

DUTY OF CARE PLAN 2023

May 2024 publication



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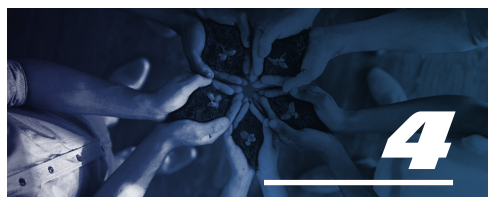
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EDITORIAL

BY MICHELIN'S CHIEF EXECUTIVE OFFICER

The duty of care is at the heart of Michelin's action. The company is effectively faced with various types of risks, linked to health and safety, human rights or the environment. Michelin's action is aimed at preventing and attenuating all of these risks, whether they are associated directly with its own businesses or those of its suppliers and subcontractors.

This approach is guided by the Group's values and purpose. Without controlling the risks inherent in the company's operations, there can be no sustainable value creation, ambitious action to protect the planet and its inhabitants, or collective or individual personal development.

This document reflects the over-arching consideration given to these risks. More importantly, it spotlights the ambitious nature of the steps taken by the employees to control them. It is the fruit of a determined approach and a management that is careful to involve all of the stakeholders concerned within the Group and the supply chain. Michelin's membership of the United Nations Global Compact since 2010 and my chairmanship of the France Network since 2022 are an integral part of this initiative.

Through its sheer scope and thoroughness, this plan is the reference document for managing and monitoring CSR risks. Everyone will find in it the necessary information about Michelin's duty of care approach, which lies at the heart of the company's commitments and underpins its future achievements.

Florent Menegaux

INTRODUCTION

For the seventh year in a row, Michelin has fulfilled its obligations under the French Duty of Care Act by drawing up this plan. It sets out the risks associated with the business operations of the Group and its main suppliers and subcontractors in the areas of human rights, health & safety and the environment, along with the measures taken to prevent and mitigate them.

The Duty of Care Plan has a fully-fledged role to play in implementing the Group's values, purpose and commitment to responsible development in relation to all of its stakeholders. This commitment is reflected in strategic management of sustainable development issues at the highest level of the company: The Group Management Committee - composed of the Executive Committee and the Directors of several other functions, including Legal and Purchasing - reviews the strategic decisions made by the Ethics Committee and the Human Rights, Health & Safety, Environment and Sustainable Finance governance bodies at twice-yearly sessions chaired by the Sustainable Development and Impact Director. Since 2020, the Group's Supervisory Board has also included a CSR Committee that oversees issues related to Michelin's corporate social responsibility.

The People, Profit, Planet approach, which underpins Michelin's duty of care initiatives, is rooted in its founding documents and its policies, in particular the Code of Ethics, the Framework Policy on Human Rights, the Purchasing Principles, the Health, Safety and Quality of Worklife Policy, the Environmental Policy, and the Diversity and Inclusion Policy. In these documents and the associated referentials, the Group has laid down compliance standards that not only meet the standards of the countries in which it operates but often exceed the requirements of the local legislation.

In its duty of care approach within its operations and its value chain, Michelin also stands on compliance with international standards. Since 2010, the Group has participated in the United Nations (UN) Global Compact and upholds the UN Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The illustration below highlights the Group's contribution to the UN's 2030 Agenda for Sustainable Development, including its interactions with its main stakeholders and its commitments to each of the Sustainable Development Goals (SDGs).



This new edition focuses more specifically on the Group's collaboration with its stakeholders on each of the main themes tackled, by presenting a summary table of the major partnerships forged by the company for each theme and mentioning the principle stakeholders within the main chapters.

Some of the subjects dealt with in this plan were discussed at the CSR Committee of the Supervisory Board meetings in 2023, namely the Group's climate strategy, the sustainable natural rubber strategy

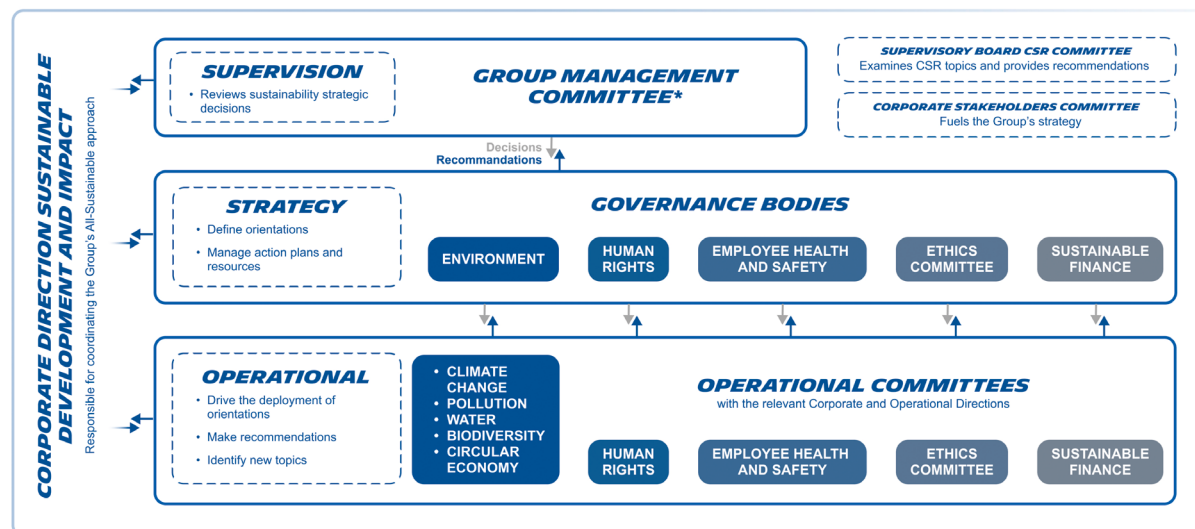
and the Michelin One Care social protection program for employees. Michelin's "All Sustainable" approach was also on the agenda of the annual meeting between the Executive Committee and its Corporate Stakeholder Committee, held in Blanzay, France, on October 4 and 5, 2023. Three topics were discussed: renewable and recycled materials, the renewable energy allocations for customers, and Michelin's duty of care to its suppliers beyond tier 1.

Governance of the Duty of Care Plan

The drafting and oversight of the plan are coordinated by the Sustainable Development and Impact Department (DCDI), which leads a task force involving the Internal Control, Risk Management, Environment and Prevention, Purchasing, Human Resources, Legal Affairs and Compliance Departments.

The items comprising the Duty of Care Plan are published in the 2023 Universal Registration Document (URD), primarily in the Statement of Non-Financial Performance¹, and are set out in a table of concordance². Each chapter of the plan mentions the corresponding section of the URD, in which further information is provided.

ALL-SUSTAINABLE GOVERNANCE



* Group Management Committee = Group Executive Committee + the following departments: Legal, Purchasing, Finance, Information Systems, Internal Control, Audit, Risk Management & Quality, Strategy, Supply Chain, Corporate Business Services, China and the North America Regions.

¹ Cf. URD, Chapters 4 and 2.

² Cf. URD Chapter 4.3 on the Duty of Care and the table of concordance



Context of the Group's business, and strategy

Michelin is pursuing a strategy of sustainable growth in the fields of tires, connected mobility solutions and high-tech materials. Drawing on its unique expertise in composites and cutting-edge production processes, our Group is constantly innovating to design high-grade technology products and polymer-based components for critical applications, along with connected fleet solutions and remarkable experiences selected by the MICHELIN Guide.

The Group operates at some 121 production plants in 26 countries across Europe, the Americas, Asia and Africa, and markets its products and services all over the world. Approximately 60% of its 132,500 employees are production operators, while some 6,000 people work in R&D.

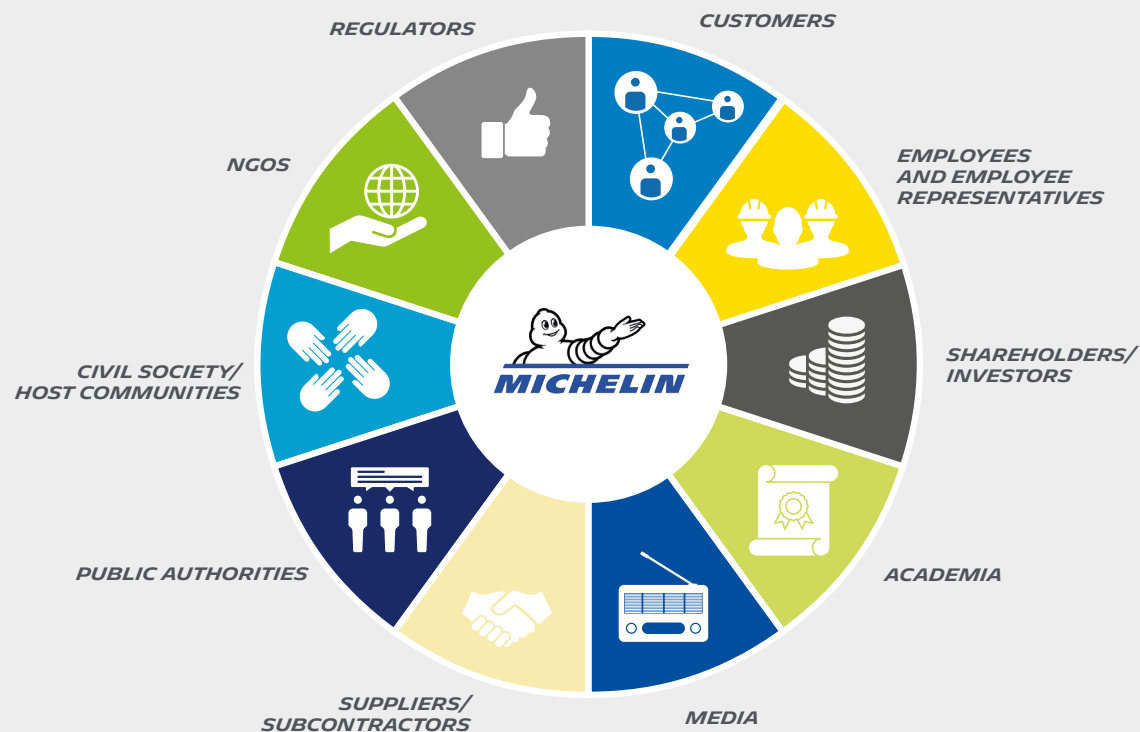
The Group's supply chain is a complex one, mainly because of two factors: firstly, tires are composed of around 200 types of materials, and secondly, Michelin has roughly 40,000 suppliers across all continents. Natural-rubber procurement in particular presents certain distinctive features.

Against a global backdrop of ecological, technological and societal change, Michelin seeks to ground its development on complementarity and balance between the issues of employee well-being, economic and financial stakes, and the stakes entailed in protecting the planet.

Stakeholder dialogue

(See detailed presentation in the URD 4.1.2.3).

By "stakeholders", the Group means people or groups of people who are either currently impacted by its business or who could potentially impact its business in return. The Group aims to factor their needs and expectations into the company's strategy. Building a relationship of trust between Michelin and its stakeholders gives the Group an opportunity to more effectively anticipate and meaningfully challenge its commitments and actions in favor of sustainable development, and to help bolster its duty of care approach.



Michelin has long maintained an ongoing dialogue with all of its stakeholders. Every year, the relevant Group departments organize formalized, regular contacts with each category of stakeholder – customers, investors, employee representatives, suppliers, public authorities, local communities, international organizations and NGOs.

Within the Group, the Sales, Marketing, Investor Relations, Purchasing, NGO Relations, Public Affairs, Labor Relations, Personnel Management Departments, along with the plants' Communication Managers, are tasked with ensuring that their contacts' expectations are addressed and that a constructive response is provided. The regions are also in communication with the appropriate

stakeholders regarding their local situation on the ground. Numerous contacts are made with these stakeholders throughout the year at both central and local level.

A Corporate Stakeholder Committee

Since 2016, the company has also organized meetings of a Corporate Stakeholder Committee composed of independent outside personalities representing the Michelin Group's main stakeholders. The Committee has a consultative and guidance role in assessing whether Michelin's sustainable development strategy is in line with the external needs and expectations. A meeting with the Group Executive Committee is organized once a year.

In 2023, the Committee was comprised of 12 standing members from various continents, including Europe, Asia, North America and Africa. All represented the Group's main discussion partners, namely: a supplier, two customers, a trade union, two NGOs, an investor, an international organization, a philosopher, a leading researcher in the transformation of mobility in cities, a representative of the new economy and a representative of the young generations.

The Committee's eighth annual meeting with the Group Executive Committee members was held, in person, at the Blanzay manufacturing facility (France) on October 4 and 5, 2023.



Dialogue with civil society organizations

Michelin also maintains an ongoing dialogue with civil society organizations in both environmental and social/societal spheres.

A coordinator of the Group's relations with civil society organizations at headquarters level draws on a network of 28 correspondents around the world. Within this framework, every two

years Michelin meets with all of its outside stakeholders to discuss sustainable natural rubber. The latest meeting took place in November 2022 in Clermont-Ferrand.

Discussions with NGOs also made the Group aware of their opinion on the subject of decarbonizing its manufacturing operations, for example.

Collaboration with institutional partners on sustainable development

Michelin is working on sustainable development issues with its broader ecosystem. The Group works in collaboration with a variety of entities, including institutional partners, non-profits and NGOs, at national and international level. Michelin aims

to steadily move forward on the various aspects of sustainability (business model, climate, biodiversity, human rights, etc.) through collective expertise and shared best practices.

Main stakeholders with which the Group was in discussion in 2023

ENTITIES	CATEGORY	MAIN ISSUES
UN GLOBAL COMPACT	International institution	Deployment of the sustainable development objectives
WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD)	International institution	Climate, Nature, Employee relations, Transportation, Training
TIRE INDUSTRY PROJECT (TIP) AT THE WBCSD	International institution	Tire industry, ESG
BUSINESS FOR INCLUSIVE GROWTH (B4IG) AT THE WBCSD	International institution	Diversity and inclusion, Human rights, Living wage, Just transition
GREEN BIZ	European association	Monitoring of CSR issues
ENTREPRISES POUR L'ENVIRONNEMENT (EPE)	French association	Climate, Biodiversity, Finance, Public Affairs
ORÉE	French association	Biodiversity, Circular Economy, ESG
ENTREPRISES POUR LES DROITS DE L'HOMME (EDH)	French association	Human rights, Duty of Care Plan
C3D - COLLÈGE DES DIRECTEURS DÉVELOPPEMENT DURABLE	French association	CSR business model
COMMON STAKE	French association	Civil society, cross-cutting issues and CSR
CENTER FOR LIFE CYCLE ASSESSMENT AND SUSTAINABLE TRANSITION (CIRAIG)	Think Tank	LCA methodology
ELLEN MACARTHUR FOUNDATION	Think Tank	Circular economy
IDDRI	Think Tank	Academic - climate, biodiversity, transportation, analysis of international negotiations
WWF	NGO / Think tank	Strategic cooperation - climate, nature, biosourced materials, decarbonization
INTERNATIONAL TRANSPORT FORUM (ITF)	International institution	Studies of mobility and sustainable development
SUSTAINABLE MOBILITY FOR ALL (SUM4ALL)	International institution	Sustainable mobility concepts and guidelines
TRANSPORT AND ENVIRONMENT	NGO	Decarbonization
EUROPE CLIMATE FOUNDATION	NGO	Decarbonization

Moreover, where lobbying is concerned, the positions held by Michelin's public affairs teams lie within the Group's All Sustainable strategy, particularly with regard to the climate, in line with the Paris Agreement.

A close dialogue with environmental protection associations

Michelin also forges ties with environmental protection associations and organizations. These initiatives concern not only the production plants and the Technology Center but also tertiary sites and issues related to the Group's value chain. Partnerships are also being created with local, national and international associations, notably to support biodiversity.

In 2024, Michelin renewed its cooperation agreement with the NGO the *World Wildlife Fund (WWF)* to promote the sustainable natural rubber initiative around the world. The Group is actively involved in the work of the *Global Platform for Sustainable Natural Rubber (GPSNR)*. This multi-stakeholder platform, of which Michelin is a founding member, is intended to promote best practices throughout the value chain. Alongside the WWF, various other NGOs play an active part in the platform's activities, including Birdlife International, the *FIDH (International Federation for Human Rights)*, the FSC, Global Witness, Mighty Earth, Rainforest Alliance and EarthWorm. Lastly, the Group is in talks with numerous national or local NGOs in order to help protect the environment and foster the development of best practices.

Dialogue with investors

Over the course of 2023, the Group's Investor Relations teams, accompanied by the Group's Chief Executive Officer and/or the Managing Partner and the Group's Chief Financial Officer, talked with its corporate shareholders at various types of events: offline roadshows, online roadshows, attendance at automotive, ESG and general-interest conferences, along with various events for shareholders.

For the second year running, a roadshow dedicated to Governance issues was held in early October 2023, led by the Chair

of the Supervisory Board, the Investor Relations team and the Group Legal Department.

In 2023, the Group published its third report on ESG data, for the year 2022, on its website. The report was in Excel format only, to facilitate access for all stakeholders.

A dynamic social dialogue

Michelin's identity and philosophy have always prompted the Group to foster a lively social dialogue, seen as a driver for its sustainable performance. The Duty of Care Plan and the Risk Map accordingly include the quality of social dialogue as an important issue (see Chapter 1.4. Freedom of Association).

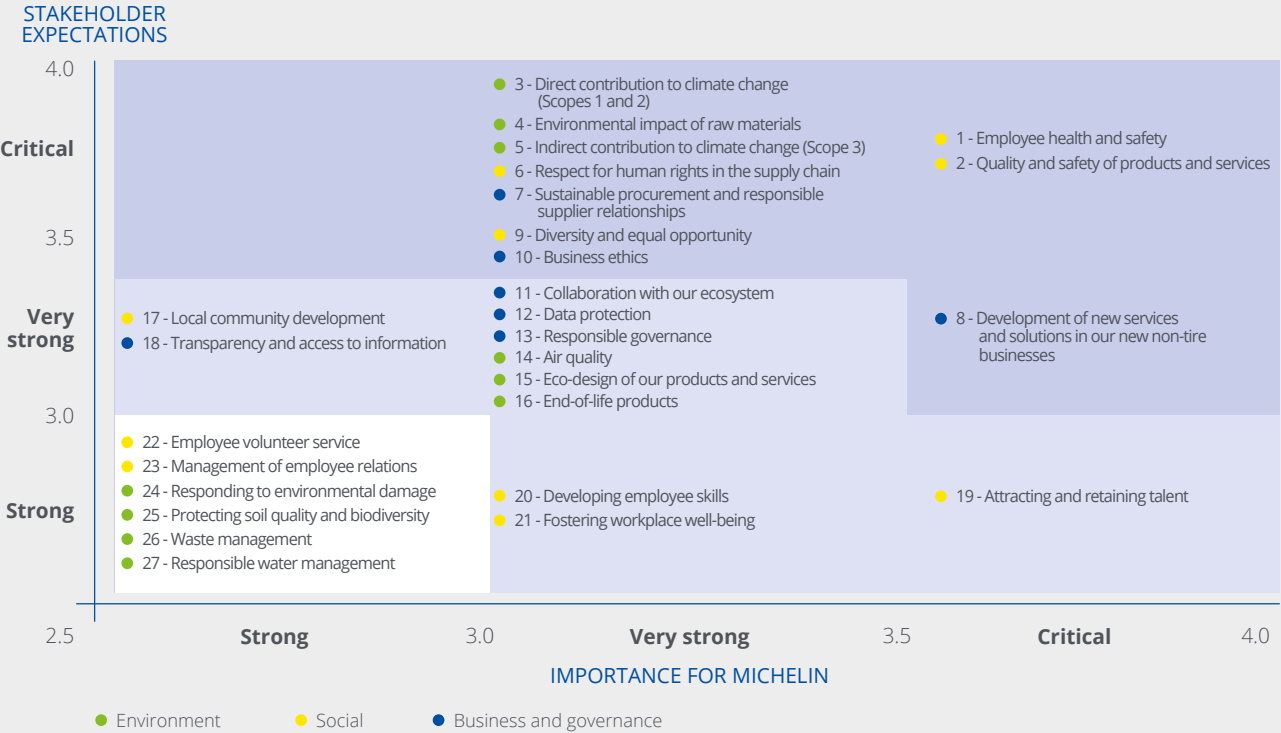
Methodology and risk mapping

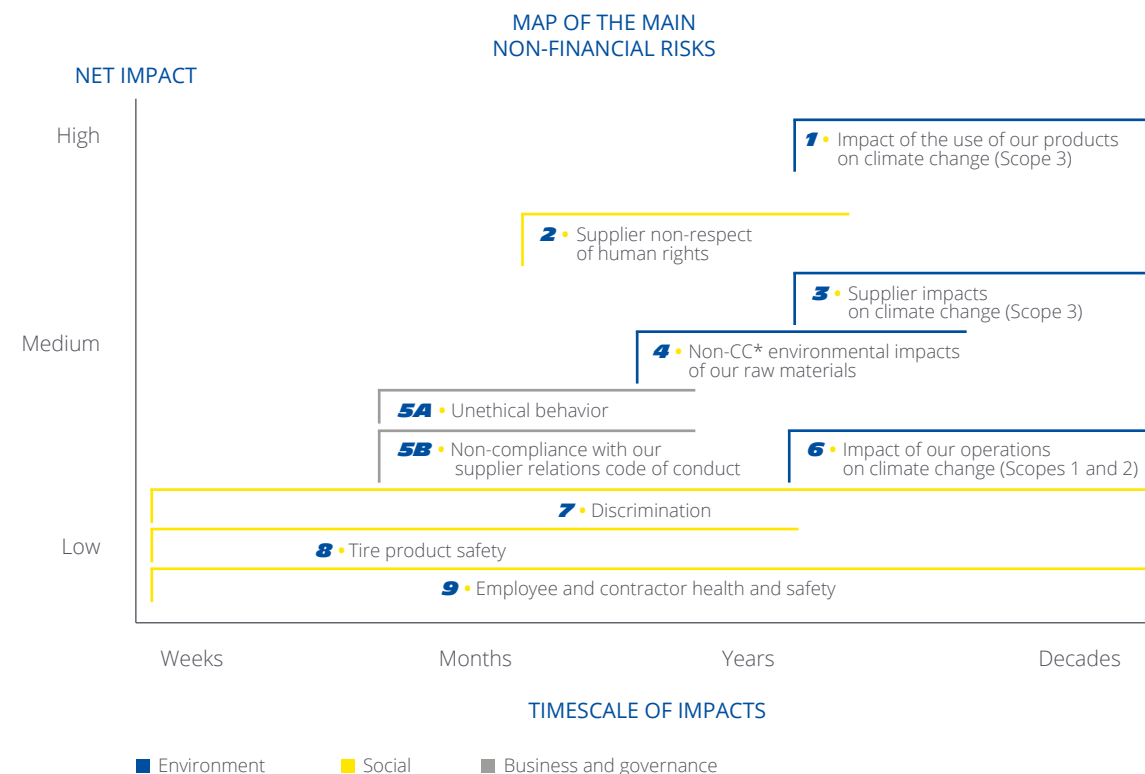
Materiality matrix

To define and manage its main social responsibility issues, the Group has prepared a materiality matrix. These issues represent not only potential risks, but also opportunities for growth and business development.

A materiality matrix, presented below, was produced in 2021 by an outside firm, which consulted external stakeholders and Michelin employees in six countries (Germany, Brazil, China, the United States, France and India) considered representative of the Michelin Group's operations. To do so, the firm analyzed 41 interviews and 120 questionnaires. A second round is planned for 2024.

In an initial approach, the Group selected the 10 most critical of these 27 issues (shown in dark blue on the matrix) and translated them into risks. This new map of non-financial risks can be used to position risks according to their consequences horizon over time and their net impact outside the Group.





Risk-mapping methodology

The materiality matrix issues, whether environmental, social or business & governance-related, have been translated into risk families using the internal risk-assessment methodology. They were then assessed and positioned, in relation to each other, by the Group's experts according to:

- their net effect outside the company, i.e. their potential seriousness. This is gauged according to multiple criteria, including their impact on the environment and on people, and the incorporation of the risk-mitigation measures introduced through the existing provisions;
- the horizon of consequences, i.e. the time span in which the risk may occur. The positioning of environmental risks factors in the main risks during the products' complete life cycle.

As part of its continuous improvement approach, the Group has also drawn up a methodology to factor in the risks and impacts. To this end, the risks presented in 2022 have been redefined in 2023 according to the following categories:

- "Risks", when there are potential repercussions on the Group;
- "Impacts", when there are potential repercussions on its ecosystems.

Risks and Impacts use two scales to measure their effects:

- a scale of the financial, image and human impacts of its Risks;
- a scale of accountability for its environmental, social and business & governance impacts.

Accountability (defined by the ISO 26000 standard) consists in deeming that an organization must be answerable for its impacts on its stakeholders. The degrees on the accountability scale vary with the extent of the impact and the organization's level of influence on the ecosystem concerned.

The risks and the associated remediation plans are dealt with in this duty of care plan.

Scope of the Duty of Care Plan and risk control in newly acquired companies

(See detailed presentation in the URD 2.1.3).

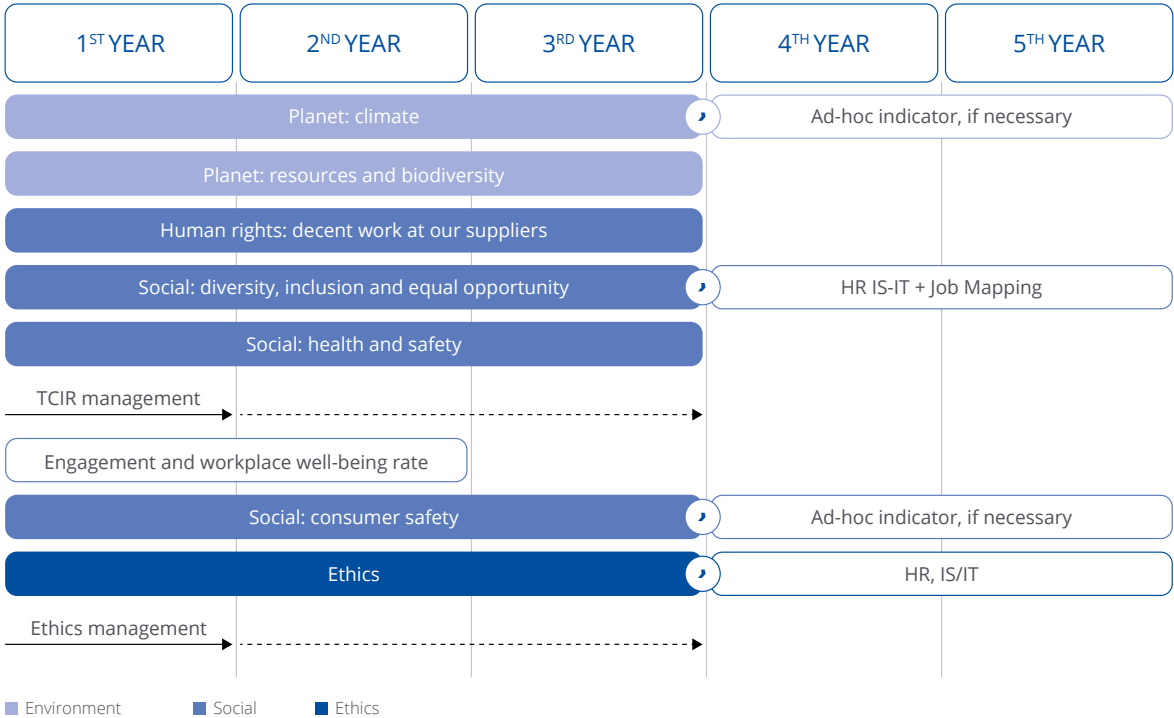
The scope of the duty of care plan encompasses all of the Michelin Group's operations, its subsidiaries and majority joint ventures, along with its tier 1 suppliers and beyond for the natural rubber supply chain.

