

ENVIRONMENTAL ***POLICY***

LOGISTIC SECTION



SOMMAIRE

1. Purpose	3
2. Application	3
3. The objective	4
4. Environmental risk management	4
5. Areas of Environmental Performance Improvement	5
5.1. CO₂	5
5.1.1. The 2050 ambition	5
5.1.2. The 2030 objectives and management indicators	5
5.1.3. The levers	5
5.1.4. Program-Specific Fundamental Rule(s)	5
5.2. Adaptation to physical climate risks	6
5.3. Waste	6
5.3.1. Preamble (Industrial sites section)	6
5.3.2. Ambition	6
5.3.3. The levers	6
5.4. Fundamental rule(s)	7
Appendix	8

1. PURPOSE

Michelin's Environmental Policy is fully in line with its «All Sustainable» approach, i.e. the constant search for the right balance between human, economic and environmental stakes. It reflects the Group's commitment to reducing its environmental footprint and adapting to climate risks, and is based on the following guiding principle:

Drawing on the science, the Michelin Group intends to conduct its business in such a way that planetary boundaries, the health of living organisms, and ecosystem services are respected.

The purpose of this document is to set out the Group's Environmental Policy, by explaining the principles, ambitions, and prescriptive elements relating to logistics sites and flows. This document is inseparable from the general section of the Environmental Policy, which must be read first.

2. APPLICATION

This document is applicable to the sites and logistics flows of raw materials, semi-finished products, finished products, used products, spare parts, packaging of all Group companies as defined in the General section of the Policy, no later than **March 30th, 2026**.

This document applies to logistics flows (Transport) that are under the direct control of Michelin and its Tier 1 suppliers (direct suppliers, excluding Tier 2 subcontractors and above).

This document applies to logistics sites managed directly by Michelin. At this time, this document does not describe the requirements for the logistics sites of our Tier 1 suppliers. This will be completed in a future release.

This document is applicable to all handling and transport services purchased alone, i.e. excluding «transport on purchase». These transports are subject to the «Purchasing» section of the Environmental Policy and are outside the scope of this document.

This document excludes the scope covered by the section of the Environmental Policy concerning production and research sites, excluding in particular logistics sites under the responsibility of an industrial site.

Application Matrix

Domains - Subdomains	Transport	Locations Logistics
Climate change - Energy and CO ₂ emitted Scope 3	CO ₂	None
Climate change - Adaptation	YES	YES
Material consumption - Scarcity of raw materials, circularity of products		WASTE

3. THE OBJECTIVE

The Group's desire is **to carry out its activity sustainably by preserving the environment** during its logistics activities (transport, storage and handling) and in the management of associated waste:

- **Compliance with applicable regulations** and Group requirements
- Improvement of environmental **performance** and reduction of impacts
- Identification and **management of environmental opportunities and risks**

The management of this policy is essentially based on:

Quarterly monitoring of KPIs in the zones, consolidated centrally by the Supply Chain Operational Department (DOSC)

The definition and monitoring of action plans in the regions with the gains associated with each action

A global roadmap for 2030

4. ENVIRONMENTAL RISK MANAGEMENT

• For logistics sites under Michelin's direct responsibility

The management of environmental risks is the initial foundation of the environmental approach to the Group's sites. This control is based on the implementation of the Environmental Management System (EMS). This system aims to ensure that continuous progress is made in controlling environmental impacts and identifying environmental opportunities, both on a daily basis and in the long term.

Integrated into the SMEP¹, the Michelin EMS is structured around five EP processes: ① Comply with applicable requirements; ② Analyze risks and assess their control; ③ Implement operational control and test emergency plans; ④ Deal with anomalies; ⑤ Inform, communicate, consult.

These processes are complemented by cross-functional processes: M1 – Measuring and understanding performance; M2 – Managing activity and progress; M3 – Management and development of people; S1 – Train people.

The Michelin EMS fully meets the requirements of ISO 14 001 certification.

In addition, the Group's Internal Control system provides the Group with a reasonable guarantee that the Group's internal requirements, external reporting requirements and laws and regulations are applied.

• For transport,

The main suppliers are evaluated by a third-party company (to date by EcoVadis), according to a methodology that includes environmental issues, human rights (including health and safety), and business ethics.

When the score obtained by the supplier is not at the level expected by the Group, the supplier is asked to implement corrective actions.

In the absence of an assessment by the designated third party, the supplier may propose another third party.

Metrics :

- % of target suppliers* covered by assessments, and with an assessment at the expected level
- % of purchase amount (spend) covered by CSR assessments
- % of suppliers who had a lower-than-expected assessment and who prepared corrective actions

* Suppliers with a purchase amount beyond a defined annual amount
 1 SMEP : Environmental and Prevention Management System.

