650**	**9,283,576**	**8,732,411**	**8,391,657**	**-3.9%**	**-27.5%**	**-2.5%**	
MATERIAL SCOPE 3 IN-USE GHG EMISSIONS								
Category 10: Processing of sold products (E1-6-51)	Not applicable to Michelin							
Category 11: Use of sold products (E1-6-51)[3]			131,000,000	125,000,000				
Category 13: Downstream leased assets (E1-6-51)	Not applicable to Michelin							

(1) Following the increase in oil industry emission factors, category 3 values for the years 2019, 2023 & 2024 have been recalculated, leading to an adjustment of the affected totals

(2) The scope of the SBTi 2030 target is the sum of the following Scope 3 emissions: Category 1 emissions linked to raw materials purchases, all category 3 emissions (energy-related activities), category 4 emissions linked to transportation activities operated by Michelin, all category 9 emissions.

(3) The 2024 value has been recalculated following a methodological adjustment: see "Focus on Scope 3 In-Use emissions" below.

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 2025 versus 2024
Category 1	Category 1 comprises all purchases of goods and services, with raw materials accounting for the lion's share. The 2030 SBTi target concerns only raw materials, i.e., 85% of emissions of the category in 2019. Purchasing data are taken from internal databases, while emission factors are provided by suppliers or, by default, taken from recognized external databases.	The change is mainly due to two trends: higher emission factors for oil industry products and lower Group production volumes. Emissions from raw materials purchases declined from 8.8 $MtCO_2e$ in 2019 (the baseline year) to 7.0 $MtCO_2e$ in 2025, a 21% improvement that was in line with the SBTi target.
Category 2	Category 2 includes all equipment purchases (CapEx). Purchasing data are taken from internal databases, while emission factors are taken from recognized external databases.	This category tracks Group-level CapEx; the year-on-year decline in 2025 was not material.
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 significant rise in oil industry emission factors had a major impact on the calculation of this category. Emissions for the baseline year and subsequent years have therefore been recalculated using the new parameters. Emissions from purchased energy declined from 0.67 $MtCO_2e$ in 2019 (the baseline year) to 0.46 $MtCO_2e$ in 2025, representing a 31% improvement, in line with the SBTi target.
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 materials suppliers and 29% from sources controlled by Michelin (natural rubber and semi-finished products). The 2030 SBTi target only concerns transportation controlled by Michelin.	Emissions from Michelin-controlled upstream transportation declined from 0.40 $MtCO_2e$ in 2019 (the baseline year) to 0.27 $MtCO_2e$ in 2025, representing a 33% improvement, in line with the SBTi target.
Category 5	According to the GHG Protocol cut-off method, category 5 includes emissions from all waste generated in manufacturing operations and from pre-recovery treatment of the waste.	There was little change between 2024 and 2025.
Category 6	Category 6 comprises CO_2e emissions from business travel by air, rail and rental car. Emissions from hotel rooms are not calculated due to a lack of data.	The downward change stemmed from the rigorous management of intercontinental travel. The Group met its target of a 30% improvement between 2019 and 2025.
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 between 2024 and 2025.
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.	Two-thirds of the change was due to lower sales volumes, and one-third to structural advances. Emissions linked to downstream transportation fell from 0.98 $MtCO_2e$ in 2019 (the baseline year) to 0.66 $MtCO_2e$ in 2025, representing a 33% improvement, in line with the SBTi target.
Category 11	See "Focus on Scope 3 In-Use emissions", below.	

	Category description and boundary	Analysis of main changes in 2025 versus 2024
Category 12	Category 12 includes emissions from the collection of end-of-life tires, using the cut-off method.	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 a representative sample of Euromaster outlets.	The change was led by a decrease 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.	There was little change between 2024 and 2025.

Categories 10 and 13 are not material to Michelin.

In line with the GHG Protocol Corporate Standard, the benchmark for corporate carbon accounting, two types of Scope 3 CO_2e emissions are calculated for tires: emissions generated while the tires are in use (Scope 3 In-Use), and emissions generated over the rest of the value chain (Scope 3 Required). This distinction has been confirmed by the SBTi, which has set emission reduction targets that only cover Scope 3 Required because tires in use only have an indirect impact on vehicle fuel efficiency. Nevertheless, every year Michelin records the quantity of Scope 3 In-Use emissions, in order to track the progress made in designing highly energy-efficient products. By convention, we therefore report Scope 3 Required emissions (for which we have set SBTi-validated improvement targets) separately from Scope 3 In-Use emissions.

Focus on Scope 3 In-Use emissions.

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 has made progress since 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) all sold tires (Passenger car, Two-wheel, Light truck and Truck tires); (ii) specialty tires (Mining, Aircraft, Agricultural and Construction), 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;
- average mileage assumptions based on Michelin statistics (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_2e 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_2e emissions from the use of sold products.

Only the Japan Automobile Tyre Manufacturers Association Inc. (JATMA) has issued a methodology. 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, Michelin has since 2024 used parameters based on its own usage statistics.

Had the JATMA parameters been used instead, Scope 3 CO_2e emissions from the use of sold products would have been approximately 30% to 40% lower than those disclosed below.

Outcomes

In 2025, Scope 3 usage emissions were calculated at 125 $MtCO_2e$. The calculation methodology was adjusted to include emissions linked to tires mounted on electric vehicles (emissions linked to electricity production).

If the new methodology and parameters were applied to 2024 sales volume, Scope 3 usage emissions for 2024 would amount to 131 $MtCO_2e$.

The year-on-year change in 2025 was mainly due to lower sales volumes.

4.2.9.7 CO_2e allowances

The CO_2e 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_2e 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[(1)] to all capital projects likely to have a material positive or negative impact on the Group's Scope 1 and 2 CO_2e emissions, to steer capital expenditure towards low-carbon solutions and prepare for the introduction of a global carbon price.

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 2025 (97% 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[(2)].

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) The internal carbon price is a strategic tool used by companies to integrate the costs of greenhouse gas emissions into their CapEx decisions. Michelin has adopted a standard internal carbon price (known as the shadow price), which is an economic value attributed to CapEx decisions without generating physical financial flows.

(2) 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 Upstream · Downstream · 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 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.

In 2024 and 2025, the Group analyzed the exposure to the current climate and to future climate conditions in 2030 and 2050 of several thousand industrial, logistics, distribution, administrative, research and other Michelin sites or sites of interest to Michelin, as well as hundreds of sites operated by key raw materials suppliers, and several dozen key customer sites and key transportation infrastructure. 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, the main climate-related hazards to which these sites are exposed are heat, water stress, wind (tornadoes, typhoons, hurricanes, cyclones, winter storms) and, to a lesser extent, flooding.

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

The exposure of all the Group's own sites and other key sites in the value chain was analyzed in 2024 and 2025. An initial roadmap was drawn up in 2025 based on the 2024 exposure analyses, identifying the sites requiring a vulnerability assessment over the period to 2030. The related metrics have been defined and will be tracked by the Group Environmental Governance body and the Adaptation Sector Committee.

Initiatives **undertaken in 2025** included:

- analyzing the exposure to projected climate conditions in 2030 and 2050 of several thousand Michelin sites, several dozen key customer sites and key transportation infrastructure, as well as key end-of-life tire recovery and reuse facilities, based on the criteria set out above;
- developing a method for quantitatively assessing the climate change vulnerability of Michelin sites and identifying any necessary adaptation measures for subsequent implementation at sites where this is required;
- creating and testing a tool on pilot sites for the quantitative assessment of the climate change vulnerability of Michelin sites, which will be made available at the beginning of 2026 to sites called on to perform this type of study;
- preparing a catalogue of behavioral, organizational and technical adaptation solutions, to be applied if necessary once the climate change vulnerability assessment has been completed;

(1) Available on the Michelin Group website, https://www.michelin.com/en/sustainability/company/planet/climate-action.

- developing training modules covering the quantitative assessment of climate change vulnerability for use by the sites;
- prioritizing the quantitative climate change vulnerability reviews to be performed at Michelin sites in the coming years;
- defining initial initiatives to encourage the long-term commitment of major raw materials suppliers to adapting their own sites.

Natural rubber sourcing risks are addressed by an action plan that was pursued in 2025 and will continue in the years ahead with actions to diversify sources, improve varietal selection and encourage highly resilient farming practices.

The following actions are **planned from 2026 onwards,** to enable the necessary adaptation measures to be identified and implemented:

- training of an initial group of Michelin priority sites in quantitative climate change vulnerability assessment;
- quantitative assessments of the climate change vulnerability of this first group of priority Michelin sites, with a view to identifying any necessary adaptation measures;
- more rigorous implementation of preventive and protective health and safety measures, based on behavioral and organizational adaptation initiatives at Michelin sites that require it;
- implementation of initial initiatives to encourage the long-term commitment of major raw materials suppliers to adapting their own sites.

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

The main metrics (in addition to those prescribed in ESRS E1-9) and targets for monitoring implementation of the Group's Adaptation policy and plan were defined by the Adaptation Operational Committee in 2025. They will be submitted to the Environmental Governance body for validation. Once completed, the adaptation plan will be integrated into the Group's strategic process and will evolve in the following years. 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.

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 examining the possible financial effects and, from 2026 onwards, will have a more precise estimate of the cost of adaptation measures, compared to the rough estimate determined on the basis of initial studies carried out on pilot sites.

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."

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?

Our product life cycle analyses show that during tire use, tire and road wear particle (TRWP) emissions are one of the most significant environmental challenges for the Group. Michelin is aware of this challenge and has been working for over 20 years to understand these emissions and their potential impact, and to reduce them. The work of our research and development teams on materials efficiency has resulted in innovations that position Michelin as the undisputed market leader in abrasion performance: according to an independent ADAC study[(1)] conducted in May 2025 on 160 tires, Michelin tires emit on average 27% fewer particles than competitors' products included in the tests.

Michelin also strongly supports the introduction of abrasion regulations based on a reliable method that is representative of real-life conditions, in order to limit TRWP emissions at source. This approach, which has been placed at the top of the prioritizing hierarchy of levers, aims to objectively recognize and distinguish the tires' sustainability performance.

In Europe, for example, the introduction of abrasion regulations for passenger car tires (C1) could reduce emissions by 20 kt/year. If all road tires in Europe matched the abrasion performance of Michelin tires, this could deliver a 70-kt reduction in annual emissions, equivalent to the weight of seven Eiffel Towers. The Group supports the introduction of this type of regulation worldwide.

What are the reasons for including new TRWP metrics in the 2025 report?

TRWP emissions are an important topic, which is why we developed new metrics this year. The reporting system's current level of maturity means that we can now report our values in the 2025 Sustainability Statement and achieve our ambitions by using the metrics to tighten our management of this matter. In particular, we feel it is essential to add a TRWP progress metric to the impact metric, to highlight our trajectory and our differentiation. In addition, the use of TRWP metrics ensures coordinated and balanced progress with the other two key metrics – progress on rolling resistance (see E1) and increase in the proportion of renewable or recycled materials (see E5) – while avoiding any impact transfers. Although it would be unrealistic to expect a linear improvement of these metrics since they depend on the introduction and deployment of different technologies, they nevertheless provide an overall view of the progress made on all our road tires.

Michelin uses chemicals in the manufacture of its products. How is the Group responding to the issue of substances of concern?

Today, the use of chemical substances is essential to ensure the performance and safe use of our products by our customers. For the past 20 years, an in-house observatory has been consolidating developments in scientific knowledge and regulations concerning substances of concern. New elements have been taken into account in a prioritization tool that considers hazard and exposure criteria, and are overseen by a multi-disciplinary team of experts. This ensures that action to control and reduce risks is triggered according to the issues as stake, in particular through the research and development of alternatives to substances of concern. This practice of anticipating and focusing efforts has proved effective, enabling us historically to eliminate or reduce the use of substances of concern while continuing to guarantee the performance and safety of our tires.

(1) ADAC e.V. 2025, Tire abrasion in the environment: *Results from the ADAC tyre test and future legislation,* Munich.

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) 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.
Downstream · Risk	Insofar as Michelin tires are well known for their superior abrasion performance compared to their tested competitors, this could represent an opportunity for the Group.
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 · Negative impact	
Water, soil and air pollution from upstream activities	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.
Upstream · Negative impact	
Water and air pollution from direct operations, including substances of very high concern and VOCs	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.
OP · Negative impact	
Pollution from the end-of-life treatment of sold tires	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.
Downstream · Negative impact	

Introduction

As a manufacturer, the Michelin Group is extremely mindful of the risks of pollution, particularly in its production and other operations. To mitigate these risks, 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 and Risk Prevention Management System (SMEP).

In addition, it must be emphasized that Michelin manufactures safety products that are exposed to a wide variety of external aggressions (ozone, UV radiation, temperature and soil variations, etc.), and the Group uses substances that ensure 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 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[1]. Since 2010, studies have demonstrated the presence of these particles in the environment and provided an initial assessment of their impact. 2025 saw the publication of two scientific papers commissioned by the Tire Industry Project (TIP) and written by leading independent scientists – "*Tire emissions during the use phase of tires*" and "*Risk assessment of tire wear in the environment*"[2]. Together, the two papers summarize the findings of over 850 publications, consolidating fragmented knowledge and identifying critical gaps to be addressed through a multidisciplinary, collaborative approach involving academics, industry representatives and decision-makers. In 2026, this state-of-the-art knowledge will be completed with the publication of a third paper on the potential impacts,
  - stricter TRWP emissions standards could lead to an increase in product design and new product development OpEx and perhaps CapEx. This could represent both a risk and an opportunity for an industry leader like Michelin with powerful, recognized innovation capabilities;
- **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** (ELT) was not covered in the LCAs. However, the Group is aware of the environmental risks associated with ELT recycling channels. Pollution is not addressed specifically, but is integrated into the ELT section of the Group's Environmental Policy, along with the other environmental aspects[3];
- **the production phase** has a more limited impact. However, a preliminary assessment points to a risk of emissions exceeding the indicated threshold for some substances[4]. 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 dealing with manufacturing sites provides guidance on how to mitigate impacts by managing the risks of chronic or accidental pollution, in particular through the SMEP Environmental Management and Prevention System[5]. 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.

(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) Müller, K., Unice, K., Panko, J., & Wagner, S. (2025). *Tire emissions during the use phase of tires – current and future trends*. *Environmental Science: Advances.* Müller, K., Unice, K., Panko, J., Ferrari, B. J. D., Breider, F., & others (2025). *Risk assessment of tire wear in the environment – a literature review*. *Environmental Science: Processes & Impacts*.
(3) See section 4.6.1 below.
(4) There are no chronic releases into the soil from Michelin's own operations, so this issue is considered immaterial.
(5) See section 4.1.5.1.1 above.

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.

Since 2022, reducing abrasion-related wear particles has been an integral part of our Environmental Policy, in the eco-design section. TRWP ambitions are managed by a dedicated program.

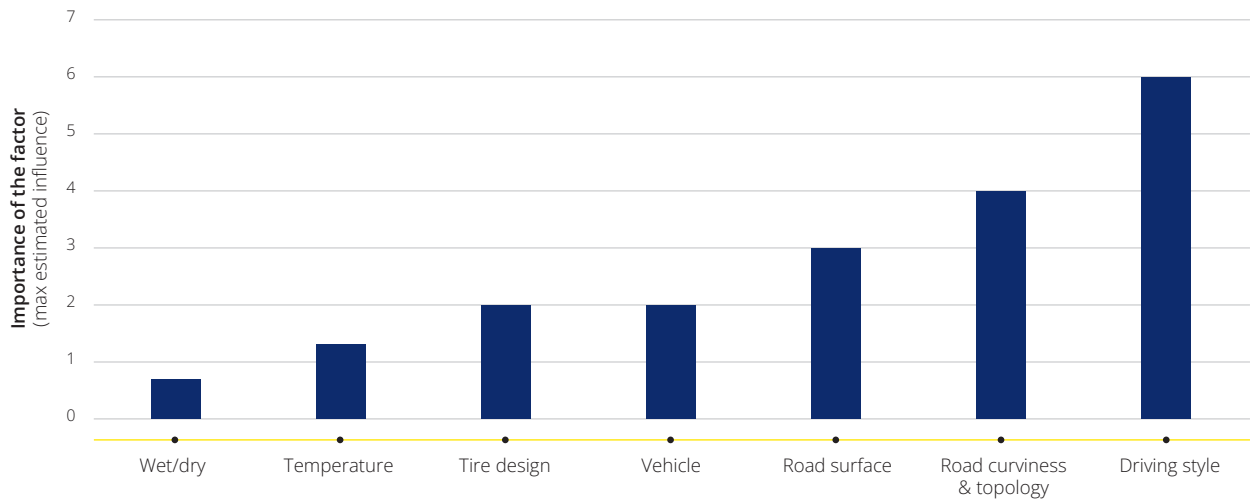
Each pollution-related impact, risk and opportunity is covered in dedicated sections describing the policies, actions and targets for TRWP, air and water pollution in the Group's own operations, chemicals, and pollution in the upstream value chain.

