



*2023 **TAX***  
***TRANSPARENCY***  
***REPORT***



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***“Our vision of the future is based on the belief that tomorrow, everything will be sustainable at Michelin. All our decisions are based on striking the right balance between People, Profit and the Planet.”***

Florent Menegaux

## **MESSAGE**

**FROM THE GENERAL MANAGER AND THE DEPUTY CHIEF FINANCIAL OFFICER**



The Michelin Group’s tax policy, practices and governance are rooted in this “All sustainable” future. As a global taxpayer, Michelin helps to finance the development of nations and people in the countries where it has a commercial and/or manufacturing presence.

***OUR GEOGRAPHIC LOCATIONS ARE DETERMINED BY BUSINESS NEEDS AND OPPORTUNITIES.***

From the outset, the Michelin Group has grown by nurturing close relationships with its customers, to bring them innovative expertise and quality.

We have developed our geographical footprint to be able to serve our customers, adding tangible value to their lives through our manufacturing, sales & marketing, development and services locations. The search for proximity, both in terms of relationships and geography, is even more relevant today with the challenges of managing our environmental footprint.

***THE MICHELIN GROUP IS A RESPONSIBLE TAXPAYER, COMPLYING WITH LOCAL AND INTERNATIONAL LEGISLATION.***

The Michelin Group's global tax contribution for 2023 amounts to €1.365 billion, including €849 million in corporate income tax accrued, €409 million in taxes on products and services, €88 million in payroll tax, and €19 million in environmental and other taxes.

Our total tax and customs contributions, in our capacity as an economically liable taxpayer organization, and excluding social security contributions, represent around 40% of our segment operating income.

We are actively engaged in developing our host communities and systematically comply with local legislation wherever we operate, with an unceasing commitment to paying our fair share of taxes and customs duties.

In this tax transparency report, we share information on our tax guidelines, always with the same goal of fostering constructive dialogue with all our stakeholders.

At present, this report only covers the tax and customs contributions that we bear economically. It does not cover all the pass-through taxes and duties we collect and remit in our capacity as a legally liable taxpayer on behalf of our various host countries.

The report will be updated and expanded annually.

**Yves Chapot and Carine Damois**

# GLOSSARY

**Tangible assets:** the sum of the net book values of the tangible assets, excluding cash and cash equivalents, and right-of-use assets of all the constituent entities resident for tax purposes in the relevant jurisdiction.

**APA:** an Advance Pricing Agreement (or arrangement) on transfer prices negotiated with tax authorities on a unilateral, bilateral or multilateral basis.

**Income (loss) before tax:** the sum of the profit or loss before tax for all the constituent entities resident for tax purposes in the relevant tax jurisdiction. Profit or loss before tax, restated for intra-group dividends, includes all non-recurring income and expenses.

**Country-by-country reporting (CbCR):** a requirement in force since 2016 to report a country-by-country annual tax return in accordance with Article 223 *quinquies* C of the French General Tax Code (*Code général des impôts*). Its purpose is for multinational enterprises to provide the relevant tax authorities with information on their allocation of income, taxes paid and economic activity among tax jurisdictions (see the OECD Action 13 report on the CbCR).

**Contribution to income tax:** portion of the income tax due by a given country in relation to the income tax due by the Group.

**Contribution to Group income before tax:** portion of income before taxes generated by a given country in relation to the income before taxes generated by the Group.

**Global tax contribution:** all the direct and indirect taxes, duties and levies borne by the Group in its capacity as an economically liable taxpayer organization. These include income tax, taxes on goods and services such as customs duties, payroll taxes, withholding taxes and environmental taxes. The global tax contribution does not include taxes collected by the Group on behalf of the tax authorities, nor employer social security contributions borne by the Group.

**Customs duties:** indirect taxes levied on goods when they enter or leave a country.

**Income tax accrued:** tax due on the taxable income of an entity or group of entities within a country. This category also includes taxes other than on income that are also based on income (the sum of taxable income less deductible expenses), such as the business tax on value added (*Contribution sur la Valeur Ajoutée des Entreprises* – CVAE) in France and the regional production tax (*Imposta Regionale sulle Attività Produttive* – IRAP) in Italy.

**Tax on goods and services:** all taxes levied on production activities (e.g., the extraction, sale, transfer, leasing or delivery of goods and the rendering of services), or on the use of goods or permission to use goods or to perform activities. In particular, these include non-recoverable value-added tax, sales taxes, property taxes, excise duties, duties levied on the import and export of goods, and customs duties.

**Payroll taxes:** all the various taxes paid by employers, employees and the self-employed, as a percentage of wages or as a fixed amount per person.