5. AREAS OF ENVIRONMENTAL PERFORMANCE IMPROVEMENT

The main areas of management of the Group's environmental performance are as follows.

5.1. CO₂

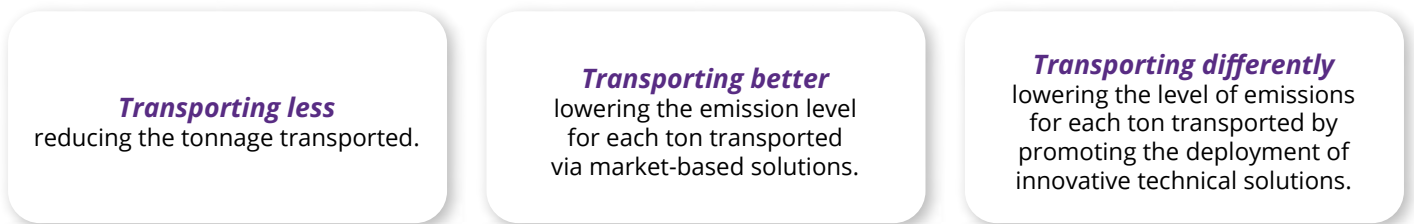
5.1.1. The 2050 ambition

By 2050, the Group's ambition is to achieve net zero emissions (excluding use), including for logistics operations.

5.1.2. The 2030 objectives and management indicators

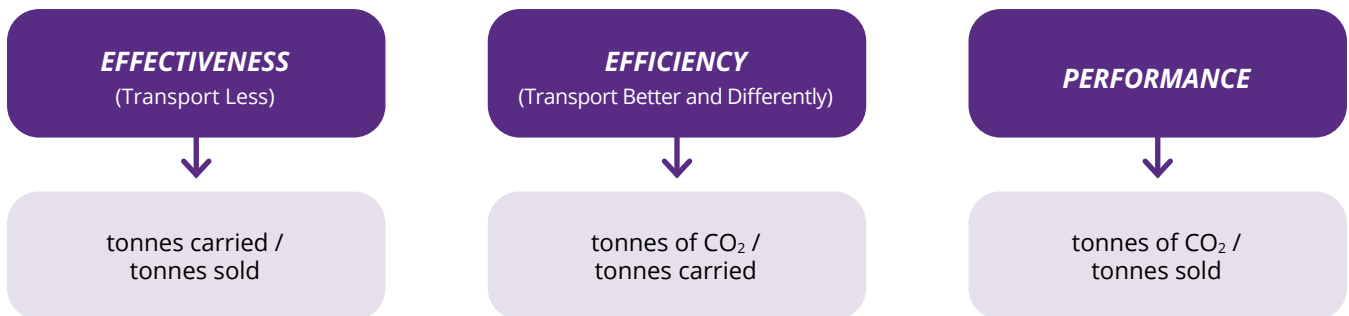
By 2030, the Group's objective for transport is to reduce CO₂ emissions in absolute terms by 28% compared to 2019 within the scope described in paragraph 2. This is reflected in an indicator for monitoring emissions (net emissions in t CO₂ e. WTW ²).

5.1.3. The levers



See Appendix 1 details of the actions inherent in the CO₂ levers

The indicators for measuring progress on the 3 levers are defined as follows:



5.1.4. Program-Specific Fundamental Rule(s)

The Group periodically sets and updates an internal CO₂ price, which is applied in the analysis of value creation and the calculation of the return on investment of projects.

The measurement of transport-related CO₂ emissions is carried out in accordance with the rules defined by the GLEC ³. The calculation process is described in the document *CO₂ Calculation Reference for SC*.

² Well To Wheel = from well to wheel

³ The Global Logistics Emissions Council (GLEC) framework represents the latest methodological developments in the quantification and reporting of logistics emissions, on an international scale. This is the current state of the art in emissions calculation and reporting.

5.2. ADAPTATION TO PHYSICAL CLIMATE RISKS

By 2030, Michelin sites requiring a detailed vulnerability analysis to physical climate risks have carried out this analysis with the level of depth required by the Group and defined in the *PRE_653_AQ_CC* prescription.

Adaptation measures are implemented at all sites that require it with regard to:

- Risks to the health and safety of people,
- Business continuity, supply chain and asset security risks.

These adaptation measures will help achieve tolerable levels by:

- 2030, if possible, for risks identified as intolerable by 2030,
- 2050, for risks identified as intolerable by 2050.