4.3.3 THE GROUP'S LONG-STANDING TRWP OBJECTIVE, BACKED BY DEEPER ENGAGEMENT WITH THE TIRE INDUSTRY AND OTHER SUPPORT RESOURCES

Tire and Road Wear Particles (TRWP) are elongated solid particles generated unintentionally by the friction between the tire and the road, which is necessary to guarantee safety through an appropriate level of grip. These particles are denser than water (~1.8g/cu.m.) and average around 100 µm in size. They are composed of an approximately equivalent mass of degraded tire tread and mineral incrustations from the road surface [1].

Various factors influence the generation of these particles, including tire design[2]:

RANKING OF FACTORS INFLUENCING TIRE WEAR ON THE ROAD ACCORDING TO THEIR ESTIMATED SIGNIFICANCE



These particles may fall within some of the definitions of microplastics, which is a common generic term. However, their characteristics differ from those of other microplastics (textiles, plastic bottles, etc.), and these fundamental particularities must be taken into account in order to understand their life cycle (emissions, transportation, environmental impact). Michelin and the Tire Industry Project (TIP) have been proactively and rigorously addressing this issue for over 20 years, regardless of the chosen classification.

(1) ISO 22640: 2023 standards: *Rubber - Framework for physical and chemical characterization of tire and road wear particles (TRWP).*
(2) Biesse F. & Oelze, B. How to design a representative tire abrasion rate on-vehicle test method, Tire Tech 2023.

An ambitious TRWP program to step up the pace of action plans

In 2023, Michelin strengthened its historic commitment by launching an ambitious TRWP program. This program clarifies the Group's strategy, in line with its Environmental Policy, and ensures that priority actions are consistent and complete.

The strategic objectives focus on the Group's own initiatives to improve abrasion performance in order to reduce emissions at source (first lever in the list of priority initiatives: "Avoid"), and seek out alternative substances in line with the latest scientific knowledge in this area. Michelin is also actively contributing, on its own and within the Tire Industry Project (TIP), to developing and sharing useful and reliable knowledge for the process of qualifying emissions and assessing both their presence and their transformations in the various environmental compartments.

Michelin is actively committed to addressing the entire life cycle of wear particles, alone and in cooperation with the industry.

Own initiatives in 2025

- 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. The latest results were presented at the 2025 Tire Technology Expo and shared with the scientific community. They show that on open roads, 90% of the fine particles (PM10, PM2.5) captured behind a tire are minerals (from the road) and brake particles.
- **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. To date, two articles[(1)] resulting from this partnership have been published, one of which shows for the first time that micro-organisms are able to use certain constituents of tire wear particles for their growth. The second highlights the importance of better understanding the interactions between the ultraviolet or thermal aging of elastomers present in particles and their biodegradability. This work contributes to our understanding of the degradation mechanisms of tire wear particles and their constituent elastomers.

Parallel collaborative initiatives within the industry in 2025

- In line with its Environmental Policy, the Group is exploring alternatives to potential substances of concern, based on the latest scientific knowledge. For example, it is already working diligently and closely alongside a variety of tire industry trade associations to develop viable 6PPD replacements. In this regard, 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 reported in Europe. The issue is the subject of active, regularly evolving research, considering that 6PPD is present in almost all formulations for all tires, and fulfills the essential function of protecting rubber against reactions with ozone and oxygen. As a precautionary measure, in its capacity as a member of the Consortium led by the US Tire Manufacturers Association (USTMA) since 2022, Michelin has been contributing to analyses of various alternative substances through the Alternative Analysis program[(2)]. After an initial preliminary study of sixty candidate substances, five were selected in 2024 for further testing. A formal summary of results is due to be published in mid-2026, to help select the best alternative substance to replace 6PPD.
- Michelin supports the introduction of abrasion threshold legislation that would remove the tires that emit the most particles from the global marketplace. In line with this commitment, the Group is working with other members of Tyres Europe to help define a standardized TRWP emissions testing method as part of the Euro 7 regulation. In 2025, the results of the 2024 testing plan were analyzed, enabling us to propose thresholds for implementation in 2028 on the C1 category. Research is also being carried out on the correlation between the on-road (baseline) method and the on-machine laboratory method. Proposals for upgrades to the on-machine laboratory method have been tested and are currently being analyzed to ensure that the correlation with the baseline method is robust. However, at this stage, the laboratory method cannot be considered reliable, robust or representative of use for a regulatory application.

(1) Calarnou, L., et al. (2024) Study of Sequential Abiotic and Biotic Degradation of Styrene Butadiene Rubber, Science of the Total Environment, 171928. Calarnou, L., et al. (2023) Assessing Biodegradation of Roadway Particles via Complementary Mass Spectrometry and NMR Analyses, Science of The Total Environment, 900, 165698.

(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*[1] (TIP). The TIP works with the global scientific community to support independent, peer-reviewed studies aimed at better understanding and reducing the environmental impact of tires, particularly during their "in-use phase", and to provide more robust science and analysis for better-informed decision-making. These studies involve scientific research and the promotion of practical solutions relating to the qualification of tire and road wear particles, their distribution and environmental fate, their behavior and potential impact on the environment, and the assessment of environmental practices and infrastructure. The entire 2026-2027 study plan was developed and prioritized, then validated by the CEOs of the TIP members in October 2025.

TRWP metrics underscoring Michelin's differentiating abrasion performance

Improving abrasion performance has long been a priority for Michelin. Between 2015 and 2020, global TRWP emissions from Group products were reduced by 5%, a historical performance that has provided a solid foundation for further progress, including through the definition of metrics that improve visibility of the Group's achievements in all areas of environmental performance. These metrics are included in this Sustainability Statement. Performances in terms of rolling resistance, abrasion and grip are physically correlated. It is therefore necessary to have an abrasion metric similar to the one used for rolling resistance, in order to guarantee the overall consistency and relevance of reported progress.

A quantitative metric for TRWP emissions has been defined. The chosen metric corresponds to the "potential mass to wear (up to when the wear indicator appears) corresponding to annual sales volumes". It is based on a theoretical estimate of mass loss per product, assuming complete wear up to the legal limit, and therefore represents a high estimate of potential TRWP emissions during use. As it is intrinsically linked to sales volumes, a second metric – the Abrasion Efficiency Index (AEI) – is also calculated, which provides a better indication of technical progress and the tire's environmental performance over time. Abrasion (mg/(t.km)) is defined as the loss of tire mass (mg) per unit of service (tonne transported per km). The AEI is calculated as an annual sales-weighted average (tonnes of tires sold) of the progress made in Abrasion compared to the 2020 baseline.

The Group calculated these metrics in 2025 for all Passenger Car, Light Truck and Heavy Truck road tires (excluding retreads).

For the above reasons, the Group does not publish the "microplastics generated" metric defined in ESRS E2-4, 28(b).

Irrespective of the metrics issue, for over 20 years Michelin has been investing in R&D to understand and reduce tire and road wear particle emissions (TRWP) generated by road abrasion. Thanks to its expertise in materials and a design strategy focused on optimizing the use of raw materials, the Group is the leader in tire longevity. This technological leadership is reflected in its recognized performance, as demonstrated by the ADAC's rigorous tests.

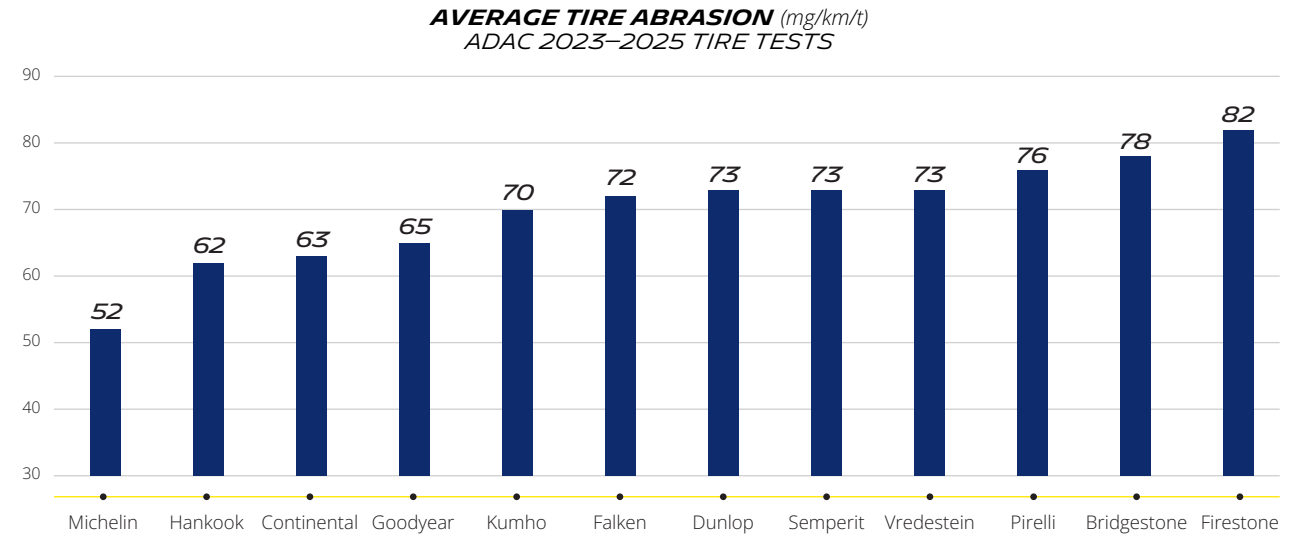
The 2025 ADAC study

In May 2025, the German Automobile Association assessed the abrasion performance of 160 tire models. The tests were carried out under real-life conditions over 15,000 km, with high-precision laser measurements to ensure the most reliable and representative assessment of abrasion and durability.

These tests confirmed that MICHELIN tires emit 27% fewer particles than the average of the competitors' products tested (see graph below). This result correlates a 2021 study, which already pointed to a 28% reduction. The nearest competitor's tires emit 19% more particles per kilometer traveled and per tonne transported [2].

(1) https://tireindustryproject.org/.

(2) ADAC, 2021. *Tire wear particles in the environment* (Allgemeiner Deutscher Automobil-Club, *Tire Abrasion: Wear and Burden on the Environment*/31940 RMU), updated in March 2022 & ADAC e.V. 2025. *Tire abrasion in the environment: Results from the ADAC Tire Test and Future Legislation*. Munich



Average tire wear by manufacturer with at least five tire models included in the ADAC test.

In 2025, the Group's Abrasion Efficiency Index (AEI) stood at 108.4, compared with a baseline of 100 in 2020. The very strong improvement was driven in particular by the introduction of a new generation of treads in passenger car tire ranges over the 2020-2025 period, and by steady progress in abrasion performance for Truck tires.

2025 sales represent potential[1] materials waste estimated at 399 kt.

Based on 2020 baseline abrasion performance and 2025 sales, potential materials waste would have been 437 kt for equivalent service[2]. However, thanks to the improvements made in abrasion performance since 2020, potential materials waste was reduced by 38 kt over the five-year period.

Cumulative potential materials waste avoided for all sales since 2020 thanks to the Group's innovation capabilities amounts to more than 98 kt.

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 SMEP Environmental and Risk Prevention Management System 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 SMEP is fully compliant with ISO 14001 standards[3].

(1) Over the life of the sold products.
(2) Service rendered = km traveled * load carried.
(3) For more information about the SMEP, see section 4.1.5.1.1 above. 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 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 relative to tire production 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.

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 VOC 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 2025 and beyond, key initiatives in the tire business include:

- the introduction of diagnostic tools in the plants to measure solvent use and relate it to various parameters such as machine type, product size or processes used. Solvent use monitoring is an essential basis for understanding and identifying optimization levers. In combination with other usage tracking mechanisms, it helps to align practices for more efficient solvent use;
- optimizing spray nozzle sizes for more efficient solvent application, which is expected to reduce solvent use by around 20-25%;
- application of the "just necessary" solution, which reduces solvent use with the expected saving estimated at 20%.

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 to guarantee their performance and safety, 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.

Other air pollutants

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).

With regard to ammonia (NH_3) emissions, the Group's 2025 purchases represented around 70 tonnes of pure ammonia equivalent. Ammonia is used in diluted, aqueous form and the large proportion that remains in the liquid phase has to be neutralized or denatured before being released into the air. For this reason, and also due to the diversity of industrial uses, it is difficult to accurately estimate atmospheric emissions and the data analyzed in 2025 do not allow us to report reliable metrics at this stage.

For 2026, a structured action plan will be implemented with the sites to make the data more representative and improve the reliability of the methods used to calculate ammonia emissions.

4.3.4.1.3. The 2030 milestone for VOC reduction initiatives

The effectiveness of VOC reduction initiatives depends on the monitoring of two metrics:

- total VOC consumption per site;
- kilograms of solvent used per tonne of finished product.

This dual approach measures both total emissions reduction and process efficiency, allowing us to track progress and prioritize actions.

In 2020, the Group set an ambitious target, accompanied by a roadmap, to limit solvent consumption to 1kg per tonne of finished product by 2030, representing a 50% reduction on the 2019 baseline year. By 2025, it was already more than half way towards meeting this target.

The scope of application covers all the plants producing finished products and synthetic elastomers. 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 based on actual data.

4.3.4.2 Water pollution: initial approach to understanding the Group's impact

4.3.4.2.1. Actions and resources currently being defined

Water pollution initiatives undertaken in 2025 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, work was pursued to assess material water pollutants across the Group, with the findings used to deploy a measurement plan for the tire production operations. As well as fulfilling reporting obligations, this method offers the advantage of quantifying the impact of our process effluent more accurately.

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[1] (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 2025 study has been used to define an internal method to help the Group define appropriate effluent quality targets intrinsically shaped by each site's local conditions and exceeding applicable standards or guidelines. This method will be tested over the 2026-2027 period on a selection of prioritized sites.

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 2025, 61 Group sites were maintaining their grounds without using any pesticides or herbicides, compared with 45 in 2024.

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 ensure a robust measurement plan for the material substances, so that their impact and the effectiveness of the related initiatives can be effectively tracked.

(1) See https://sciencebasedtargetsnetwork.org/.

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 pose a potential risk 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.

Concerning raw materials used in the manufacture of finished products (tires and tracks), their impurities and/or known transformation products generated during manufacture or use, this policy is associated with three processes describing our management system (monitoring, prioritization and validation).

4.3.5.2 Prioritizing actions and resources

A highly skilled, multi-disciplinary team is in place to actively monitor the latest regulatory and scientific developments related to substances of concern.

This supports an internal and formalised prioritization process that focuses diagnostics, strategic recommendations and the Group's R&D programs on the chemicals with the highest Health, Safety and Environment (HSE) risks.

The Group is stepping up its efforts to find and develop alternatives to prioritized substances. However, the continually changing state of knowledge about the toxicology and ecotoxicology of these substances makes it difficult to set absolute reduction targets.

In 2024, a study was launched to determine the need for digital tools to support the HSE risk prioritization and mitigation process. The necessary resources and timeframes are currently being determined.

The Health, Safety and Environment (HSE) chemical use approval process specifies the ground rules for each chemical's use and management based on its hazard class, including substances of very high concern (SVHC) and substances of concern (SOC).

Since January 1, 2025, this HSE approval process has prohibited by default the introduction on the Group's sites of new chemical substances classified as being of very high concern (the most relevant SVHC and SOC).

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.

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[2].

The Group is actively curtailing the use of pesticides in its natural rubber farming operations, The voluntary target has been published as part of the Group's Act4Nature International commitments (see section 4.5.5.1 *Biodiversity and ecosystem targets*).

4.3.7 AIR AND WATER POLLUTION METRICS

4.3.7.1 Air pollution

E2-4 Air pollution (E2-4-28a1)		2024	2025
(1)	Non-methane volatile organic compounds (NMVOCs) emitted	3,825 t	3,498 t
(2)	Nitrogen oxides (NO_x/NO_2) emitted	693 t	309 t
(3)	Sulfur oxides (SO_x/SO_2) emitted	610 t	601 t

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 finished product 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 (SOx 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

(1) See section 4.9 *Workers in the value chain* (S2) for a presentation of the RubberWay application.
(2) See section 4.5.3.2 *Sustainable Purchasing Policy and biodiversity*.

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

For NOx, the steep fall between 2024 and 2025 (55%) can be explained by two factors: first, the non-recurrence of exceptional items that had artificially increased emissions in 2024, and second, the effects of our coal phase-out roadmap, which resulted in significant reductions of between 30% and 60% at the Group's three historically highest-emitting sites.

For SOx, the very small reduction between 2024 and 2025 (1.4%) masked two opposing developments. On the one hand, one production site had to resort to using back-up power generators to compensate for long power outages. This exceptional generator use increased the site's SOx emissions by a factor of 8, with a corresponding impact on the annual total. On the other hand, recurring SOx emissions were significantly lower in 2025 versus 2024, with the decrease excluding the exceptional event described above estimated at around 50%. This potential performance was based on very significant emissions reductions at the three historically highest-emitting sites, with cuts ranging from 30% to 90%. The reductions reflected a temporary acceleration in the coal phase-out roadmap, which advances in leaps and bounds rather than following a linear trajectory.