Because the Group's growth strategy since 2014 has entailed the acquisition of new companies, risk control is assessed and, if necessary, gradually upgraded in these companies. Each acquisition is subject to prior due diligences, depending on the

company's specific risks (ethical, taxation, environmental, legal, product liability and cybersecurity risks) with the support of internal and/or external specialists. A member of the Sustainable Development and Impact Department assists the Mergers and Acquisitions team with identifying the risks relating to the environment and human rights. When discrepancies with the levels expected by the Group are observed, appropriate mitigation and prevention measures are taken.

An integration plan specific to these companies, led by a project manager, is designed and implemented under the supervision of a member of the Group Executive Committee and the *Mergers & Acquisitions (M&A)* department. The Supervisory Board is informed of these operations at least twice a year in the conditions set out in its internal regulations.

Procedure for including recently-acquired companies in CSR reporting



To enable tracking of the new companies' social and environmental issues, principles for incorporating these companies in the Group's CSR reporting were drawn up in 2022 with the associated time frames:

- The newly-acquired companies are incorporated into the Group's CSR reporting;
- The scope of coverage of the consolidated indicators depends on their relevance to the business sector, the materiality of their impact and the maturity of the company;
- In the majority of cases, this integration takes place within three years after closing. However, for certain indicators that require information systems to be installed for their calculation and consolidation, and/or an adjustment to the type of business, this incorporation can take up to five years after closing;
- Health & safety or ethics indicators need to be managed right from the first year.

These rules have applied since 2022 and some companies acquired earlier (Camso and Fenner in particular) are now partially incorporated into the Group's indicators.

1

HUMAN RIGHTS RISKS

1.1 Human rights violations at our suppliers' premises

1.2 Discrimination

1.3 Harassment

1.4 Freedom of association

1.5 Privacy and personal data

1.6 Compensation and social protection

1.7 Local communities

1.8 User safety



1. HUMAN RIGHTS RISKS



Since 2015, a specific work package has been devoted to identifying human rights risks in the company. The Group employs over 132,200 people and has manufacturing operations in 26 countries and broader business operations in 177 countries with varied legislations and cultures. Its employees, the local communities around the plants, its suppliers and also its consumers may be exposed to the risks of human rights violations. Some risks (such as child labor and forced labor) are deemed to be very minor within the Group but may be present in the supply chain.

Michelin makes every effort to uphold human rights in all its businesses and in every host community. The Group embraces both the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Since 2010, Michelin has been a signatory to the United Nations Global Compact, an initiative set up and led by the United Nations, which encourages enterprises to adopt a socially-responsible attitude through ten principles.

Michelin is committed to applying the International Labour Organization (ILO) conventions worldwide, particularly in relation to freedom of association and protection of the right to organize³, the elimination of discrimination in employment and occupation, the elimination of forced labor and the effective abolition of child labor³.

These principles have been written into internal reference documents, in particular the Code of Ethics, the various Personnel policies (Diversities & Inclusion, Employee & Labor Relations, etc.)

132,200

Michelin employees in 2023

and the Michelin Purchasing Principles. In 2023, the new framework policy on human rights was circulated in the company and posted on the Group's website. The policy sets out Michelin's principles on nine subjects: discrimination, harassment, health & safety, living wage and social protection, freedom of association, privacy and personal data, child labor, forced labor and impact on local communities. (<https://www.michelin.com/durable/entreprise/societe>).

POLICY DEPLOYMENT AND TRAINING COURSES

To round out these acculturation and prevention measures, a self-assessment tool on human rights risks has been developed and rolled out, and an e-learning module has been developed for the first time on the subject. It has been made available for all employees and is mandatory for the Group's most senior executives.

A Human Rights network set up in 2023 holds quarterly meetings of the managers of each of the Group's major industrial countries. Its goal is to lead efforts to prevent human rights risks throughout the Group.

After the Group launched a living wage initiative, all Group companies achieved certification by the FairWage Network (Living Wage Global Employer), ensuring that 100% of Group

employees are paid remuneration that is at least equivalent to the living wage benchmark⁵.

³ Cf. URD 4.1.2.3 Promoting responsible social dialogue.

⁴ Cf. URD 4.1.2.1 b Risks and preventive measures / Decent work-related risks currently being assessed in the contracting chain).

⁵ Scope of the 2023 campaign = 100% of Group companies. This represents 100% of the Group's personnel, with the exception of very recently-acquired companies (acquired in 2023, along with the Royal Lestari Utamu companies) and companies in the process of being sold.



Stakeholder dialogue

TYPES OF STAKEHOLDERS	EXAMPLES OF STAKEHOLDERS	EXAMPLES OF TOPICS BROACHED
INTERNATIONAL ASSOCIATION	World Business Council for Sustainable Development (WBCSD) – B4IG	Diversity and Inclusion, Human Rights, Living Wage, Just Transition, Inequalities
FRENCH ASSOCIATION	EDH (Entreprise pour Droits de l'Homme)	Human Rights and the Duty of Care Harassment WG "Indicators" WG on issues related to the duty of care initiatives, revolving around the European Sustainability Reporting Standard (ESRS).
INTERNATIONAL INSTITUTION - FRANCE NETWORK	The Global Compact's Human Rights Club - France network	Mental health in the workplace Digital accessibility
INTERNATIONAL INSTITUTION	Global Deal	Social dialogue, decent work
INTERNATIONAL ASSOCIATION	Fair Wage Network	Living wage

To identify its risks, Michelin has consulted the VeriskMaplecroft dataset of countries that present a risk for human rights, and also the Group's materiality analysis. A specific analysis was also conducted into the suppliers most at risk of using forced labor.

GOVERNANCE

Twice a year, the **Human Rights governance body** ratifies the Group's human rights policy, ambitions and strategy. It is chaired by the Director of the Group's Personnel Department, who sits on the Executive Committee, and it is co-chaired by the Executive Vice President of Engagement and Brands. Its other members are as follows: the Executive Vice President of Manufacturing, the members of the Executive Committee, the Vice President of Purchasing, the Vice President of Public Affairs, the Head of Legal Affairs, the Senior Vice President of the Sustainable Development and Impact Corporate Direction, the Director of Internal Control, and the Director of Safety and the Environment. It is led by the Group's Social Development Director. A multidisciplinary operational committee also meets eight to ten times a year. Its members are representatives from the Sustainable Development & Impact, Purchasing, Internal Control, Audit & Risk Management, Employee & Labor Relations, Public Affairs, Legal & Compliance and Manufacturing Departments. It prepares an annual action plan engaging Michelin in a continuous improvement process.



Prevention and mitigation measures

Numerous KPIs and objectives for 2030 are used to monitor the implementation of this policy with the goal of achieving six human rights ambitions⁶:

OBJECTIVE	INDICATOR	2019	2020	2021	2022	2023	2030 Objective
1 - A company where everyone feels physically safe at work	TCIR	1.43	1.19	1.29	1.07	1.01	< 0.5
2 - A company offering adequate wage and supportive employee benefits	Percentage of employees receiving a decent wage in each host country	-	-	95%	98.5%	100%	100% IN 2025
	Percentage of employees with social protection floor of health insurance, life insurance and parental leave for birth/adoption	-	-	New in 2021	-	-	75% IN 2025 100% IN 2030
3 - A company whose supply chain ensures decent work for every employee	Percentage of suppliers assessed that comply with the Group's human rights standards	85%	86%	89%	89%	91%	≥ 95%
	Percentage of natural rubber volumes used by the Group covered by human rights assessments of a representative sample of farmers (via the RubberWay® application)	20%	30%	41%	58%	69%	80% FROM 2025
	Number of village smallholders whose working conditions and/or livelihoods have improved as a result of remediation projects	-	-	New in 2021	467	1 855	30,000
4 - A company that allows diversity to flourish in all its forms	IMDI, a composite indicator tracking inclusion and diversity (see section 4.1.2.2 b)	-	60	65	70	72	80 /100 POINTS
5 - A company that listens to the opinions of internal stakeholders	Percentage of employees who respond positively to the Moving Forward Together survey question: "I feel like my opinion matters and my ideas are taken into account in my company."	-	-	69%	71%	72%	80%
6 - A company that blends harmoniously into its environment and is beneficial for its local host communities	Number of volunteering initiatives	-	-	5,000	10,900	19,700	-

Note that some of the recently defined indicators do not yet have any prior-year comparatives.

⁶ The three objectives shown in the Duty of Care Plan 2021, namely: "A company where employees constantly improve their employability", "A company in which everyone feels like a stakeholder" and "A company where employees are engaged", are maintained, but managed independently of the Human Rights Governance body.

1.1. HUMAN RIGHTS VIOLATIONS AT OUR SUPPLIERS' PREMISES



RISK FACTORS

The risk of human rights violations at our suppliers' facilities is positioned on the risk map as the one that could potentially cause the greatest negative impact on human rights. In the supply chain, particular attention is paid to natural rubber suppliers, even if rubber farming is one of the agricultural sectors relatively untouched by certain specific issues such as child labor. Moreover, Michelin diligently tracks the mining of conflict minerals, even though the quantities used by the Group are very small.

The general procedure for preventing this risk is mainly set out in Part 4 of this plan: "Risks associated with suppliers' CSR practices", which includes a section on natural rubber.

Michelin's initiatives on this subject are tracked with the help of three indicators from the table of human rights objectives 2030 (see page 15). More specifically, in 2021 a dedicated indicator was introduced in supplier CSR assessments to assess their "labor relations & human rights" performance.

91%
OF SUPPLIERS

Standards compliant
"Labor relations and human rights"

	2021	2022	2023
Number of suppliers assessed on their CSR maturity	965	1,121	1,221
% of assessed suppliers confirmed as compliant with Michelin's "labor relations and human rights" standards.	89%	89%	91%

Focus on child labor and forced labor

Bans on child labor and forced labor, set out in the 2022 Code of Ethics and Human Rights Policy, express the Group's intention to respect and ensure that its suppliers respect the ILO Fundamental Conventions Nos. 138 and 182 on the prevention of child labor

throughout the value chain, from the Michelin plant to its suppliers.

Specific measures are also in place for suppliers. All of their contracts include by reference the Michelin Purchasing Principles,

which enjoin them to uphold the fundamental conventions of the ILO and, in particular, not to use child labor. Specific guidelines with respect to forced labor and child labor were added to the Principles in 2020.

IDENTIFYING HIGH-RISK AREAS FOR CHILD LABOR IN THE NATURAL RUBBER SUPPLY CHAIN

In the natural rubber supply chain, the Rubberway® mobile application deployed by the Group in ten countries since 2017 has collected data from 239,583 rubber farmers concerning possible use of child labor and the conditions in which it might occur (occasional help, after school, full time, etc.). Although this phenomenon remains very marginal, an even closer analysis by district (geographic and administrative unit) was performed to detect a particular local occurrence, if any, that might require remedial or preventive measures. Several projects have been launched since 2020 (in Indonesia, Sri Lanka, Thailand, Brazil) as part of a holistic approach. These projects are helping to improve rubber farmers' living and working conditions and prevent human rights-related risks. (See 4.7. Specific risks of natural rubber).



Conflict minerals

Michelin diligently tracks the origin of certain minerals used in its products, even if the quantities are very small. Commonly referred to as “conflict minerals”, they include gold, tin, tantalum and tungsten. Michelin also includes cobalt in its approach.

Michelin exercises its duty of care by applying the related OECD recommendations and using the applications developed by the *Responsible Minerals Initiative (RMI)*. The company identifies the materials and components used in the composition of its products that contain these minerals or their derivatives, and periodically asks the suppliers of these materials and component

to complete the RMI Conflict Minerals/Cobalt Reporting Template. Michelin then checks these forms and inventories against the lists drawn up by the RMI. The forms returned by our suppliers enable Michelin to verify that the reporting supplier works with RMI-active or conformant smelters.



1.2. DISCRIMINATION

(See detailed presentation in the URD 4.1.2.2)



RISK FACTORS

Employees may be exposed to discriminatory behavior that undermines equal opportunity in their access to employment, their compensation, their access to training or their career (job assignment, qualification, classification or career promotion), and which may also endanger their well-being at work. Group stakeholders may also be the instigator or victim of discrimination.

Prevention and mitigation measures

Michelin's approach to diversity and inclusion is guided by three intentions: (i) that the Group's employees be representative of all of the diversity present in their local host communities; (ii) that each person be treated fairly and feel free to express his or her authentic self and differences; and (iii) that the diversities be experienced in a spirit of inclusion and tolerance, so that they can also drive collective performance.

The Diversities & Inclusion Policy provides the indicators and guidelines for the whole Group. It sets down the fact that diversity comes in many forms, embracing sex, age, culture, religion, social origin, disability, sexual orientation, union membership, family situation, political opinion and physical appearance. To assist with tracking progress in the matter, a *Diversities & Inclusion Management Index (IMDI)* has also been devised. Progress targets for 2030 have been defined for each of its 12 sub-indicators.

GOVERNANCE

A multi-layered global organization structures the management of all forms of diversity. The initiative is led by the Director of the *Sustainable Development and Impact Department (DCDI)*, and managed within a Steering Committee comprising the Group's Chief HR Officer and the managers of several departments (training, recruitment, labor relations and sustainable development). The main focus areas are approved by the Human Rights governance body.

An international "*Diversities & Inclusion*" (D&I) network, made up of the D&I managers of each geographical region, meets every two months. It is led by the Group's Diversities and Inclusion coordinator so that each region works on all aspects of diversity, sets objectives and helps boost the IMDI indicator.

Numerous training and awareness-raising sessions are conducted to disseminate a culture of diversity and inclusion, and to treat people on the sole basis of their skills, avoiding any bias resulting from prejudice or discriminatory stereotypes. Since 2020, all Group managers complete a half-day, in-person awareness-training session on biases and stereotypes. In 2023, over 4,000 new people were trained, mainly in Europe and America, taking the number of employees who have taken the course to over 28,000 in three years.

OPERATIONAL MONITORING

IMDI figures⁷ for the Group:

	2021	2022	2023	2030 Goal
IMDI	65	70	72	80
The five themes composing the IMDI				
GENDER EQUALITY IN THE WORKPLACE	58.7	69.2	73.9	
IDENTITY (AGE, RELIGION, SEXUAL ORIENTATION, ETC.)	73	70.7	77.7	
MULTINATIONAL MANAGEMENT	76.6	76.2	73.6	
DISABILITY	56.2	66.7	66.6	
EQUAL OPPORTUNITY (IN-HOUSE PROMOTION)	64.1	66.6	68.1	

+2 POINTS
IMDI 2023

The IMDI composite indicator continued to progress in 2023 with a two-point increase on the 2022 figure (from 70 to 72). The components that recorded the biggest increase in 2023 were the **feminization of management** and the proportion of women among the 600 highest-ranking executives in the Group, along with the perceived acceptance of diversities (the "Identity" component). On the other hand, the number of countries with over 1,000 employees of whom 2% or more had a disability fell slightly after three new countries (Sri Lanka, Indonesia and Canada) were included in the indicator's scope.

80 POINTS
2030 Goal

⁷ Composite indicator calculated as a number of points out of a total of 100.

Gender diversity in the company

Michelin intends to ensure gender equality in the workplace by making all positions accessible to all employees and ensuring strict wage parity. The percentage of women in the Group is steadily rising as a result of efforts to recruit women, to modify workstation ergonomics and to pay special attention to career paths.

A specific action plan in each region aims to continue increasing the percentage of women in management. The percentage

of women managers and supervisors⁸ has steadily risen from 22.5% in 2013 to 30.1% in 2023. To sustain this trend and "break the glass ceiling", the Group has set a goal of 35% of women employees in 2030, along with a second target of 35% of women in the 600 executive positions in 2030 as against 21.5% in 2023⁹. Moreover, the nine-member Executive Committee includes four women, while the nine-member Supervisory Board also includes four women.

Michelin applies a policy of non-discrimination and equal pay for equivalent profiles and positions. In 2023, the overall gender pay gap stands at -2.5% for a sample of 37,500 employees (Categories 1 to 4).

OPERATIONAL MONITORING

THEME	INDICATOR	2021	2022	2023	2030 Goal
GENDER EQUALITY IN THE WORKPLACE	Percentage of women in managerial or supervisory jobs	28.9%	29.4%	30.1%	35%
	Percentage of women in senior management and executive roles	17.2%	18.8%	21.5%	35%
	Gender pay gap, categories 1 to 4	3.45%	2.61%	2.5%	< 2.2%

⁸ Employees with a level of individual responsibilities of A to N, according to the Hay method used by the Group

⁹ Employees with a level of individual responsibilities of A to G, according to the Hay method used by the Group. These are the 600 management staff with the highest levels of responsibility



Identity

Michelin is seeking to encourage people to express their differences so that everyone can feel comfortable in the company. Apart from the dissemination of the "Bias and Stereotypes" training course, the Group's geographic regions handle this issue in a manner suited to their context.

LOCAL EXAMPLES

- In the **Africa, India, Middle East** region, which is the Group's most diverse region, over 1,000 employees in nine countries took part in a cultural diversity festival, sharing their customs, food and traditional clothing in their workplace.
- Pride Month (June) was an opportunity for employees in several countries to hold festive events such as parades or webinars on LGBTQ-related issues. This was the case in the **United States, Canada, Mexico, Brazil, Thailand, the United Kingdom and Germany**. Michelin **Mexico** was even certified the "Best Place to Work for LGBT+ people" by the Human Rights Campaign association.
- In **Australia**, the five Michelin companies present in the country drew up a Plan for Reconciliation with the Aboriginal and Torres Strait Islander peoples. The plan sets out 13 actions to ensure that Michelin's operations benefit these populations and that the workplace is a "safe space" for them.

OPERATIONAL MONITORING

	2020	2021	2022	2023	2030 Goal
Question in the Forward Together Survey: "In my workplace, I am treated with respect, regardless of who I am and irrespective of my position."	83%	84%	85%	85%	80%
Question in the Forward Together Survey: "In my workplace, I think that people are treated fairly (for the distribution of work, promotions, etc.) whatever their background, personal attributes or other differences."	62%	65%	67%	68%	80%
The gap between the highest score in an age category and the lowest score in an age category on the Forward Together Survey question: "I can achieve my career objectives at Michelin" ¹⁰ .	7 points	6 points	7 points	4 POINTS	NO DIFFERENCE BETWEEN DIFFERENT AGE CATEGORIES

Inclusion of people with disabilities

Michelin has for many years led an initiative aimed at recruiting people with disabilities or retaining employees who become disabled at some point in their career. Moreover, in countries that apply statutory thresholds for hiring people with disabilities, Michelin systematically aims to meet or even exceed those levels.

The Group's objective that all countries with over 1,000 employees employ at least 2% of people with a disability in 2030 has, in recent years, led more countries to consider ways to improve their recruitment process, and to exchange best practices.

In 2023, for example, several countries, including Hungary, Mexico and Poland, ran training courses on mental disorders and adapted their facilities to accommodate them.

OPERATIONAL MONITORING

	2020	2021	2022	2023	2030 Goal
Share of countries with a workforce of over 1,000 employees, of whom ≥2% have a disability	46.7%	46.7%	35.7%	35.3%	
Share of countries or entities with a workforce of over 1,000 employees, and which have appointed an Ambassador with expert knowledge of the issues associated with disability in the workplace	60%	60%	97.6%	97.9%	

¹⁰ This year, the under-25 years age category was included. And each point difference lowered the score by five points (as against 10 points last year). The previous years' figures were recalculated using this methodology.

Multinational management

The Group is keen to foster the emergence of local management wherever it operates. To this end, special attention is paid to seeking out local managers in the growth regions (South America, Southeast Asia, China, Africa/India/MiddleEast).

RECORD
86.1%

percentage of managers from a growth region in 2023

Moreover, Michelin has set itself the objective that, by 2030, half of the Group's top 100 most senior executives will be non-French nationals. In 2023, non-French nationals represented 30.6%.

Equal opportunity

Internal promotion, which acts as a social leg-up, is one of the Group's flagship values. This is why the IMDI indicator includes a career-related target for employees hired as production operators, and another indicator that captures executives' and managers' in-house mobility¹¹.

While the percentage of people who join the company as an operator (Category 5) and are subsequently promoted to a higher category is on the rise, the KPI that reflects management posi-

tions' internal mobility is on the decline, notably because of the integration of new companies.

Alongside these two indicators, Michelin is working towards the social integration of people from underprivileged backgrounds in the districts in which it operates.

In France, the *Michelin tire factory (MFPM)* organizes mentoring at high school and college level for young people from the town's underprivileged districts, in partnership with various non-profit stakeholders.

Since 2019, this principle has been extended to taking in refugees in a number of countries. In 2023, the Group joined the *TENT Partnership for Refugees* network and arranged for a senior manager to become involved in the network of diversity and inclusion managers in a bid to set up partnerships to deal with this issue in various countries.

OPERATIONAL MONITORING

	2020	2021	2022	2023	2030 Goal
Percentage of CAT 1 to CAT 4 employees who began their career in CAT 5 (production operators)	13.4%	13.4%	14.8%	15.5%	20%
Percentage of managers (<i>Individual Level of Responsibility (NRI)</i> level A to N) promoted from within the company	73.9%	73.9%	69.8%	68.4%	80%

¹¹ Positions from A to N according to the Hay method



1.3. HARASSMENT



RISK FACTORS

The risks of psychological harassment or sexual harassment in the Group can concern not only employees amongst themselves, whether they are from different hierarchical levels or not, but also other stakeholders who may be either the victim or the perpetrator of harassment, such as interns, service technicians, customers and suppliers. Harassment can cause physical and psychological harm to its victims.

39,000 EMPLOYEES
Participation in e-learning on harassment

Prevention and mitigation measures

GOVERNANCE

To address the "harassment" risk, the Group deployed governance underpinned by the Group Ethics Committee and the Human Rights Governance, which meet twice a year and check that the harassment prevention program and the ensuing actions are being monitored and proving effective.

The harassment risk has been managed on an ongoing basis since 2022.

The harassment prevention program draws on the initiatives developed as part of the Integrity project, and on the structure of the various existing compliance programs within the Group.

In 2023, the Group updated the existing internal controls on the subject, launched a working group on the support provided for people involved in an investigation and pursued its

awareness-raising endeavors.

As of end-2023, over 39,000 Group employees - 98% of the target audience - had completed the e-learning course on harassment¹². The various communication initiatives carried out on the subject at Group level and in the Regions continue to embolden staff to speak up. This is pushing up the number of alerts of harassment, which, in 2023, represented 23% of the alerts submitted on the ethics line.

1.4. FREEDOM OF ASSOCIATION

(See detailed presentation in the URD 4.1.2.3)



RISK FACTORS

The maturity of social dialogue can vary widely among the Group's various host countries. Particular attention is paid to dialogue in countries whose culture or legislation does not encourage consultation with the staff.

¹² The 2023 target is calculated on December 31, 2022 on the basis of the companies equipped with Intouch at that time. For Categories 1 to 4, this was 40,152 employees. This target will be updated in 2024, based on the ongoing rollout of Intouch and the categorization of the employees in Intouch by comparison with the 2023 headcount.



Prevention and mitigation measures

Michelin's Employee Relations Policy recognizes the positive contribution of freedom of association and collective bargaining within the Group, as well as that of staff representation that is independent of Management, and capable of making recommendations and ensuring that employees' needs are taken into account in all host countries. In this document, Michelin assures its staff that employees who accept to take on the responsibility of employee representative will not suffer any discrimination or negative impact.

A Group Director of Labor Relations promotes the application of this policy all over the world and improves social dialogue where it falls short of the desired level.

Moreover, every manager receives training in the legal framework governing labor relations. Compliance with the commitments in the Labor Relations Policy is also an integral part of an internal control process.

Michelin has also been a member of the *Global Deal* since 2017 and actively participates in its French platform set up by the Ministry of Labor, which draws together numerous French companies with international establishments.

Michelin has also worked closely with IndustriALL Global Union to set up a **Michelin Global Works Council**. This Works Council was created in 2020. In 2023, the Global Works Council entered its second three-year term of office with a broader scope, now including new representatives from India, Sri Lanka, Indonesia and Australia. The Works Council comprises 49 employee representatives from 19 countries. The first Michelin Global Works Council meeting for this new term of office (2023-2026) took place on September 27 and 28, 2023. It was an in-person meeting held at Michelin's technology center to the north of Clermont-Ferrand (France). The representatives were able to see and test the latest "product" innovations on the test ground. The speakers, who included two members of the Group Executive Committee, detailed Michelin's "all-sustainable" strategy regarding the 3Ps (People, Profit, Planet), along with its application in our plants and in our B2B business. The social issues were discussed, particularly during the Q&A sessions.

In accordance with the EU requirements, we also have a *Michelin European Works Council (CEEM)* made up of 32 employee representatives from 16 countries in the European Community. The Works Council meets twice a year.

The idea of social dialogue as a broader and deeper sharing of the issues so that the social partners can be involved in drawing up the Group's strategy is gradually seeping into all of the Group's managerial practices. The Michelin Group gives all of the stakeholders the information they need to forge an objective opinion based on solid arguments, and confidently express it within the social dialogue framework. The form and content of this information are negotiated by the social partners and satisfy the legal obligations of each country.

The members in charge of labor relations in the major industrial countries meet regularly to discuss developments in their industrial relations, along with best practices and local experiences. The Group's Director of Labor Relations Development leads this network, which spans 15 countries.

Risk of labor disputes during Group restructuring operations

Restructuring is a fact of business life, an exceptional, yet in certain circumstances unavoidable event that must be undertaken to maintain the company's viability; such operations must be conducted in a sustainable manner, taking into consideration the three pillars of the Group's "All Sustainable" vision. Michelin is also a member of the *B4IG (Business for Inclusive Growth)* network. Within this framework, if the Group must restructure,

it should ensure that all of the employees concerned are reassigned, and offset its impact on local communities by conducting revitalization initiatives. Group policy specifies that, if the Group must restructure, this must be announced as soon as possible and carried out in accordance with the procedures negotiated with the employee representatives. In all of the countries represented in the European and World works

councils, periodical meetings are organized, during which detailed economic and social information is shared between the local and operational Directors and the employee representatives. Once the issues have been clearly set out, an understanding of these issues creates the conditions for far more responsible talks during the negotiations.

Operational monitoring: Social dialogue indicators

Number of countries and employees represented in the European Works Council and the Global Works Council:

74%

% of host countries (> 100 employees) equipped with an employee representation body¹³

- Total number of countries in which the Michelin Group has over 100 employees: 31.
- Total number of countries represented on the European and World works councils: 23¹⁴.

91%

% of employees equipped with an employee representation body

- Total number of employees in the MICHELIN Group: 126,628¹⁵.
- Total number of Michelin Group employees in the countries represented on the European and World works councils: 115,492.

The quality of labor relations can also be gauged by the employee engagement rate, which is measured each year by the annual "Moving Forward Together" survey of all Group employees. In 2023, the employee participation rate stood at 91%, up two points

on the previous year's figure (over 110,000 employees). In 2023, the overall employee engagement rate rose one point globally to 84%. We have made noticeable progress for our white-collar employees & executives, and remain stable for our blue-collar

operator employees. This improvement has been achieved against a backdrop of strong tensions due to inflation.