**Number of employees:** the average number of employees of all the constituent entities resident for tax purposes in the relevant tax jurisdiction.

**Tax ruling:** a formal position taken by a tax authority on a matter referred to it by a private or corporate taxpayer concerning how a tax rule applies to their specific circumstances. It is an instrument used by governments to provide legal certainty.

**Withholding tax:** tax levied on the payment of certain transactions (royalties, interest or dividends) conducted as part of a cross-border relationship.

**Revenue:** the sum of the gross sales of all companies before elimination of intra-country transactions, plus income from participating interests, excluding dividends received from affiliated undertakings, income from other capitalized investments and loans, other interest receivable and similar income.

**Actual tax rate:** corresponds to the current total tax expense and withholding taxes in the country for the period divided by the income before tax in the country in question, calculated according to IFRS.

**Environmental tax:** taxes and duties levied on energy products, measured or estimated emissions into the air or water, ozone-depleting substances, certain sources of diffuse pollution of water, land, forests and biodiversity.



***MICHELIN: A GLOBAL  
INDUSTRIAL FOOTPRINT,  
AN INNOVATION AND  
PERFORMANCE-DRIVEN  
STRATEGY***

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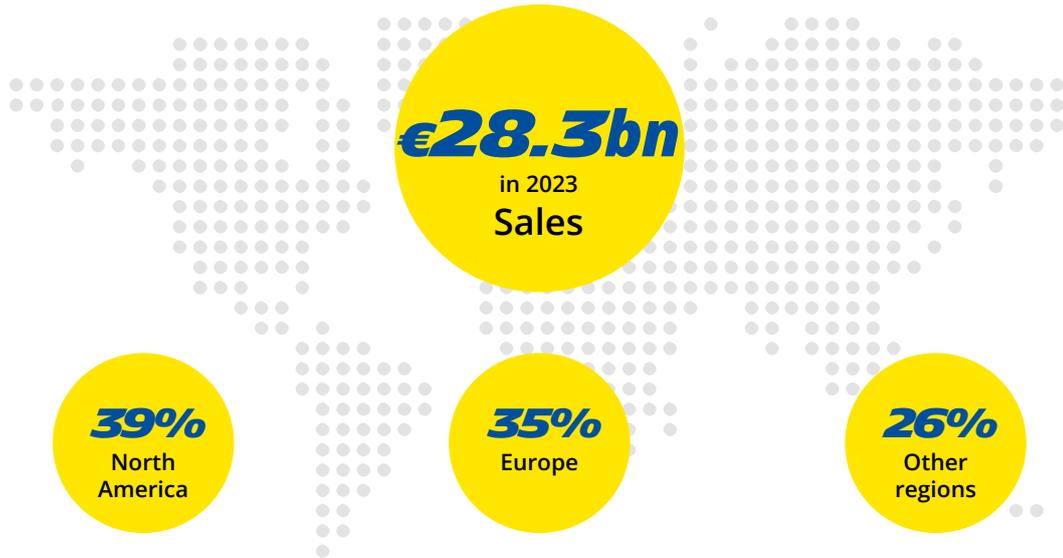




**MICHELIN: A GLOBAL INDUSTRIAL FOOTPRINT,  
AN INNOVATION AND PERFORMANCE-DRIVEN STRATEGY**

OUR KEY FIGURES AND FUNDAMENTALS

**1.1 OUR KEY FIGURES AND FUNDAMENTALS**



AUTOMOTIVE	LONG DISTANCE AND URBAN TRANSPORTATION	SPECIALTY BUSINESSES	
<b>50%</b> Original equipment and replacement tires	<b>25%</b> Heavy truck, light truck and van tires Connected solutions	<b>20%</b> <b>Beyond-road tires</b> Mining, agricultural, construction, materials handling and aircraft tires	<b>5%</b> <b>High-tech materials</b> Coated fabrics, films, conveyors, belts, seals, inflatable structures, biomaterials, etc.