For VOCs, the decline in emissions in 2025 (9%) is explained by a general reduction in VOC consumption relative to finished product production, with continuous progress observed since 2020. It is also explained by a decrease in the production of finished products requiring the use of VOCs.

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.

The materiality analysis was continued in 2025 and extended to other activities.

Seven substances were deemed material and included in a measurement plan deployed by independent laboratories in all the tire production sites.

		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 measurement plan launched in 2024 and continued in 2025 does not yet provide sufficiently exhaustive and robust data to publish reliable water pollution metrics for 2025. Thanks to enhanced site support and in-depth analysis of reported data, the Group expects to produce reliable consolidated annual emissions figures within 2 to 3 years. At that time, the content of the Group's disclosures will be assessed in the light of any changes in regulations.

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. In 2025, an internal study on the feasibility of setting up an SOC reporting system concluded that identifying and quantifying SOCs was neither feasible nor proportionate.

Identifying and quantifying a given substance among all the raw materials used in the Group and the thousands of corresponding safety data sheets would be an extremely complex and resource-intensive exercise, which we could only carry out on a very limited number of substances. SOCs other than SVHCs represent over 4,000 substances[1] and tires are complex composites which may include up to 200 different ingredients from a portfolio of several hundred raw materials.

Similarly, it is not possible to identify or quantify SOCs present in the final product, because tire preparation and curing involve multiple chemical reactions which result in the disappearance of initially introduced substances and the creation of new ones (see the related actions and resources in section 4.3.5.2 above).

For this reason, and as far as the metrics are concerned, the Group is focusing its reporting on SVHCs and is not publishing the E2-5-34 "substances of concern (SOC)" metric for 2025. This position is in line with the REACH regulation and the position of the European Commission, which defines and recognizes SVHCs as the highest priorities.

Substances of very high concern (SVHCs)

To comply with this disclosure requirement, and in line with related European regulations[2], 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.

An analysis of the raw materials portfolio shows that the SVHC content of some raw materials exceeds 0.1%. The amount of disclosed SVHCs corresponds to the amount of SVHCs in these raw materials. Bear in mind that the Group processes around three million tonnes of raw material every year.

E2-5 Substances of very high concern	2024	2025
Total amount of substances of very high concern procured (E2-5-35)	2,047 t	1,877 t

SVHC content has been calculated based on the raw material safety data sheets and purchasing data for the tire and track operations.

The in-house production of these raw materials accounts for most of the SVHC tonnages used. Michelin has adopted vertically integrated production systems for certain raw materials, notably textile or metal reinforcements and elastomers, to guarantee the best performance from its products. However, because they are consumed during the manufacturing process, none of these SVHCs are present in excess of 0.1% in any finished product. In addition, Michelin does not synthesize any SVHCs. Tires and tracks manufactured by Michelin contain no SVHCs in excess of 0.1%.

The 8% decline in the quantity of SVHCs in 2025 is explained by the overall reduction in the Group's raw materials purchases in the reporting scope.

(1) https://echa.europa.eu/en/information-on-chemicals/cl-inventory-database.

(2) 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 20%, weighted for each site's water stress coefficient, compared with our target of 33% (metric: Stress × cu.m. per tonne of products).

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, funded Water program, built around a team of experts to support the implementation of projects playing a critical role in meeting our objectives.

We're also continuing to instill 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.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain · Downstream value chain · OP Own operations · Short-term · Medium-term · Long-term	
E3 - WATER RESOURCES	
Water management	
Water consumption Upstream · OP · Short-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).

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 above (Pollution (E2)).

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.

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 2025.

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 and those of its main suppliers on water resources has been identified by:

- applying the international Science-Based Targets Network (SBTN) guidance[(1)];
- assessing water stress (low/medium/high) at every Group production site using the WRI Aqueduct (Baseline Water Stress[(2)]) tool, the World Wildlife Fund (WWF) Water Risk Filter (water depletion[(3)]), and an internal questionnaire regarding local water resources risks;
- applying the internal SMEP Environmental and Risk Prevention Management System [(4)];
- identifying the raw material suppliers' production sites (other than natural rubber plantations) that are most exposed to water resource risks[(5)].

A site-level SMEP process is also in place to identify the interests of each site's stakeholders. Step 3 of the SBTN method in pilot mode included mapping local stakeholders affected by water issues and consulting the most relevant ones. 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) Michelin tested the first two stages of this method in 2021 and 2022 to identify its dependencies and biodiversity impacts, before moving to the third stage (Setting freshwater quantity targets) on three pilot sites in 2023 and 2024 (see https://sciencebasedtargetsnetwork.org/).
(2) See https://www.wri.org/aqueduct.
(3) See https://riskfilter.org/water/home.
(4) See section 4.1.5.1.1 above.
(5) Specific study in 2022 using WRF and Aqueduct tools, and from 2024, detailed study using the Altitude tool (Axa Climate), covering key suppliers and potential suppliers.

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 determination to conduct its business in a sustainable manner, while preserving the environment on and around its sites:
  - each site's performance is managed through an Environmental and Risk Prevention Management System (SMEP)[1] 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: Stress × cu.m. per tonne of products). This metric ensures that efforts are prioritized on the sites most exposed to water stress.

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).

The Group implements best practices while transforming its industrial facilities according to the following levers, which are more specific to the reduction of water withdrawals:

- reducing and eliminating water leaks;
- reducing steam consumption;
- reducing evaporation;
- closing open loops;
- using water-saving systems;
- optimizing recycling and/or reuse.

And, in parallel:

- 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.

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[2].

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) See section 4.1.5.1.1 above.
(2) 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 and Risk Prevention 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 areas.

To identify the most effective solutions, 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 have become an integral focus of the environmental transformation process, with the extension of our Energy experts' remit to include water through the creation in 2025 of the new position of Energy Water Site Leader (EWSL);
- The LEAN Water process:
  - created in 2022 , this process provides a methodological foundation for continuous improvement to help us achieve our 2030 ambitions,
  - the tools created since 2023 (basic best practices, metering handbook, mapping and sharing of equipment performance) have been rolled out in all the tire production plants,
  - in 2025, the different site configurations with regard to water discharge were described and formal guidelines were issued to improve volume metering. As of end-2025, each site had been informed of its configuration and the necessary meters had been installed or the related budgets had been set aside;
- The 2020-2030 Water Roadmap:
  - in 2020, a Group-level 2020-2030 Water Roadmap was drawn up by consolidating the tire production plants' individual roadmaps,
  - since 2024, a prioritization matrix has been used for water projects costing more than €1 million, with the amount of water stress as one of the key criteria;
- The Group Water Program:
  - best practices are shared via a network led by twenty players and experts,
  - the Program, which is supported by the LEAN Water tools and methods, helps to track and update the Roadmap.

(1) The Group's 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.

Water consumption by the non-tire industrial operations is consolidated at Group level. These operations account for less than 3% of total water withdrawals and less than 1% of the Group's water consumption.

4.4.3.1.2. Examples of significant projects

Major water-saving projects were deployed in 2025, including detection and replacement of damaged water pipes, closure of once-through open cooling circuits, and replacement or optimization of open cooling towers. Water treatment systems have been installed to limit the need for deconcentration purges on cooling circuits, and also to recycle waste water.

In addition, further reductions in water withdrawals have been achieved at many sites by renovating equipment and repairing leaks, in application of the Avoid lever, which is at the top of the prioritizing hierarchy of levers: "Avoid". The following examples illustrate how levers have been activated to support the Group's strategy:

Site	Lever	Reduction in water withdrawals, in cu.m.
Shenyang, China	Wastewater treatment and reuse (installation of ultrafiltration units and a new reverse osmosis system).	40,000 cu.m. in 2025
Roanne, France	Replacement of open-circuit cooling tower with closed-circuit cooling towers.	19,200 cu.m. in 2025. The project also saved 900 MWh/year
Resende, Brazil	Improvement of production machines' water efficiency, enhanced application of good Water practices, increased staff awareness.	72,000 cu.m. in 2025.

4.4.3.1.3. Resources

Beyond 2025, the Water program includes a 5-year CapEx plan to finance the projects and activate the levers that will enable us to reach the 2030 target[1].

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 exposed to physical climate risk (especially the Water risk map: water stress and flooding), which includes both our own operations and the main production plants of our raw materials suppliers (see section 4.2 *Climate change* (E1)). 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;
- **risk mapping of the natural rubber supply chain** with RubberWay. 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));

(1) See table in section 4.1.4.3 Financial resources (non-material) allocated to other sustainability matters.

- **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 2025, the Group sent out a "nature" questionnaire (biodiversity, water, pollution, etc.) to its main suppliers of raw materials other than natural rubber. The document includes a series of water-related queries that will help to gauge the assessed supplier's water maturity. As of end-2025, the response rate was 70%. The questionnaire will be rolled out more widely in 2026;
- 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 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 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[1]	2025[2]
(a)	Total water consumption (E3-4-28a)	9,504,159 cu.m	8,324,642 cu.m
	Amount of water withdrawn	22,468,460 cu.m	19,675,879 cu.m
(b)	Water consumption in high water-stress areas (E3-4-28b)	964,822 cu.m	887,009 cu.m
(c)	Water intensity based on net revenue (E3-4-29)	350 cu.m/€m	320 cu.m/€m

(1) In 2024, the Group's water consumption was estimated by applying an average rate to the total volume withdrawn. For greater comparability, total 2024 consumption was adjusted in 2025 by applying the 2025 rate, which takes into account changes in the number of meters. The methodology is currently being stabilized and the data are being made more reliable.

(2) For water discharges, a more precise calculation methodology was used in 2025 compared to 2024, see (a) below.

(a) Total water consumption, in cu.m.

Water consumption corresponds to the proportion of withdrawn water that is not discharged and is calculated in part on the basis of estimates[1]. It is determined by subtracting the volumes discharged, excluding mixed rainwater, from the volumes withdrawn.

- Volumes withdrawn are determined on the basis of invoices or meters whose reliability has been verified.
- A large number of discharge meters were installed in 2025, with 39% of sites are now equipped, enabling more than half of all discharges to be measured during the year. Sites not equipped with meters make estimates based on Group guidelines. The Measures step in the LEAN process envisages the continued installation of meters to improve data reliability.
- For all sites where rainwater is mixed with discharged industrial and sanitary wastewater, rainwater volume is estimated on the basis of local rainfall, the impervious surfaces concerned and average runoff coefficients for these surfaces (with 0.8 adopted by the Group as the default value).

(b) *Total water consumption in water-stressed areas, in cubic* meters

Water consumption in water-stressed areas is calculated as the sum of water consumption by the sites located in areas assessed by Michelin as being exposed to high levels of water stress[2].

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.

(c) *Water intensity*

- Water intensity corresponds to total water consumption in cubic meters per million euros of sales.

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 relevant for Michelin.

Water reuse and recycling

One way to preserve Water resources is through water reuse and recycling. The decision to launch a water reuse or recycling project is made on the basis of the expected reduction in water withdrawals, which is the main metric used to manage the drive to meet the Group's 2030 objective. The Group-level water recycling/reuse rate is not relevant in terms of meeting the objective.

Performance improvement in 2025 vs. 2024

The Group's Water performance (metric and target) focuses on water withdrawals.

For tire production sites, water withdrawal performance is managed using the Stress × cu.m. per tonne of product metric (see section 4.4.2.1). This ratio was reduced by 6.9%, in line with the 2030 target. One-third of the change in this ratio was attributable to lower production volumes, and two-thirds to project-driven gains, deployment of best practices, and the increase in skills and the number of dedicated people on site.

Water withdrawals by Polymer Composite Solutions sites were reduced by 9.5%, due for the most part to efficiency savings by the most water-intensive sites.

For the Group as a whole, water withdrawal volumes were reduced by around 12% year on year in 2025.

This performance mirrored the decrease in the Group's total water consumption.

Water consumption at sites located in areas of high water stress was reduced by around 8%, thanks to significant progress in improving water reuse and recycling rates.

(1) In 2024, the Group's water consumption was estimated by applying an average rate to the total volume withdrawn. For greater comparability, total 2024 consumption was adjusted in 2025 by applying the 2025 rate, which takes into account changes in the number of meters.

(2) For water consumption in water-stressed situations, the same approach was followed as for total consumption in 2024. For greater comparability, total 2024 consumption was adjusted in 2025 by applying the 2025 rate for water-stressed sites, which takes into account changes in the number of meters and the sites' specific characteristics.

4.5 BIODIVERSITY AND ECOSYSTEMS (E4)

THREE QUESTIONS FOR ANTOINE SAUTENET, CHIEF SUSTAINABILITY OFFICER

"Biodiversity is a major issue for the natural rubber industry: for several years now, we have been exercising our duty of care in this area, with the aim of integrating the lessons learned by key stakeholders and actively involving them, regardless of regulations."

What are Michelin's commitments on such a complex subject as biodiversity and why is it important to include stakeholders?

Biodiversity is indeed a complex subject, due to the importance of simultaneously taking into account both local impacts and the entire value chain. With this in mind, the Group has made a commitment, in particular through the Act4Nature International initiative [(1)], to reduce the pressure our activities place on biodiversity, with targets covering research and development, production and research sites, and raw materials purchases. To pursue these objectives over the long term, it is essential that we closely involve stakeholders, particularly at local site level, to gain a better understanding of the pressures on local flora and fauna and take the necessary action. We have set two major 2030 targets for all the manufacturing sites: to eliminate the use of pesticides and herbicides in groundskeeping and to implement biodiversity management plans.

In 2025, the Michelin Corporate Stakeholder Committee was consulted to obtain feedback and deepen the Group's approach in alignment with the objectives defined by the Kunming Global Biodiversity Framework in Montreal (COP15). The aim was to explore just transition and other strategies, along with best practices, in particular to scale up technical assistance projects for village smallholders and affected communities. Michelin also has a strategic partnership with WWF, which has enabled us to launch and scale up actions to protect biodiversity.

Do you maintain a special dialogue with stakeholders in the natural rubber sector?

Yes, we set up a special Natural Rubber Stakeholders' Committee very early on, in 2015. As you may know, this sustainable and renewable raw material, which accounts for around 24% of the raw materials consumed by the Group, represents our greatest challenge in terms of dependence and impact on biodiversity. The Committee's members include representatives of NGOs and academics who help to strengthen our transparency and deepen our expertise. It meets every two years. The most recent meeting, which was held in early 2025 at the Group's Royal Lestari Utama (RLU) plantation in Indonesia, featured presentations of conservation and restoration projects.

RLU has also set up an Environmental and Social Advisory Committee, which met for the first time in June 2025. The meeting included a presentation of the company's program of engagement with indigenous communities, covering such issues as good agricultural practices and concession management, biodiversity issues and the management of human-elephant conflict. Furthermore, the Group has undertaken to preserve and restore a further 15,000 hectares of plantations over the next 20 years, backed by a dedicated budget. On a global level, the Group plays a leadership role, notably through its contribution to the Global Platform for Sustainable Natural Rubber (GPSNR).

What are the Group's commitments in terms of deforestation and how does it apply its duty of care?

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. The Group's 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.

Our approach is rooted in the principle of accountability, in other words the requirement for us to answer for our actions in the value chain according to the scale of the impact and Michelin's level of influence on the ecosystem concerned. In the natural rubber sector, for example, well before the European regulation on deforestation (EUDR) was debated, we developed initiatives to map the main CSR risks and provide training for village smallholders. The Group also invested heavily to comply with European regulations as early as 2024 (geolocation, traceability, administrative burden, etc.), while alerting the authorities to the need to considerably simplify the regulations in order to ensure their proper application.

(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 · **Negative impact**	Growing demand for natural rubber could potentially cause deforestation as forests are converted to rubber plantations. The Group's natural rubber purchases represent around 5% 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 natural 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.

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 24% 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, Malaysia, Vietnam and Sri Lanka), Africa (Côte d'Ivoire, Ghana, Nigeria and Guinea-Conakry) 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[1].

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.

(1) Impact factors contributing to the degradation of natural habitats, such as water consumption in water-stressed areas, water pollution linked to industrial activity, tire wear particles or the management of end-of-life tires, are discussed in the relevant sections (Pollution, Water Resources and Circular Economy).

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. In 2025, the scenarios were assessed to ensure their consistency with IPBES biodiversity scenarios. The analysis of the strategy's Shock resilience[2] was subsequently enhanced by adding new biodiversity-related shocks. For example, natural rubber supply risks arising from climate change pressures on biodiversity in tropical regions are covered by the adaptation action plan described in section 4.2.12.

Although most natural rubber is sourced from suppliers, Michelin directly owns two rubber plantations in Brazil and Indonesia.