1.5. EMPLOYEE PRIVACY AND PERSONAL DATA PROTECTION

(See detailed presentation in the URD 4.1.1.2.d)



With its 132,000 employees and millions of consumers around the world, Michelin manages a large volume of personal data and pays particular attention to the issues of data storage and confidentiality.

¹³ Consolidated headcount at the date the works councils were set up (April 30, 2023)

¹⁴ Countries represented with over 100 employees, Slovakia and the Czech Republic are not counted

¹⁵ Countries with more than 100 employees and excluding RLU



GOVERNANCE

The Group's governance relies on a Global Personal Data Protection Committee, a Group *Data Protection Officer (DPO)*, a Corporate Privacy team within the Compliance Support Group, a network of privacy managers/local DPOs, Privacy Operation Partners and Privacy Champions to manage its compliance with the applicable regulations on the subject, which include Regulation (EU) 2016/679 on the protection of personal data (GDPR), the *PIPL (China Personal Information Protection Law)*, the *CCPA (California Consumer Privacy Act)*, the *LGPD (Brazilian General Data Protection Law)*, etc... and the Group's internal policies on the matter.

Michelin takes personal data protection seriously (in particular the data belonging to its customers, employees, job candidates, shareholders and suppliers).

The Michelin Group aims to ensure that the principles of personal data protection are applied consistently by all of its subsidiaries, wherever they are based. The employees are made aware of the issues at stake in protecting personal data by applying the Group's data privacy directive. The Group also has internal rules for personal data transfers (BCR¹⁶).

Michelin also pays particular attention to handling the requests or complaints received from its users and customers. The data

protection teams in each country concerned are in charge of ensuring that each claimant receives an appropriate response within the stipulated time. Similarly, in the event of a personal data breach, the Privacy teams are systematically involved. More specifically, they must identify the cases in which the incident presents a high risk for the users' or customers' data, and inform them to this effect so that, with full knowledge of the facts, they can take the appropriate steps.

Lastly, personal data protection is built into the Group's internal control activity and is subject to periodical internal audits.

1.6. RISK IN TERMS OF LIVING WAGE AND SOCIAL PROTECTION

(See detailed presentation in the URD 4.1.2.3.f)



RISK FACTORS

In some countries, the minimum wage is lower than the living wage. This is why Michelin wants to prevent any risk that, wherever it operates, its employees' salary might not be sufficient to cover their needs and those of their family.

Prevention and mitigation measures

To enable all employees to earn a decent living, Michelin's compensation policies cover a wide variety of supplementary income sources, including bonuses and discretionary and non-discretionary profit sharing systems. The Group also protects employees from the financial consequences of an accident or illness and, in many countries, offers opportunities to save for retirement.

Living wage

In 2020, with support from the Fair Wage Network expert, Michelin developed a methodology for analyzing the pay scales of the employees of Group companies. Since 2021, Michelin has set out to check pay levels in the Group and ensure that all of our employees receive sufficient compensation to access

decent living conditions. Employees' pay must enable them and their family to cover such basic needs as food, housing, their children's education, and healthcare.

In 2023, we analyzed Group employees' pay and found that all of them receive compensation that is at least on a par with the Fair Wage Network's "living wage" benchmark.

¹⁶ Binding Corporate Rules

We also began a certification process with the Fair Wage Network in 2023, which resulted in **all Michelin Group companies all over the world achieving “Living Wage Global Employer” certification.**

Benefits and social protection

The purpose of the Group's benefits policy is to give all employees and their family the support they need at key stages of their life.

In 2021, Michelin drew up the *Michelin One Care Program*, a minimum set of health and welfare benefits offered to all employees. The program's rollout began in 2022 with the objective of achieving blanket coverage in 2025. It is a concrete demonstration of the Group's desire to supplement the national provisions in order to:

- Provide each employee with time off for a new arrival in the family

- Provide financial protection for an employee's family in the event of death

• Ease access to healthcare for the employee and their family. The benefits policies of each Group company round out this basic cover by offering enhanced, diversified and adapted benefits in step with changes in societal needs, the local legal context and the economic context.

1.7. RISK TO LOCAL COMMUNITIES

(See detailed presentation in the URD 4.1.2.5.f)



Michelin operates 121 production plants in 26 countries around the world. Although many of these plants are located in business parks, the local communities live in the more or less close vicinity. The risks to them may be present during the plant's construction phase, during routine operations or on its closure. Risks in Michelin-owned rubber plantations must also be addressed.

Prevention and mitigation measures

The Group cares greatly about the impact it may have on the communities living in the vicinity of its plants. Action principles published in the Code of Ethics and recapped in the Human Rights Policy aim to prevent any risk of a negative impact on local communities. They address four situations: when a new manufacturing facility is being built, when it is operating, when it is being closed down and when rubber plantations are being bought and managed. The key principles of this text, drafted in consultation with the WWF, include identifying the risks of negative impacts, deploying remedial action plans, maintaining an ongoing dialogue with neighboring stakeholders, setting up a

complaints mechanism, hiring locally when feasible, and training people in the local community.

One result is that new plant construction projects now include local community impact studies, covering such areas as access to land and respect for the community's cultural heritage. Independent studies of this type have been carried out in India, Indonesia and Mexico, yielding recommendations that were followed by the Group. The Group is in talks with numerous national or local NGOs in order to help protect the environment and human rights, and encourage the development of best practices.

Moreover, Michelin upholds its tradition of community involvement by conducting sponsorship and community outreach initiatives at various levels: Plants, Countries, Regions and, since 2014, through the Michelin Corporate Foundation.

The Michelin Volunteering program reflects the Group's desire to encourage volunteering initiatives for communities' benefit, which foster commitment, pride and the development of skills other than those used on the job. The target of 20% of Group employees involved in 2030 is closely monitored with the help of a reporting tool, via an internal web platform accessible from all

19,700

Acts of volunteering in 2023

Michelin sites, which simplifies data collection and consolidation.

As in the previous year, 2023 was marked by a strong upturn in participation with close to 19,700 employees involved in volunteering initiatives in every region of the world (compared with nearly 10,900 in 2022). This growth reflects strong support for the new approach. The main initiatives related to health and

solidarity (29%), education (26% of the projects), followed by environmental protection (12%), sport (9%), inclusion and culture (7% each).

Here are a few examples:

- a road safety initiative in partnership with the police in Shanghai, China, in which 200 Michelin employees volunteered their support

to help publicize the issue and raise road-users' awareness;

- training sessions delivered in various domains, from management to sustainable development, for young farmers in southern Bahia in Brazil;
- regular collections and distributions of meal baskets for the poor, organized by employees in the United States.

1.8. USER SAFETY

(See detailed presentation in the URD 4.1.4.4)



RISK FACTORS

Because the tire is the only point of contact between the vehicle and the road, it is a major factor in user safety when a vehicle is being driven. Right from the outset, the Group has considered product quality and safety to be a major stake. Its products' performance in this area is recognized by consumers worldwide.

Prevention and mitigation measures

In its risk maps, Michelin identifies the risks to user safety associated with the use of its products and takes the appropriate prevention and mitigation measures. These measures are also subject to internal control.

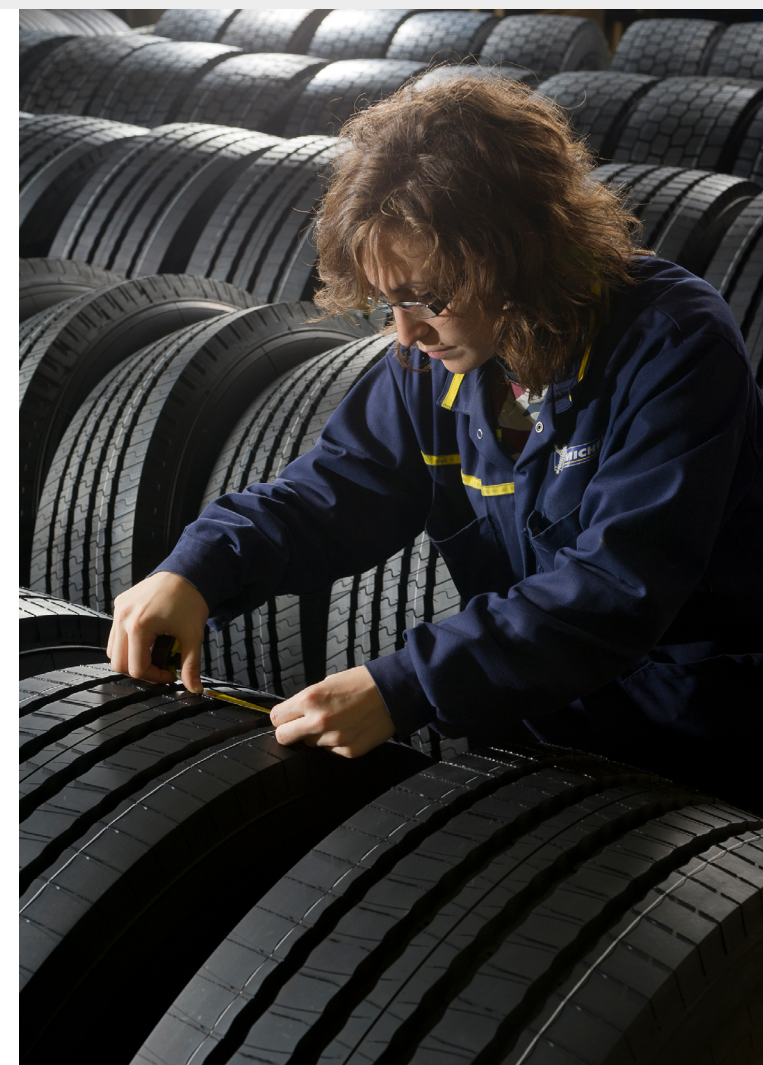
In the field of product design and manufacture, the Michelin Quality Approach is defined and factored in at every level, implemented through a Quality organization and underpinned by a Quality management system.

GOVERNANCE

The governance of product and service quality is comprised of:

- an Audit, Quality, Internal Control and Risk Management Corporate Direction, which reports to the Group's management bodies;
- a Quality Network working alongside operations, made up of the Quality Directions of each of the Group's entities: business, operations and regions.

It defines the Group's Quality policy, including the quality requirements and standards to be applied.



It defines fundamental practices that are included in employee training so that they are known and applied by everyone in their respective area of responsibility.

The Michelin Group's quality standards are based on the profession's most stringent international standards and regulations for consumer health & safety and environmental protection.

The quality teams do their job at every stage: from tire design and the procurement of raw materials and components through

to production and the decision to launch a product on the market or withdraw it. Every year, Michelin also carries out over 1,400,000 hours of safety tests on its tracks or in its laboratories. To ensure that its quality management system is fully compliant, Michelin calls in certification bodies from outside the Group. Accordingly, all of Michelin's tire-manufacturing plants and support processes are ISO 9001:2015 certified.

Numerous road-safety partnerships

Michelin is also a major player in promoting road safety both globally and locally. Safe mobility is a priority for the Group. Michelin's initiatives lie within the overall context of the second "Decade of Action for Road Safety 2021-2030", a United Nations global program aiming to at least halve the number of road deaths (1.2 million) and injuries by 2030.

In 2023, Michelin accordingly pursued its commitments to global organizations under the United Nations' aegis, in particular:

- The *United Nations Road Safety Fund (UNRSF)*
- The *SUM4ALL* initiative, through which Michelin contributes to both substantive discussions on developing a common vision of safe mobility (report presented in May 2023 at the Leipzig summit) and operational initiatives (an operational guide to concrete road safety initiatives on the ground in less developed countries)
- UNICEF, through the partnership concluded in late June 2022 and focused on road safety education programs in China, Cambodia and the Philippines.

Over and above these multilateral institutional partnerships, Michelin stepped up its joint action with the following NGOs in 2023:

- *Youth for Road Safety (YOURS)* for communication and creativity initiatives related to road safety
- Global Alliance of NGOs for Road Safety with capacity-building initiatives (data capture-enabled infrastructure changes – traffic calming infrastructures, adoption of helmet wearing, etc. – driven by an incubator comprised of several NGOs).

Lastly, to promote road safety, the Group works alongside other major private-sector stakeholders in the Global Road Safety Partnership (GRSP) and its VIA program. This program develops learning modules on road safety for young people, financed by the Michelin and Total Energies Foundations in over 40 countries, with over 600,000 young people trained to date.



RISKS TO HEALTH AND SAFETY

- 2.1. Occupational accidents
- 2.2 Exposure to chemicals
- 2.3 Ergonomics
- 2.4 Psychosocial issues at work
- 2.5 Risk to employee safety



2. RISKS TO HEALTH AND SAFETY

(See detailed presentation in the URD 4.1.3)



Michelin directly employs more than 132,000 people worldwide. It also sources workers through temping agencies and employs subcontractors. Numerous visitors also have access to our plants. These people work in a wide variety of environments: in industrial settings, at tertiary and research facilities, in logistics, commercial or distribution operations, which may be exposed to specific risks that could affect their health and well-being.

**“EACH PERSON IS UNIQUE;
EVERYONE’S HEALTH AND SAFETY
IS A TOP PRIORITY”**

Main health & safety risks

RISK CATEGORY	MAIN EXAMPLE(S)	CAUSE(S) IDENTIFIED	POSSIBLE CONSEQUENCE(S)
OCCUPATIONAL ACCIDENT	Breakdown assistance on production plant	Failure to carry out all of the necessary lock-out/tag-out procedures	➡ Bodily harm, reversible or irreversible
EXPOSURE TO CHEMICALS	Handling of and exposure to hazardous materials	Failure to wear personal protective equipment	➡ Bodily injury, reversible or irreversible
ERGONOMICS	Loading and unloading hand trucks and carts	Repetitive load handling with incorrect posture	➡ Bodily injury, reversible or irreversible
PSYCHOSOCIAL ISSUES AT WORK	Depression	Unsuitable managerial practices	➡ Psychological harm or personal injury, reversible or irreversible
COVID-19 PANDEMIC RISK	Several people in a team infected with Covid-19	Failure to take protective measures when mixing with other people	➡ Bodily injury, reversible or irreversible

Stakeholder dialogue

TYPES OF STAKEHOLDERS	EXAMPLES OF STAKEHOLDERS	EXAMPLES OF TOPICS COVERED
UNIVERSITIES AND RESEARCH BODIES	University of Bangkok University of Clermont-Ferrand Factolab (public-private laboratory dedicated to “industry of the future”)	Ergonomics Cognitive load and perception of risk
ENTREPRISES	Apave	Co-development of a program on factoring in risks in maintenance operations.
ENTREPRISES	Alletrust, Blue Kangoo	Co-construction of methods and tools for managing security

EMPLOYEE HEALTH AND SAFETY GOVERNANCE

The Employee Health and Safety Governance body is chaired by the Personnel Department Chief Officer and co-chaired by the Executive Vice President, Manufacturing, both of whom sit on the Group Executive Committee. Led by the Group Health Coordination Director, it also comprises standing members who represent, respectively:

- the **Corporate Directions**: Foresight, Prevention, Protection, Internal Audit, Risk Management, Internal Control & Quality, Legal Affairs, Sustainable Development and Impact.
- the **Operational Directions**: Manufacturing, Supply Chain
- the **Business Directions**: High-Tech Materials and Distribution.

The Governance body meets twice a year. It decides on the Group’s policy, ambitions and strategies. It ensures that the necessary resources are made available to carry out, in the allotted time frame, the action plans drawn up and implemented to achieve the objectives.

Prevention and mitigation measures

True to the Group's core value of respect for people, Michelin deploys an active, comprehensive policy of health, safety and quality of worklife, described in:

- The 2023 Health and Safety Declaration;
- The 2018 Health, Safety and Quality of Worklife Policy;
- The 2022 Environment, Prevention and Security Guidance Letter.

In its Health & Safety Statement, Michelin states that "Each person is unique; everyone's health and safety is a top priority". More specifically, this concern embraces employees' physical and psychological well-being, the quality of the work environment, a healthy work-life balance, and a strong commitment to employee safety.

These commitments are based on the recommendations issued by key international organizations such as the UN, the ILO and the OECD, and prevailing standards and legislation, including ISO 26000 and the French Commercial Code.

Michelin's "Environment and Prevention" management system, which is based on the ISO 14001 and ISO 45001 international standards, embodies this policy. It is applied at all Group plants, with the exception of certain recent acquisitions, to capitalize on and anchor best practices, and maintain continuous, consistent progress. This management system is auditable and audited.

In the tire production plants, the Environmental Management and Risk Prevention System is embedded in the foundations of

the *Michelin Manufacturing Way (MMW)*, which defines and promotes operational excellence practices.

Every Michelin Group facility can draw on support from risk-prevention professionals (OSH experts, ergonomists and hygienists) and health care professionals (doctors and nurses). These professionals work as a network at Group, regional and country level to share best practices and leverage the experience acquired in a continuous improvement process.

Training programs are helping to impart a culture of watchfulness, commitment and alertness in every employee, as much for themselves as for others. The focus is on encouraging employees to embrace and demonstrate this culture of safety in the workplace.



2.1. OCCUPATIONAL ACCIDENTS

(See detailed presentation in the URD 4.1.3.2.c)



**RISK
FACTORS**

At all Group facilities - industrial, tertiary, research, logistics or distribution - staff may be exposed to the risk of accidents involving mechanical or electrical installations, handling equipment, chemicals, tools or moving about in the workshops. These risks may cause more or less serious injuries. Road accidents while traveling for work purposes are also among the risks identified.

3 APPROACHES

Prevention initiative

Prevention and mitigation measures

To address the risk of accidents, whether or not related to manufacturing operations or while traveling for work-related purposes, as well as the dangers posed by natural disaster, fire or explosion, Michelin has adopted an accident-prevention approach for all of its staff that entails analyzing, treating and mitigating the health and safety risks faced by all of its employees.

This prevention initiative is structured into three interconnected approaches:

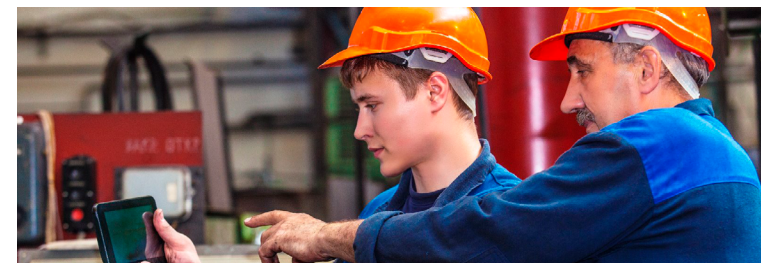
- Technical measures, focused on five "Group Safety Programs" addressing the specific risks that the Group wants to reduce and manage. They are supported by prioritized responses to the most serious machinery and ergonomic risks, in liaison with the engineering departments.
- The behavioral approach is an innovative approach aimed at encouraging staff to adopt accident-prevention behaviors for themselves and their colleagues, and to be more vigilant. This approach draws on behavioral sciences to foster commitment through managerial leadership and the active involvement of every employee (safety coalitions).
- Organizational measures to manage, support and mitigate the risks with the help of a robust management system; along with skills building.

The staff onboards the workplace safety and prevention approach at every level through:

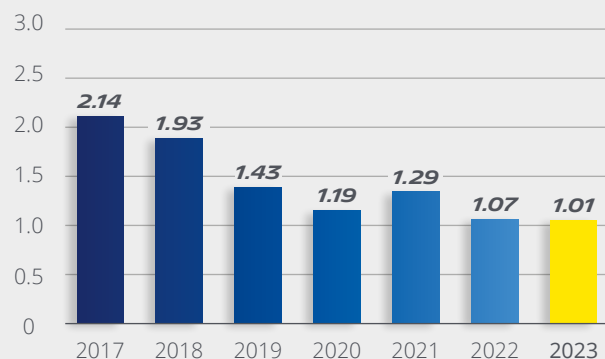
- The uncompromising support of managers, from the Executive Committee members through to operational managers on the ground;
- The dissemination and sharing of best practices and feedback;
- Corporate communication initiated by the Group;
- Initiatives aimed at anticipating emerging risks.

Michelin uses the *Total Case Incident Rate (TCIR)* indicator, which is based on the US *Occupational Safety & Health Administration (OSHA)* indicator, to measure its health and safety performance on a global scale. It records the number of events per 200,000 hours of work. An event may be: a lost-time accident, an accident without lost time but requiring medical treatment, a workstation adjustment (due to ergonomic issues or musculoskeletal disorders, for example), or an illness recognized as work-related. In this way, it takes into consideration not just accidents but every type of health and safety-related event.

In 2023, the scope of workplace accident reporting was extended to include temporary workers in Distribution operations and the Fenner entity in the High-Tech Materials field.



OPERATIONAL MONITORING Trends in the Group Total Case Incident Rate



The Group's Total Case Incident Rate (TCIR) has gone from 1.07 in 2022 to 1.01 in 2023. The technical and behavioral prevention initiatives in manufacturing reduced the number of recordable accidents by over 10% within this scope. The Distribution business, through its Euromaster operations, is also a major source of progress, with a 7% improvement in its TCIR indicator.

The TA+ indicator introduced in 2018 counts the number of accidents (with or without lost time). The Michelin Group has decided

to focus on this metric, so every occurrence is reported directly to the members of the Group's Executive Committee. It enables the Group to take a more targeted approach to these accidents and reduce the disparities among countries. The number of TA+ accidents is recorded by a dedicated committee chaired by the Group Safety Manager, which meets once a month with ergonomics and safety experts and the Group physician after monthly indicator data have been submitted. The number of accidents is steadily declining, with a significant decrease recorded in 2023.

2.2. EXPOSURE TO CHEMICALS

(See detailed presentation in the URD 4.1.3.1.c)



RISK FACTORS

Staff involved in research or manufacturing operations in particular may be confronted with the risks of exposure to chemicals which, if not controlled, may in time lead to illnesses. This can concern certain products and substances that enter into the composition of tires, along with certain molecules that are sometimes present in process fumes.

Michelin's industrial hygiene policy is designed to protect employees' health from the harmful effects inherent in the use of chemicals (substances or compounds), certain substances emitted by the process or potential exposure to asbestos.

The following five fundamental principles are implemented in this order of priority:

1. Anticipate emerging risks and avoid introducing risks associated with new chemicals or processes. Before a new chemical is used, an approval process leading to an authorization for use enables the company to anticipate and control the risks. In some cases, use of the chemical may be prohibited.

2. Recognize and assess chemicals' existing risks for workers' health. A standard chemical risk-assessment method is used at production plants. This method makes it possible to define the risk level and introduce suitable means of control.

3. Control the risks by implementing and maintaining suitable measures (replace the chemicals that are cause for concern, use and introduce collective means of protection or personal protective equipment).

4. Confirm the application and effectiveness of these risk-control measures. Periodically carry out plans for the maintenance, inspection and monitoring of the application of risk-control measures.



5. Inform and train employees with regard to the risks. The employees are informed about and trained in the chemical risks. *Safety Data Sheets (SDS)* for the chemicals used are available in the language of the country using them. These Safety Data Sheets comply with the REACH regulation in Europe and the *Global Harmonized System (GHS)* regulation in other countries. At some plants, these documents are available as product data sheets at the workstation.

Chemical risks are taken into account throughout our products' life cycle and in reasonably foreseeable conditions of use.

2.3. ERGONOMICS

(See detailed presentation in the URD 4.1.3.1.d)



RISK FACTORS

Some plant workstations involve physical strain, carrying heavy loads, repetitive movements or static work. If they are not properly supervised, these practices can, in time, lead to certain illnesses.

Prevention and mitigation measures

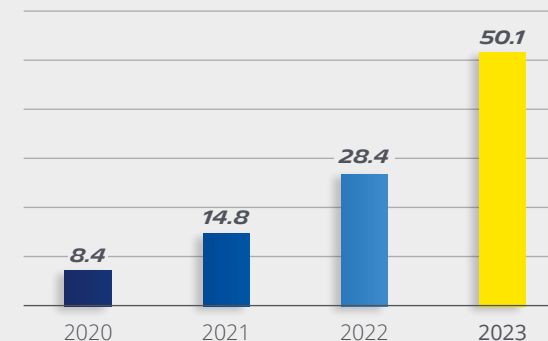
Since 2002, improving ergonomics has been a major focus of the Group's health and safety policies. The prevention of *musculoskeletal (MSK)* disorders is designed into every industrial project, so as to attenuate any potentially negative impacts on working conditions over the medium term. All production plants and logistics hubs maintain an up-to-date map of the workstations in order to identify action priorities, deploy suitable solutions and gradually eliminate arduous tasks. Dedicated investments are made in ergonomics and working conditions every year across the business base and have been increasing sharply for several years. The upgrades are increasingly complex and technical, and

require increasingly heavy investments to achieve them.

Projects to improve ergonomics are implemented by ergonomist-led multidisciplinary teams comprised of managers, operators, prevention specialists and physicians. With the exception of entities in the process of integration or non-integrated, each plant is equipped with a five-year upgrade plan.

In addition to protecting employees' health, the goal of reducing ergonomic hardship is to make the workstations accessible and appealing for as many people as possible. In turn, this is foster-

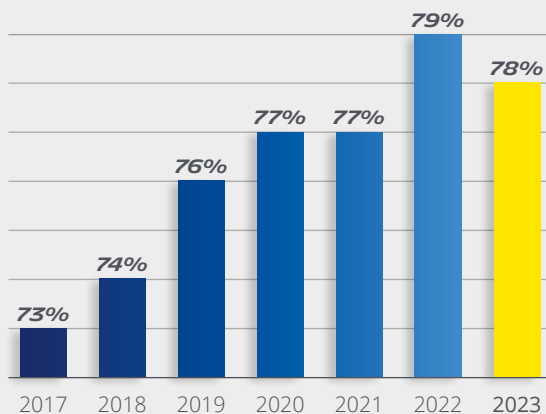
AMOUNT OF INVESTMENTS IN ERGONOMY



ring diversity, making workstations more attractive and enhancing people's well-being and motivation. Studies and tests are being carried out on this avenue of improvement to more effectively analyze the workstation's cognitive load. This will enable us to tackle not only the physical load but also the mental load.



OPERATIONAL MONITORING
QWL satisfaction index



2.4. PSYCHOSOCIAL ISSUES AT WORK

(See detailed presentation in the URD 4.1.3.5.c)



RISK FACTORS

Whether they work in production, administration, technology or management, employees can be exposed to stressful situations or suffer psychosocial issues at work. The risk factors associated with these situations are identified in order to more effectively prevent them.

In a commitment to safeguarding employees from the psychosocial risks of stress and harassment, a variety of programs aligned with local needs and legislation have been deployed to provide:

- Primary Prevention, through reviews, sensitivity training and initiatives to improve the quality of management. These measures have been rolled out in most of the Group's host countries. In France, the occupational health service runs monthly lecture cycles on mental health.
- Secondary Prevention, through training and organizational improvement initiatives, particularly in at-risk segments/jobs. Programs to prevent stress with new workplace organization practices have been introduced in many countries.
- Tertiary prevention, through coaching, relaxation therapy, support groups and individual counseling by a psychologist or occupational physician. Employee support programs are offered to employees in many countries. They provide practical or psychological support to help employees cope with difficult situations.

The vast majority of the plants are leading quality of worklife programs that contribute to secondary prevention. Tertiary prevention is in place at Michelin plants and gradually being introduced in the acquisitions.