For sites leased by Michelin that require it in view of the risks to the health or safety of people or the risks of business continuity, as well as for transport infrastructures (seaports, railway nodes, waterways, airports, etc.) that require it with regard to the risks of business continuity and supply, influential or collaborative actions are carried out. They aim to ensure that external stakeholders implement adaptation measures within the timeframes mentioned above.

Site projects include measures to adapt to non-tolerable risks to the health or safety of people, business continuity, supplies and the safety of assets from the design stage.

5.3. WASTE

5.3.1. Preamble (Industrial sites section)

Finished products that comply at the end of production and then destocked from logistics warehouses to be denatured are processed by applying the virtuous hierarchy of levers defined in the «Production Sites» section of the Environmental Policy. In particular, landfilling is prohibited (Zero Waste to Landfill).

5.3.2. Ambition

The Group's ambition is to reduce at maximum the volumes of finished products denatured in its logistics warehouses by 2050 by treating the various drivers:

- Waste due to overstock and exceeding ageing deadlines,
- Waste from original equipment sorting waste.

The monitored indicator relates to the tons of finished products that comply at the end of production and then destocked from logistics warehouses for denaturation.

5.3.3. Les leviers

This reduction will be achieved by activating hierarchical levers:

#1 - Préventive:
allowing to **avoid** the waste

#2 - Curative:
allowing to manage the **waste** (and to **capitalize**)

See Appendix 2 – details of the actions inherent to the Waste levers

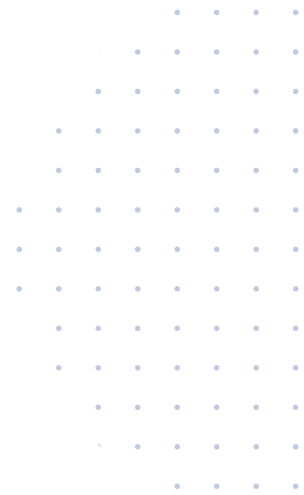
5.4. FUNDAMENTAL RULE(S)

In addition to the golden rules and the virtuous hierarchy of levers defined in the «Environmental Policy - General section», the following rule applies:

The Group's Supply Chain Operational Department (DOSC) sets annual progress targets for the following components after sharing with its internal partners in the regions and business lines:

- CO₂ emissions from transport (performance rate)
- Waste reduction & treatment

When special circumstances justify derogation from this rule, it must be submitted to the CSR Steering Committee of the DOSC for approval.



APPENDIX 1***details of the actions inherent in the CO₂ levers***

Transporting less: we are taking action to reduce our tons transported in absolute terms. The main levers are:

- SF/FG integration: promote the production of Semi-Finished products in the “Finished Goods” factories that consume them and thus to limit transfers between production units.
- Direct deliveries to our customers from the production sites without going through an intermediate storage center.

Transport better: we are taking action to optimize our current means of transport.

- Increase the filling rate (most suitable trucks, better filling, reduce frequencies to allow better massification),
- Implement the modal shift from road to rail or ship, in particular on links of 700 km and more,
- Limiting aircraft to the strict minimum
- Local to Local: we aim to reduce distance between producers and consumers.

Transporting differently: we are taking action to promote the deployment of innovative technical solutions in transport, such as Wind Powered transport, Electric Truck (BEV) or hydrogen trucks (FCEV), etc...

This promotion can be carried out:

- Either directly
 - Either with the support of national or international collaborations (e.g. France SC, etc...)
-

APPENDIX 2

Details of the actions inherent in the waste levers

This reduction will be achieved by activating the following levers:

- Application of **FEFO** (First **EXPIRED**, First **OUT**) stock management best practices in our warehouse via digital solutions,
- Robustness of the destocking process in partnership with the Distribution teams,
- Improvement of OE sorting rejection levels in partnership with the industry and OE teams
- Change in the deployment model of products based primarily on orders for low-volume products,
- Foster the **Make To Order** model instead of **Make To Stock**.
- Improve the quality of forecasting

The articulation of these levers with the virtuous hierarchy of levers is as follows:



PRÉVENTIVE

- Improve OE rejection level (process control, customer negotiation – required uniformity)
- Improve forecasting quality
- Catalog Simplification (Simplexity)
- Optimize Phase Out
- Change deployment model for low-volume products
- Foster **Make To Order** instead of **Make To Stock**
- Apply stock management best practices **FEFO** (First Expired First Out), in our warehouse via digital solutions

CURATIVE

- Reinforce the destocking process in partnership with the Distribution teams
- Gift
- Pricing
- Catalog Simplicity (Simplexity)