Activity	Site	Sensitive areas	Impacts	Dependencies	Negative impacts
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. Multi Kusuma Cemerlang, East Kalimantan, Indonesia.	Bukit Tigapuluh National Park. Bukit Panjang - Bukit Siguntang. Kutai National Park.			

Excluding the natural rubber plantations, the impact of the Group's manufacturing and research sites on ecosystems has not been identified as material. However, the Group is mindful of the biodiversity sensitivity of its 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. In addition to these inventories, in 2025 the Group mapped its sensitive host ecological zones, using reference tools such as Globio, ENCORE, IUCN Red list and KBA.

In addition, each site's environmental risk assessment[3] 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, biodiversity risks are rated higher and the most likely are covered by mitigation action plans. Each new on-site project is also subject to an environmental risk analysis, with the findings incorporated into the site's overall environmental risk assessment during the regular update performed in compliance with ISO 14001.

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.

(1) See section 4.1.2 *Governance of sustainability matters*.
(2) See section 4.2.6 *Resilience of the strategy*.
(3) Using the process defined by the SMEP Environmental and Risk Prevention Management System, see section 4.1.5.1.1 above.

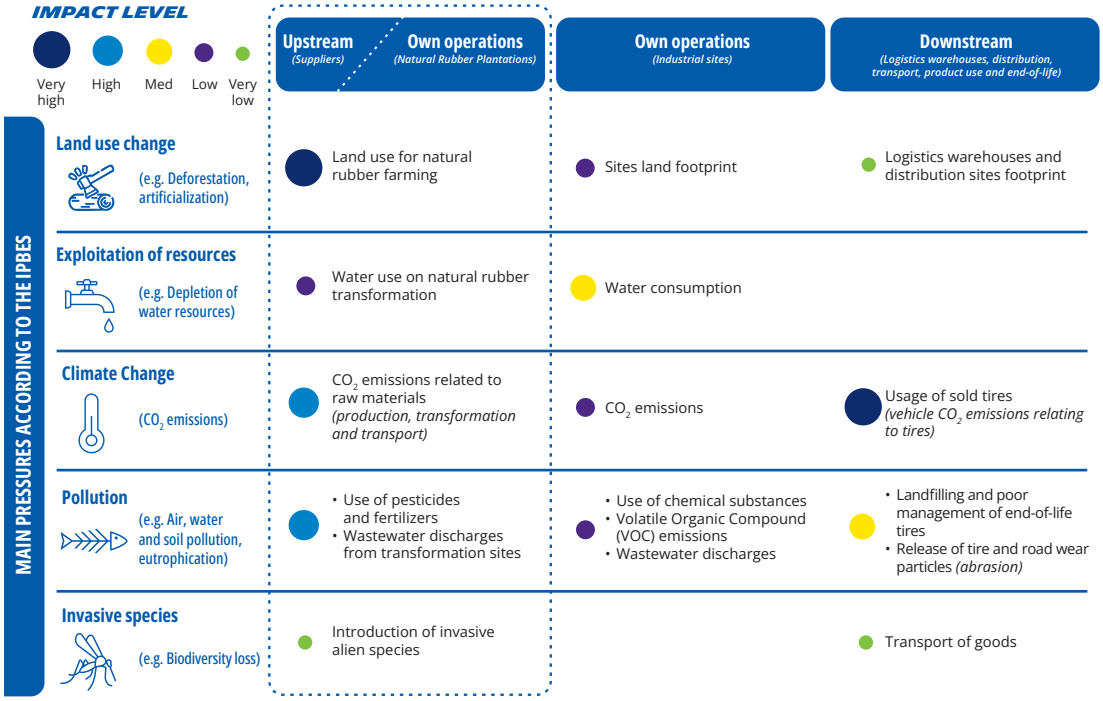
4.5.2 IDENTIFYING BIODIVERSITY AND ECOSYSTEM ISSUES: THE CRITICAL ROLE OF NATURAL RUBBER

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:

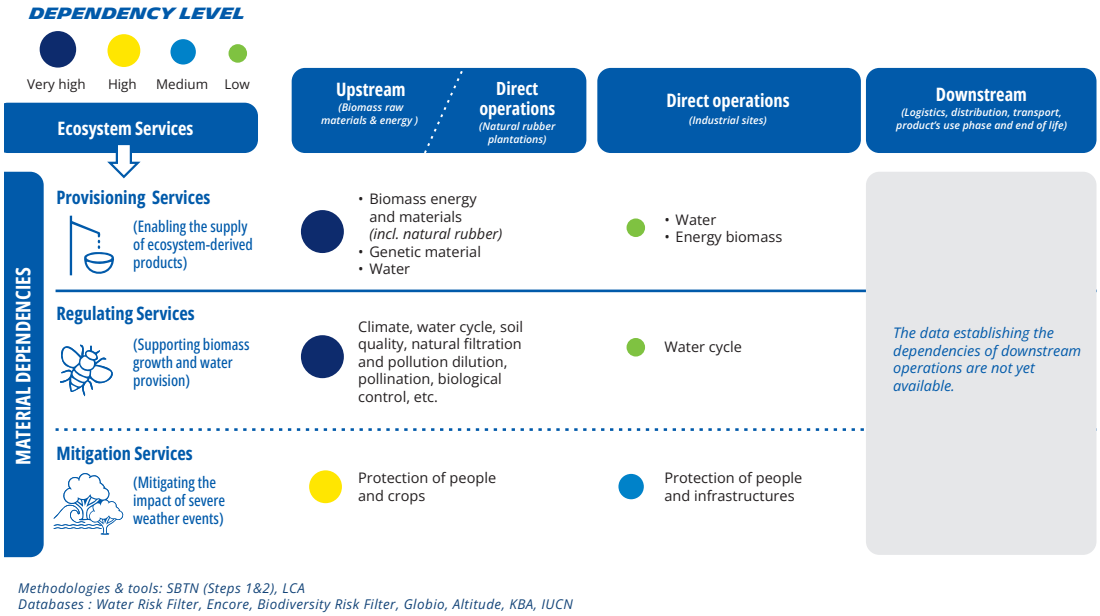
- geographically locating operations, both own and in the value chain, that interface with nature, along with the biodiversity-sensitive areas they impact. In addition to the above-mentioned tools, this step uses the inventories carried out by the sites since 2013 of areas located within a five-kilometer radius that are classified as protected under supranational, national or local legislation;
- identifying and assessing dependencies and impacts using the above-mentioned methodologies.

The current and potential impacts of Michelin's operations on biodiversity are presented in the following chart:



Methodologies & tools: LCA, SBTN (Steps 1&2)
Databases : Water Risk Filter, Encore, Biodiversity Risk Filter, Globio, Altitude, KBA, IUCN

The dependencies of Michelin's operations on ecosystem services are presented in the following chart:



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

In order to meet the Group's commitment to the Taskforce on Nature-related Financial Disclosures (TNFD), the issues were mapped and prioritized using the LEAP method in 2025. A detailed mapping exercise, which takes into account the importance of biodiversity on and around the site, the integrity of ecosystems and the impacts, has enabled us to target priority sites for action to preserve biodiversity and reduce the related impacts.

At Group level, the double materiality of biodiversity and ecosystem-related impacts, risks and opportunities has been identified and assessed[(1)].

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 tree farms, the production of bio-based 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:** generally, 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.

(1) See section 4.1.4. The following transition risks are not considered as material: implementation of regulations limiting access to or increasing the price of biosourced raw materials, litigation and/or fines in the event of a negative impact on biodiversity, stigmatization of the sector or inability of the Group to fulfill stakeholder expectations.

Systemic risk

The destruction or degradation of tropical forests causes a significant loss of local biodiversity, which weakens ecosystems and makes them less resilient. Critical ecosystem services, such as carbon sequestration and the water cycle, are being degraded, with worsening consequences for global warming. This phenomenon is changing the conditions required for agricultural production, both of food and raw materials.

Rubber cultivation may be affected by the emergence of new diseases and pests resulting from these systemic changes, with a significant impact on yields. This situation has a direct impact on the income of village smallholders, worsening their living conditions and damaging the economy of local communities.

Declining output may lead to tensions between natural rubber supply and demand, which may drive up prices and further exacerbate the difficulties faced by players in the value chain.

Consultation and involvement of stakeholders and affected communities

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.

To enable stakeholders and affected communities to independently report their grievances, in 2021 an easily accessible grievance mechanism[(1)] was set up that complies with United Nations Development Program criteria and OECD guidelines.

A Sustainable Natural Rubber Stakeholders Committee was set up by the Group in 2015 to provide a forum for open and constructive dialogue with civil society organizations, as well as other value chain players from diverse backgrounds. These exchanges enable us to identify societal expectations and explore new ways of transforming the value chain towards more sustainable practices. Formal in-person meetings are held at least every two years.

The most recent meeting was held in Indonesia in 2025, with the participation of representatives of ten international NGOs, twelve local NGOs, two research centers, the Indonesian Rubber Planters Association, the Global Platform for Sustainable Natural Rubber (GPSNR), and several institutions.

The meeting's main objective was to discuss rubber cultivation-related CSR issues in detail, in a spirit of consultation and co-construction. In addition, half the participants took part in a week-long study and exchange trip to our RLU plantation. This program was an opportunity for direct immersion in our operating practices and for interaction with local communities and village smallholders.

In connection with its rubber-growing operations, the Group has worked with local communities to preserve and restore fauna, flora, wetlands and watercourses. Initiatives have included the deployment of forest rangers, the creation of riparian buffers and action among employees and villager smallholders to raise their awareness of the need to protect biodiversity and resolve human-wildlife conflicts. 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.

In 2025, Group subsidiary Royal Lestari Utama (RLU) organized a consultation meeting with local civil society organizations. The aim of the meeting was to strengthen dialogue around key issues: conservation actions, development of an integrated landscaping approach, involvement of indigenous communities and the reduction of human-elephant conflict, which is a major challenge in the region.

(1) See the dedicated website, https://purchasing.michelin.com/en/.

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]. Cross-cutting biodiversity-related issues are dealt with in the various sections of the Policy.

The material issues specific to farming, harvesting and processing of natural rubber, such as 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[2].

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 Biodiversity, a key component of the Sustainable Natural Rubber Policy

Drafted with input from environmental and human rights NGOs and other stakeholders, the Sustainable Natural Rubber Policy sets out in detail the environmental, social and human rights conditions in which natural rubber is produced and marketed. The Policy refers to compliance with the principles set out in international agreements and reference frameworks.

It covers the Group's direct rubber tree farming operations, including farms in or near biodiversity-sensitive areas, and is the contractual reference document for Group suppliers. The Policy is appended to all the Group's natural rubber supply contracts.

Accompanied by a roadmap describing the actions and objectives guiding its implementation, it complies with the framework defined by the Global Platform for Sustainable Natural Rubber (GPSNR) and was validated by its members in 2020.

Suppliers are encouraged to cascade the Policy down their respective supply chains and publicly disclose the resulting impacts and improvements. The Group Purchasing Department is responsible for ensuring the Policy's application, assessing suppliers and approving any action plans.

The Sustainable Natural Rubber Policy is published on the Group's website and is accessible to all stakeholders[3].

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, 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[4] and high carbon stock (HCS) areas[5]; and (iii) ensure that natural ecosystems are not converted.

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.

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.

(1) See section 4.1.5.1.1 on the Group's Environmental Policy.
(2) See section 4.1.5.1.4 on cross-cutting policies concerning suppliers and the upstream value chain.
(3) See https://natural-rubber.michelin.com/fr/committments-and-transparency/overall-approach.
(4) As defined by the HCV Resource Network (HCVRN) https://www.hcvnetwork.org/.
(5) As defined by the HCS Approach Steering Group http://highcarbonstock.org/.

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 promoting biodiversity conservation by raising the awareness of local communities and stakeholders;
- implementing, sharing and supporting sustainable farming practices, by broadening the technical knowledge of village smallholders, to 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 of 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.

4.5.3.2 The Sustainable Purchasing Policy and biodiversity

Addressing raw materials purchases in general and Tier 1 suppliers in particular, the Sustainable Purchasing Policy's purpose is to define the Group's main sustainable purchasing principles and commitments, including those relating to environmental stewardship.

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 questionnaire covering "nature" issues (biodiversity, water, pollution, etc.) was sent to a sample of pilot suppliers covering the relevant purchasing categories. As of end-2025, the response rate was 70%. The questionnaire will be rolled out more widely in 2026.

(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 2025. 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

Michelin was the first tire manufacturer to publish a zero deforestation commitment in 2015.

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 has been defined and undertaken to protect the area from deforestation and reduce 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 (extremely dangerous) and Ib (very dangerous) products and paraquat – including in countries where these products are not yet banned under local regulations – and ensures that the risks of contaminating water resources are carefully controlled.

The Group has set a per hectare-based target of abating Class II and III pesticide use in its own operations and those of its joint ventures by 2030 compared with 2019[1].

Rubber trees do not require rich soils to grow and are fairly well adapted to degraded soils. Michelin cooperates with industry stakeholders through the French Rubber Institute to support the reduction in fertilizer use.

(1) See section 4.5.5.1 *Biodiversity and ecosystem targets*.

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 (Thailand, Indonesia, Malaysia, Vietnam, Sri Lanka, Côte d'Ivoire, Ghana, Nigeria, Guinea-Conakry and Brazil).

The results are shared with direct Michelin suppliers and can be used to prepare improvement plans or deploy mutually designed risk mitigation projects.

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. 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.

To drive faster progress, 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

Under the aegis of the French Rubber Institute, of which it is a founding member, Michelin has long been involved in international research programs aimed at developing new technologies for more sustainable rubber cultivation. These technologies help to drive up productivity per hectare and reduce the quantity of arable land given over to rubber cultivation; they cover a number of different areas including varietal selection, disease susceptibility and soil fertility. The technologies are shared with the entire industry via scientific publications.

Furthermore, 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 – including reducing pesticide and fertilizer use, preserving biodiversity and reducing deforestation – and experimental farming systems, are being deployed in natural rubber sourcing regions in Southeast Asia, West Africa and Brazil[(2)].

(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.

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	2025 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, Malaysia, Vietnam, Côte d'Ivoire, Ghana, Nigeria, Guinea Conakry and Brazil	98%	98%[2]	100%[3]
Pollution from pesticide use	Reduction in pesticide use per hectare (2019 baseline)[4]	Direct operations: natural rubber plantations owned by the Group and its joint ventures[5]	Brazil, Indonesia, Côte d'Ivoire, Ghana, and Nigeria	-52%	-69%	-70%[6]

(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) The remaining 2% of volumes comes from non-deforested plots for which the assessment is currently being finalized. Certain Polymer Composite Solutions activities are excluded from this metric.
(3) Excluding changes in the scope of consolidation.
(4) In 2019, the quantity of active ingredients was 1.59 kg per hectare.
(5) Bahia, Brazil and PT Royal Lestari Utama, Indonesia. Joint venture: SIPH, West Africa, in which Michelin owns a minority interest.
(6) The 70% reduction target takes into account the constraints associated with the treatment needed to combat rubber tree diseases.

Targets, roadmaps and associated metrics are defined and monitored in conjunction with internal stakeholders within the Biodiversity Sector Committee, which forms part of the Group's governance mechanism (see section 4.1.2 *Governance of sustainability matters*).

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, 1,100 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 *Infiniteria*, the Enviro/Antin/Michelin 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. TIP estimates that between 57% and 88% of tires are collected and recovered, making it one of the most efficient collection channels [(1)].

Of course, we have to further increase this percentage, but the next challenge will be to prioritize the recovery of end-of-life tires for use as secondary raw materials, particularly in closed loop recycling systems that typically have a smaller carbon footprint than if they are burnt as fuel to recover heat and power. What's more, the metal, textile and rubber materials produced by tire recycling represent a valuable resource for materials recovery.

(1) Source: 2019 TIP study covering 45 countries. Study currently being updated.

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 · Short-term **Positive impact**	Renewable and recycled materials require the development of new value chains. They reduce supply risks and encourage local economic activity. The Group is aiming to raise the proportion of renewable and recycled materials in its tires from 31% in 2024 to 40% in 2030, while reducing the CO_2e emitted during the production process by 30%.
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**	One billion end-of-life tires are generated worldwide every year and four billion are currently held in landfill. This could lead to environmental impacts through illegal dumping, land occupation and destruction of natural habitats, and to air, water and soil pollution from fires.
Human health impacts from the mismanagement of end-of-life tires (ELT) Downstream · Medium-term **Negative impact**	Inappropriate disposal of end-of-life tires (illegal dumping, landfill sites, etc.) can 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 pollution in the event of fire.

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 product 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.

- Renewable materials are biosourced resources whose stocks are constantly replenished through natural growth or other recurring processes consistent with the pace of their depletion or 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.

These definitions are aligned with the ones validated by the global tire industry in 2025, via the Tire Industry Project (TIP).