The framework for maintaining the Quality of Worklife (QWL) and preventing psychosocial risks is drawn up by the Employee Health and Safety governance team.

The QWL satisfaction index, taken from the engagement survey, remains high at 78%, with a one-point variation. There has been a certain stability since 2019.



2.5. SECURITY IN A COUNTRY AT RISK

(See detailed presentation in the URD 4.1.3.2.b)



RISK FACTORS

In the many countries in which Michelin operates, its employees can, in the course of their work or while traveling, be exposed to risks such as assault, attack or kidnapping. These risks are all the more present in countries experiencing political instability or tense security situations.

Surveillance of security issues has been tightened, more specifically for countries in which Michelin employees may find themselves in a situation of strong tensions and threats, particularly when traveling abroad.

A country risk map is kept up to date and posted on the Intranet by the Group's Strategic Foresight, *Prevention and Protection Corporate Direction (DCAPP)* and the Travel Managers. Each country is assessed on a scale of 1 (lowest risk) to 4 (highest risk) and a

set of security rules and recommendations is drawn up for each level and shared with travelers and expatriates.

Prevention and mitigation measures

Specific guidelines and measures have also been introduced to keep expatriate employees and their family safer in high-risk countries, including pre-assignment training to raise awareness of the local security precautions.

Every year, the DCAPP undertakes assignments in the high-risk countries to assess and test, on site, the consistency and proper application of the Group's rules and recommendations.

Even though the Covid-19 pandemic was receding in 2022 thanks to the vaccination campaigns and the immunity acquired through infections, it continued to have a direct impact on the monitoring and management of Michelin employees traveling or working outside their home countries. This year, the health threat and the ensuing risks have once again been managed in crisis mode, relying on close collaboration among all of the stakeholders concerned – from the Europe Central Office to the regions.



ENVIRONMENTAL RISKS

3.1 Overall impact on climate change and mitigation strategy

3.2 Impact of our operations on climate change (scopes 1 & 2)

3.3 Impact of scope 3 on climate change

a. Impact of the use of our products on climate change

b. Impact of our suppliers on climate change

c. Other impacts in the value chain

3.4 Risk of air and water pollution

3.5 Impact of our raw materials on the environment (excluding climate change)

3.6 Risk of harming biodiversity



3. ENVIRONMENTAL RISKS

(See detailed presentation in the URD 4.1.4)

By potentially generating negative environmental externalities, the company may have an adverse effect on the planet and its stakeholders. Michelin is committed to acting as a leading enabler of sustainable development and mobility. This entails clearly identifying and effectively managing the environmental risks inherent in its business.

80 POINTS
i-MEP target 2024

Main potential environmental risks

RISK CATEGORY	MAIN EXAMPLE(S)	CAUSE(S) IDENTIFIED	POSSIBLE CONSEQUENCE(S)
ACCIDENTAL POLLUTION CAUSED BY OUR OPERATIONS	Emissions of products harmful to the environment	Fire or spillage of a product	➡ Pollution (water, soil)
ENVIRONMENTAL IMPACT OF OUR OPERATIONS	Atmospheric emissions (VOC, CO ₂ , NO _x) and effluent releases (BOD, COD, TSS)	Emissions from tire production processes	➡ Pollution (air, water, soil)
ENVIRONMENTAL IMPACT OF OUR PRODUCTS	Non-recycling of end-of-life products	Lack of collection processes	➡ Pollution (water, air)
ENVIRONMENTAL IMPACT OF OUR SUPPLIERS	Pollution caused by one of our suppliers' operations	Inability of suppliers to manage their performance, which could have a major direct impact on the environment (water, air and soil pollution)	➡ Pollution (air, water, soil)
	Deforestation	Non-sustainable production of natural rubber or other renewable raw materials	➡ Loss of biodiversity and ecosystem degradation

Stakeholder dialogue

TYPES OF STAKEHOLDERS	EXAMPLES OF STAKEHOLDERS	EXAMPLES OF TOPICS BROACHED
FRENCH ASSOCIATION	EpE (<i>Entreprises pour l'Environnement</i>)	Biodiversity, Climate, Water
INTERNATIONAL ASSOCIATION	Tire Industry Project (TIP) in WBCSD	Plastic pollution
ENTREPRISE	ERM (Environmental Resources Management) PwC	CSRD
NGO	WWF	Climate, Nature
THINK TANK	IDDRI	Climate, biodiversity, analyses and international negotiations

ENVIRONMENTAL GOVERNANCE AND MANAGEMENT SYSTEM

The Environmental Governance body is chaired by the Executive Vice President, Manufacturing, and co-chaired by the Executive Vice President, Research and Development, both of whom sit on the Group Executive Committee. It is led by the Group Environment Director and coordinated by the Vice President, Sustainable Development. The other 10 standing members represent, respectively: Standards and Regulations, Sustainable Development and Impact, Materials Research, Risk Management, the Purchasing Direction, Public Affairs, Industrial Strategy, the Sustainable Materials Direction, and the High-Tech Materials and Compliance Business Line.

The Environmental Governance body meets at least four times a year. It approves the environmental policy, ambitions and strategies, and tracks the proper management of the action plans deployed to achieve the objectives. It ensures that environmental risk is under control and that, if necessary, effective preventive or remedial measures have been defined and implemented. It relies on the work of five multidisciplinary operational committees, namely Climate Change, Circular Economy, Biodiversity and, as of 2023, Water and Pollution. These five committees are tasked with leading the initiatives, detecting weak signals, assessing emerging risks and identifying opportunities to reduce impacts in their respective sphere.

For its manufacturing, research, logistics and tertiary operations, the Group has developed an *Environmental Management System (EMS)* that allows each of its sites to curb its environmental impacts on a day-to-day basis and over the long term. It comprises a process to track compliance with legislation and Michelin standards, the obligation to define and meet improvement targets, every year, aligned with local issues and Group commitments, and procedures to attenuate the risks of accidental pollution. It covers the requirements of the ISO 14001-2015 standard. Since 2018, all of the Group's production plants subject to certification have been certified to this standard.

The EMS is a holistic approach that aims to not only identify environmental risks but also recommend mitigation and prevention processes for each one.

KPIs and monitoring

Michelin has been measuring the main impacts of its manufacturing operations since 2005. The progress made is tracked at every level of the Group – from the plants up to the Group Executive Committee and the managing partners – using a composite performance indicator.

The i-MEP indicator factors in five components: energy consumption and water withdrawals, CO₂ emissions, consumption of *volatile organic compounds (VOCs)* and the amount of waste generated.

This indicator is included in the Group's balanced scorecard and is one of the strategic indicators that every facility must track in order to measure its operational excellence.

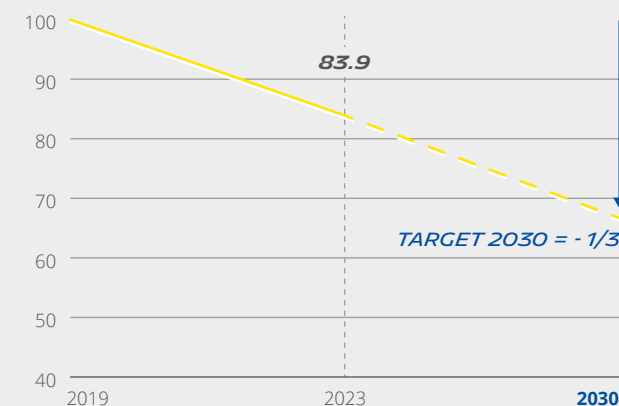
Progress will be driven by the four environmental programs deployed by the Group in 2017, which defined their respective 2030 roadmaps in 2020. Based on the identified levers and projected outcomes, the i-MEP indicator will be reduced by one-third in 2030.

The results obtained in 2023 are set out in the table below.



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

OPERATIONAL MONITORING
Progress of the i-MEP (Industrial-Michelin Environmental Performance) indicator for the Group



GROUP OBJECTIVES 2030	2030 OBJECTIVES COMPARED TO 2019	2019	2023	TARGET 2024	EVOLUTION 2023 / 2019
I-MEP (IN POINTS)	-1 / 3	100	83.9	80	-16.1

3.1. OVERALL IMPACT ON CLIMATE CHANGE AND MITIGATION STRATEGY

(See detailed presentation in the URD 4.1.1.1)

Greenhouse gas emissions from human activities are contributing to the planet-wide impacts documented by the Intergovernmental Panel on Climate Change (IPCC), in particular in its 2022 report: "Impacts, Adaptation and Vulnerability, Summary for Policymakers".



The risks linked to climate change are many and varied, and require concrete actions on the part of society's public, private and economic stakeholders. The Michelin Group has identified the main risk factors in accordance with different categories: the impacts measured in terms of CO₂ emissions linked to the Group's operations (Scopes 1 & 2), those linked to the use of our products (Scope 3), to our suppliers of raw materials, transportation and energy (Scope 3) and lastly those linked to the treatment of end-of-life products.

The Group's carbon footprint

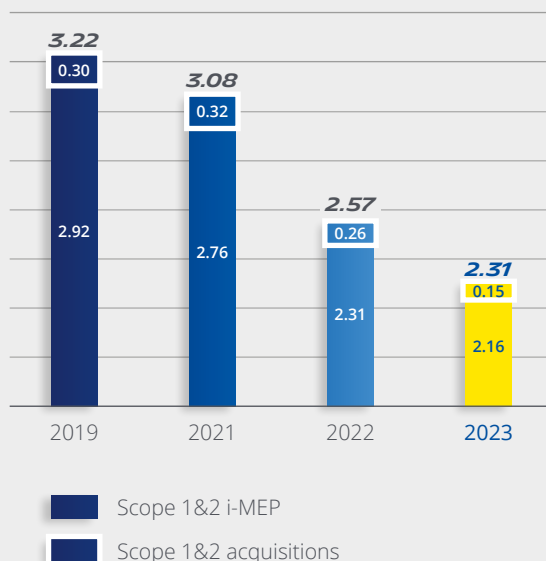
Michelin regularly updates the inventory of CO₂ emissions linked to its operations in accordance with the *Greenhouse Gas Protocol (GHG) benchmark standard*. The inventory is established for an overall scope that corresponds to the Group's scope of financial consolidation. The latest inventory is set out in the table below. The methodology and data used have undergone a third-party verification in accordance with the ISAE 3000 standard.

SCOPE	M T CO ₂	FY	AREAS COVERED BY THE GROUP INVENTORY	COMMENTS
SCOPE 1	1.04 ¹⁷	2023	CO ₂ emissions from boiler houses at production plants and R&D facilities	Michelin controls the assets that use the emission-generating energy.
SCOPE 2	1.27 ¹⁸	2023	CO ₂ emissions from the generation of purchased electricity and steam consumed at production plants and R&D facilities	The change in the volume of emissions in 2023 compared with the base year 2019 is shown below (cf. figure below: "Change in CO ₂ emissions for Scopes 1 and 2"). GRI 305-1: Direct GHG emissions (Scope 1). GRI 305-2: Direct GHG emissions (Scope 2).
REQUIRED SCOPE 3	13	2023	CO ₂ emissions from the activity categories corresponding to the Group's value chain. (cf. Breakdown of Scope 3 CO ₂ emissions by category)	Depending on the category, Michelin exercises a more or less significant influence on the activities in the value chain. The tonnage is an estimate, with a level of certainty between +/- 10% and +/- 30%, depending on the category. GRI 305-3: Other indirect GHG emissions (Scope 3).
OPTIONAL SCOPE 3	~130	2023	Indirect CO ₂ emissions linked to use of the tires sold	Michelin leverages its expertise in research and development to make a marked impact on CO ₂ emissions through the energy efficiency of the tires fitted on the vehicle. This includes road tires (car/van and truck/bus), with the exception of 2-Wheel tires, which make up less than 1% of emissions. The level of uncertainty of the figure shown is estimated at +/-30% due to the hypotheses concerning the number of vehicles fitted with tires sold worldwide by the Group, the vehicles' engine type (ICE or electric), the distance traveled over a calendar year and the lifetime of the tires sold, along with the energy mix of the countries in which said vehicles are used.

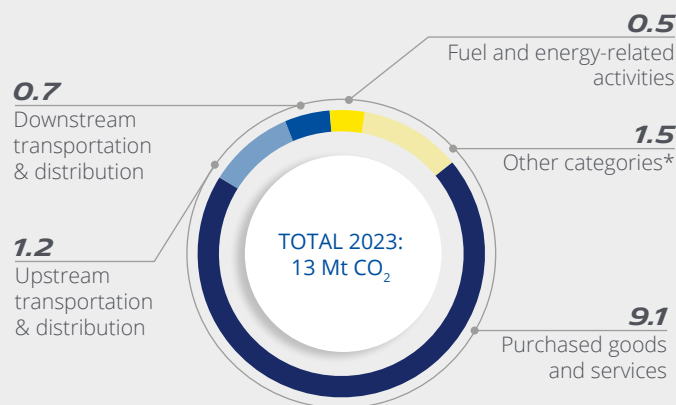
¹⁷ See URD section 4.1.4.4 b) Reduction in production plants' environmental footprint; Summary table of environmental data for the Group.

¹⁸ See URD section 4.1.4.4 b) Reduction in production plants' environmental footprint; Summary table of environmental data for the Group.

EVOLUTION OF CO₂ SCOPE 1 AND 2 EMISSIONS
(Market based - in millions of tonnes of CO₂)



DISTRIBUTION OF CO₂ EMISSIONS
ESSENTIAL SCOPE 3 BY CATEGORY



*Other categories (Mt CO ₂)	2023
Purchases of equipment	0.50
Waste generated in operations	0.04
Business trips	0.02
Employee commutes	0.22
Leasing of upstream activities	0.04
Treatment of end-of-life tires	0.25
Franchises	0.25
Investments	0.19
TOTAL	1.51

Nota 1: In the above graphs, the “acquisitions” scope includes the site emissions generated by the Multistrada, Camso and Fenner companies for the years 2019 to 2022. In 2023, Multistrada was included in the i-MEP scope.
Nota 2: In 2023, the baseline year for reporting the Group's CO₂ emissions became 2019, in line with the Group's SBTi commitments.

Michelin is well aware that global climate change may lead to severe damage to the environment and infringement of human rights. Accordingly, it is taking steps to promote an energy transition and low-carbon mobility.

Under its decarbonization plan, Michelin is aiming to achieve net-zero emissions by 2050 for Scopes 1, 2 and 3¹⁹, and making it

a priority, initially, to maximize the reduction of emissions from:

- all of its production plants;
- its supply chain, including its suppliers of raw materials and components;
- its transport operations.

As part of its strategic plan, the Group continues to innovate to achieve the transition to low-carbon mobility of goods and people. Its main initiatives are:

- to design products that retain very high energy efficiency throughout their life cycle, from production through their useful lifetime and right up to their end-of-life recycling;
- to develop services and solutions that optimize the use and

¹⁹ Scope 3 (excluding the use phase) cf. URD 4.1.1.1 a) Transition plan: Decarbonization of our operations/Scope 3: Reduce the emissions generated by our transport operations/Scope 3: Reduce the emissions generated by purchases of raw materials and components/Scope 3: Reduce the emissions generated by upstream energy and the treatment of end-of-life products.

management of vehicle fleets, thereby reducing the consumption of fuel and other energy sources;

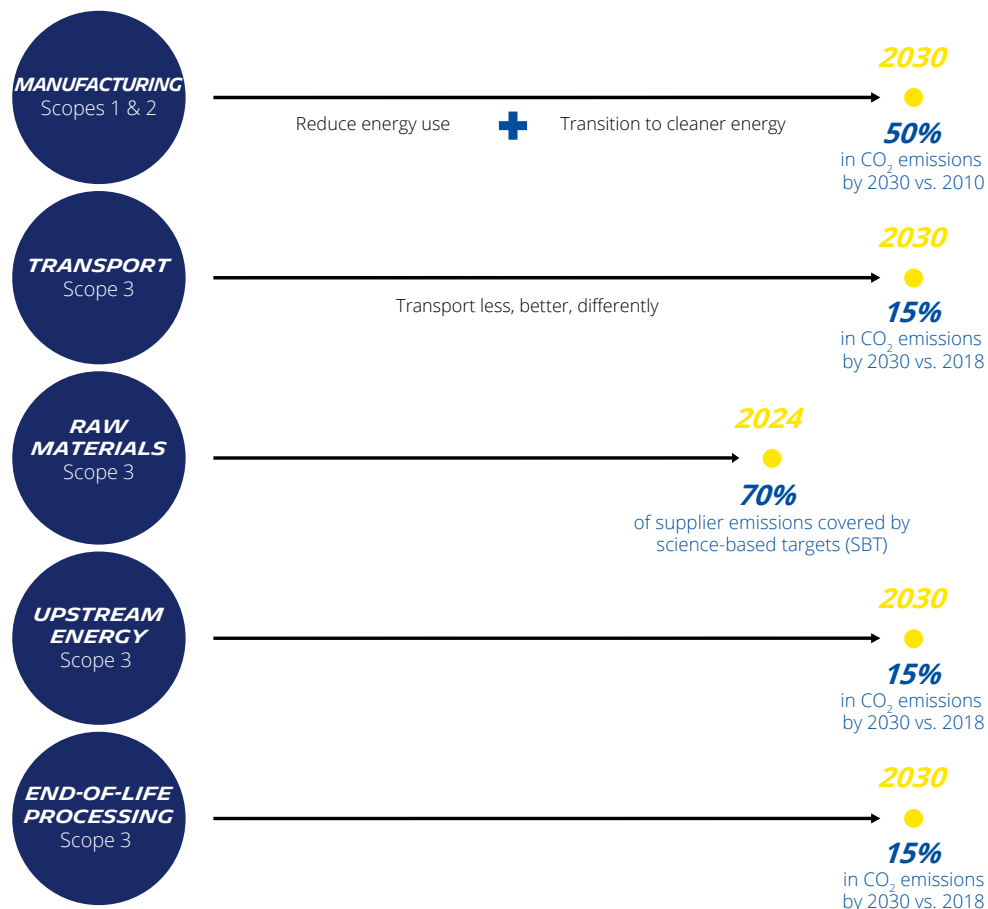
- to develop new mobility solutions through ecosystem innovation, in particular with the development of the hydrogen sector.

The Group has set five intermediate objectives for reducing CO₂ emissions, presented below, along with the objective of improving tires' energy efficiency by 10% in 2030 (by comparison with 2020).

In July 2021, Michelin joined the "Race to Zero" campaign backed by the international consortium *Science Based Targets initiative (SBTi)*, the United Nations Global Compact and We Mean Business. This has led it to set short-term reduction targets (between 2024 and 2034) and long-term reduction targets (between 2035 and 2050) for the totality of the three Scopes (excluding the in-use phase), and to neutralize residual emissions every year in order to achieve net-zero emissions by 2050.

The Group has set the short-term objectives presented below, which are compatible with a climate-warming scenario of "well below 2°C", approved by SBTi in January 2023.

In January 2024, the Group submitted new short- and long-term targets to SBTi, aligned on a 1.5°C trajectory. They are not included in this 2023 reporting exercise.



3.2. IMPACT OF OUR OPERATIONS ON CLIMATE CHANGE (SCOPES 1 & 2)

(See detailed presentation in the URD 4.1.1.1.a-b)

Prevention and mitigation measures

OUR AMBITIONS

- By 2050, the Group aims to achieve Net-Zero Emissions of CO₂ for its production plants as a whole (Scopes 1 and 2).
- In 2019, the Group set out to reduce emissions from Group plants to half of their 2010 level by 2030. Then in January 2023, SBTi approved the new reduction target, which is compatible with a climate-warming scenario of "well below 2°C". **By 2030, Michelin has pledged to reduce its absolute Scope 1 and 2**

greenhouse gas emissions by 27.5% in relation to the baseline year 2019²⁰.

In January 2024, Michelin submitted a new reduction target to the SBTi, for scopes 1 and 2, compatible with a global warming scenario of "1.5°C". This new target is far more ambitious, aiming for a 47.2% reduction in absolute value over the same period,

2019-2030. As it was submitted in early 2024, it has not yet been approved and is cited for information purposes only in the 2023 reporting exercise.

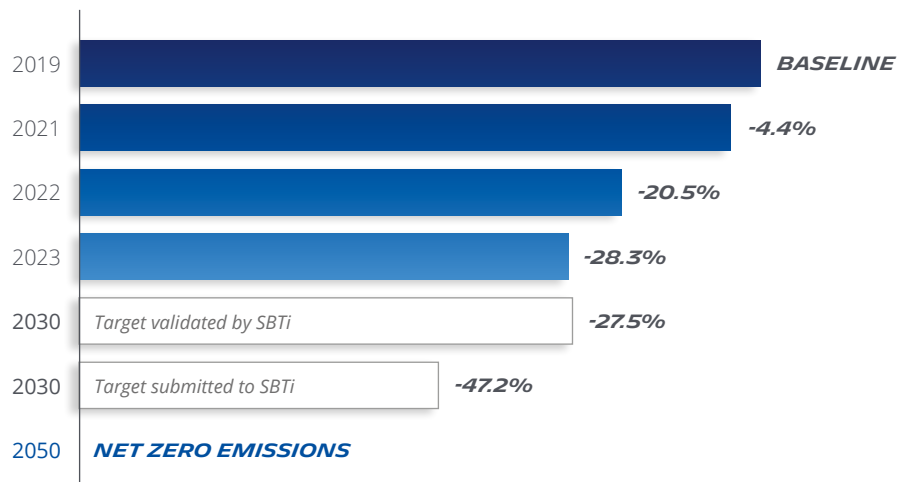
This latest target goes beyond the scope of reporting to date:

- it includes the recent acquisitions
- it leads to an alignment on the 2019 baseline year.

OPERATIONAL MONITORING

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

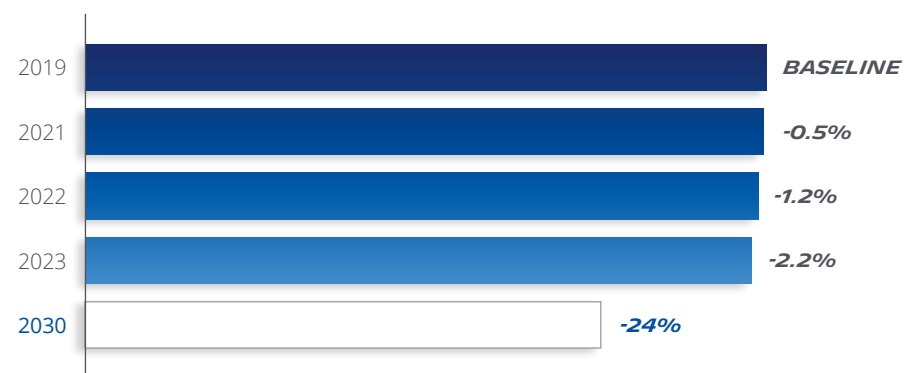
REDUCTION IN CO₂ EMISSIONS FROM THE MANUFACTURING FACILITIES (millions of tonnes of CO₂)



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

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

IMPROVEMENT IN THE ENERGY EFFICIENCY OF THE MANUFACTURING FACILITIES (in Gigajoules per tonne of finished and semi-finished)



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

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

²⁰ Objective approved by SBTi in January 2023, compatible with a climate-warming scenario of "well below 2°C". The target scope includes emissions and absorptions linked to biogenic sources and biomass used as energy.

The emissions reduction program is grounded on two main focus areas:

- use less energy (energy sobriety);
- use energy more efficiently (energy transition).

The first avenue for improvement draws on the Manufacturing Direction's energy efficiency initiative (e.g. process electrification, tire-curing performance and management, utility efficiency).

For the second focus area, there are two types of lever: structural levers, which consist in upgrading the energy-supply infrastructures to lower-carbon energy sources; and market levers, which consist in buying lower-carbon forms of energy. To boost progress,

an internal carbon price of €200 per tonne of CO₂ avoided is applied to the economic analyses of projects that require investments.

In 2018, the Group's Environmental Governance body approved the commitment to stop using coal to fuel production plants by 2030. Today, four of the Group's plants are still equipped with coal-fired boilers: Olsztyn (Poland), Louisville (USA), Bassens (France) and Pirot (Serbia). One facility, Shenyang (China), buys steam from a coal-fired plant. Studies into replacing coal by another primary energy source, such as gas or biomass from sustainably-managed sources, are underway for each of the five plants.

EXAMPLES OF ACHIEVEMENTS

Development of renewable energies

Since 2008, the Michelin Group has been taking steps to develop renewable energies. These projects, whether they involve biomass, solar or wind power, often entail lengthy procedures. Today, 19 Group plants have renewable-energy facilities.

Purchasing guaranteed-renewable electricity

Since 2017, Group plants in the European Union have been using renewable electricity. In 2021, the Group purchased electricity backed by certificates of origin in Brazil and Serbia. In China, in addition to the above-mentioned on-site power plants, the Group has started purchasing decarbonized electricity.

In all, 23.9% of the thermal and electrical power used by the Group in 2023 came from renewable sources.

23.9%

Energy from renewable sources in 2023



3.3. IMPACT OF SCOPE 3 ON CLIMATE CHANGE

(See detailed presentation in the URD 4.1.1.1.a)

a. Impact of the use of our products on climate change

Prevention and mitigation measures

Reducing the emissions generated by the tire's usage phase

Reducing tires' rolling resistance by design helps reduce vehicles' fuel consumption, so reduces CO₂ emissions during use. Lower rolling resistance also increases electric vehicles' range.

Over the past 20 or more years, Michelin has improved the tire portfolio's energy efficiency by over 20%, without compromising on safety or longevity. In the run-up to 2030, the Group will continue to hone its tire product plan, an initiative bolstered by systematic life-cycle analysis and the use of eco-design in the research and development department.

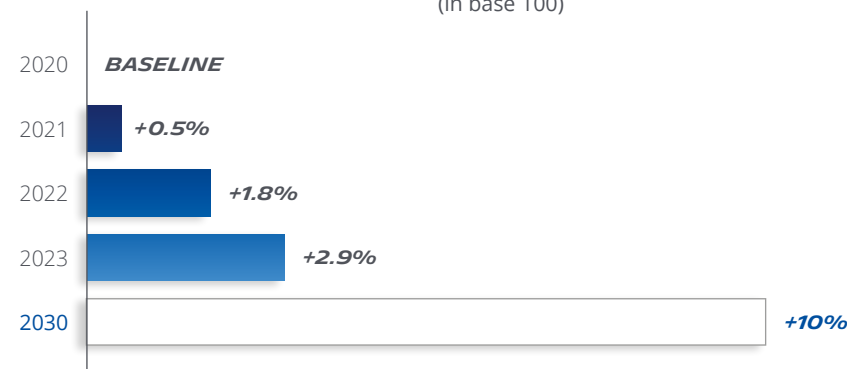
OUR AMBITION

To improve tires' energy efficiency by 10% in 2030 by comparison with 2020.

OPERATIONAL MONITORING

Key Performance Indicator: improvement in the rolling resistance (RR) of Passenger Car, Light Truck and Truck²¹ tires by comparison with 2020, weighted by the sales volume (tonnage) in the reporting year.

EVOLUTION OF ENERGY EFFICIENCY OF PRODUCTS
(in base 100)



Another lever that the Group uses to reduce CO₂ emissions is the product-service economy. It consists in either supplying a product plus a tire monitoring and maintenance service designed to optimize the tires' performance – in particular their energy performance – or simply a service that optimizes fleet management and improves fleets' carbon footprint, among other things. The Michelin Services and Solutions business line specializes in designing, developing and perfecting new solutions for mobility stakeholders, based on data processing and the handling of electric vehicle operations.