**EMPLOYEES**

**132,276**  
people worldwide at year-end 2023



LIVING WAGE CERTIFIED



**INNOVATION**

**6,000**  
people in R&D

**€1.2bn**  
2023 innovation budget



**PRODUCTION**

**86**  
tire production facilities

**45**  
high-tech materials production facilities



**PLANET**

**-6%**  
CO<sub>2</sub> emissions in 2023 vs. 2022

**-10%**  
water withdrawals in 2023 vs. 2022



**MICHELIN: A GLOBAL INDUSTRIAL FOOTPRINT,  
AN INNOVATION AND PERFORMANCE-DRIVEN STRATEGY**

OUR STRATEGY

**1.2 OUR STRATEGY**

**OUR MICHELIN IN MOTION  
STRATEGY**

*Launched in 2021, the Michelin in Motion strategic plan sets out the Group's roadmap to 2030. As part of our All Sustainable vision, it lays the foundations for sustainable growth in three areas: tires, connected solutions and high-tech materials.*

**OUR PURPOSE**

**// WE CARE ABOUT  
GIVING PEOPLE  
A BETTER WAY FORWARD //**

**VALUES BUILT  
ON RESPECT**

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

**THE ALL  
SUSTAINABLE VISION**

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



**ROBUST STRUCTURAL  
FUNDAMENTALS**



**MICHELIN: A GLOBAL INDUSTRIAL FOOTPRINT,  
AN INNOVATION AND PERFORMANCE-DRIVEN STRATEGY**

OUR STRATEGY

**A STRATEGY RESOLUTELY  
FOCUSED ON INNOVATION  
AND PERFORMANCE**

**TIRES**

**Our value proposition**

- ▶ High-performance, durable products
- ▶ Diverse conditions of use
- ▶ Helping to advance sustainable mobility

**Our objectives**

- ▶ Target high value-added segments
- ▶ Provide excellent customer service
- ▶ Broaden the B2B services portfolio

**Our strengths**

- ▶ A portfolio of market-leading brands
- ▶ Proprietary and franchised dealership networks
- ▶ A strong position in online retailing

**CONNECTED  
SOLUTIONS**

**Our value proposition**

- ▶ A comprehensive portfolio of fleet management services
- ▶ Optimizing our customers' business and operational performance
- ▶ Facilitating their transition to accident-free, zero emissions fleets

**Our objectives**

- ▶ Increase tire-as-a-service sales
- ▶ Facilitate the transition to electric fleets
- ▶ Leverage our acquired connected mobility expertise

**Our strengths**

- ▶ An unrivaled range of services
- ▶ Recognized leadership in connected tires
- ▶ Solutions tailored to each customer

**HIGH-TECH  
MATERIALS**

**Our value proposition**

- ▶ Deploying expertise in the growing high-tech materials sector
- ▶ Providing products of critical utility to applications or the systems they enable

**Our objectives**

- ▶ Develop innovative, high-performance composite solutions
- ▶ Introduce game-changing innovations in engineered polymers
- ▶ Forge strategic partnerships to offer high-tech products in emerging markets

**Our strengths**

- ▶ Unparalleled proficiency in materials science and complex industrial processes
- ▶ An impactful presence in future-facing markets



**MICHELIN: A GLOBAL INDUSTRIAL FOOTPRINT,  
AN INNOVATION AND PERFORMANCE-DRIVEN STRATEGY**

OUR STRATEGY

**OUR BUSINESS MODEL**

**TIRES**

Automotive, road transportation, specialties

**CONNECTED SOLUTIONS**

for fleet operators



**OUR PURPOSE:**



*WE CARE ABOUT GIVING PEOPLE A BETTER WAY FORWARD*



**OUR STRENGTHS:**

- our materials expertise
- our proficiency in complex production processes
- the strength of our brand
- our close customer relationships



**MICHELIN**

**HIGH-TECH MATERIALS**

Flexible composite solutions, engineered polymers, emerging value chains

**TRENDS & CHALLENGES**

Environmental, technological and social transitions

**VALUES BUILT ON RESPECT**

for facts, people, customers, shareholders and the environment



**MICHELIN: A GLOBAL INDUSTRIAL FOOTPRINT,  
AN INNOVATION AND PERFORMANCE-DRIVEN STRATEGY**

OUR OPERATIONAL ORGANIZATION

**1.3 OUR OPERATIONAL ORGANIZATION**

Our “All-Sustainable” vision, together with our strategy for diversifying our operations all while prioritizing innovative products and services for our customers, is the result of this organization. These different entrepreneurial functions are highly integrated, which strengthens their complementary nature.

**A CUSTOMER-CENTRIC ORGANIZATION**

Focused on identifying and meeting customer needs, the Michelin organization is supported by an assertive employee empowerment process being deployed at every level and in every aspect of the business through:





## **MICHELIN: A GLOBAL INDUSTRIAL FOOTPRINT, AN INNOVATION AND PERFORMANCE-DRIVEN STRATEGY**

A FAIR TAX CONTRIBUTION

### **1.4 A FAIR TAX CONTRIBUTION**

In conducting its business, the Group generates operational and financial flows worldwide to meet the needs of all its customers.