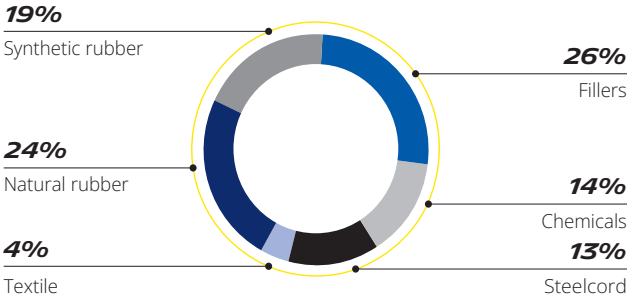
The circular economy model is both a strategic challenge and a growth driver for the Group. Circular practices address the twin imperatives of responding to the environmental emergency and securing the sustainability of the Group's business operations. The application of this model, which Michelin calls 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 2025 BY WEIGHT (TOTAL: 2.9 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 environmental and health risks. Unauthorized dumping encourages the proliferation of disease-carrying insects and can block waterways, increasing the risk of flooding. Landfill sites take up a considerable amount of space and represent a permanent fire hazard, emitting toxic waste that pollutes the air, soil and water. With regard to the risks posed by leachate from end-of-life tires stored in landfills or unauthorized dumps, robust scientific studies on the impact of chemical compounds in tires have yet to be carried out.

4.6.2 AMBITIOUS RESOURCE USE AND CIRCULAR ECONOMY POLICIES

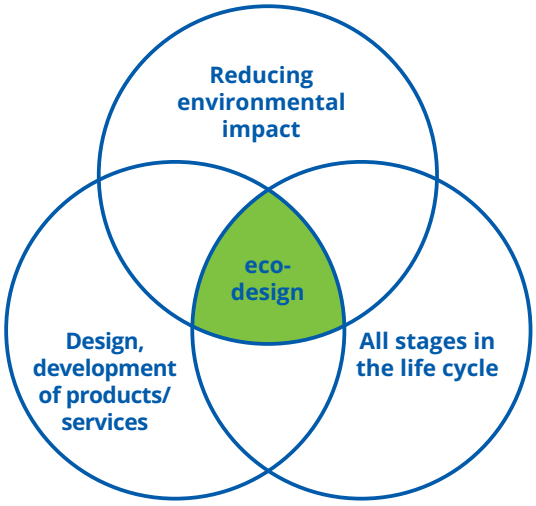
Michelin has defined several policies to address the issues of resource depletion, the circular economy and end-of-life tire management. By deploying a sustainable, responsible sourcing model, eco-designing products and incorporating recycled and renewable materials, Michelin is assertively engaged in 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 3.1 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.

Eco-design principles are described in a set of guidelines and have been applied since the end of 2022 by all R&D teams at all Group companies that market pneumatic tires, solid tires, tracks and other products in contact with the ground, from Premium to Tier 3, including majority-owned subsidiaries. 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 2025.

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 while also reducing the CO_2 emissions generated during the manufacture of these new materials. 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.

(1) See section 4.1.5 Holistic management of the Group's impacts, risks and opportunities.

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[1] 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.

The Environmental Policy is in the process of being revised and a new section on End-of-life tires is being added.

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 specific initiatives to mitigate the depletion of natural rubber resources, see the Biodiversity section).

The use of biosourced materials, in particular, is a complex issue from both environmental and social points of view. For this reason, in 2025, the Group defined a set of decision-making aids to guide biosourced materials purchases towards ethical and sustainable choices. These aids will be deployed from 2026.

Michelin's "Tire as a Service" model is another example of how the tire industry is being transformed by promoting use rather than ownership, thereby reducing waste and resource consumption. By charging by the kilometer, Michelin extends tire life – to up to one million kilometers for trucks – through retreading and regrooving, while cutting fuel costs by 11% and customers' overall expenses by a third. Regular, automated measurement of mileage and tire wear reduces the need for tire replacement, thereby minimizing the use of raw materials. For a fleet of 100 trucks and 100 trailers that travel 90,000 km per year, this would translate into a saving of 14 tonnes of raw materials, or the equivalent of 200 truck tires.

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.

The Group invested €34 million in resource circularity projects in 2025 (€12 million in 2024) and plans to spend over €250 million more over the next five years (up from the €200 million published in 2024).

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. It is primarily used and appropriate for 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 100,000 km can last another 25,000 km with regrooving and then a further 100,000 km 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.

(1) For more on Lansink's Ladder, see "Challenging Changes – Connecting Waste Hierarchy and Circular Economy", October 2018, Waste Management & Research, 36 (10), p. 872.

In 2025, the Michelin Group's worldwide truck retreading business reused more than 210 kt of casings. That corresponds to around 7% of the total weight 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

The BioButterfly project launched in 2013 with Axens and IFPEN, as part of the "Renew" phase of Michelin's Avoid+4R process, is seeking to produce butadiene using ethanol derived from plant biomass to replace butadiene made from petrochemical feedstocks currently used in tire manufacture. This innovation is essential to the development of low-carbon synthetic rubbers that conserve natural resources.

In 2025, biosourced butadiene produced at the industrial-scale pilot unit inaugurated at the Michelin plant in Bassens the previous year was used in the manufacture of tire demonstrators. Since then, Michelin has been working actively with Axens (who will sell the technology license) to identify partners interested in operating and financing the first industrial-scale biobutadiene unit, and multi-sector customers interested in purchasing this new product.

4.6.3.2.3. The Empreinte Project

Launched by Michelin at the end of 2020 with the support of ADEME, the Empreinte project aims to reduce the environmental footprint of tires, while delivering performance aligned with the expectations for new vehicles. It explores innovative solutions for recycling or biosourcing materials and eco-designing products. The project contract will expire in 2026.

In 2025, major advances led to the development of a tire demonstrator for passenger cars. The demonstrator, which has a 75% renewable or recycled materials content (observed percentage certified by an independent external third party), offers the same level of performance as the MICHELIN premium tires currently on the market.

4.6.3.2.4. The BlackCycle Project

Various strategic partnerships have been set up to develop disruptive material sourcing and recycling technologies. For its part, Michelin played a pioneering role in coordinating the BlackCycle project to develop a European ecosystem for recycling end-of-life tire feedstock in new tire applications. This project, which has now been completed, marked the starting point for a deep-rooted transformation of the sector. The resulting technologies now form an essential springboard for industrial scale-up and the Group is continuing to invest in their deployment by identifying key partners.

4.6.3.2.5. The WhiteCycle Project

Following on from the BlackCycle project, a second project called WhiteCycle, coordinated by Michelin and co-funded by Horizon Europe, aims to transform complex textiles-based plastics (including end-of-life tires containing textiles) into high value-added materials. This ongoing project has a budget of €9.6 million and 16 partners. Its primary objective is to recycle more than two million tonnes of waste textile fiber a year by 2030, in ways that reduce its environmental impact. This is seamlessly aligned with the "Recycle" phase of the Avoid+4R process, and contributes to Michelin's ambition to use 100% renewable or recycled materials in its tires by 2050.

4.6.3.2.6. 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 recycled carbon black, pyrolysis oil, steel and gas.

In 2023, Enviro set up a joint venture named Infiniteria with the Antin investment fund, and Michelin to build several end-of-life tire recycling plants in Europe. The first plant is scheduled to come on stream in Sweden in 2026, with an annual recycling capacity of 35 kt. The joint venture subsequently plans to build plants throughout Europe, reaching an annual recycling capacity of one million tonnes of end-of-life tires post-2030.

4.6.3.2.7. ResiCare

Created in 2016, ResiCare is accelerating the development of its high-performance, non-toxic resin offerings for tire manufacturers. In May 2025, the Group announced that, going forward, it would be investing €60 million to develop a biosourced, non-toxic molecule (5-Hydroxymethylfurfural, 5-HMF) that can replace fossil-based ingredients in a wide variety of industrial fields[(1)]. This molecule is already used in Michelin ResiCare resins, and it is estimated that its availability on an industrial scale will open up a potential market of over 40 kt by 2030 through the creation of a European supply chain.

4.6.3.3 End-of-Life Tires (ELTs)

As in previous years, during 2025 Michelin continued to work with various trade associations, such as the Tire Industry Project (TIP), Tyres Europe, USTMA and JATMA, to ensure that end-of-life tires are properly collected and processed. 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.

At the same time, Michelin is involved in a number of projects enabling end-of-life tires to be recovered in a closed loop, helping to secure a sustainable supply of secondary raw materials.

In this regard, one of the highlights of 2025 was the inauguration of Michelin's first mining tire recycling plant in Antofagasta, Chile, called Michelin Specialty Materials Recovery (MSMR). The plant will transform the giant 63-inch tires used in the mining industry into micronized rubber powder for the manufacture of new tires and other products. In line with the industrial recycling law in force in Chile since 2023, this initiative creates a mining tire recycling ecosystem in the country. The plant, which will eventually have an annual capacity of 30 kt (i.e. 2,200 tires), will contribute to the sustainable development of the local economy by creating 20 direct jobs and 100 indirect jobs.

Michelin is also working to professionalize and digitize the end-of-life tire industry, a prerequisite for the implementation of a circular supply chain. As a founding member of the Global Data Service Organization for tires (GDSO) and a member of the European CIRPASS2 project, the Group is investing in the creation of a Digital Product Passport (DPP) for tires by 2027. By centralizing essential information on the products' life cycle, the DPP is a major tool for the circular economy.

In addition, deployment of RFID technology in Michelin tires and an associated data-sharing infrastructure facilitates the exchange of product life-cycle information between all players. This traceability is essential to optimize the management of end-of-life tires, ensure that they are recycled and extend their useful life.

(1) See press release of May 23, 2025: "Michelin announces the construction of an industrial demonstrator".

4.6.4 METRICS AND TARGETS

4.6.4.1 Resource inflows

The Group's material resource inflows are the seven categories of raw materials used to manufacture products based on rubber compounds or rubber-coated fabrics with metal or textile reinforcements: synthetic rubber, natural rubber, textile reinforcements, metal reinforcements, reinforcing agents, chemicals and oils and resins. "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		2024	2025
(a)	Overall total weight of products and technical and biological materials used during the reporting period (E5-4-31a)	3,077,541 t	2,867,429 t
(b)	Overall total weight of products and technical and biological materials used during the reporting period (E5-4-31a)	800,791 t	737,072 t
	Percentage of biological materials used to manufacture the undertaking's products and services that is sustainably sourced (E5-4-31b)	26%	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)	152,690 t	172,003 t
	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%	6%
	RENEWABLE OR RECYCLED MATERIALS RATIO (RRMR)	**31%**	**32%**

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) Weight and percentage of **renewable** material over the same period, calculated for all raw materials received as the sum of the weight of renewable material contained in each raw material. For each raw material, the value of the percentage of renewable material is self-reported by the supplier and is traceable in a written document that is verified and validated internally;

(c) Weight and percentage of material **recycled** over the same period, calculated for all raw materials received as the sum of the weight of recycled material contained in each raw material. For each raw material, the value of the percentage of recycled material is self-reported by the supplier and is traceable in a written document that is verified and validated internally.

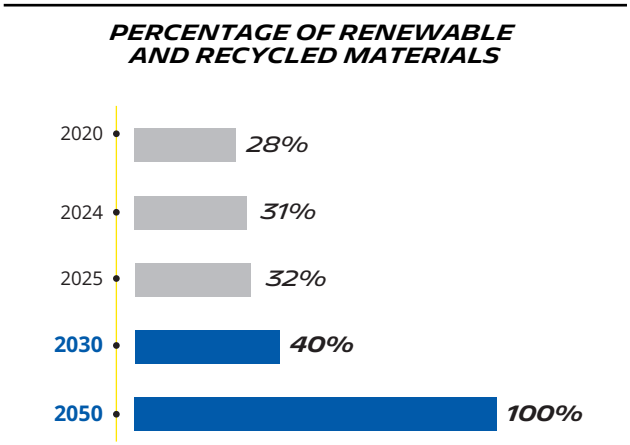
The definitions used by the Group for renewable and recycled materials are aligned with ISO 14021-2016.

The Group intends to prioritise the inclusion of renewable or recycled materials in batches of purchased raw materials. For this reason, wherever possible purchasing departments use segregated or controlled blending traceability chains, as described in ISO 22095-2020.

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.

(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."

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:



The renewable and recycled materials rate rose by one percentage point year on year in 2025, to 32%. Compared to 2024, the mix effect was almost neutral (with a similar percentage of natural rubber in our raw materials purchases), while the performance effect lifted the rate by one point (increase in the percentage of renewable or recycled materials other than natural rubber). The RRMR is continuing to improve in line with the roadmap and the Group remains confident in its ability to meet its objective of using 40% renewable and recycled materials by 2030. The gradual structuring of the market for these materials and its increasing maturity are helping to drive the expected momentum and secure the Group's trajectory.

The Group's second target concerns eco-design. Since 2024, all new tire radial ranges from Premium to Tier 3 have been eco-designed based on 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[(1)].

MICHELIN tires are designed to deliver guaranteed optimum performance from the first to the last mile, a fundamental source of product safety and 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 (see section 4.10.3.2).

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

Tires are made up of rubber aggregate, metal cables and textile fibers. It is a well-known fact that tires and their components are recyclable, an affirmation confirmed by academic and scientific sources, and by the assumptions underpinning international standards and regulations[(2)] governing the recyclability of vehicles and their components. The European BlackCycle and WhiteCycle projects demonstrate this. The BlackCycle project[(3)] looked at closed-loop recycling of rubber aggregate to make new tires, while WhiteCycle[(4)] is exploring innovative solutions for textile recycling. The metal components have long been reused in traditional metallurgical processes. On this basis, as in 2024, the Group publishes a 100% rate of recyclable content in its tires.

The amount of packaging is not material and the rate of recyclable packaging content is therefore not applicable.

(1) See section 4.6.3.2.1 *Retreading*, in this Universal Registration Document.
(2) See Directive 2005/64/EC - Annex I (point 6): "For the purposes of calculations, tires shall be considered as recyclable," using ISO 22628: 2002 to calculate reusability, recyclability and recoverability rates; UNECE Regulation 133: harmonized Reusability, Recyclability, Recoverability (3R) requirements and ISO 22628 for the calculations; and ISO 22628: 2002 at the pre-treatment stage (see § 5.3.1 of the standard), representing the point at which tires are included among the component parts and materials considered as reusable or recyclable for regulatory purposes.
(3) See section 4.6.3.2.4 *The BlackCycle* Project, and the Cordis database – EU reports on the Horizon 2020 research program's BlackCycle project, including the CBA report on the BlackCycle value chain.
(4) See section 4.6.3.2.5 *The WhiteCycle Project*, and the Cordis database – EU reports on the Horizon 2020 research program's WhiteCycle project.

4.7 EUROPEAN TAXONOMY

4.7.1 INTRODUCTION AND METHODOLOGY

When the 2025 EU Taxonomy disclosures were being prepared, the European Commission's new delegated act of July 4, 2025, aimed at simplifying the related reporting templates, was still in the process of being adopted. The Group has therefore applied the same legal framework for 2025 as for 2024[(1)]. The Taxonomy Regulation establishes a framework to encourage investment in sustainable economic activities, by requiring companies to disclose the proportion of their sales, capital expenditure and operating expenditure that contributes substantially to the following environmental objectives:

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of water and marine resources (WTR);
- transition to a circular economy (CE);
- pollution prevention and control (PPC);
- protection and restoration of biodiversity and ecosystems (BIO).

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 2025 scope of reporting

Companies are required 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, as listed above. 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 reported data covers the 12 months from January 1 to December 31, 2025.

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).

(1) This framework is based on Regulation (EU) 2020/852 (the Taxonomy Regulation) and its delegated acts (Climate: Regulations (EU) 2021/2139 and 2023/2485; Environment: Regulation (EU) 2023/2486).

4.7.2.2 Identifying eligible activities in 2025

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.

Michelin has therefore selected the economic activity "3.6 Manufacture of other low-carbon technologies" as corresponding to its tire manufacturing activities. 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." Michelin's tire manufacturing activity contributes to both the CCM and CCA environmental objectives.

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 testing methods and laboratory alignment procedures. 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. 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

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 the Delegated Regulation C(2023)3851 of June 27, 2023 on the environmental objectives.

CCM activity 8.2 - Data-driven solutions for GHG emission reductions

The Connected Services 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 2025

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	Substantial contribution to one of the environmental objectives			Reported KPIs		
Economic activity	Mitigation	Adaptation	Circular economy	Net sales	Absolute CapEx	OpEx
3.6 Manufacture of other low-carbon technologies	X			X	X	
		X			X[1]	
8.2 Data-driven solutions for GHG emission reductions	X			X	X	
5.1 Repair, refurbishment and remanufacturing			X	X	X	
7.2 Renovation of existing buildings	X	X			X[1]	

(1) This activity is immaterial and therefore has not been included in the figures in Appendix C of the Sustainability Statement.

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;
- manufacturing of certain tire categories (agricultural, mining, aircraft and two-wheel tires), which are not covered by a labeling regulation;
- Tire-as-a-Service activities: 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.