Michelin also sees the electric vehicle market as a valuable opportunity to speed up the energy transition. A pioneer in hydrogen fuel cells with over 20 years' expertise in hydrogen fuel cells, Michelin aims to become a global leader in hydrogen systems through SYMBIO, a joint venture between Michelin, Forvia and Stellantis.

Michelin also plays a prominent role in the major international forums promoting sustainable mobility, such as the Transport Decarbonation Alliance or the World Bank's Sustainable Mobility for All initiative. The Movin'On ecosystem,

initially created by Michelin²², believes that no stakeholder will be capable of meeting the challenges posed now and in the future on its own. Accordingly, it is federating public and private stakeholders, whether collective or individual, around this vision and giving them the means to innovate together to find new solutions for sustainable mobility.

²¹ The indicator covers 87% of the scope.

²² See URD Part 4.1.2.5 e

b. Impact of our suppliers on climate change

Prevention and mitigation measures

Reducing the emissions generated by logistics

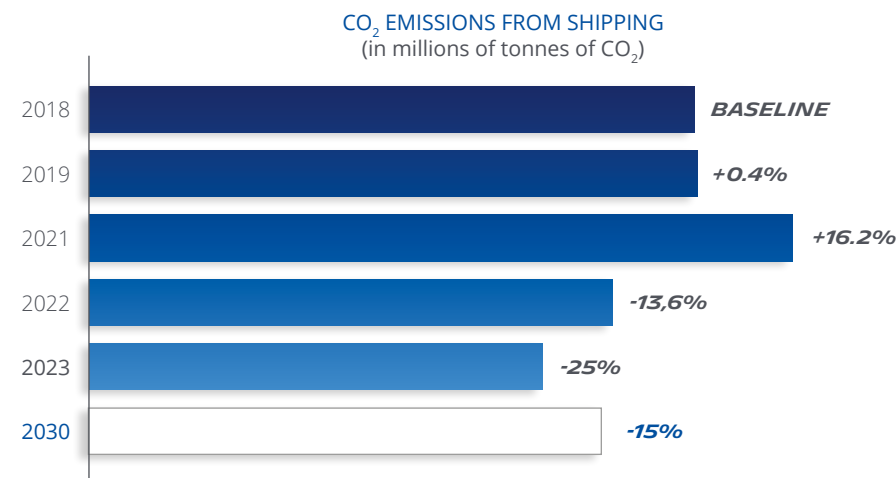
OUR AMBITION

Reducing greenhouse gas emissions from logistics operations is a major priority for Michelin. The Group has set an ambitious objective: to reduce the tonnes of CO₂ emissions (in absolute value) by 15% between 2018 and 2030. This objective was approved by SBTi in January 2023 and covers:

- shipping of the materials used to manufacture industrial semi-finished products (natural and synthetic rubber, metal reinforcements and fabrics, etc.)
- shipping of the semi-finished products between sites
- shipping of the finished products to the customers
- the operation of the warehouses.

In 2023, CO₂ emissions came to 1.03 million tonnes, which corresponds to a 25% reduction on the 2018 figure. These structural improvements are reflected in the "Tonne of CO₂ emitted per Tonne sold" indicator, which fell 16% between 2018 and 2023, illustrating our plan to transport less, transport better and transport differently. The Group has addressed the commitments made by partner carrier companies, optimized our current means of transport, developed multimodal solutions and

OPERATIONAL MONITORING



innovated with external bodies to achieve more environmentally-friendly technologies and practices.

Reducing the emissions generated by purchases of raw materials and components

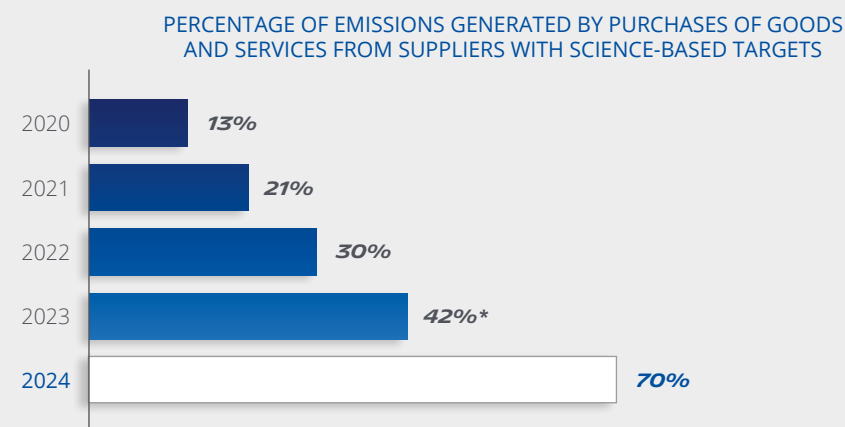
Emissions associated with the Group's purchases of goods and services (Category 1 of Scope 3 in the Greenhouse Gas Protocol terminology), which do not include the emissions associated with logistics purchases, represent roughly two-thirds of the Scope 3 emissions outside the use phase (i.e. outside Category 11).

Raw materials (including natural rubber) account for a massive 85% or so of the emissions associated with purchases of goods and services. This is why efforts to reduce supply chain-related emissions focus on the supply of raw material inputs, alongside the significant work being done on purchases of transport services.

OUR AMBITION

In 2020, the SBTi approved the Group's targets for reducing greenhouse gas emissions. They include a target for purchases of goods and services. By 2024, the suppliers that account for 70% of the emissions associated with the Group's purchases of goods and services (Scope 3 Category 1) will have set science-based targets for reducing greenhouse gas emissions.

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

In 2023, the suppliers representing 42% of the emissions in this category either reported that they had science-based targets during the CDP questionnaire exercise, or actually had targets already approved by the SBTi.

Michelin communicates with its suppliers to encourage them to initiate, develop or speed up their initiatives to reduce their GHG emissions.

In 2018, Michelin joined the Supply Chain Program run by the CDP (formerly Carbon Disclosure Project) and asked its leading raw materials suppliers to join the initiative. This approach encourages them to quantify and publish their greenhouse gas emissions, and develop strategies to reduce them.

This campaign was carried out in 2018 and has been repeated annually since 2020. Of the 116 raw-materials suppliers asked to submit their data in 2023, 95% responded. The raw-materials suppliers who responded represent roughly 66% of the emissions associated with the Group's purchases of goods and services. Moreover, 65% of the suppliers evaluated on their response to the CDP Climate Change questionnaire obtained a score greater than or equal to B-, indicating a good level of maturity on the subject.

In 2023, the CDP recognized the Michelin Group's ability to engage its suppliers in reducing CO₂ emissions by presenting it with the CDP Supplier Engagement Leader Award.



c. Other impacts in the value chain (Scope 3)

Prevention and mitigation measures

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

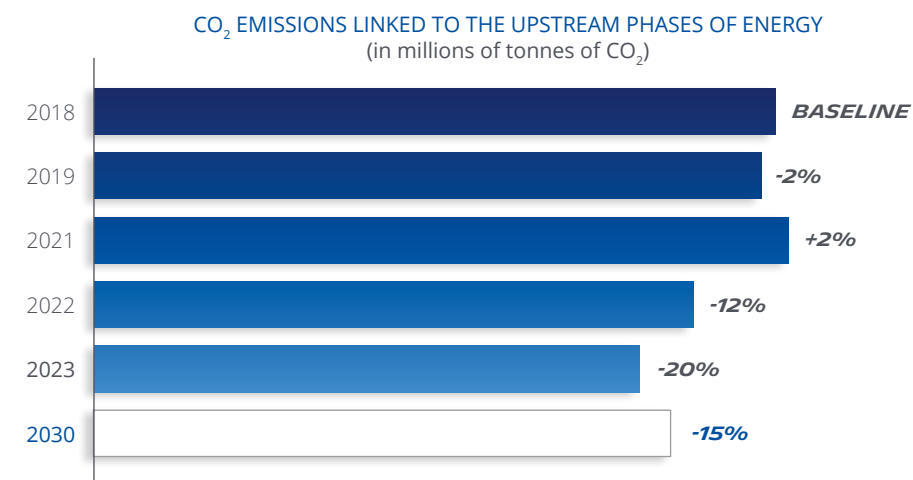
- the upstream phases of energy: the extraction, production and shipping of fuels purchased by the company or used to produce electricity or thermal energy;
- the processing of end-of-life products.

OUR AMBITION

To reduce the tonnage of CO₂ emissions by 15% (in absolute value) between 2018 and 2030.

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Key performance indicator: tonnes of CO₂ in absolute value resulting from the upstream energy phases.



Upstream energy²³

The levers for reducing the emissions associated with upstream energy are the same as those for reducing Scopes 1 & 2 emissions, namely to reduce energy consumption and gradually transition to renewable energies (cf. above)²⁴.

The reduction between 2022 and 2023 stems from the reduction in energy consumption by production plants and the increased share of renewable energy used by the sites.

New Scope 3 goal:

A new and more ambitious emissions-reduction target, aligned with our "Race to Zero" commitment, was submitted to the SBTi

in January 2024. It will concern the Scope 3 categories: raw materials purchases, upstream and downstream transport, and the upstream phases of energy. In the short term, this new target, which is pending SBTi approval, is aiming for a 27.5% reduction between 2019 and 2030 for these three Scope 3 categories. In the long term, it is aiming for a 90% reduction in all Scope 3 essential emissions by 2050.

Treatment of end-of-life products [\(See also 3.4. End-of-life tires: collection and recovery\)](#)

Michelin is promoting solutions for the recovery of end-of-life

products, which have a smaller carbon footprint, and is developing circular economy models.

The change of methodology used to record the emissions generated by the "processing of end-of-life products" (following the revision of the GHG Protocol) means that the quantity of emissions for this category becomes far less significant for Scope 3 as a whole. From now on, Michelin's initiatives in this area will be published in the chapter below: ["End-of-life tires: collection and recovery"](#).

3.4. RISK OF AIR AND WATER POLLUTION

(See detailed presentation in the URD 4.1.4.4)



The tire manufacturing process generates atmospheric emissions (VOCs, SOx and NOx) that can be a source of pollution. Manufacturing also generates various waste products. During tires' service life, wear particles from the tires and the road surfaces (*Tire & Road Wear Particles, or TRWP*) are produced. Lastly, end-of-life tires must be treated or recycled to prevent them becoming a source of pollution.

Reduce VOC emissions

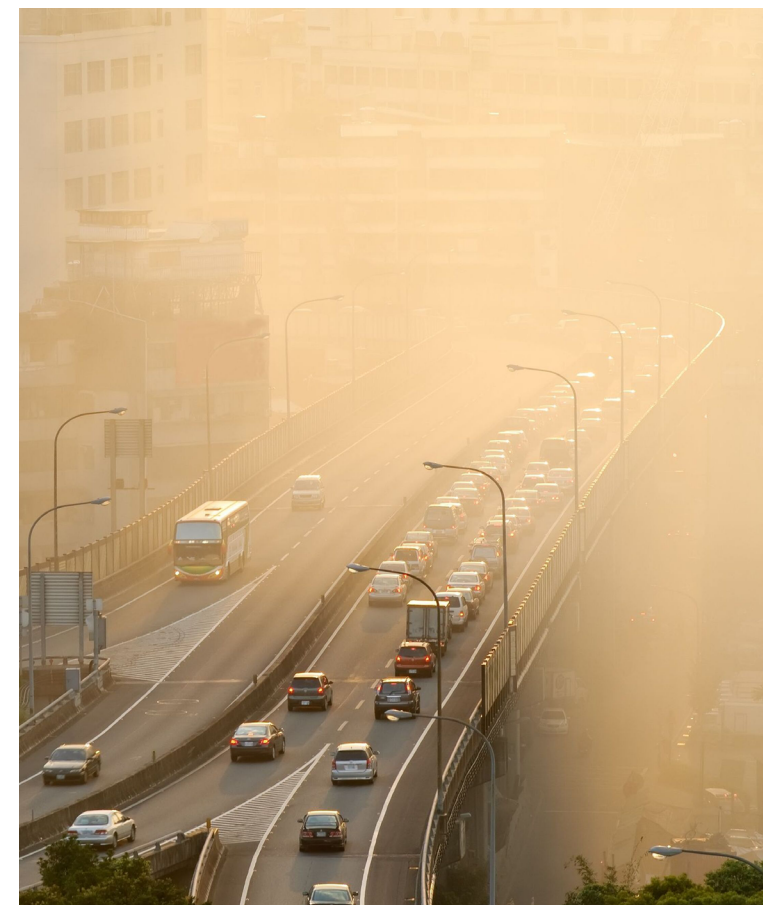
Prevention and mitigation measures

The Group's VOC objective is to completely phase out all VOC-generating organic solvents by 2050. An intermediate objective of a 50% reduction in VOC use by 2030 compared to 2019 has been set and the related capital expenditure has been authorized.

In 2023, VOC consumption per tonne of finished product is 7.4% lower than in 2022. This figure confirms the long-term decline, in keeping with the 2030 target, in an unfavorable production context.

²³ The energy required for all of the operations entailed in delivering the fuels (Scope 1) and the energy purchased (Scope 2) to the sites.

²⁴ On the assumption that the upstream production and delivery of fuel derived from renewable sources, or purchased renewable energy, are globally less energy-intensive and therefore emit less CO₂ than fuels or energies from fossil sources.



This is being done in three ways:

1. Deploying good manufacturing practices to optimize solvent use. More specifically, this is achieved by tracking the quantities used, adjusting the solvent applicators as efficiently as possible, using just the right amount of solvent and maintaining performance over time through effective management.

2. The introduction of new solutions, processes, materials and products designed to reduce or even eliminate organic solvents at certain interfaces.

3. Research and development teams are designing lower organic solvent use into projects to ensure that tomorrow's products minimize their impact on VOC emissions.

These three improvement drivers have been embraced and documented by the VOC Program, whose network of experts meets twice a year to discuss the deployment of best practices, identify innovations in terms of processes, materials and products, and progress on groundbreaking research projects.

Reduce nitrogen oxide (NO_x) and sulfur oxide (SO_x) emissions

Prevention and mitigation measures

Four upgrades achieved in 2015 and 2016 have since significantly reduced NO_x and SO_x emissions by: replacing the use of fuel oil with natural gas at three production plants in Canada; closing the former Shenyang plant in China, which used a coal-fired boiler; replacing the coal-fired steam generation facility at the Shanghai plant in China with the purchase of steam from a gas-

fired combined heat and power station; and fitting a "DeSO_x-DeNO_x" scrubber on the coal-fired boiler at the Bassens facility in France. In 2020, a coal-fired boiler at the Olsztyn plant in Poland was replaced by a gas-fired installation.

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In 2023, specific NO_x emissions came to 0.13 kg per tonne produced (cf. 0.17 kg/t calculated in 2019). Sulfur oxide (SO_x) emissions came to 0.09 kg per tonne produced (cf. 0.15 kg/t calculated in 2019). The elimination of coal from all of our production plants by 2030 will enable a further significant reduction in these emissions.



Reducing and recovering waste

Prevention and mitigation measures

In line with its 2050 vision, the Group has set itself an intermediate objective of reducing the amount of waste produced per tonne of finished product by 25% in 2030 compared to 2019. The robust pace

of improvement observed since 2015 will be maintained by rolling out best practices and developing recycling synergies with the Group's new businesses.

The Group's waste management policies are based on the 4R approach (Reduce, Reuse, Recycle, Renew)²⁵:



Eliminate waste production at the source

Here are some examples of how this could be done:

- Avoid single-use products;
- Make a practice of returning packaging to the suppliers;
- Eliminate ash from the boiler house by eliminating coal as an energy source.



Reduce the waste generated

Here are some examples of how this could be done:

- Improve process control (raise the compliance rate);
- Develop technology advances (reduce material losses);
- Apply industrial best practices and raise staff awareness.



Institute reuse within the Group

Here are some examples of how this could be done:

- Repair whatever can be repaired;
- Reuse industrial plant among the factories;
- Reuse non-compliant materials within the Group by establishing synergies among the different businesses or within acquisitions.

When it is impossible to avoid waste, prefer materials recovery channels to energy recovery channels. The waste can then be used to manufacture new products. For example, non-vulcanized rubber waste can be recycled to manufacture various rubber articles other than tires (seals, wheel rollers, etc.), to regenerate solvents or to process the sludge into tiles for outdoor floor coverings.

Alongside its waste-reduction objectives, the Group has undertaken to recover 100% of the waste generated. Accordingly, the Group's waste policy prohibits the practice of sending waste to landfill unless it has been demonstrated that there are no technically and environmentally-viable treatment channels. In that case, landfilling waste is only a transitional solution pending a waste recovery channel.

²⁵ See below: "[Michelin's 4Rs](#)"

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INDICATORS	UNIT	2019	2023
CONSUMPTION OF ORGANIC SOLVENTS	kg / t SF + PF	0.83	0.60
NO _x EMISSIONS	kg / t SF + PF	0.17	0.13
SO _x EMISSIONS	kg / t SF + PF	0.15	0.09
CO ₂ EMISSIONS	t/t PF+SF	0.32	0.23
WASTE GENERATED	kg/t PF+SF	36.10	31.2
HAZARDOUS WASTE	kg/t PF+SF	3.05	2.98

The Group's waste performance ratio improved by 5.7% year-on-year and the amount of waste generated, in absolute value, declined by 8% over the period, to 273 kT in 2023.

In 2023, 95.2% of the waste generated was recovered (in the form of energy or material). This overall recovery rate (around 96%) has been stable for several years.

Moreover, using material recovery channels rather than other waste-processing channels has enabled the company to achieve a materials recovery rate of 72.7% for the total waste generated in 2023.

Lastly, 9.5% of the waste generated in 2023 is classified as hazardous under the legislation of each of the countries in which the Group operates.

Tire and road wear particles (TRWP) and participation in the Tire Industry Project (TIP)

Factoring in the environmental impact of its operations is embedded in the Michelin Group's DNA and forms an integral part of its strategy. So for many years Michelin has taken a keen interest in all of the issues and research related to wear particles.

As far back as 2005, at Michelin's initiative, the subject was adopted as one of the main fields of research to be funded by the *Tire Industry Project (TIP)*, enabling it to:

- Recognize that tire wear particles are in fact wear particles from both the tire and the road in a 50/50 proportion
- Define a method for reproducing representative TRWPs in a laboratory for scientific study
- Devise an ISO-patented method for measuring the percentage presence of these particles in the air
- Conduct in-situ studies establishing that the presence of PM 10 and PM 2.5 particulate matter derived from TRWP was negligible (studies carried out in Europe, the USA, Japan and India)
- Define a method for measuring the presence of TRWP in estuaries and conduct measurements in Europe, the USA and Japan

- Make an inventory of possible methods for neutralizing these wear particles, depending on the environments, to provide the authorities with a catalog of solutions
- Allow the tire industry, represented by the *Tire Industry Project (TIP)*, to sit in as an observer at the negotiations on the United Nations Treaty on plastic pollution

In November 2023, the CEOs of the 10 manufacturers involved in the TIP approved a new workplan for 2024-2025 covering:

- A fresh research cycle to expand current knowledge of particle generation by tires
- An approach increasingly focused on generating data and methods to guide mitigation initiatives and the launch of TRWP-mitigation pilot projects.



In addition to these studies, Michelin is conducting its own research. Most notably, Michelin, the CNRS and the Université Clermont Auvergne inaugurated a joint laboratory called "BioDLab" in December 2023. This is a laboratory devoted to studying the degradation and biodegradation of tire rubbers.



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More specifically, this policy has achieved a 5% reduction in its products' TRWP emissions between 2015 and 2020. On a global scale, this has enabled Michelin to reduce its TRWP emissions by around 100,000 tonnes all together. By way of example, our two most recent tires improve performances in this area by between 20% and 25%:

- MICHELIN Pilot Sport 5: a 25% reduction in particle emissions compared with the MICHELIN Pilot Sport 4

- MICHELIN e-Primacy: a 20% reduction in particle emissions compared with the MICHELIN Primacy 4

In 2022, the *Allgemeiner Deutscher Automobil-Club (ADAC)* updated its in-depth study to illustrate tires' level of particle emissions for around 100 different tire models in different sizes. The analysis of the findings published by the ADAC showed that the MICHELIN brand often topped the rankings and was the brand

that, on average, emitted the fewest particles per kilometer among all of the tires tested, while still guaranteeing excellent levels of safety.

End-of-life tires: collection and recovery

(See also 3.5: *Michelin's 4R strategy for a circular economy*).

By working with industry associations and in particular the TIP, Michelin is making every effort to ensure that end-of-life tires are properly collected and processed in every region around the world. To do so, Michelin supports the principle of "extended producer responsibility" and is working with the leading stakeholders to develop and deploy efficient recycling solutions. Michelin is also exercising its influence to encourage material recovery, which optimizes the reuse of tire components as secondary raw materials and offers a generally smaller carbon footprint than energy recovery (see 1.3.c: *Treatment of end-of-life products*).

In 2023, the Michelin Group backed the establishment of the Antin/Enviro joint venture with a view to installing several tire-recycling plants across Europe, with a total capacity capable of recycling up to a million tonnes of end-of-life tires a year by 2030. This joint venture will use technology developed and patented by Enviro to extract the carbon black and pyrolysis oil from worn tires. The joint venture's first plant will be based in Uddevalla, Sweden. Construction has already begun and the plant should be operational in 2025.

This new stakeholder's arrival on the market marks another step towards greater circularity in the tire industry. For the record, Michelin had laid the groundwork for this adventure back in 2020 with its partnership with Enviro.

Michelin's commitment to materials circularity also rests on its ability to collaborate with its competitors. This coopetition can be seen in the call to action launched jointly by Michelin and Bridgestone in 2021 to develop the end-of-life tire recycling ecosystem and promote circularity in the rubber industry. The world's top two tire makers have set out to facilitate and boost the use of *recovered carbon black (rCB)* from recycled tires. Following this call, Bridgestone and Michelin jointly published a technical white paper entitled "Recovered carbon black guidelines" to share the results of their work with the stakeholders in the rCB community and draft a proposed global standard aimed at increasing the use of this recovered material in tires. As part of its strong commitment to the recovery and reuse of end-of-life tires, in October 2017 Michelin acquired US-based Lehigh Technologies, which specializes in the design and production of micronized rubber

powders made with rubber recycled from tires and other rubber-based industrial products. In 2022, the Group launched the construction of a Lehigh Technologies production workshop at its Olsztyn facility in Poland. Production began in 2023.

In a further bid to foster the creation of new circularity ecosystems, Michelin has launched several research and development projects, which it is coordinating as part of the European Union's Framework Programmes for Research and Innovation:

- BlackCycle: this project launched in April 2020 focuses on recycling all of the rubber-based materials found in end-of-life tires. It involves 13 bodies in a European public-private partnership that aims to create, develop and optimize a complete value chain, from end-of-life tires through to *secondary raw materials (SRM)*, without wasting resources at any stage and while being particularly attentive to the environmental impact. The project has already demonstrated, in 2023, that it is possible to produce *s-CB (Sustainable Carbon Black)*, on a scale of several tonnes, by replacing the fossil raw material as an intrant by a distilled pyrolysis oil made from used tires.

• WhiteCycle: this project, launched on July 1, 2022 and coordinated by Michelin, develops innovative processes for recycling the PET (Polyethylene Terephthalate) complex textile-based fibers

found in end-of-life tires, hoses and multilayer clothes, for subsequent reuse in high-performance products. The 16 partners in the consortium are based in five countries: France, Spain,

Germany, Norway and Turkey. For over 10 years, the Group has upheld a policy aimed at recovering and reusing 100% of the waste generated by manufacturing tires.

3.5. IMPACT OF OUR RAW MATERIALS ON THE ENVIRONMENT – EXCLUDING CLIMATE CHANGE

(See detailed presentation in the URD 4.1.4.2)



RISK FACTORS

Tires are made up of around 200 different materials, such as elastomers (natural and synthetic rubbers), plasticizers and chemicals, among others, which are essential for guaranteeing their performance. Factors such as the natural or fossil origin of the raw materials, the way they were produced or mined, and growing demand for these products can have an impact on the environment such as resource depletion, pollution and/or the loss of biodiversity.

In 2023, following the annual meeting with the External Stakeholders Committee, the Group decided to follow the recommendations received for using a clearer, more precise vocabulary and approved the replacement of the term “sustainable materials” by “renewable or recycled materials”.

The Michelin Group aims to be using 100% renewable or recycled materials by 2050 and is committed to incorporating an average of 40% of renewable or recycled materials into its tires in 2030. To meet this major challenge, the Group prioritizes, and is contributing to the development of, recycling channels and/or biosourced materials.

The Michelin 4R strategy for a circular economy



To optimize resource usage and reduce its products' and services' environmental impact, Michelin is implementing an eco-design approach underpinned by Life Cycle Analyses (LCAs), and rolling out the Michelin 4R circular economy approach, which works



The Michelin Group is leveraging innovation to design tires that:

- are lighter, thereby reducing the quantity of resources (raw materials and energy) needed to manufacture them;
- have less rolling resistance. This makes them more energy-efficient in use, which in turn reduces the vehicle's fuel consumption and CO₂ emissions;

through four processes: Reduce, Reuse, Recycle and Renew. Since 2017, this approach has been led by a Circular Economy Operational Committee.

- have greater resistance to abrasion. This reduces the pollution created by the emission of wear particles (TRWP) resulting from friction between the tire and the road surface, and lastly;
- capable of ensuring the best safety performances throughout their lifetime, right down to the wear indicators, and avoiding the premature replacement of millions of tires on a global scale.



Repairing, regrooving and retreading tires are solutions that save raw materials, since they extend the casing's lifetime and require a smaller quantity of raw materials than a new tire. A tire that has been repaired, regrooved or retreaded is a tire that is not replaced.

The Group is extending these offers to include Truck, Aircraft and Earthmover tires.



Creating the technical and economic systems to cater for recycling and processing end-of-life tires is a major challenge. The Group is very keen to meet this challenge, in all countries, in consultation with all of the stakeholders concerned. The Group accordingly continues to be involved in end-of-life tire recovery programs through work carried out in various associations such as the *Tire Industry Project (TIP)* and industry associations such as the *European Tyre and Rubber Manufacturers Association (ETRMA)*, the *United States Tire Manufacturers Association (USTMA)* and the *Japan Automobile Tyre Manufacturers Association (JATMA)*.

In 2023, Michelin set up a new operational entity within its organization to take charge of renewable and recycled materials for circularity. This entity is tasked with organizing the transition to

MICHELIN Truck tires can be regrooved when the tread pattern is worn, then hot retreaded (using the Remix process) or cold retreaded and regrooved a second time before the components are reused in the end-of-life recovery channels. In all, with one retread and two regroovings, a new MICHELIN Truck tire can last 2.5 times longer than a new Michelin tire with just an addition 30% of material.

circularity with all of the internal entities and external ecosystems. This will entail setting up partnerships on the various value chains and developing recycling channels, in particular for end-of-life tires. It will also involve securing the procurement of primary resources and new renewable and recycled materials, while minimizing CO₂ emissions, environmental impacts (water, biodiversity, etc.) and the energy required to manufacture the tires. This entity will make it possible to step up the development of technologies for recovering end-of-life tires - an activity that the Group has been undertaking for years - to create new sustainable materials through partners such as Enviro and Carbios.

[\(See above: "End-of-life tires: collection and recovery"\)](#)





The Group's ambition is that, by 2050, its tires will be made entirely from renewable or recycled materials. To attain this ambitious goal, the Group is promoting the use of materials from recycling channels and/or biosourced materials.