4.7.2.4 Change in reported Taxonomy-eligible activities, 2024-2025

Based on the 2024 scope of taxonomy reporting (activities 3.6, 5.1 and 8.2), in 2025:

- 53% of Group sales were Taxonomy-eligible (53% in 2024);
- 62% of Group CapEx was Taxonomy-eligible (55% in 2024).

The Group has not published any OpEx indicator for 2025, as the amounts involved are not material and therefore qualify for the exemption provided for in article 8 of the Taxonomy regulation.

(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.

4.7.3 ASSESSING ALIGNMENT

Michelin has assessed the alignment of its activities in 2025, 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 Michelin Group pays particular attention to the issue of pollution, especially pollution generated by its operations and production activities (see chapter Pollution E2 of the Sustainability Statement).

The chemicals-related Do No Significant Harm (DNSH) principle applies to the CCM & CCA 3.6 and CE 5.1 activities (see Annex C of Delegated Regulation (EU) 2021/2139). For this criterion, an analysis is required of the chemical substances referred to in Article 57 of Regulation (EC) 1907/2006, as listed in the Classification & Labelling Inventory database. Michelin is unable to provide a realistic and reliable assessment of compliance with this criterion, which has major limitations including a number of substances that is deemed disproportionate, an unusable and constantly changing Classification & Labelling Inventory and references to both harmonized and non-harmonized classifications. As a result, like in 2024, Michelin cannot validate compliance with the DNSH criterion concerning chemical substances for 2025.

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 2025.**

CCM activity 8.2 - Data-driven solutions for GHG emission reductions

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. 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.

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 2025, OpEx (direct non-capitalized costs) include costs relating to research and development, building renovations, maintenance and repair, short-term leases and other direct costs related to the day-to-day servicing of property, plant and equipment assets. These eligible OpEx represent 8% of the Group's total operating expenses (see 5.2 Consolidated financial statements). Given the OpEx KPI's lack of materiality, the Group claims exemption from the OpEx reporting obligation, as provided for in article 8 of the Taxonomy regulation.

The tables presenting Taxonomy disclosures (sales, CapEx, OpEx) may be found in Appendix C at the end of this Chapter.

SOCIAL MATTERS

4.8 OWN WORKFORCE (S1)

THREE QUESTIONS FOR PIERRE-ALEXANDRE ANSTETT, HEAD OF THE LEADERSHIP & COHESION EXPERTISE CENTER, CORPORATE PERSONNEL DEPARTMENT

"Michelin's responsibility is to ensure that the Group represents a haven of peace and that everyone crosses the factory gate or the office door with complete peace of mind"

Currently, what are Michelin's biggest social challenges?

Michelin can't evolve in a bubble and we currently need to face up to climate change, geopolitical upheavals and the fault lines that characterize societies around the world. Michelin's responsibility is to ensure that the Group represents a haven of peace, that each and every one of us crosses the factory gate or the office door with complete peace of mind and is fully committed to serving the Group. That's why we pay the utmost attention to the well-being of our employees; as a responsible employer, we must ensure that they all flourish in their jobs and in their working environment. The employee engagement rate remained high in 2025, as evidenced by the 2025 Moving Forward Together survey which found that 90% of our colleagues are proud to work for Michelin. Pride in our Group is both an asset and a responsibility to which we respond by constantly renewing our efforts to attract and retain talent.

What are your main employee health and safety objectives?

Ensuring people's health and safety is first and foremost a moral imperative, but also a key performance driver. Everyone needs to feel safe at their workstation, both for their physical and mental well-being, and so that they are able to perform their tasks efficiently and effectively. This naturally involves preventive measures to provide the most suitable working environment possible; that's the whole point of our ongoing efforts in the fields of ergonomics and quality of work life (QWL). Our ongoing efforts in the area of health and safety are reflected in the figures: in 2025, the Group's Total Recordable Incident Rate (TRIR) improved by 0.53 points compared with 2024.

What levers do you use to ensure social cohesion?

We have to be scrupulous in ensuring that all our employees can express their talents to the full, by recognizing the fundamental importance of team spirit and collective intelligence. We ensure that all diversities can express themselves and flourish through various recruitment and internal promotion levers, or by creating safe spaces that allow everyone to share their opinion in complete safety, without fear of reprisals. We promote diversity, equity and inclusion in all its forms, for example by internationalizing our management teams, supporting gender diversity and encouraging social advancement.

Impacts, Risks and Opportunities (IROs)	Brief description
Upstream value chain · 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 around individual and collective initiatives designed to help meet the Group's ambitious objectives for 2030.

Michelin has always paid particular attention to the well-being of its employees and respect for people is one of the organization's fundamental principles. Today, the Group is asserting its responsibility to all stakeholders with renewed determination, recognizing that business performance is closely tied to employee fulfillment and high-quality social dialogue.

4.8.1 A STRATEGY GROUNDED IN EMPLOYEE ENGAGEMENT

Successful implementation of the Group's strategy depends on helping every employee to flourish within the organization, both professionally – through the acquisition of skills and leadership qualities – and personally, by enjoying meaningful work, effective health and safety protection, and the guarantee of equal opportunities, regardless of social origin, gender, age, ethnic origin, sexual orientation, religious beliefs, disability or physical appearance.

In this regard, regular assessments of employee engagement – notably through the annual Moving Forward Together survey (see section 4.8.3 below) – and sustained inclusive, constructive social dialogue are key drivers of the strategy's success and future sustainable performance. This spirit also underpins the employee share ownership plans, which are an important pillar of the Group's engagement strategy (see section 4.8.4.3 below).

All employee relations policies incorporate the various dimensions of international law[1] and are directly inspired by the ethical values that shape Michelin's identity.

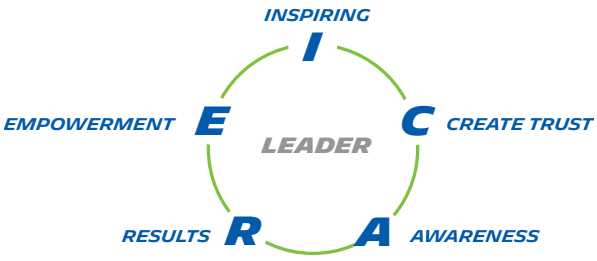
(1) These include the fundamental conventions of the International Labour Organization, the UN Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights. The principles have also been shaped by input from the many working sessions held with the United Nations Global 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. This department's mission is to define human resources management policies, ensure their effective implementation and provide its expertise to all Group units. Deployment of this strategy is based on a structuring set of seven policies designed to promote cohesion and fairness while respecting people and facts, strengthen Michelin's employer appeal, ensure sustainable employability for all employees and guarantee the Group's compliance with current regulations and applicable international standards. These 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	**Adequate 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 STRATEGY COMPONENT

The Group maintains an open and transparent dialogue with all its employees. Thanks to this dialogue, the engagement of our people and teams is one of Michelin's key differentiating factors, making a significant contribution to operational excellence and the achievement of our corporate objectives. This dynamic is an empowering factor for the teams involved and contributes to the Group's 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 every employee to freely express his or her views on how the Group is deploying its strategy. The survey's results are a key lever for measuring managerial quality at all levels of the organization and they also help to ensure constructive dialogue with employees.

The steady increase in the long-term engagement rate over the years attests to the efforts to instill a stimulating, inclusive workplace environment. Calculated based on four Moving Forward Together survey questions, the rate rose from 80% in 2019 to 84.4% in 2025 (down by a modest 0.3 points from 2024), which is already close to the 2030 target of 85%.

A global governance system supporting dialogue with employee representatives

Michelin works to preserve the level of open, transparent, constructive social dialogue that is recognized as an essential driver of sustainable performance. To this end, managers receive specific training in the legal aspects of labor relations. The social dialogue process is designed to ensure that employee ideas and opinions are taken into account and to encourage employees to freely express their views in the production plants, offices, country organizations and regional organizations. It is conducted in strict compliance with the principles of freedom of association and collective bargaining, without discrimination. Information transmitted to employee representatives is shared and negotiated in compliance with the legal obligations specific to each country, with particular attention paid to environments where the culture or legislation is not conducive to employee input.

Two structures embody this information-sharing and consultation dynamic:

- the **European Works Council** (CEEM) which was set up in 1999 and 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 and financial results, the highlights of the preceding six months, the main health, safety, environment and prevention metrics, and changes in the workforce. Work began in 2025, led by the CEEM bureau, on revising the Council's internal rules and broadening the range of topics that it is competent to examine. The CEEM is chaired by the Group's Chief Social Development Director and its secretariat is provided by an elected member appointed by his or her peers;
- the **Global Works Council** (CM), set up in 2020 in partnership with the global union federation IndustriAll and led by the Social Development Department. It is made up of representatives from various countries and meets annually in plenary session. Its role is to share the Group's strategic objectives and results transparently with all Michelin host countries and to help develop fundamental policies to support the Group's transformations (competitiveness, social protection, diversity, inclusion, disability and sustainability).

All dialogue initiatives fall within the scope of the **Employee Relations Policy** overseen by the Corporate Personnel Department.

In a commitment to enhancing the effectiveness of the social dialogue process in all its host communities, Michelin has been a member of the international Global Deal initiative since 2017. This initiative piloted jointly by the OECD and the International Labor Organization (ILO), which enables partners to make a voluntary commitment to strengthening social dialogue at all levels of their organization, reflects the Group's determination to make it an effective lever for co-construction.

Michelin's commitment to human rights

The founding principles of human rights are the essential bedrock of high-quality social dialogue. In recognition of this, as a signatory of the United Nations Global Compact since 2010, the Group is committed to integrating the Compact's principles into all its global operations, while ensuring their compliance with local legislation. The Group embraces the universal principles of human rights 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 Labor Organization (notably, 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 overseen by the dedicated Human Rights Governance body, 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 STRATEGIC OBJECTIVES

4.8.4.1 An adequate wage and social protection

Fair Wage Network certification

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 Adequate Wage and Universal Social Protection Floor programs deployed in phases since 2023 have both been 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. This work led to Michelin becoming one of the first companies to earn the Fair Wage Network's "Living Wage Global Employer"[(1)] certification in February 2024, which certification it has held ever since.

The Group's adequate 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 adequate wage commitment is quickly deployed within three years, except in special cases[(2)].

A heritage of social protection: Michelin One Care

In addition to an adequate 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 in place across the entire Group, 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.

Reflecting their importance at Michelin, employee benefits programs are placed under the responsibility of 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.

(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 its activities, the Group takes into account the risks to which people may be exposed. These risks include accidents or work-related illnesses caused by mechanical or electrical installations, the handling of materials and finished products, the use of chemicals and tooling, and shopfloor movements. Traffic accidents during business travel have also been identified as risks. In addition, in some host countries, employees may be exposed to health risks or the risk of assault, battery or kidnapping in the course of their work or business travel. These risks are especially acute in countries experiencing political instability or tense 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:

- maintain a priority focus on protecting everyone's health and safety;
- foster employer appeal and employee retention through a culture of prevention and monitoring, safety and cognitive ergonomics;
- support 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 covering organizational and human factors, societal and generational change and strategic data use up to and including AI;
- fostering personal fulfillment in the ecosystem, including the place of people in new technologies, and the development and adaptation of skills;
- driving action with collective intelligence through connection to the outside world, the promotion of a health and safety culture, and precursor analysis for predictive safety.

The Group's health and safety strategy 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 the Group's policy, objectives and strategy in terms of health and safety. The strategy emphasizes a holistic, people-centric approach to health and safety that takes into account the latest technological and societal developments to create a safe, attractive, fulfilling workplace environment for everyone. Risk management is based in particular on detailed risk maps covering the entire organization.

At Michelin, the Health and Safety Statement 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."

The Health, Safety and Quality of Worklife Policy 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.

It is supported by related guidance, such as the Adaptation to Climate Risks Policy (2023) overseen by the Corporate Audit, Quality and Customer Promises Department, which takes into account the impact of climate risks on physical and mental health, and the Chemical Risk Management Policy (2022) overseen by the Corporate Planning, Prevention and Protection Department, which is designed to protect people's 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 performed 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. Incident rates are also tracked monthly, with the results distributed and discussed by site, region and business process (Manufacturing, Distribution, R&D, Retail, Logistics).

Processes are also in place for engaging with the workforce about health and safety issues (see Employee Relations Policy), which enable employees to confidentially express their concerns or needs without fear of reprisal, either to their direct managers or through other dedicated channels such as the ethics hotline, employee representatives, the unit's personnel manager or the Medical Department.

Lastly, the Total Recordable Incident Rate (TRIR), which tracks accidents across the Group, is one of the criteria for the portion of employee bonuses tied to the Group's performance (see the "Metrics and Targets" 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:

- a management system is in place at all Group sites;
- 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;
- 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.

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 €46 million was committed to workforce health and safety initiatives in the Group's production base in 2025 (€56 million in 2024). Over €150 million is budgeted over the next five years (like in 2024), 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

In addition to its efforts to ensure the well-being of its employees, Michelin is constantly enhancing its employer appeal and ability to retain talented people. As part of its "All-Sustainable" strategy, the Group works 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 boast a below-market overall turnover rate, it nevertheless considers that turnover represents a significant risk, which could have a potential impact on its employer brand and the availability of key skills.

Changes in the world of work, accelerated by the Covid-19 pandemic and successive crises, have prompted employees to seek more flexible, hybrid working conditions, which means employers have to reinvent themselves to remain attractive. This change in life and workstyles has led to higher turnover and employee retention difficulties over certain periods, notably in the production operations, shared service centers, digital operations and transportation. The Group must also address the expectations and outlook of new generations, such as the members of Generation Z born after 1995.

Like any large organization with a global footprint, Michelin must constantly respond to a myriad of impactful changes, both internally and in wider society. Job families and skill sets are also evolving, with IT, digital technology, data management, artificial intelligence, innovation and environmental considerations all helping to drive transformation. The Group is also having to adjust to the emergence of new business lines leveraging its long-standing polymer composite expertise, such as engineered fabrics and films, conveyor belts, seals and belts for high value-added industries.

Michelin's internal data shows that 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. 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 Michelin's 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 (see above), as well as by the department's action plan to tighten the management of risks, which focuses on three major areas:

- 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, 2025, 4.4% of outstanding shares were held either by employees (3.1%, up 0.5 points on 2024) or former employees (1.3%) and 68% of eligible employees were company shareholders. During the latest employee share ownership plan in September 2025, 51% of worldwide employees took up the offer, four percentage points less than in 2024 and including 7.8% or nearly 4,600 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;
- the Group's **Diversity, Equity and Inclusion Policy** aims to ensure that everyone feels that they are valued members of the organization. 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 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 inside 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 92% of the workforce by end-2025.

The key lever for continuous skills development is the "Talent Campus" talent factory. Set up in 2022, it supports employees in their career development or retraining and enables people to cultivate their lifelong-learning mindset, while helping to enhance the attractiveness of our host communities and improve talent retention. Every year, some five million hours of training are delivered, with 55,000 modules available online.

The MICHELIN employer brand, a factor of differentiation

All the above elements underpin the quality of the MICHELIN employer brand, which is a valuable asset in a volatile and uncertain world. A core feature of the employer brand strategy is its focus on reflecting the diversity of the Group's 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, being open to hiring more diverse individuals deepens the talent pool, gives the best people a chance and contributes to both collective intelligence and 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. The IMDI was updated in 2025, with the introduction of a narrower set of sub-indicators covering gender diversity, identity, multi-national management, disability and equal opportunities.

Furthermore, Michelin usually 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.

In total, funds committed to attracting and retaining talent totaled €66 million in 2025 (€76 million in 2024) and more than €300 million has been budgeted over the next five years (as in 2024).

4.8.5 METRICS AND TARGETS

4.8.5.1 Characteristics of employees

The Group's workforce at December 31, 2025 totaled 122,586 people, analyzed in the tables below:

Breakdown of employees by gender and type of contract	Female		Male		Other		Not reported		Unknown		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Permanent	24,623	24,712	96,972	92,764	2	8	13	11	-	-	121,610	117,495
Temporary	960	1,538	2,546	3,493	-	59	1	1	-	-	3,507	5,091
Without guaranteed hours	-	-	-	-	-	-	-	-	-	-	-	-
Type of contract unknown [1]	-	-	-	-	-	-	-	-	4,715	-	4,715	-
TOTAL EMPLOYEES	**25,583**	**26,250**	**99,518**	**96,257**	**2**	**67**	**14**	**12**	**4,715**		**129,832**	**122,586**

	2024	2025
Group employees by region		
Total number of employees in Europe	62,239	60,621
Total number of employees in the Americas	36,306	33,602
Total number of employees in the Africa-Asia-Pacific region	31,287	28,363
TOTAL EMPLOYEES	**129,832**	**122,586**

Two host countries had more than 50 employees and accounted for at least 10% of total Group employees as of December 31 of the reporting year:

	Female		Male		Other		Not reported		Total	
Country	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
France	4,511	4,654	16,327	16,218	-	0	1	0	20,839	20,872
United States	3,932	3,611	15,747	14,466	1	5	2	1	19,682	18,083

2025 turnover was calculated on the basis of the number employees with permanent work contracts as of January 1, 2025.