As far as biosourced materials are concerned, major projects are under way to convert the supply chains or to make the natural materials supplied more sustainable.

- The BioButterfly project, in partnership with AXENS and IFPEN, has set out to develop a bio-butadiene production process using ethanol derived from biomass. The aim is to produce innovative, more environmentally-friendly synthetic rubbers. The development phase was launched in 2015. An industrial demonstrator started up in early 2023 and has been able to carry out production runs of several tonnes of butadiene. In 2024, this demonstrator will be used to optimize the process and construct the process book for the first production plant.

- The BioImpulse project is a collaborative public/private research project that is helping to create a new, fully-biosourced adhesive resin that is safer for human health. The consortium is coordinated by ResiCare, a Michelin subsidiary.

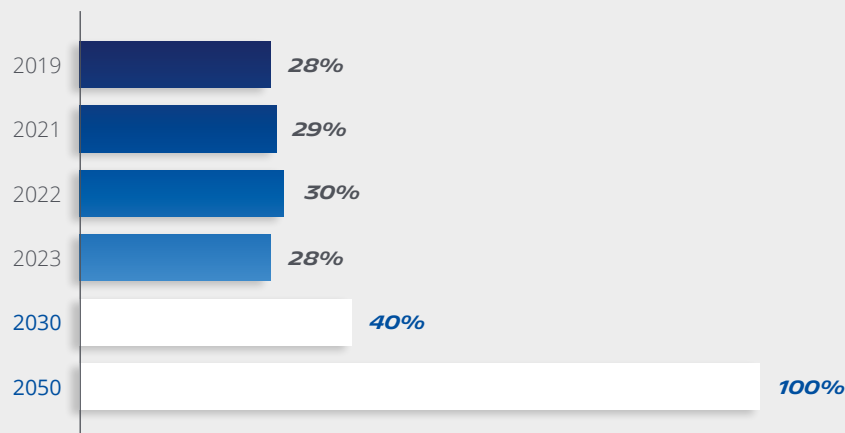
- Michelin has also joined Bio-Speed, a consortium of companies aiming to accelerate the development of bio-based materials, particularly second-generation materials.

In late 2020, Michelin also launched the EMPREINTE project. The project is financed by the *Investments for the Future Program (PIA)*, now part of France 2030, and operated by the ADEME. It aims to offer effective solutions for recycling or bio-sourcing materials, and for environmentally-sustainable product design. These solutions will improve tires' overall environmental footprint. The project targets two strategic markets: individual mobility (Passenger car tires) and freight transportation (Truck tires).

In 2022, Michelin unveiled new tires designed within the framework of this project and containing respectively 45% of renewable or recycled materials for the car tire and 58% for the bus tire. That represents increases of respectively 100% and 50% of current tires' content. These tires are approved for driving on the open road and present the same environmental impact and the same premium performances as the current benchmark Michelin tires. The renewable or recycled materials used to make these new tires may come into widespread use in certain MICHELIN tires on the market from 2025 onwards.

OPERATIONAL MONITORING:

THE RENEWABLE OR RECYCLED MATERIALS RATIO



-2 POINTS
2023

In 2023, the renewable or recycled materials ratio stood at 28%, 2 points below the 2022 figure. Against the backdrop of a production slump, the volumes of raw materials purchased fell in 2023 and in particular the volumes of natural rubber. This trend was accentuated by the more marked downturn in the volumes of Truck tires, since Truck tires and specialty tires use more renewable rubber than the tires of passenger vehicles.

Natural rubber is the largest component of the share of renewable and recycled rubber, so the significant drop in purchases automatically lowered the percentage of recycled and renewable materials by around 3 points compared with 2022.

However, the Group's efforts to develop new renewable and recycled materials continued in 2023 and, in line with the roadmap, resulted in a gain of approximately 1 point compared with 2022, making up, in part, for the negative effect of the drop in the volume of natural rubber.

3.6. RISK OF HARMING BIODIVERSITY

(See detailed presentation in the URD 4.1.4.4)



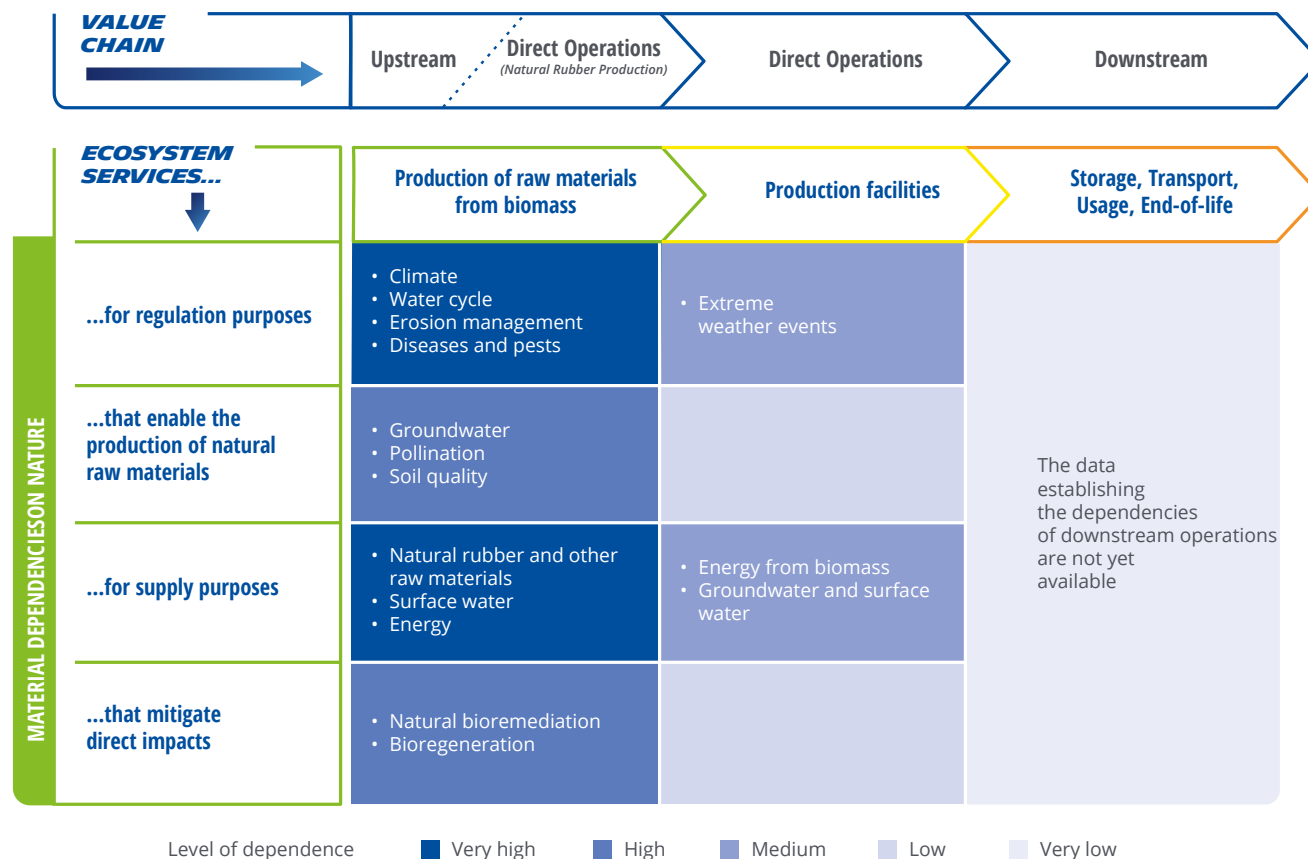
RISK FACTORS

The risk factors that Michelin's operations represent for biodiversity mainly concern the geographical footprint of its production plants, the raw materials used in its tires and in particular those obtained from the natural rubber production chain.

Dependencies and Impacts

Dependencies

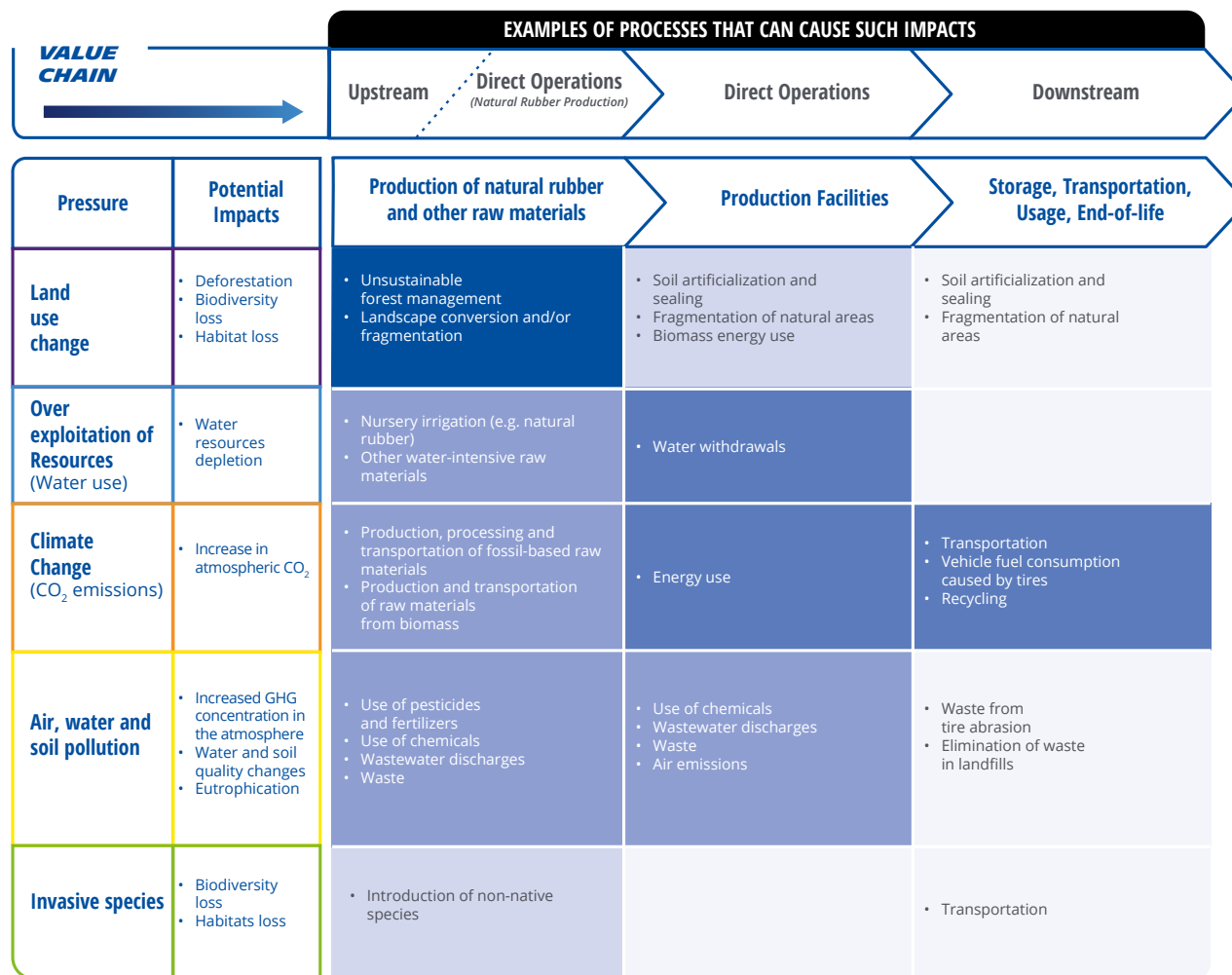
Of the 200 different materials that make up the composition of a tire, natural rubber represents roughly 21% of the raw materials used by the Group. Michelin is therefore heavily dependent on this natural raw material to manufacture its products and, as a result, its revenue depends on a healthy biodiversity and ecosystems.



Potential impacts

According to in-house studies based on the raw materials' Life Cycle Analysis and corroborated by external analytical tools (e.g. Encore®) and the results of the first two steps of the *Science-Based Targets for Nature (SBTN)* method, the main potential impacts on the Group's operations are primarily linked to:

- rubber farming (use of the land) and
- industrial operations (climate change, water withdrawals and waste generation).



Level of potential impact Very high High Medium Low Not yet determined

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

Prevention and mitigation measures




The Michelin Group is well aware of its dependence on nature and the need to protect natural resources and restore biodiversity and ecosystems if it is to do business on a sustainable basis. Accordingly it aims to bring its ambition and its actions into line with the Kunming-Montreal Global Biodiversity Framework.

A multidisciplinary Biodiversity Operational Committee was set up in late 2018. Led by the Development and Impact Direction, it is made up of experts from two other directions - Research & Development and Purchasing - and from the agronomics team responsible for producing natural rubber on its plantations. It draws up the Group's Biodiversity strategy and submits it to the Environmental Governance body.

In 2023, Michelin decided to ratchet up its commitments under the Act4nature international initiative by setting itself two new objectives in relation to its natural rubber value chain (see infographic opposite).

In January 2024, the Group pledged to adopt the recommendations of the *Taskforce on Nature-related Financial Disclosures (TNFD)* in 2026 in its non-financial reporting for the 2025 financial year, during the "Early Adopters" campaign launched at the World Economic Forum in Davos.

OPERATIONAL MONITORING: MICHELIN'S BIODIVERSITY COMMITMENTS FOR 2030: 2023 RESULTS

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

act4nature
international

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

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

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

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

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

Research and Development

In 2030, 100% of the new product and service ranges marketed by Michelin will have undergone a *Life Cycle Assessment (LCA)* using biodiversity criteria from the most mature methods.

At end-2023, LCAs had been carried out for 100% of the new projects for Passenger Car and Light Truck, Truck and Specialty tires.

Raw materials

New commitments with respect to the Natural Rubber value chain

In 2030, 100% of the volume of natural rubber used by the Group will be assessed as “deforestation-free”. This commitment is currently pending approval by act4nature.

Michelin's “Deforestation-Free” commitment has been written into its Responsible Natural Rubber Policy since 2016. To exercise its duty of care in its sourcing countries and check that the volume of natural rubber it uses is not sourced from deforestation areas, Michelin has been using the RubberWay® tool for some years to map the zones at risk at “administrative division” level, along with a tool developed with the WWF to analyze deforestation risks. Based on this risk analysis, prevention and mitigation measures have been introduced to reach a significant portion of the rubber farmers in the administrative divisions concerned.

Pesticide use

Reduce pesticide use on its plantations and those of its joint ventures to 70% below the 2019 levels by 2030. This commitment is currently pending approval by act4nature.

Rubber-tree cultivation does not require intensive pesticide use. However, at various stages of the production cycle, it may be appropriate to use these products to treat certain plant diseases, for example. Michelin has drawn up a new undertaking to reduce the use of pesticides in natural-rubber production to below the 2019 level. As of 2023, the result obtained is a 58% reduction.

Other raw materials

In 2030, 80% of the raw material suppliers identified as having the greatest impact on biodiversity (excluding natural rubber) will have been assessed on their policies and practices.

- The approach to be used is currently being drawn up in preparation for the pilot test in 2025.

-58%

Pesticide use in 2023/2019

Production plants

In 2030, all of our production plants and research facilities will uphold their commitment not to use pesticides or herbicides in groundskeeping operations.

At end-2023, 22 sites were maintaining their grounds without using any pesticides or herbicides, and another two had eliminated all but one product, under a maximum three-year waiver.

In 2030, all production and research facilities will have introduced a biodiversity management plan commensurate with the local issues.

In 2023, the Group adopted a standard format for the biodiversity management plan that explicitly includes biodiversity in the plants' environmental management system. As of end-2023, a total of 16 production plants or research facilities had drawn up their management plan.



RISKS ASSOCIATED WITH SUPPLIERS' CSR PRACTICES

4.1 Identifying CSR risks

4.2 General measures for preventing and mitigating suppliers' CSR risks

a. Michelin Purchasing Principles

b. Training Purchasing teams in CSR issues

c. Supplier evaluation

d. Taking CSR issues into account in purchasing processes

e. Training for suppliers

f. Measures specific to certain purchasing categories that present a CSR risk

4.3 Impact of our suppliers on climate change

4.4 Impact of our raw materials on the environment

4.5 Human rights violations at our suppliers' premises

4.6 Non-compliance with the Code of Conduct for Supplier Relations

4.7 Specific risks of natural rubber



4. RISKS ASSOCIATED WITH SUPPLIERS' CSR PRACTICES

(See detailed presentation in the URD 4.1.1.2)



RISK FACTORS

The diversity of Michelin's subcontracting chain and its 40,000 suppliers make the question of responsible procurement a major issue for the Group. While the general procedures limit the risks with all subcontractors, Michelin prioritizes its actions according to the risks associated with the country of operation and the identified risk sectors. Purchases of raw materials and in particular natural rubber are handled with great vigilance and a particularly thorough, holistic approach.

The Responsible Procurement policy aims, among other things, to reduce the impact of the following risks:

- Human rights violations at our suppliers' premises
- Impact of our suppliers on climate change
- Impact of our raw materials on the environment
- Non-compliance with the Code of Conduct for Supplier Relations



Stakeholder dialogue

TYPES OF STAKEHOLDERS	EXAMPLES OF STAKEHOLDERS	EXAMPLES OF TOPICS BROACHED
ASSOCIATION OF COMPANIES	EDH (<i>Entreprises pour les Droits Humains</i>)	Human rights
COALITION OF COMPANIES	PACT / WBCSD	CO ₂
NGO	WWF	Biodiversity
MULTI-STAKEHOLDER ORGANIZATION (rubber producers, tire manufacturers, vehicle manufacturers, NGOs)	GPSNR (Global Platform for Sustainable Rubber)	Natural rubber
RESEARCH BODY	CIRAD (Center for international cooperation on agronomic research for development)	Natural rubber
NETWORK OF RESEARCH BODIES	IRRDB (International Rubber Research and Development Board)	Natural rubber

GOVERNANCE

The Purchasing Department is the main channel for conveying Michelin's social responsibility commitments to its suppliers. Its mission is to guarantee the availability of the products and services the Group needs by selecting suppliers that meet our technical and cost requirements, as well as our expectations regarding to social and environmental responsibility.

It is structured around four procurement categories: raw materials, natural rubber, industrial supplies and services. Totalling around €16 billion in 2023, purchases represent nearly 60% of the Group's consolidated sales for the year. Michelin has around 40,000 suppliers, located on all continents. The Purchasing Department has some 770 employees based across the geographic regions in which the Group operates.

To support supplier compliance with environmental and human rights standards, the Chief Procurement Officer sits on the Environmental and Human Rights governance bodies and the Ethics Committee. Reporting directly to this position is a Sustainable Development Manager, who participates in the Group's operational committees dealing with the circular economy, climate change, biodiversity, human rights and ethics. The responsible purchasing process is coordinated at the corporate level and managed in each purchasing category and each Region, with the support of a global "Responsible Purchasing" network.

The Group's assertive commitment to responsible procurement is reflected in the performance improvement initiatives conducted every year, the suite of dedicated indicators tracked by the Purchasing Department's management team, and purchasing teams' ongoing training in CSR issues. Recently acquired companies are integrated into the Group's purchasing processes progressively, following their own specific calendar.

After pledging to uphold France's "Responsible Supplier Relationships" Charter in October 2012, Michelin earned the French government's label of the same name in June 2014. In 2019, then again in July 2022, Michelin was awarded the **Responsible Supplier Relations and Procurement Label**. This label distinguishes companies that have proven sustainable and balanced relationships with their suppliers. **This label was maintained in 2023.**



In 2019 then again in 2022, Michelin's purchasing practices were certified as mature regarding the new **international ISO 20400 "Sustainable Procurement" standard**. Issued by an approved third-party organization, the certificate attests to the compelling effectiveness of the Group's responsible procurement practices.

Lastly, on the strength of its CSR assessment by the EcoVadis company, in 2023 Michelin obtained, for the 6th time in a row,

a score of 80/100 for the "Sustainable Procurement" aspect, placing the Group in the top 1% of suppliers assessed in the Manufacture of rubber products sector.

Thus the efforts of the Group's Purchasing teams and their in-house partners were recognized in the sustainable procurement practices.

A clear policy

In April 2021, Michelin published its **Responsible and Sustainable Purchasing Policy**. This document sets out the Group's guidelines and main commitments in relation to responsible purchasing, and covers environmental, human rights and ethics issues. The Michelin Purchasing Principles may be downloaded at: <https://purchasing.michelin.com/en/purchasing-principles/>.





4.1. IDENTIFYING CSR RISKS

(See detailed presentation in the URD 4.1.1.3.b)

In addition to the Group's risk map, the Purchasing Department has produced a map of its *Corporate Social Responsibility (CSR) risks*. This risk map, which was first produced in late 2017, is regularly updated. It was completely overhauled in 2020, then updated in 2022.

The map is used to prioritize the scheduling of CSR performance reviews and the deployment of appropriate preventive measures, based on the nature and context of each purchasing category.

Risk-mapping methodology

Identifying at-risk purchasing categories:

This map ranks purchasing categories by CSR risks in four areas: the Environment, Human Rights, Health & Safety and Business Ethics. Aggravating factors, such as supply chain complexity, were also taken into account.

pared by positioning each category according to the risk/impact score (horizontal axis) and the amount purchased (vertical axis). Each category is represented by a colored circle representing the area(s) identified as the main risk factor(s).

For each category, the four areas were rated from 1 (low risk/impact) to 5 (high risk/impact), based firstly on (i) desktop reviews of public reports and analyses; then (ii) internal discussions with category managers and sustainability experts; and (iii) the consultation of a human rights NGO. Each purchasing category was given an overall score, reflecting the scores in each area and the impact of any aggravating factors. A matrix was then pre-

pared by positioning each category according to the risk/impact score (horizontal axis) and the amount purchased (vertical axis). Each category is represented by a colored circle representing the area(s) identified as the main risk factor(s).

For each category that has a moderate or higher impact, a summary data sheet was prepared showing the percentage of expenditure covered by CSR assessments, the other risk-prevention measures in place and any recommended additional measures. These documents are shared among the Purchasing Department teams.

Identifying sourcing countries at risk:

Various databases, such as the Verisk Maplecroft database allow Michelin to identify the sourcing countries with high environmental and human rights risks.

RESULTS OF THE 2022-23 RISK MAPPING EXERCISE

Examples of CSR-related at-risk purchasing categories (regardless of amounts purchased)		Main sourcing countries at risk from a CSR viewpoint (2023 data)
Raw material procurement	Other procurement	
<ul style="list-style-type: none"> Natural rubber Raw materials containing conflict minerals, even in minimal quantities Synthetic rubber, monomers, reinforcing fillers, chemicals, oils, metal and textile reinforcements 	<ul style="list-style-type: none"> Construction Logistics Industrial services (maintenance, security, etc.) And also (non exhaustive list): Promotional items, work uniforms, contract employees 	<p>China, Thailand, Indonesia, Vietnam, Brazil</p> <p>Setting aside natural rubber, roughly 35% of raw materials are produced in a country with a CSR risk.</p>

Of all the Group's raw materials, the one that warrants the most attention to its environmental and social impact is natural rubber. This is because, generally speaking, natural rubber is 90% sourced from Asia and 85% from smallholders, usually on farms of less than four hectares. In addition, its supply chain is complex and fragmented. As a result, a dedicated approach has been devised for natural rubber.

Other raw materials – synthetic rubber and monomers, reinforcing fillers (such as carbon black), metal and textile reinforcements, chemicals, etc. – are sourced primarily from chemical companies and steelmakers, with the environmental and health & safety risks proper to these industries. Note that certain raw materials contain conflict mineral derivatives and are therefore more particularly exposed to human rights risks. In response, such minerals are tracked with a dedicated process, even though their tonnages are small.

In 2023, a specific analysis was conducted on silica purchases. This analysis, which was carried out with the help of the main suppliers, covered sourcing beyond Tier 1 and in particular the risks associated with the extraction of sand.

4.2. GENERAL MEASURES FOR PREVENTING AND MITIGATING SUPPLIERS' CSR RISKS

(See detailed presentation in the URD 4.1.1.3.a)

a. Michelin Purchasing Principles

The Responsible and Sustainable Purchasing Policy is based on three fundamental reference documents issued by the Michelin Purchasing Department, namely:

- the Michelin Purchasing Principles, published in 2012, updated in 2017 and completely redrafted in late 2020. This document is underpinned by the Group's values and its international commitments through the ILO's fundamental conventions, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The document sets out the Group's requirements and the environmental, social and ethical perfor-

mance expected of its suppliers. It is issued in 16 languages. The Purchasing Principles are part of the Group's purchasing contracts and are included in the General Terms and Conditions of Purchase;

- the Supplier Relations Code of Conduct, created in early 2021, is intended for all Group employees involved in relations with suppliers. It is included in the Michelin Code of Ethics;
- the Responsible Natural Rubber Policy ([voir section 4.7](#)).

b. Training Purchasing teams in CSR issues

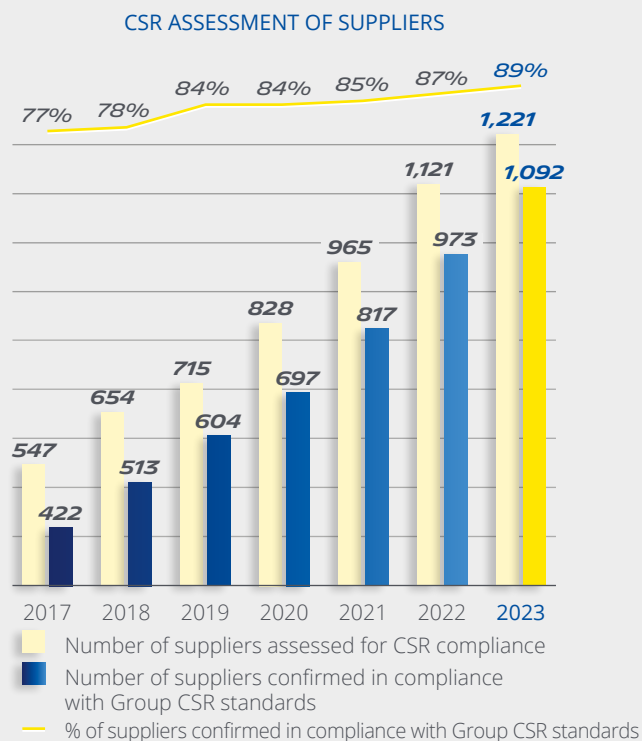
The Group devotes considerable resources to enhancing the Purchasing teams' professionalism and the efficiency of the processes. A series of 15 online modules on Responsible Purchasing ensures that high-quality training is available to the Group's teams at any time. In the course of 2023, the mandatory modules for buyers had been completed by over 70 people around the world.

c. Supplier evaluation

Since 2012, Michelin has established a system for evaluating its suppliers on CSR criteria. The evaluation takes a variety of forms, depending on the particular issues and goals.

Desktop reviews

Michelin has engaged a third party, the EcoVadis CSR rating agency, to conduct its CSR desktop reviews. These reviews measure the performance of Michelin's main suppliers against 21 CSR indicators classified under four themes: Environment, Labor & Human Rights, Ethics, and Responsible Purchasing.



OPERATIONAL MONITORING

Ranking by % of the procurement spend covered by Eassessed on their CSR maturity

BY PURCHASING CATEGORIES

96% of natural rubber procurement

92% of raw materials procurement, other than natural rubber

roughly 95% of raw materials procurement is carried out in countries that pose a risk to environmental protection or human rights.

In 2023, out of a panel of 1 362 target suppliers, 1 221 have a valid CSR assessment, corresponding to a response rate of 90%. 89% of respondents, that is 1 092 suppliers, reached the "confirmed" level of the Group's CSR standards on the overall score.

In 2021 and 2022, the **CAMSO** and then **MULTISTRADA** companies began conducting CSR assessments of their suppliers the most at risk. In 2023, the assessments were extended to suppliers specific to the FENNER company.

At the same time, the scope of the desktop reviews is extended each year, focusing mainly on the most at-risk categories identified during the mapping phase.

Suppliers who fail to attain the target figure for their overall score, but also for certain thematic scores, must introduce a plan to improve their CSR performance, monitored by the Purchasing teams. To better manage deployment of these remedial action plans, an indicator tracks the percentage of suppliers concerned and that have actually created a remedial action plan when required.

Successful deployment of an action plan is systematically confirmed by a follow-up review. Results repeatedly deemed to be very poor, or a lack of commitment to sustainable development issues, may lead the Purchasing Department to revise or even terminate its contractual relationship with the supplier. Such a decision is always made by consensus, after discussing all of the potential consequences.

Progress:

Along with the remedial action taken, the careful attention paid to the assessments by both our purchasing teams and our suppliers is helping to drive progress.

At end-2023, of the 1,041 suppliers with a track record of assessment, 66% have made progress and 15% have maintained the same score. Finally, of the suppliers whose score was below the "compliant" level²⁶ on their last assessment, 64% have since attained the level required by Michelin.

²⁶ The "compliant" level corresponds to an overall Ecovadis score of ≥ 45 .

Self-assessment questionnaire

A simplified CSR evaluation questionnaire was prepared and made available to operational staff in the purchasing function. This quick and easy assessment of suppliers' CSR performance may be requested, at the buyer's initiative, either during the tender phase or while the contract is in effect. It measures the maturity of suppliers' CSR practices, which can be used as a selection criterion if warranted. The questionnaire is used only for suppliers whose CSR performance is not assessed by desktop reviews.

ESQF on-site audits

Michelin has introduced a supplier quality-system audit procedure (ESQF) to check its suppliers' compliance with Michelin's Quality standards and Purchasing Principles. This is on-site audit. Alongside quality issues, it also appraises the application of the health, safety, environmental and human rights standards stipulated in or derived from the Michelin Purchasing Principles.

On completion of an ESQF assessment, Michelin auditors award a specific score for compliance with the Purchasing Principles. If the score is below 80%, the supplier is required to take the identified remedial measures and improve overall performance with a continuous improvement process. The initial score will then be re-assessed in the light of the actions taken by the supplier. In addition to ensuring compliance with Michelin Quality standards and Purchasing Principles, the audit is intended to help suppliers drive sustainable improvement over time. Nevertheless, depending on the audit findings, Michelin may terminate the supplier's contract.

NB: A specific approach is used to assess and map natural-rubber suppliers' CSR risks ([see section 4.7](#)).

d. Taking CSR issues into account in purchasing processes

The purchasing strategy takes CSR issues into consideration in particular for certain categories the most at risk. This can lead the purchasing function to make grouped purchases from certain specific approved suppliers.

The practice of taking CSR criteria into account in tendering processes is encouraged and becoming more widespread. These

criteria may concern the CSR performance of both the potential vendor and its products, services or solutions. These CSR criteria are based on three key focus areas: climate change and CO₂ emissions; the circular economy and natural resources; ethics and people. A guide and an e-learning module were developed in 2021 to help purchasing teams with this approach.

Suppliers' openness about CSR issues and their performance on the subject are also taken into consideration:

- in the *SRM (Supplier Relationship Management)* approach, for the segmentation of suppliers, and during the periodical meetings that manage this approach
- when defining purchasing strategies.

e. Training for suppliers

A specific training module for suppliers covers CSR basics and desktop reviews. This module joins the training modules available for our suppliers on the EcoVadis Academy platform and those produced by the Carbon Disclosure Project (CDP). In all,

248 suppliers have completed at least one module by the EcoVadis Academy since 2021.



f. Measures specific to certain purchasing categories that present a CSR risk

In addition to the dedicated raw materials and natural rubber procedures described below, certain measures are targeted and tailored to specific purchasing categories deemed at risk of CSR issues. Some examples follow:

- Purchases of promotional items: restricting procurement to a limited number of suppliers that have been approved by the Purchasing Department, including as regards CSR issues, and purchases of more eco-friendly items,

- Purchases of construction services: adding specific clauses to the Purchasing Principles in construction procurement contracts, keeping incident registers, conducting on-site inspections, deploying prevention plans during on-site service execution (addressing health, safety and environmental issues), etc.

- Purchases of energy: increasing the share of electricity from renewable sources and requiring bids on power supply tenders to include renewable energy alternatives

- Purchases of logistics services: supporting the Group's commitment to reducing emissions in the supply chain by, for example, requiring tender bids to include green alternatives, using a dedicated application (EcoTransit) that more accurately measures the greenhouse gas impact of transportation purchases, organizing a shipping supplier convention, etc.

Specific approach for chemicals

The EU *Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)* regulation is aimed at more effectively protecting human health and the environment from the risks associated with chemicals. It requires all manufacturers and importers of more than one tonne of chemicals per year to register these substances with the *European Chemicals Agency*

(ECHA). The enterprises concerned must identify and manage the risks associated with the substances they produce and market in the EU. They must show the ECHA how the substance can be used safely, and inform users of the appropriate risk-management measures.

Michelin fulfils its registration obligations as a manufacturer or importer of a chemical or an article and checks that its suppliers have registered the substances and articles that the Group uses, as required.

4.3. IMPACT OF OUR SUPPLIERS ON CLIMATE CHANGE

(Voir 3.3.b)

4.4. IMPACT OF OUR RAW MATERIALS ON THE ENVIRONMENT

(Voir 3.5)

4.5. HUMAN RIGHTS VIOLATIONS AT OUR SUPPLIERS' PREMISES

(Voir 1.1)

4.6. NON-COMPLIANCE WITH THE CODE OF CONDUCT FOR SUPPLIER RELATIONS

Code of Conduct for Supplier Relations and dedicated training module

The Code of Conduct for Supplier Relations was drafted in early 2021 to replace the information contained in the old version of the Michelin Purchasing Principles. It is an integral part of the Group's Code of Ethics and applies not only to buyers but also to all Group employees involved in supplier relations.

To guarantee compliance with the ethics rules, a specific training module has been rolled out across the Purchasing organization and among internal partners in contact with the Group's suppliers. The aim is to remind all parties of the law and the expected behaviors, in line with the Michelin Purchasing Prin-

ciples, and make certain recommendations. The goal is to achieve the figure of 90% of employees trained at end-2023. This goal has been achieved, because at end-2023, 90% of the employees in Purchasing²⁷ had already taken this module. Further training sessions may be held in the different Regions.

Supplier payment and mediation

Michelin makes a point of paying its suppliers' invoices on time and offers its suppliers suitable invoicing solutions (paperless invoices in pdf format or EDI).

Since 2012, suppliers can use the Purchasing Department's website to contact the customer-supplier relations mediator in regards to any alleged or observed violation of the rules set out in the Michelin Purchasing Principles.



4.7. SPECIFIC RISKS OF NATURAL RUBBER

(See detailed presentation in the URD 4.1.1.3.c)

As one of the world's leading purchasers of natural rubber, a critical raw material in tire manufacturing, Michelin is especially attentive to its rubber-tree supply chain.

Of the 30 million people who depend on rubber farming for their livelihood worldwide, six million are village smallholders who produce 85% of the world's output on small plantations generally covering less than four hectares.



While growing Hevea or rubber trees (which produce natural rubber and absorb CO₂) may help to curb climate change, commercial plantations nevertheless pose specific environmental and social risks. The predominance of village smallholders in the industry, which in some countries can include a complex network of intermediaries between the planter and the processing facility, makes it difficult to visualize and manage risks in the supply chain. On the ground, several years of comparatively low prices, coupled with weak productivity in some countries, have adversely impacted the working conditions and livelihoods of certain village smallholders. From an environmental perspective, there is a clearly identified risk of forests being stripped to plant rubber trees, with devastating effects on biodiversity. Other identified risks include conflicts over land ownership and a possible seizure of the land, as well as the use of toxic pesticides.

²⁷ Percentage of employees who are in contact with suppliers and have been in their current position for over three months.

“Sustainable natural rubber” policy

Michelin was the first tire manufacturer to publish a commitment to responsible and sustainable natural rubber production and procurement. Alongside the Natural Rubber Procurement Policy published in 2015, the Group formalized its public commitments in a Sustainable Natural Rubber Policy published in 2016. The latter was updated in 2021 and approved by the GPSNR platform.

Drafted with input from environmental and human rights NGOs and other stakeholders, the Sustainable Natural Rubber Policy is now a contractual benchmark for Group suppliers.

The policy, which can be downloaded from the Michelin purchasing website, spells out the conditions for farming natural rubber, both in terms of the environment (zero deforestation, protection and preservation of peatlands, High Conservation Value areas and High Carbon Stock areas) and in terms of social

responsibility and human rights (working conditions, free, prior and informed consent of the local communities, etc.). Michelin expects every stakeholder across the supply chain to adopt responsible social, environmental and governance practices, so as to keep rubber farming on a virtuous course.

The policy is underpinned by five pillars:

- Respect all stakeholders in the natural rubber production chain, by promoting conflict resolution related to land ownership and improving working conditions and living environments.
- Make rubber cultivation environmentally friendly by combating deforestation and controlling the potential impact of rubber cultivation on fauna and flora.
- Play an active role in improving farming practices by helping to spread more efficient cultivation practices across the natural rubber production chain, especially among village smallholders.

By doing so, Michelin intends to help boost agricultural yields.

- Encourage careful use of natural resources by increasing the material efficiency of the natural rubber used in tires. Michelin is constantly developing new technical processes that optimize the use of rubber in its products.
- Make rubber cultivation a progress driver for good governance practices. Michelin is an upright member of the rubber-growing industry, acting transparently, refusing any form of corruption and maintaining an ongoing dialogue with its local and international stakeholders.

Since 2016, this policy has been included in all Michelin procurement contracts. Michelin also encourages its suppliers to adopt a policy aligned on the GPSNR's recommendations.

Assessing stakeholders across the supply chain

CSR practices in the Group's natural rubber supply chain are assessed differently depending on the stakeholder:

- for our direct suppliers, desktop reviews are performed with EcoVadis and on-site audits are performed;
- for our direct suppliers' production plants and their upstream supply chain, risks are mapped using the Rubberway® application and a deforestation risk analysis is conducted.

EcoVadis desktop reviews

The Group's natural rubber suppliers have been participating in EcoVadis reviews of their social and environmental performances since 2013. If their results fall short of compliance, remedial action plans are deployed. In 2023, the great majority of our natural rubber suppliers (representing 96% of our natural rubber expenditures) were assessed, and 94% of the total amounts are at a "confirmed" level of CSR maturity, which corresponds to 98% of the amounts assessed.

On-site audits

A dedicated team performs on-site audits of every facility that supplies natural rubber to the Group. The audits mainly focus on quality aspects, but also cover CSR issues, such as the environment (water treatment, etc.) and people's health and safety. Each facility is audited at least once every two years. There is systematic feedback and a remedial action plan is requested if a shortcoming is observed.

Supply chain risk assessments

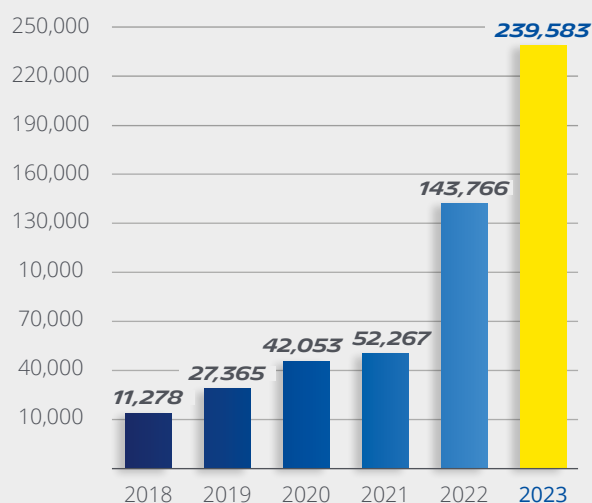
RubberWay® application

To understand and mitigate the risks in its natural rubber supply chain, in particular those related to deforestation and human rights, Michelin systematically deploys risk-assessment tools and approaches.

The RubberWay® risk-mapping tool developed in 2017 uses a mobile app to map the environmental and social risks in the natural-rubber supply chain. The various stakeholders (raw-material processing plants, brokers, large plantations and village smallholders) are questioned about their practices in the following four focus areas: human rights, the environment, agricultural training courses and business transparency.

The data gathered is analyzed and summarized on an online platform to create a map that highlights the areas of potential social and environmental risks. The results are shared with Michelin's direct suppliers and can be used to draw up improvement plans or roll out collaborative risk-mitigation projects.

In 2019, Rubberway® became a stand-alone solution, available for use by all natural rubber users. In 2019, a joint venture was formed between RubberWay®, Continental AG and software publisher SMAG to make Rubberway® a stand-alone solution, accessible to every natural rubber stakeholder. In 2023, five tire manufacturers are using RubberWay's services, thereby driving faster take-up of sustainable practices across the natural rubber industry.



OPERATIONAL MONITORING OF DEPLOYMENT

At end-2023, 92 natural-rubber processing plants had replied to the questionnaires and 248,609 questionnaires had been completed, including 239,583 by smallholders.

The application has been rolled out in the following countries: Indonesia, Thailand, Malaysia, Vietnam, Côte d'Ivoire, Ghana, Guinea-Conakry, Nigeria, Liberia and Brazil.

Michelin asks its suppliers to initially deploy the RubberWay® tool in their production plants and with their direct suppliers. In 2023, 83% of the volumes of the natural rubber used had been mapped with Rubberway.



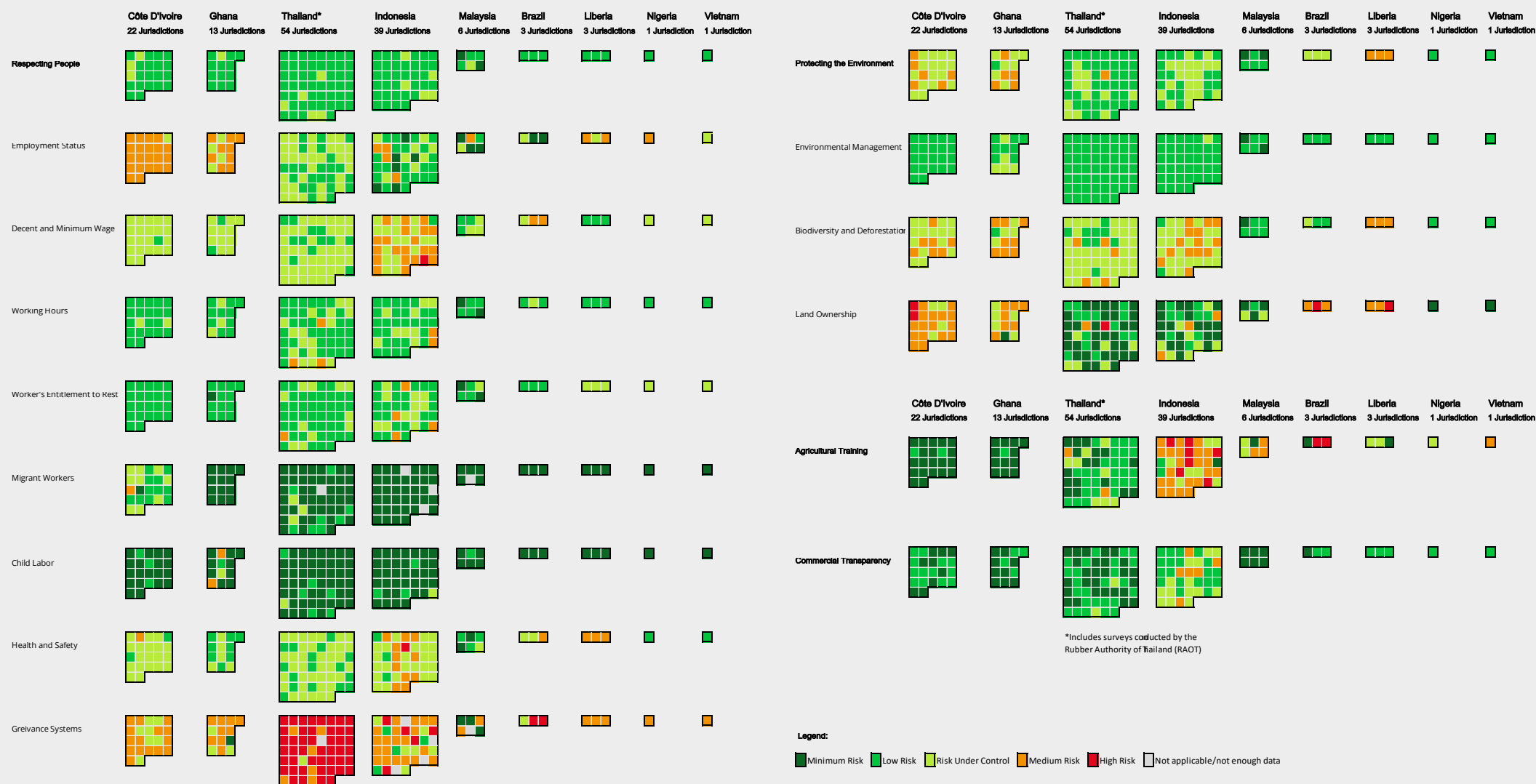
And yet, the level at which the initiative could prove most useful is that of the village smallholders. Given the very large number of rubber farmers (around six million worldwide), Michelin is trying to persuade a sufficient number of them to take part in the RubberWay® mapping exercise to ensure that it is truly representative of farmers' practices. By the end of 2023, it was estimated that this minimum representativeness had been reached for 69% of Michelin's sourced volumes, vs a targeted 80% by 2025.

The progress made on rolling out RubberWay® and a roundup of the results on risks are transparently reported on the Michelin Purchasing website (<https://purchasing.michelin.com/en/responsible-resilient-natural-rubber/>).

The following is an overview of the results, with an analysis by jurisdiction in nine countries.







At end-2023, village smallholders had been mapped across 142 districts (geographical and administrative units) with at least 50 respondents each. The map below, based on data from

December 31, 2023, represents each jurisdiction in the form of a square. A jurisdiction is an administrative division of each country and generally corresponds to a 100 x 100 km square.



Close-up on various risks identified in Rubberway® and the actions taken

The actions are described in the following section.

THEME	PRACTICES AND RISKS OBSERVED	ACTIONS TAKEN
AGRICULTURAL TRAINING 	<p>In Asia and particularly in Indonesia, village smallholders do not regularly receive agricultural training. This poses risks for people's livelihoods, health and safety, and results in poor environmental practices.</p> <p>Village smallholders in West Africa, on the other hand, receive very regular training which results, among other things, in better yields.</p>	<p>➡ The Cascade, Mahakam and River projects, based in Asia, were designed to mitigate this risk.</p>
WAGE AND INCOME 	<p>In Indonesia, the supply chain is very long with numerous distributors, making it harder for smallholders to receive a fair share of the price paid by the natural rubber processing plants.</p> <p>In Thailand, the supply chain is shorter (a maximum of two dealers). In West Africa, the farmers sell directly to the processing plants.</p>	<p>➡ The Cascade and River projects in Asia and the project in Amazonia were designed to mitigate this risk by enabling farmers to join forces and by boosting the yield and the quality of their products through training in farming best practices.</p> <p>In the Amazon basin, we help farmers getting organized into cooperatives so that they obtain better prices and we also include payment for ecosystem services.</p>
HEALTH AND SAFETY 	<p>In Asia and particularly in Indonesia, village smallholders do not receive regular training. Often they have no training in workplace health and safety.</p> <p>Village smallholders in West Africa, on the other hand, receive very regular training sessions that include health and safety-related topics.</p>	<p>➡ The Cascade, Mahakam and River projects, based in Asia, were designed to mitigate this risk.</p>
EMPLOYMENT STATUS 	<p>Smallholders in West Africa generally employ workers because their farms are relatively large. Currently the majority of the workers do not have a valid employment contract.</p> <p>In Asia, however, rubber farms are smaller and few farmers employ workers, but farm workers often have a contract.</p>	<p>➡ Michelin (through its joint venture SIPH, which operates in West Africa), is working with the national association of rubber growers, the industry and the government agency to establish the practice of drawing up a contract (template, training, education).</p>
GRIEVANCE MECHANISMS 	<p>In West Africa and Brazil, it is not common practice to have formal complaint platforms for workers. Instead, there are informal processes such as face-to-face discussions.</p> <p>In Asia, few smallholders employ workers. Also, the Rubberway data may not be truly representative because there are very few matches on the theme of complaint mechanisms.</p>	<p>➡ Michelin (through its joint venture SIPH, which operates in West Africa) is working with the national rubber growers association, the industry and the government agency to train smallholders in labor management practices, including feedback mechanisms. A specific module will be incorporated into projects based in Asia, to include labor-management practices in the cursus.</p>
LAND OWNERSHIP 	<p>In West Africa, the commonest land ownership models are native- or community-ownership. It remains difficult to access official documents.</p> <p>Similar trends can be seen in Amazonia in Brazil, where native or community land-ownership models are commonplace.</p>	<p>➡ In West Africa, SIPH, which is Michelin's joint-venture partner, works with local partners, the national rubber planters association, and the State agency to help village smallholders obtain more official forms of land ownership whenever possible.</p> <p>More generally, Michelin's efforts to geolocate the exact position of the rubber farms are also helping the farmers to more accurately establish the surface area of their farm, which is a first step in the administrative formalities.</p>

Overall analysis of the deforestation risks

Michelin also analyzes the specific risks of deforestation in the supply zones with the help of a dedicated analysis tool (set up in collaboration with WWF). A preliminary analysis was carried out in 2021, spanning the main sourcing countries. To begin with, the tool analyzes the ecologically-sensitive areas around each natural-rubber processing plant, within a uniform radius. The selected plants are then ranked by order of priority, based

on the observed risk, to produce a detailed map of the supply chain. A more detailed analysis is then carried out to identify the specific higher-risk sourcing areas in which these risks need to be mitigated. In 2022, eight natural-rubber processing plants were selected as part of this second stage of analysis, and action plans were drawn up on the basis of the results. In 2023, Michelin went a stage further with its natural-rubber network and its suppliers

by initiating the geolocation of its entire supply chain on the scale of individual rubber plantations, in preparation for the new European Union Deforestation Regulation (EUDR). These farms are then analyzed to check that they comply with Michelin's commitments and the regulations on deforestation. The large-scale deployment and the systematic analyses of non-deforestation are in progress.

Frontline initiatives

The deployment of the RubberWay® tool enables Michelin to identify, analyze and rank risks in a manner specific to suppliers or to geographic zones. Michelin is onboarding its suppliers while at the same time seeking out opportunities to deal with the identified risks directly in the priority geographic zones.

A wide variety of projects have been implemented recently.

- The *CASCADE* project (*Committed Actions for Smallholder CApacity DEvelopment*) in Sumatra (Indonesia) aims to improve the working conditions and standard of living of 1,000 village smallholders and their families, while at the same time improving the environmental and social practices. This four-year project, which runs until 2024, was developed from the RubberWay® findings. It combines classroom training and a digital training tool to boost accessibility and enable impact measurement. The agricultural training equips farmers to increase their rubber yields and diversify their revenue streams for greater economic resilience. Social and environmental training is at the crux of the project. It includes training in human rights and labor law, and the promotion of environmentally friendly farming practices, such as reduced use of chemicals, intercropping or agroforestry, and environmental training courses. This is the world's first

MICHELIN COMMITMENTS TO DEVELOP A MORE SUSTAINABLE NATURAL RUBBER SUPPLY CHAIN Target to develop capacity building for 30,000 smallholders by 2030

SIPH (IVORY COAST-GHANA)

Labor contact & land tenure
Since: 2021
National supply chain
With APROMAC⁽¹⁾
FIRCA⁽²⁾

AGROFORESTRY (THAILAND))

Biodiversity & livelihood
Project: 2022 - 2024
1,000 village smallholders
Co-financed by Group Renault under GPSNR⁽³⁾ umbrella

MAHAKAM (INDONESIA, EAST KALIMANTAN)

Livelihood & environment
Project: 2022 - 2025
2,000 village smallholders
Financed by Michelin

RLU CPP (SUMATRA & EAST KALIMANTAN)

Livelihood & environment
Since: 2020
1,000 village smallholders
Financed by Michelin

CASCADE (INDONESIA, SUMATRA)

Livelihood & environment
Project: 2020-2024
1,000 village smallholders
Co-financed by Porsche

AMAZONAS (BRAZIL)

Livelihood & forest preservation
Since: 2021
~ 800 'seringueiros'
Financed by Michelin Foundation
Deployed by WWF

RIVER (SRI LANKA)

Livelihood & environment
Project: 2022 - 2025
6,000 village smallholders
Co-financed by French Finance Ministry

⁽¹⁾ Association des Professionnels du Caoutchouc Naturel de Côte d'Ivoire

⁽²⁾ Fond Interprofessionnel pour la Recherche et le Conseil Agricoles

⁽³⁾ Global Platform for Sustainable Natural Rubber

natural-rubber project to encompass the entire supply chain: smallholders, a natural-rubber processor, a tire manufacturer (Michelin) and a carmaker.

- The RIVER project will build the skills of 6,000 smallholders and their families in Sri Lanka through to 2025, where rubber growing plays an important role in local livelihoods.

- In East Kalimantan in Indonesia, the MAHAKAM project aims to train 2,000 smallholders and their families by 2025. It kicked off in late 2022.

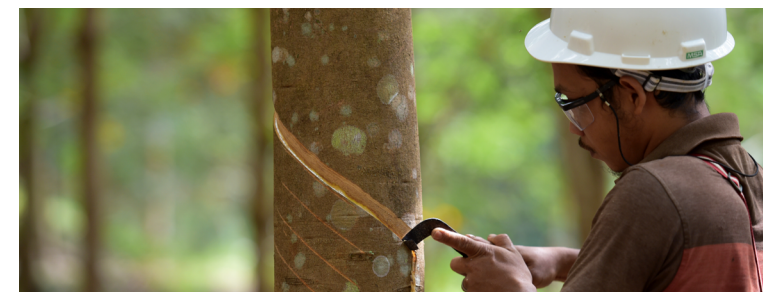
- Under the CPP Community Partnership Program run by our subsidiary RLU in Indonesia, 703 farmers have been trained,

between 2020 and late 2023, in agroforestry techniques, agricultural diversification and biodiversity conservation.

- The GPSNR agroforestry project in Thailand will enable 1,000 smallholders from the south of Thailand to implement agroforestry rubber-growing systems by 2025. The project, which is being conducted under the aegis of GPSNR, is financed by Michelin and an automotive manufacturer. Michelin manages this project directly and is also contributing technical expertise.

- In the unique context of Brazilian Amazonia, the project supported by the Michelin Foundation, in collaboration with the WWF Brazil, had already benefited 520 families end of 2023. The project aims to maintain the existing ecosystem by improving

the collection and marketing of wild rubber by the traditional communities. Now better structured and more profitable, these activities work towards the economic resilience of the families concerned and play a part in protecting the Amazon forest.