	2024	2025
Number of employees as of January 1 of the reporting year	122,478	123,832
Number of employees who left the Group during the year	13,588	14,612
STAFF TURNOVER DURING THE YEAR	**11 %**	**12 %**

In 2025, of these 123,832 employees (122,478 in 2024), 14,612 left the Group during the year (13,588 in 2024), including 6,764 voluntary separations (7,106 in 2024), 6,051 non-voluntary separations (4,671 in 2024), 1,648 retirements (1,661 in 2024) and 149 deaths (150 in 2024).

(1) In 2024, the difference was due to the fact that 4,715 people were employed by companies that were not integrated into a human resources information system.

4.8.5.2 Adequate wage

All Group employees are paid an adequate wage as defined in the ESRS S1-10-69 metric.

Since 2023, the Group has made a more ambitious commitment by seeking Fair Wage Network certification. According to the latest certificate dated December 2024, 100% of Michelin employees covered by the certification process are paid a salary at least equal to the Living Wage defined by the Fair Wage Network.

Allowing for the time lag between certification (2024) and the reporting period (2025), 99.8% of Group employees were paid a Living Wage as defined by the Fair Wage Network in 2025 (vs. 96.5% in 2024).

4.8.5.3 Number of hours of training per employee

In 2025, 44 hours of training were provided per employee, calculated by dividing the total number of training hours for Group employees by the average number of Group employees in 2025. This metric is specific to Michelin and is calculated for employees concerned by the deployment of the Group's HR information system[1] (InTouch). Only courses completed during the reporting year are counted[2].

4.8.5.4 Employee health and safety

A framework and rules similar to a health and safety management system (Health and Safety Statement, Guidance Letter, Life Saving Rules, indicators, etc.) have been deployed across all sites, covering all employees.

In addition, as of December 31, 2025, 69% of Group employees and temp agency workers (68% in 2024) 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[3]) with no major compliance breaches.

Work-related accidents and illnesses are tracked in the Group's strategic scorecard by the Total Recordable Incident Rate (TRIR) indicator. This indicator is calculated on the basis of work-related accidents (excluding commuting accidents and occupational illnesses) per one million hours worked. Compared with the 2030 TRIR target of less than 2.5, the 2025 actual TRIR stood at 4.48 (corresponding to 1,041 work-related accidents involving employees and temporary workers), an improvement of 0.53 points vs. the 2024 rate of 5.01.

In 2025, work-related accidents involving employees and temporary workers resulted in two fatalities[4] (no fatalities in 2024).

4.8.5.5 Incidents, complaints and severe human rights impacts

In 2025, incidents, complaints and severe human rights impacts included:

- 129 (159 in 2024) discrimination incidents, corresponding to the total number of confirmed cases of discrimination, including harassment, reported to the Group's whistleblowing system[5];
- 1,376 grievances (1,481 in 2024) concerning worker or human rights violations, corresponding to the total number of allegations reported to the Group's whistleblowing system, less the 129 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 reporting scope covered 89% of Group employees.
(2) A course started 2024 and completed in 2025 is counted in 2025.
(3) See section 4.1.5.1.1 below.
(4) In 2025, only fatalities resulting from work-related accidents were taken into account (one accident on an industrial site and one off-site traffic accident). Two fatalities resulting from commuting accidents were not taken into account.
(5) 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 regarding 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 on 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, for the fourth consecutive year, No. 1 in the tire manufacturer category for natural rubber ESG disclosures in 2025.

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 · OP 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	Forced labor, child labor and illegal labor practices are risks in agricultural supply chains, including in the natural rubber industry.
Upstream · **Negative impact**	

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

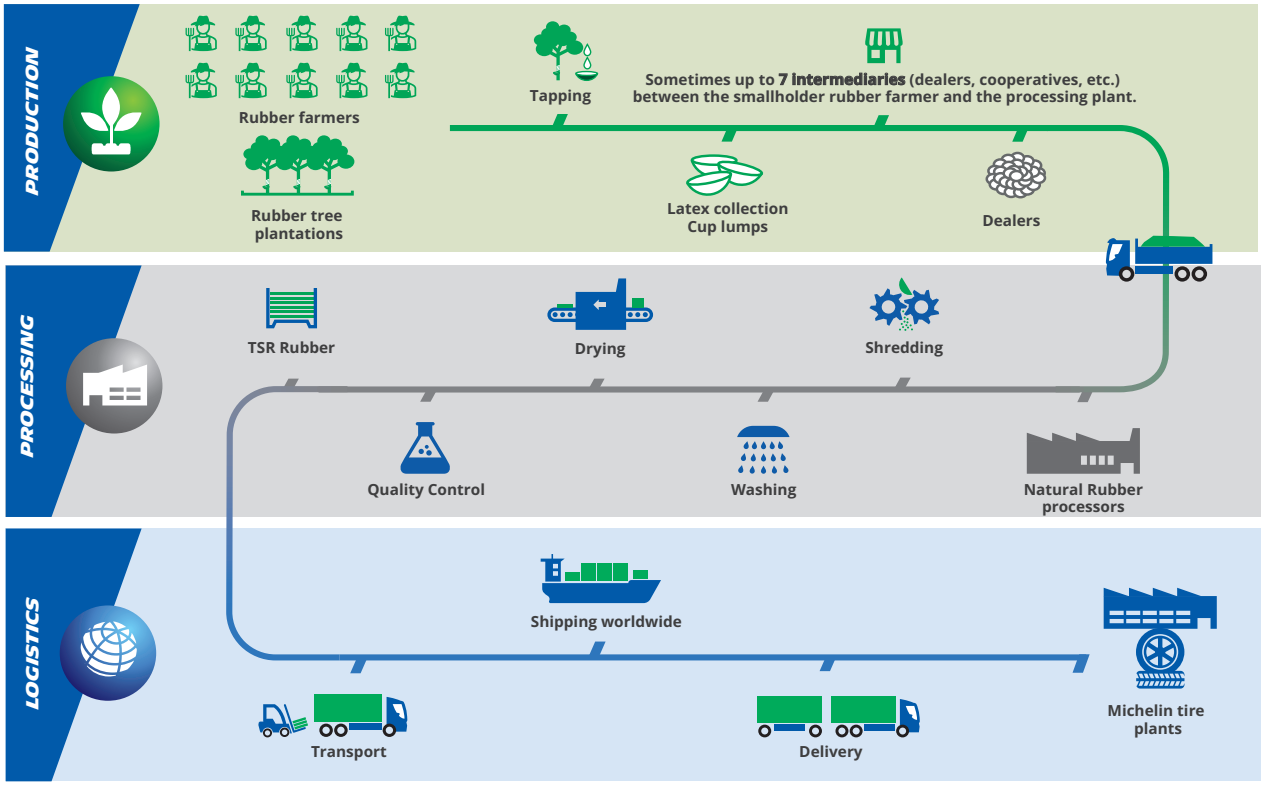
Natural rubber is a critical raw material in tire manufacturing. Harvesting is labor-intensive and the trees can be farmed only in tropical regions, in countries at risk of human rights violations. To date, there is no financially viable substitute for natural rubber.

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.

THE NATURAL RUBBER VALUE CHAIN

Approximately 90% of the Group's supplies come from around **1.5 million village smallholders** with an average farm size of less than three hectares



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 Other purchasing policies

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 Sustainable 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.

In the first half of 2025, an article appeared in the press highlighting recent repeated allegations of sexual coercion by local plantation staff of a natural rubber supplier in Liberia. The Group had no knowledge of these serious allegations and strongly condemns all acts of violence, aggression and disrespect in breach of a person's rights. The allegations of sexual coercion mentioned in this investigation are unacceptable and contrary to the values of the Group, which has taken the measures it deemed necessary.

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. These meetings, led by the Director of Public Affairs and the Vice President, Sustainable Development and Impact, 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, since 2025, investors. The fourth meeting was held in early 2025;

(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.

- **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;
- 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.

(1) For more on the Michelin ethics hotline, see section G1 – *Business Conduc* below.

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.

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 2025, 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, which are 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), the MAHAKAM project in Indonesia (2022-2025), and the HARVEST project in Thailand (2025-2026).

In West Africa, the SIPH joint venture is also deeply engaged with village smallholders and local communities, 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, renewed in 2025); and (iii) certification that the Group's purchasing practices are mature with regard to the new ISO 20400 Sustainable Procurement standard (2019, 2022 and 2025). In 2025, Michelin was awarded an EcoVadis score of 94/100 in Responsible Purchasing, ranking it in the top 1% of companies rated in its industry. Also in 2025, for the fourth year running, Michelin was ranked No. 1 in the tiremaker category by SPOTT, a natural rubber ESG disclosure platform, with a score of 80% (No. 2 in the general natural rubber category).

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. The targets are intended to be ambitious yet achievable. 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 has been set at **95% in 2030**, compared with 85% in the 2019 baseline year. The target applies to all Group suppliers assessed[1] by a third party that have a valid score, and not just to natural rubber suppliers. As of end-2025, the percentage was 94%.

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 2025, 85% of the Group's volumes had been assessed, based on a representative number of farmers[2], compared with only 7% at the end of the 2018 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[3]). 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-2025, 10,456 village smallholders had reported improvements since the projects were launched in 2020.

	Baseline value and base year	2024	2025	Target (and year)
Percentage of suppliers whose human rights score in the third-party CSR maturity assessments complies with the Group's standards	85% (2019)	93%	94%	95% (2030)
Percentage of natural rubber used assessed for compliance with the Group's human rights standards	7% (2018)	80%	86%	80% (2025)
Number of village smallholders whose working conditions and/or livelihoods have improved	467 (2022)	6,783	10,456	30,000 (2030)

(1) A growing number of suppliers are assessed each year and they account for the majority of the Group's total purchases.
(2) The metric is prorated based on the achievement rates of a representative sample of farmers for each supplier site.
(3) Village smallholders noted improvements in such areas as yields, revenue growth or diversification, health and safety best practices, reduced use of potentially harmful chemicals.

4.10 CONSUMERS AND END-USERS (S4)

THREE QUESTIONS FOR ANTOINE PINNEAU, GROUP QUALITY DIRECTOR

"At Michelin, customer satisfaction and the quality and safety of our products and services are not just priorities – they are the very essence of our promise."

How does Michelin currently ensure that the safety of its products and services remains a core priority in their development process?

Michelin puts safety at the heart of its product design, through a structured and rigorous approach. Its quality management processes are determined by a quality culture aligned with recognized standards, such as ISO 9001:2015 certification. The Quality, Marketing, Engineering and Development teams work together to define appropriate safety criteria for each MICHELIN product, taking into account market requirements, changing usage and user feedback. New products are tested extensively at every stage of their development to ensure compliance with pre-market safety standards. In addition, we continuously monitor the performance of our products and services for customers, ensuring that we quickly identify and react to any weak signals; this system regularly benefits from innovations in data collection and processing, notably through the use of neural networks.

How does Michelin measure customer satisfaction to continuously improve the safety and quality of its products and services?

The organization has adopted a strategy inspired by customer-centric approaches to build an ecosystem that constantly adapts its practices with 100% customer satisfaction as its guiding light. This system centralizes various tools and methods for collecting and analyzing the voice of the customer. Satisfaction surveys, notably using the Net Promoter Score (NPS) method, are carried out periodically to assess performance and exploit customer feedback to anticipate future needs. Any identified sources of dissatisfaction are brought to the attention of dedicated customer rooms located close to key markets, which are equipped with all the necessary capabilities to rapidly implement measures to resolve the reported problems. The customer rooms apply three levels of escalation, with certain situations escalated to senior management if necessary. This system encourages in-depth analysis of expectations and helps us to adjust our offers. In addition, customer support engineering teams and sales forces maintain a daily dialogue with distributors and partners, enabling them to gather direct feedback on product performance under real-life conditions.

How does Michelin address customer expectations and needs to support sustainable mobility without compromising on the safety of its products and services?

Michelin is pursuing innovation in product and service safety by integrating advanced product technologies and analyzing usage data to anticipate safety requirements. Collaboration with customers, partners and internal teams encourages the development of solutions tailored to safety and sustainability needs. We participate in global road safety initiatives and align our strategy with sustainable development objectives. By focusing on customer expectations, we seek to offer an experience that integrates safety and environmental issues throughout the product life cycle.

Impacts, Risks and Opportunities (IROs)	Brief description
Amont Upstream value chain · Aval 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 · 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, light trucks, trucks, buses, two-wheel vehicles, farm machinery, earthmovers, aircraft and race vehicles. Its strategy addresses the widely varying expectations of each type of customer, 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 – are crafted and articulated by the Business Lines to meet the expectations of their target markets. 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, captures and treats possible deviations and measures their satisfaction. The process is led by the Quality teams, with the Corporate teams responsible for setting the overall strategy and the detailed strategies for its execution, while Regional teams and the Business Lines implement the process on a day-to-day basis. The Quality Board works closely with this quality network to define and deploy major initiatives and adjust the system as needed. Corporate and Regional teams have specific responsibility for the Customer Promise Guarantee and for managing the Net Promoter Score (NPS) metric.

As well as being tasked with embedding the customer-centric culture among all the Group's teams, the Customer Centricity Board also 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.

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:

- dedicated Customer Engineering Support teams, who collect performance and usage data, and provide technical support and training for sales teams and customers;
- customer rooms located close to key markets and equipped with all the necessary capabilities which ensure that the process of capturing customer dissatisfaction works efficiently, analyze the causes of the 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 external data capture units 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 Market Performance Monitoring Board (see 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 2025, across the entire Group, all its brands and all its tire products, three voluntary recalls were issued, concerning 92,933 products of the total 180 million or so manufactured every year by the Group. These three 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. 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.

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 and sales teams, assisted by the in-field Customer Engineering Support 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 set net promoter score (NPS) target. This indicator measures customer satisfaction and triggers any necessary corrective action. Since 2018, the Group has been tracking the Partner NPS, corresponding to the weighted average of the OEM (manufacturers) and dealer (Countries & Michelin Motorsport) macro-clusters. 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 2025, the Partner NPS stood at 45.5 (40.3 in 2020). This indicator is included in the Group's strategic indicator scorecard.

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_2e emissions.

EFFITIRES[1], for example, facilitates tire maintenance by using an automated inspection system to improve operating efficiency and safety, while reducing CO_2e 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.

4.10.2 A QUALITY POLICY SUPPORTING DEPLOYMENT OF MICHELIN'S QUALITY STRATEGY

Deployment of the Group's strategy is being supported in all of Michelin's host countries by the Group Quality Policy communicated through the Quality Statement.

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[4] 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 Market Performance 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 Quality Statement

The Quality Statement was re-issued in 2021. It expresses our commitment to ensuring that our innovative products and services meet customer needs and satisfaction, provide excellent quality of service, contribute to the sustainability of the planet, and inspire confidence in their reliability and in the integrity of our company[5].

(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) Its quality management processes are determined by a quality culture aligned with recognized standards, such as ISO 9001: 2015 certification.
(5) "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). See https://www.michelin.com/en/groupe/michelin-quality.

4.10.3 A CONTINUOUS CUSTOMER DIALOGUE PROCESS AND MICHELIN'S LEADERSHIP IN SUPPORTING TIRE REGULATIONS

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 Europe, through Regulation (EU) 2019/2144 and United Nations Regulation No. 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. Compliance of new Passenger car, Light truck and Truck tires is verified by government technical services when the product is certified. In the EU, 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 2024, Michelin is renewing 80% of its Truck product offering with the launch of the MICHELIN X® MULTI ENERGY™ 2 and MICHELIN X® LINE ENERGY™ 3 in Europe. In 2025, the new-generation MICHELIN X® WORKS™ 2e range of off-road drive tires was launched, offering improved mileage performance and B-label rolling resistance, a world first in this segment. In North America, the iconic MICHELIN XDN2 range was also renewed, with the MICHELIN X® LINE™ GRIP™ D, which offers exceptional performance across the board: longevity, rolling resistance, and grip down to the last millimeter of rubber. The new range's unique chevron tread pattern alone is representative of the full innovative power of the Michelin Group.

Second, the *MICHELIN Optimized Tire Performance solution*(1) was launched in 2025 to help fleet managers in Europe meet their multitude of operational, financial, regulatory and environmental challenges. The end-to-end solution seamlessly combines five areas of expertise: connected technologies and intelligent algorithms, day-to-day fleet management applications, tire management optimization, support and advice of our experts and partners, and of course, Michelin tire performance. For example, MICHELIN Optimized Tire Performance 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%, by planning maintenance work up to two weeks in advance.

In addition to products and services, Michelin promises to make mobility more accessible, safer, more efficient and more environmentally sensitive. The Group is committed to acting in the common good by financing road safety initiatives, notably in developing countries, and improving access to mobility for everyone. For example; 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 stepped up these commitments in 2025 by developing new projects with partners such as the Red Cross and the Association Tourisme et Handicaps to make sustainable mobility accessible to everyone.

(1) MICHELIN Optimized Tire Performance offer: https: //pro.michelin.fr/services/michelin-optimized-tire-performance.

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?

For the Michelin Group, ethical business conduct means earning the trust of its employees, consumers, shareholders and all other 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 value chain · 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	Potential unethical business practices include corruption, fraud, bribery, environmental violations and exploitive conditions in the supply chain.
OP **Risk**	

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. The Code of Ethics was reviewed and expanded in 2021 and again in 2025, in particular to strengthen the Group's commitments in areas like human rights, the environment and the ethical use of artificial intelligence, while responding more effectively to employee questions and making it easier to understand. It has been translated into 21 languages.

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 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 and 2025, 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.

(1) https://ethique.michelin.com/en/.
(2) https://michelin.com/en/groupe/purpose-values.
(3) https://purchasing.michelin.com/.

The Code is designed to raise employee awareness of actions that could be construed as bribery or corruption. The latest version is based on risk scenarios identified when the bribery and corruption risk map was updated, supported by examples and a description of the appropriate course of action in each case. In particular, it deals with such issues as bribes, kickbacks and payoffs, relations with third parties (including the use of agents and brokers), facilitation payments or other inducements, donations and contributions, philanthropy and sponsoring, gifts and invitations, conflicts of interest, lobbying, mergers and acquisitions.

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. The most recent version is dated December 2024.

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 and the Executive Vice President, Polymer Composite Solutions, are responsible for managing corruption risks linked to all activities and operations in the geographic area covered by their Region or Business Line, whether they arise from entities or companies associated with the Region or Business Line, any other entity or company, or any person acting on behalf of a Group entity or company. Deployment of the Anti-Corruption Compliance Program and compliance with its principles are overseen (i) in the Regions by the Regional General Counsels and Regional Compliance Officers, and (ii) in the Polymer Composite Solutions Business Line by a dedicated Compliance Officer.

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, M&A 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

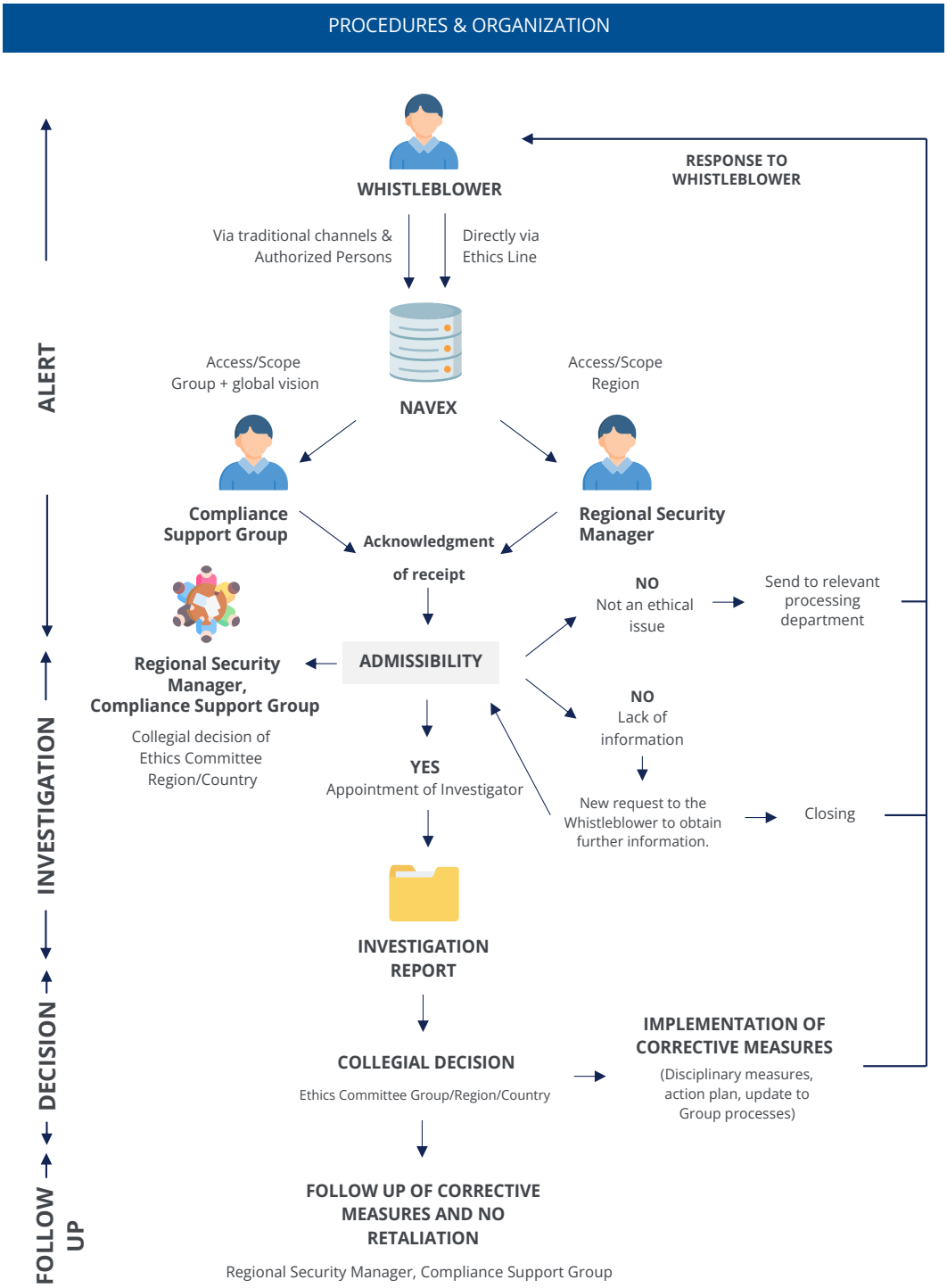
The Group has prepared a **Group Investigations Directive** defining the steps for processing an alert, the fundamental principles to be applied and the persons involved in the process. The investigation procedure applies to all matters covered by the Group's Code of Ethics, including incidents of corruption 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 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 www.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 Group employees and senior executives 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, competition law, prevention of 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 be renewed 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 2025, including specific anti-corruption due diligence prior to any merger or acquisition and the inclusion of ESG issues in due diligence audits. In 2024, 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.

The Group's Gifts and Invitations Directive, as revised in 2025, is currently being rolled out across the Group's Regions and units. The updated Anti-Corruption Code of Conduct is currently being finalized for deployment in 2026. The revised Evaluation of Third Parties procedure is now available and will be rolled out in the first quarter of 2026.

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, 89% of employees in functions-at-risk received anti-corruption training between January 1, 2024 and December 31, 2025 (79% from January 1, 2023 to 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, 2025 trained in 2024 and 2025, divided by the total number of employees qualified as eligible at December 31, 2025. 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 2025, as 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 an officer 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 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 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	Indicator number 4 Table #1 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 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 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 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 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 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 numbers 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 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 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 and Indicator number 3 Table #2 of Annex 1				4.3.7 AIR AND WATER POLLUTION METRICS
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 Annex I				4.4.2 TARGETED WATER RESOURCE POLICIES
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 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 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 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 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 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 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 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 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 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		4.8.5.4 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 2025
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 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				4.8.5.5 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 Article 12 (1)		4.8.5.5 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 Article 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

Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	URD reference
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 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
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 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 2025

		Year 2025		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 2024	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)																			
Sales 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)																			
Manufacture of other low-carbon technologies	CCM 3.6	13,186	51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	NO	YES	YES		**51%**		
Data-driven solutions for GHG emission reductions	CCM 8.2	247	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**1%**		
Repair, refurbishment and remanufacturing	CE 5.1	352	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)		**13,785**	**53%**	**52%**				**1%**									**53%**		
A. SALES OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**13,785**	**53%**	**52%**				**1%**									**53%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales of Taxonomy-non-eligible activities (B)		**12,207**	**47%**	*Analysis not carried out for reasons of materiality and insufficient data*															
TOTAL		**25,992**	**100%**																

Table 2 - Capital expenditure

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2025

		Year 2025		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 2024	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)																			
CapEx 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)																			
Manufacture of other low-carbon technologies	CCM 3.6	1,305	59%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	NO	YES	YES		**53%**		
Data-driven solutions for GHG emission reductions	CCM 8.2	37	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**2%**		
Repair, refurbishment and remanufacturing	CE 5.1	17	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)		**1,359**	**62%**	**61%**				**1%**									**55%**		
A. CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**1,359**	**62%**	**61%**				**1%**									**55%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**826**	**38%**	*Analysis not carried out for reasons of materiality and insufficient data*															
TOTAL		**2,185**	**100%**																

Table 3 - Operating expenses

Proportion of operating expenses from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2025

		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 2024	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																			
TOTAL		**1,925**	**100%**																

Analysis not carried out for reasons of materiality and insufficient data

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	-	61%
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 Michelin's sustainability driven strategy, business model and value chain For a breakdown of Group employees by geographic region, see section 4.8.5.1
	SBM-2 - Interests and views of stakeholders	4.1.3.2 Constant, careful attention to the interests and views of stakeholders on sustainability
	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 Double materiality assessment 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 Double materiality assessment 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
	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: REFINED 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 Double materiality assessment 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 2025

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 Double materiality assessment 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 2025
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 ESRS 2 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 Double materiality assessment 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 2025
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 Double materiality assessment 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
	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 on sustainability 4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE 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 MAIN STRATEGIC OBJECTIVES
	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 MAIN STRATEGIC OBJECTIVES
	S1-2 - Processes for engaging with own workers and workers' representatives about impacts	4.8.3 ACTIVE STAKEHOLDER DIALOGUE, A CORE COMPONENT OF THE 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 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 MAIN STRATEGIC OBJECTIVES
ESRS S1 Own workforce	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 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 2025
	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 2025
	S1-12 - Persons with disabilities	Not material
	S1-13 - Training and skills development metrics	4.8.5.3 Number of hours of training per employee
	S1-14 - Health and safety metrics	4.8.5.4 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	4.8.5.5 Incidents, complaints and severe human rights impacts

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 on sustainability 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 on sustainability 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 A QUALITY POLICY 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	4.10.1 AN UNRIVALED QUALITY AND PRODUCT SAFETY STRATEGY TO MEET CUSTOMER NEEDS
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 Double materiality assessment 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

(Year ended December 31, 2025)

To the Shareholders Meeting of Compagnie Générale des Etablissements Michelin
Compagnie Générale des Etablissements Michelin
23 Place des Carmes-Déchaux
63000 Clermont Ferrand

This report is issued in our capacity as statutory auditor 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 year ended December 31, 2025 and included in the Group's sustainability report presented in the group management report.

Our procedures, which relate to this information, have been performed in an evolving context characterized by uncertainties regarding the interpretation of the laws and regulations, and the development of established practices.

Pursuant to Article L. 233-28-4 of the French Commercial Code, Compagnie Générale des Etablissements Michelin is required to include the above-mentioned information in a separate section of the group management report.

This information enables an understanding of the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its business, performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L. 821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the requirements set out in the sustainability reporting standards adopted by the European Commission pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of June 26, 2013, as amended by Directive (EU) 2022/2464 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 Group's sustainability report included in the management report with the provisions of Article L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by 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*".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually 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 sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Compagnie Générale des Etablissements Michelin in the group management report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

This engagement does not provide 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 the Group in terms of action plans, targets, policies, scenario analyses and transition plans.

Our engagement does not cover comparative information for the year 2023.

It also does not cover the Group's compliance with the legal and regulatory provisions relating to the vigilance plan published in application of Article L. 225-102-1 of the French Commercial Code.

Furthermore, as forward-looking information is inherently uncertain, actual future outcomes may differ, sometimes significantly, from the forward-looking information presented in the group management report.

Our engagement does, however, allow us to express conclusions regarding the entity's 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.

Sustainability information and the information required under Article 8 of Regulation (EU) No. 2020/852 may be subject to inherent uncertainty arising from the state of scientific knowledge and from the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates applied in preparing it and presented in the group management report.

Compliance with the requirements set out in the ESRS of the process implemented by Compagnie Générale des Etablissements Michelin to determine the information reported

Nature of 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 lead to the publication of information disclosed in the Group's sustainability report presented in the group management report, 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

We set out below the matters to which we paid particular attention in relation to the compliance with the ESRS of the process implemented by Compagnie Générale des Etablissements Michelin to determine the information reported.

The information relating to the way in which the Group updated its double materiality assessment and concluded that no major event or material change likely to affect sustainability matters was identified during the year, such as to require changes to the double materiality assessment, is presented in section 4.1.4.1 of the Group's sustainability report.

Based on interviews with management and the personnel we considered appropriate, and on an inspection of the available documentation, we reviewed the analyses performed by the Group, in particular the assessment of the internal and external factors taken into account to justify the absence of changes to the double materiality assessment. These factors notably include: changes in the reporting perimeter, changes in the nature of its activities, its portfolio of products and services and its geographical footprint, significant changes in its direct and indirect business relationships within the value chain, and new environmental, social or governance issues.

In exercising our professional judgement, our procedures also consisted in particular in:

- applying professional skepticism to the documentation of the analyses performed by the Group and to the approach used to identify the internal and external factors to be considered;
- assessing the appropriateness of the internal and external factors considered by the Group in the light of our knowledge of the Group and of the facts and circumstances specific to the Group;
- assessing the appropriateness of the process implemented by the Group for assessing impact materiality and financial materiality in order to determine the material information to be reported (including the setting of thresholds), in the light of our knowledge of the Group and of the facts and circumstances specific to the Group;
- assessing the appropriateness of the description provided in this respect in section 4.1.4.1 of the Group's sustainability report.

Compliance of the sustainability information included in the Group's sustainability report of the group management report with the provisions of Article L. 233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the Group's sustainable report, including the 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, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are 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 material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Group's sustainability report of the group management report, with the provisions of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Elements that received particular attention

We set out below the matters to which we paid particular attention in relation to the compliance of the sustainability information included in the Group's sustainability report presented in the group management report with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS.

The information disclosed on climate change (ESRS E1) is presented in section 4.2 "Changement climatique / Climate change" of the Group's sustainability report included in the group management report.

We set out below the matters to which we paid particular attention in relation to the compliance of this information with the ESRS.

Our procedures notably consisted in:

- based on interviews with management and the relevant personnel, in particular the Corporate Sustainable Development & Impact Department (Direction Corporate du Développement durable et Impact – DCDI), assessing whether the description of the policies, actions and targets implemented by the Group covers the following areas: climate change mitigation, climate change adaptation, energy efficiency and renewable energy;
- assessing the appropriateness of the information presented in section 4.2 "Changement climatique / Climate change" of the sustainability information included in the group management report and its overall consistency with our knowledge of the Group.

With respect to the information disclosed on the Group's greenhouse gas emissions balance, our procedures notably consisted in:

- reviewing the internal control and risk management procedures implemented by the Group to ensure the compliance of the information reported;
- assessing the consistency of the scope used for the greenhouse gas emissions balance with the scope of the consolidated financial statements and with the upstream and downstream value chain;
- reviewing the greenhouse gas inventory protocol used by the Group to prepare the greenhouse gas emissions balance and assessing the way in which it was applied, on a selection of categories of emissions and sites, for Scope 1 and Scope 2 emissions;
- with regard to Scope 3 emissions, assessing:
  - the justification for including or excluding the different categories and the transparency of the information provided in this respect;
  - the process for collecting information;
- assessing the appropriateness of the emission factors used and the related conversion calculations, as well as the calculation and extrapolation assumptions, taking into account the inherent uncertainty arising from the state of scientific and economic knowledge and from the quality of external data used;
- discussing with management the main changes in the Group's activities during the year that may have affected the greenhouse gas emissions balance;
- for physical data (such as energy consumption), reconciling, on a test basis, the underlying data used to prepare the greenhouse gas emissions balance with the supporting documentation;
- with regard to the estimates used by the Group in preparing its greenhouse gas emissions balance that we considered significant:
  - through interviews with management, gaining an understanding of the methodology used to calculate the estimated data and the sources of information on which these estimates are based;
  - assessing whether the methods were applied consistently or whether there were changes compared with the prior period, and, where applicable, whether these changes were appropriate;
- checking the arithmetic accuracy of the calculations used to prepare this information.

With regard to the procedures performed on the transition plan for climate change mitigation, we mainly assessed whether the disclosures relating to the transition plan comply with ESRS E1 requirements and appropriately describe the key assumptions underlying this plan, it being specified that we are not required to assess the appropriateness or ambition of the objectives set in this transition plan.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by par Compagnie Générale des Etablissements Michelin to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to 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 relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We determined that there were no such matters to be communicated in our report.

Done at Neuilly-sur-Seine and Paris-La Défense, on February 16, 2026.

The statutory auditor(s)

PricewaterhouseCoopers Audit	Deloitte & Associés
Itto El Hariri	Frédéric Gourd