OPERATIONAL MONITORING

The projects described above have made it possible, at end-2023, to train a total of 2,615 village smallholders (and collectors from the local communities).

1,855 of them have seen their working conditions and/or livelihoods improved.

The Group's objective is to improve the working conditions and/or means of existence of 30,000 village rubber smallholders by 2030 through remediation projects.

Michelin's global natural rubber network, which encompasses production plants, a plantation in Indonesia, a production zone focused on research and development in Brazil, along with joint ventures in Africa and Asia, equips the company with a unique know-how that the Group can use to undertake projects and initiatives that feed into responsible natural rubber production.

The following showcase this commitment:

- Brazil: In Salvador de Bahia, with its teams of agronomists and its experimental research center, the Group has made significant

contributions to the dissemination of best farming practices and the development of new disease- and parasite-resistant rubber tree varieties. The 3,900-hectare *Michelin Ecological Reserve (REM)* has become one of the best-protected areas of the South American Atlantic forest and an example of restored rubber-growing landscapes becoming a haven for biodiversity.

- Indonesia: In 2015, Michelin formed the RLU joint venture to develop new rubber plantations, protect tropical forests and restore ecosystems on Sumatra (71,000 hectares) and in East Kalimantan (18,000 hectares). The project was undertaken in partnership with the WWF. The project has led to the creation of over 4,000 jobs and protected thousands of hectares of high environmental value tropical forest and local wildlife (such as Sumatran elephants and tigers and the Bornean orangutan). In June 2022, Michelin bought out RLU, which is now a wholly-owned Group subsidiary. RLU remains determined to demonstrate that natural rubber can be produced sustainably and cost-effectively while still protecting forests and biodiversity and boosting local

communities' economic resilience. As part of its action plan, RLU intends to step up its efforts to protect and regenerate ecologically-important areas. Job creations and training programs such as the *Community Partnership Program (CPP)* and the Mahakam Project also have a positive impact on local communities, where smallholders' standard of living improves along with their environmental and social practices.

- West Africa: SIPH, a joint venture in West Africa, is working very closely with village farmers and local communities. It is rolling out disease-prevention programs (mainly malaria and AIDS) for the local communities and providing access to medical care, education and housing. SIPH is running training courses on best agricultural practices for local farmers and providing them with good-quality plant material by producing and selling rubber tree saplings.

If we include its joint-venture operations, this global natural-rubber network trains around 90,000 farmers each year and maintains over 34,000 ha of conservation areas or reserves.

Stakeholder consultations

To protect this resource all along the value chain and control its impacts, Michelin continues to regularly consult both stakeholders and the leading civil society organizations involved in these issues. Every two years, for example, the Group brings together civil society organizations to report on the progress made across the natural rubber value chain and to discuss possible pathways to further improvement. The last information and consultation meeting took place in Clermont-Ferrand (France) in November 2022. In addition to these biennial forums, Michelin regularly works with NGOs, researchers, academics and government agencies on natural rubber sustainability issues.

In addition, the Group is involved in several think tanks exploring ways to prevent imported deforestation. In France, it is actively engaged in the talks being led by the French Ministry for the Ecological and Inclusive Transition to define a strategy to counter imported deforestation.

Global Platform for Sustainable Natural Rubber (GPSNR)

To hasten progress towards a more sustainable natural-rubber supply chain, Michelin has worked with a diverse group of stakeholders to set up a multi-stakeholder platform known as the *Global Platform for Sustainable Natural Rubber (GPSNR)*.

This platform is designed to lead improvements in the socio-economic and environmental performances of the entire natural-rubber industry. It brings together stakeholders from across the natural rubber value chain - farmers, processors and brokers, tiremakers and other users, and automotive manufacturers - along with civil society through the involvement of a large number of NGOs.

Michelin chaired the GPSNR's Executive Committee through to the end of 2021 and remains one of the most active members. In 2023, Michelin took part in the GPSNR's six working groups (Transparent Reporting, Assurance Model, Strategy & Objectives, Smallholder Representation & Capacity Building, Shared Responsibility, Risk Assessment).

For more information, please visit www.gpsnr.org.

Transparency

Michelin is an upright member of the rubber-growing industry, acting transparently, refusing any form of corruption and maintaining an ongoing dialogue with its local and international stakeholders. A great effort has been made to boost transparency by making large quantities of information accessible (see below).

In 2023, for the second year in a row, Michelin was ranked the No. 1 tire manufacturer by SPOTT, a natural-rubber ESG disclosure platform, with a score of 80%. This assessment recognizes Michelin as the most transparent tire manufacturer and the most effective player in sustainable development.

To find out more: 2015-2020 results, the 2020-2025 roadmap and indicator

Michelin's natural rubber Purchasing website provides fuller information on the subject and presents the following documents, generally organized around four themes: people, the environment, farmers and stakeholders:

- the latest version of the Sustainable Natural Rubber Policy;
- the Sustainable Natural Rubber Roadmap 2020-2025;
- Annual Reports on operations and the natural rubber supply chain;
- a set of comprehensive, regularly updated indicators that track progress on the sustainable natural rubber policy.

Direct links to supporting documents (in English):

Sustainable Natural Rubber Progress Report 2015-2020:

[Sustainable Natural Rubber Progress Report 2015 - 2020 - Purchasing Documents \(michelin.com\)](https://www.michelin.com/purchasing/documents/progress-report-2015-2020)

Sustainable Natural Rubber Policy (edition 2021):

[Sustainable Natural Rubber Policy - Purchasing Documents \(michelin.com\)](https://www.michelin.com/purchasing/documents/sustainable-natural-rubber-policy)

Sustainable Natural Rubber Roadmap 2020-2025:

[Sustainable-Natural-Rubber-Roadmap-2020-2025-V1.2.pdf \(michelin.com\)](https://www.michelin.com/purchasing/documents/sustainable-natural-rubber-roadmap-2020-2025)

5

WHISTLE-BLOWING AND ALERT MECHANISMS



5. WHISTLE-BLOWING AND ALERT MECHANISMS

(See detailed presentation in the URD 4.1.1.2.a)

The Group ensures to behave ethically in all of its operations and wants its employees and outside stakeholders to be able to express their concerns and report any breach of Michelin's Code of Ethics.

A dedicated whistleblowing system is available across all Group entities. This mechanism, which is offered in 30 languages, is available to employees, the Group's outside and occasional partners, customers, suppliers, service providers and other outside stakeholders via a telephone number and a secure website hosted by an independent company. This mechanism guarantees that whistleblowing is strictly confidential. There is strong employee awareness of the system, thanks to various internal communication initiatives conducted at Group level and in the regions.

This ethics line is accessible on a 24/7 basis to register alerts of behaviors or situations that infringe the applicable laws, internal regulations or the Michelin values and principles set out in the Michelin Code of Ethics.

Alerts can be submitted anonymously. As mentioned in the Code of Ethics, alerts may also be sent through the traditional reporting channels: the Personnel Department, the Anticipation Prevention and Protection Department, the Legal Department, the direct line manager or other managers, the Prevention and Occupational Health Service, an employee representative, or the Region Ethics Correspondent / Regional Compliance Manager. All alerts are consolidated in the Group Ethics Line and regularly presented to the Group Ethics Committee and the Group Management Committee.

The Group has made it clear that, whatever the reporting channel used, no-one shall be authorized to take any retaliation measures against any person who, in good faith, reports a possible breach of the Code of Ethics, the law or Michelin principles and requirements.

The Group's Ethics Line is accessible on the Group's corporate and on the Purchasing Department's website.

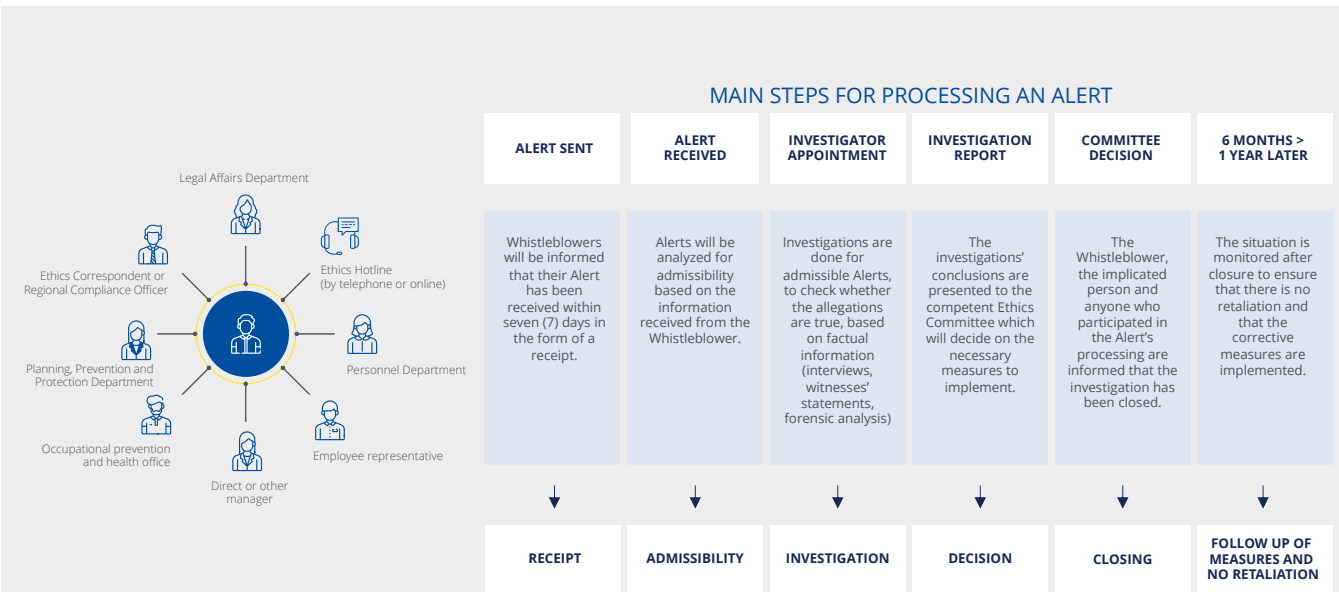
It is also accessible at the following address: <https://secure.ethicspoint.com/domain/media/fr/gui/38522/index.html> and by telephone on the numbers listed on the Ethics Line website.

Stakeholders in the whistleblowing system

In 2023, the Group set down the Group Whistleblowing Procedure in a new document. This document provides a very clear and detailed description of how we collect and process alerts, as well as the stakeholders involved in the process.

This document is available in 20 languages for all of the Group's employees as well as its outside stakeholders, on the Group's corporate website, the Code of Ethics website (<https://ethique.michelin.com/en/>) and the Ethics Line website (<https://secure.ethicspoint.eu/domain/media/en/gui/38522/index.html>).

The diagram opposite sums up the key steps in processing an alert.



Categories of alerts submitted in 2023

In 2023, the Group received a total of 2,233²⁸ alerts. Not all of these alerts proved to be established breaches of the Code of Ethics.

This figure shows the total number of consolidated alerts received directly on the Ethics Line or through other traditional reporting channels. Of the 1,472 alerts closed, 34% proved unsubstantiated, 8% did not provide sufficient information to open an investigation and 56% prompted corrective measures, including dismissals.

2% of the alerts received were duplicate alerts. Among the cases that prompted follow-up measures, there were situations that did not involve a proven breach but were treated as opportunities to improve the controls or internal processes in place.

When alerts are received, they are analyzed and processed by authorized employees in accordance with the principles set out in

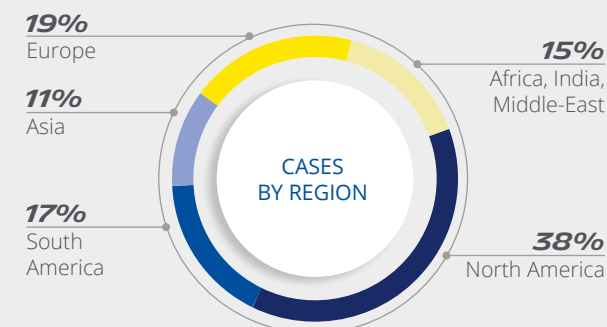
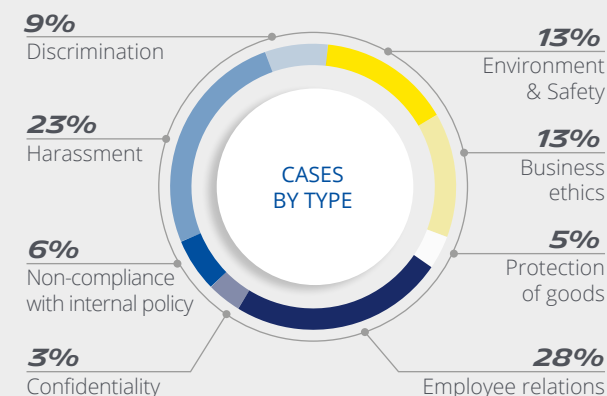
the Group Whistleblowing Procedure and in the internal instructions for investigations applicable throughout the Group and defined by the Corporate Legal Department (Compliance Support Group) and the Corporate Anticipation Prevention and Protection Department.

Based on the information contained in the alerts, the competent Region Ethics Committees decide whether the alerts are admissible and whether to initiate internal investigations. They then make decisions based on the investigation reports, which, when the alleged actions are confirmed, may prompt action plans including corrective measures and/or disciplinary measures,

which, depending on the seriousness and the circumstances, may prompt up to the employee's dismissal.

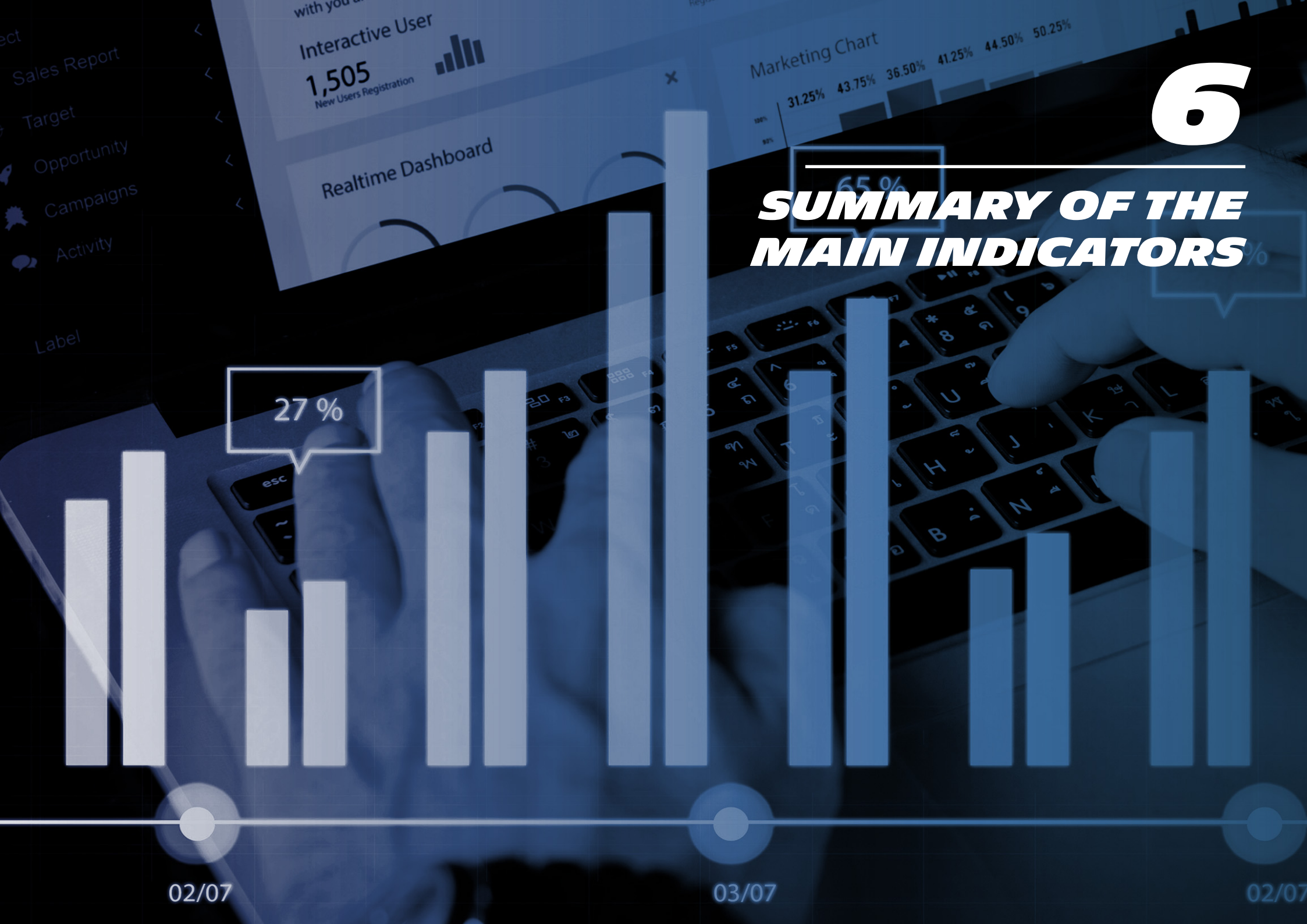
Suppliers can also use the Purchasing Department website to contact the customer-supplier relations mediator in regards to any alleged or observed violation of the Michelin Purchasing Principles. The mediator intervenes only when suppliers have failed to resolve the issue with their usual contacts in the Group. Over the 2017-2023 period, suppliers have requested mediation at most twice a year. These cases generally concerned the payment of invoices or the settlement of disputes, which were quickly resolved by the mediator.

²⁸ Total number of consolidated alerts received directly on the ethics hotline or through other traditional reporting channels. "Group Staff" scope. Alerts received at the end of the year may still be being processed.



6

SUMMARY OF THE MAIN INDICATORS



6. SUMMARY OF THE MAIN INDICATORS

ENVIRONMENT	2019	2020	2021	2022	2023	2030 AMBITIONS	2050 AMBITIONS
CO ₂ Emissions Scope 1 (million t)	1.40	1.01	1.35	1.18	1.04	-50% vs 2010	Net Zero Emissions
CO ₂ Emissions Scope 2 (million t)	1.52	1.46	1.42	1.13	1.27	- 50% vs 2010	Net Zero Emissions
CO ₂ Emissions Scope 3 Essential (million t)	14.5	-	-	14	13	-15% vs 2018	Net Zero Emissions
CO ₂ Emissions Scope 3 Optional (million t)	130	130	130	130	130		Net Zero Emissions
Michelin Environmental Performance (i MEP)	Base 100	Not calculated	92.6	88.8	83.9	-1/3 vs 2019	
COV	Base 100		89	78	69	- 50% vs 2019	
Percentage of renewable or recycled materials	26%	28%	29%	30%	28%	40%	100%
Energy efficiency of tire products			+0.5%	+1.8%	+2.9%	+10% vs 2020	
Percentage of renewable energies consumed		14.6%	18.3%	22.7%	23.9%		

HEALTH AND SAFETY	2019	2020	2021	2022	2023	2030 AMBITIONS	2050 AMBITIONS
TCIR (Total Case Incident Rate)	1.40	1.19	1.29	1.07	1.01	<0.75 in 2025 <0.5 in 2030	

HUMAN RIGHTS	2019	2020	2021	2022	2023	2030 AMBITIONS	2050 AMBITIONS
IMDI: Composite index of diversity & inclusion management	-	60/100 points	65/100 points	70/100 points	72/100 points	80/100 points	-
QWL	-	-	76%	79%	78%	80%	-
Employee engagement rate	80%	82%	80%	83%	84%	> 85%	-
% of employees receiving a decent wage in the countries in which the Group operates	-	-	95%	98.5%	100%	100% from 2025	-
% of employees with basic health & welfare cover (new in 2021)	-	-	-	-	-	75% from 2025 100% in 2030	-
% of employees who replied positively to the question in Michelin's Forward Together survey: "I feel as if my opinion counts and my ideas are taken into account in my company"	-	-	69%	71%	72%	80% in 2030	-
Number of Michelin Volunteers program initiatives	-	-	5,000	10,900	19,700	-	-









SUPPLIERS' CSR PRACTICES	2019	2020	2021	2022	2023	2030 AMBITIONS	2050 AMBITIONS
Percentage of suppliers assessed by EcoVadis and confirmed as compliant	84%	84%	85%	87%	89%	-	-
% of assessed suppliers that meet the Group's human rights standards	85%	86%	89%	89%	91%	>95%	-
% of the natural rubber volume used by the Group based on human rights criteria (representative sample of smallholders, through Rubberway®)	20%	30%	41%	58%	69%	80% in 2025	-
% of emissions generated by purchases of goods and services from suppliers with science-based targets	-	13%	21%	30%	42%	70% in 2024	-











7. TABLE DE CONCORDANCE PLAN DE VIGILANCE / DEU


ENVIRONNEMENT	RISQUES DU PLAN DE VIGILANCE	PARTIE DU DEU ASSOCIÉE	N° PAGE DEU
Risques Droits humains	1.1. Non-respect des droits humains chez nos fournisseurs	4.1.4.2. Relayer nos engagements RSE par une politique d'achats responsables	p.273
	1.2. Discrimination	4.1.2.2. Diffuser une culture inclusive des diversités et lutter contre les discriminations	p.236
	1.3. Harcèlement	4.1.2.1 b) Droits humains - Organisation et ambitions	p.232
	1.4. Liberté d'association	4.1.2.3 Dialogue avec les parties prenantes	p.241
	1.5. Vie privée et données personnelles	4.1.4.1 e) Protection de la vie privée et des données personnelles	p.272
	1.6. Risque en termes de rémunération et de protection sociale	4.1.2.3 h) Une politique adaptée de rémunération et d'avantages sociaux	p.246
	1.7. Communautés locales	4.1.2.5 d) Prendre en compte le risque d'impact potentiellement négatif de l'activité sur les populations locales	p.257
	1.8. Sécurité des produits et services	4.1.4.3 Garantir la qualité des produits et des services	p.283
		4.1.4.4 Jouer un rôle actif au profit de la sécurité des consommateurs et de la préservation de l'environnement	p.288
		4.1.3.3 c) Mesurer et suivre les accidents du travail	p.262
Risques Santé Sécurité	2.1. Accidents du travail	4.1.3.2 c) Maîtriser les risques liés à l'hygiène industrielle pour préserver la santé du personnel	p.262
	2.2. Exposition aux produits chimiques	4.1.3.2 d) Améliorer l'ergonomie des postes de production	p.265
	2.3. Ergonomie	4.1.3.4 Veiller au bien-être au travail - un meilleur équilibre entre vie privée et vie professionnelle	p.263
	2.4. Mal être au travail	4.1.3.3 a) Maîtriser les risques en matière de sécurité au travail	p.263
	2.5. Risque en matière de sécurité des salariés		

**TABLE OF CONCORDANCE
BETWEEN THE DUTY OF CARE
PLAN AND THE UNIVERSAL
REGISTRATION DOCUMENT 2023**

7. TABLE OF CONCORDANCE DUTY OF CARE PLAN / URD

ENVIRONMENT	RISKS ARISING FROM THE DUTY OF CARE PLAN	RELEVANT SECTION OF THE URD	URD PAGE NUMBER
Human Rights risks      	1.1. Human rights violations at our suppliers' premises	4.1.4.2. Demonstrating our CSR commitments through responsible procurement policies	p.273
	1.2. Discrimination	4.1.2.2 Instilling an inclusive culture of diversity and preventing discrimination	p.236
	1.3. Harassment	4.1.2.1 b) Human rights - Organization and ambitions	p.232
	1.4. Freedom of association	4.1.2.3 Dialogue with stakeholders	p.241
	1.5. Privacy and personal data	4.1.4.1 e) Protecting employee privacy and personal data	p. 272 p. 58 RRisk of cyber-attacks
	1.6. Risk in terms of decent wage and social protection	4.1.2.3 h) Offering fair compensation and benefits	p.246
	1.7. Local communities	4.1.2.5 d) Addressing the risk of potentially negative impacts of our business on local communities	p.257
	1.8. Safety of products and services	4.1.4.3 Guaranteeing the quality of our products and services 4.1.4.4 Playing an active rôle in ensuring consumers' safety on the road and safeguarding the environment	p.283 p.288
Risks to Health and Safety  	2.1. Occupational accidents	4.1.3.3.c) Measuring and tracking occupational accidents	p.264
	2.2. Exposure to chemicals	4.1.3.2.c) Managing industrial hygiene risks to protect employee health	p.262
	2.3. Ergonomics	4.1.3.2.d) Improving production workstation ergonomics	p.262
	2.4. Psychosocial issues at work	4.1.3.4 Ensuring well-being in the workplace: improving work-life balance	p.265
	2.5. Risk to employee safety	4.1.3.3 a) Managing workplace safety	p.263

ENVIRONMENT	RISKS ARISING FROM THE DUTY OF CARE PLAN	RELEVANT SECTION OF THE URD	URD PAGE NUMBER
Environmental risks          	3.1. Overall impact on climate change and mitigation strategy	4.1.1.1.a) Transition plan: decarbonizing our operations 4.1.1.1 b) Transition plan: company strategy	p.177 p.186
	3.2. Impact of our operations on climate change	4.1.1.1.a) Transition plan: decarbonizing our operations	p.177
	3.3. Impact of Scope 3 on climate change	4.1.1.1.a) Transition plan: decarbonizing our operations	p.177
	3.4. Risk of air and water pollution	4.1.1.4.c) Reducing energy use and greenhouse gas emissions 4.1.1.4.d) Reducing harmful air emissions 4.1.1.4.f) Reducing water withdrawals and effluent discharge	p.210 p.213 p.216
	3.5. Impact of our raw materials on the environment (excluding climate change)	4.1.1.2. Enhancing the circularity of our products 4.1.1.2 b) Deploying eco-design practices	p.193 p.194
	3.6. Risk of harming biodiversity	4.1.1.3 Supporting biodiversity 4.1.1.3 c) Michelin's commitment to biodiversity 4.1.1.3 d) Preserving biodiversity and ecosystems in rubber tree farming 4.1.1.3 e) Preserving biodiversity around Group manufacturing and research facilities	p.200 p.203 p.204 p.205

ENVIRONMENT	RISKS ARISING FROM THE DUTY OF CARE PLAN	RELEVANT SECTION OF THE URD	URD PAGE NUMBER
<p>CSR risks associated with suppliers' practices</p> 	4.1. Identifying CSR risks		
	4.2 Risks associated with suppliers' CSR practices	4.1.4.2 Demonstrating our CSR commitments through responsible procurement policies 4.1.4.2 a) Governance and organization 4.1.4.2 b) Identifying categories and countries at risk and assessing suppliers	p.273 p.274 p.275
	4.3. General measures for preventing and mitigating suppliers' CSR risks	4.1.4.2 b) Identifying high-risk categories and countries, and supplier assessment	p.275
	4.4. Impact of our suppliers on climate change	4.1.1.2. Enhancing the circularity of our products 4.1.1.2 b) Deploying eco-design practices	p.193 p.194
	4.5. Human rights violations at our suppliers' facilities	4.1.4.2. Demonstrating our CSR commitments through responsible procurement policies	p.273
	4.6. Non-compliance with the Supplier Relations Code of Conduct	4.1.4.2. Demonstrating our CSR commitments through responsible procurement policies	p.273
	4.7. Specific risks of natural rubber	4.1.4.2 c) A dedicated approach for natural rubber	p.279
Risks within recent acquisitions		Methodology	p.302
Whistle-blowing and alert mechanisms		4.1.4.1.a) Establishing a global ethic framework	p.269