From a regulatory standpoint, national and international tax laws provide for various types of levies for which the taxpayer may be liable depending on:

- what the taxpayer owns (property taxes);
- what it produces and sells (taxes on goods and services);
- the income it generates (income tax);
- what it transfers, for example, customs duties and withholding taxes;
- or the people who make it possible to carry out its activities (payroll taxes).

As the world's leading tire manufacturer, the Michelin Group is liable for tax in the broadest sense of the term, either:

- economically, by directly bearing the cost of the taxes (e.g., income tax); or
- legally, by acting on behalf of governments as the collector of pass-through taxes levied on other economic actors (e.g., VAT, payroll taxes, withholding tax).

The Group's tax responsibility is to calculate and pay the various levies borne in respect to its many business activities, in compliance with the diversity of legislation to which it is subject as a result of its global footprint.

Michelin's global footprint and organization make it a major taxpayer.





# 2

## ***A TAX POLICY IN LINE WITH OUR BUSINESS***

- |            |   |    |
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## **A TAX POLICY IN LINE WITH OUR BUSINESS**

### OUR TAX POLICY APPROACH

#### **2.1 OUR TAX POLICY APPROACH**

Faced with the increasing globalization of our business and an ever-changing international regulatory environment, the Michelin Group has developed a tax policy that defines a set of principles concerning its tax liability in accordance with its purpose.

The tax policy has been set out in an internal tax procedures guide, which describes how the Michelin Group manages its tax affairs across all the locations where it operates.

The guide also describes a number of cardinal tax rules that members of the Tax and Customs Department must comply with in order to deploy the Group's strategy and businesses.

These rules are described in the following sections.

This report was prepared using in particular the GRI 207 Tax (2019) standard, a voluntary reporting methodology that enables a company to report on its approach to taxation and the link between its business and its tax contribution.

#### **2.2 OUR RESPONSIBILITIES IN TERMS OF SUSTAINABLE, TRANSPARENT AND RESPECTFUL TAXATION**

The Michelin Group undertakes to comply with local legislation in all its host jurisdictions. For this purpose, the Group becomes a taxpayer in every country where it does business, preferably by setting up local subsidiaries to house the human, physical and financial resources required to conduct said business.

In so doing, the Group observes all local tax obligations and accurately declares its business activities and the bases for calculating the taxes for which it is economically or legally liable. It also makes the corresponding payments.

The Michelin Group's tax policy is consistent with its industrial and business strategy, with the result that financial transactions, the designation of operating entities and the choice of host communities are always based on operational grounds. This means that the tax impacts resulting from these industrial and business choices in no way reflect the use of aggressive tax policies, tax optimization schemes or artificial transactions.

Our business activities generate a substantial amount of taxes both in France and other countries, representing a major portion of the Group's economic contribution.

In particular, the Group pays income tax, withholding taxes, import taxes and customs duties, stamp duties and other taxes in the territories where its operating activities are located.

It also collects and pays taxes on the salaries paid to its employees, as well as indirect taxes such as VAT and certain sector-specific taxes.

In every country where the Group operates, it is committed to exemplary behavior in tax matters, which is notably reflected by efforts to nurture cooperation with local tax authorities.

This relationship is governed by the Michelin Anti-Corruption Code of Practice, which specifically bans any facilitating or expediting of payments to public officials.



## **A TAX POLICY IN LINE WITH OUR BUSINESS**

### KEY ELEMENTS OF OUR TAX POLICY

## **2.3 KEY ELEMENTS OF OUR TAX POLICY**

### **2.3.1 VISION OF COMPLIANCE**

Compliance means upholding all rules and condemning tax fraud and evasion.

The Michelin Group's tax policy:

- aims to strictly apply the international, regional and local tax rules defined by governments or their representatives;
- strongly condemns all forms of tax fraud and evasion;
- states that the Tax and Customs Department does not seek to take advantage of controversial tax schemes.

Similarly, the Michelin Group does not carry out any financial transactions or operations that would have no operational and/or economic benefit for the Group other than tax avoidance.

### **2.3.2 LINKS BETWEEN BUSINESS AND TAXATION**

#### **Level of substance in each legal entity**

The Michelin Group ensures that each entity demonstrates the appropriate level of substance, i.e., that it can muster all the necessary human, physical and financial resources.

A Group legal entity must house all the functions required to conduct its business. The Group makes every effort to ensure compliance with this rule.

Each Head of Tax ensures compliance with this cardinal rule in their geographic remit, in liaison with all the other Group departments concerned.

#### **Management of legal entities**

Each legal entity is a taxpayer in its country of tax residency, in compliance with local legislation. The Group takes particular care that the industrial and business functions ascribed to a legal entity in a country are effectively performed by resident natural persons for the benefit of said legal entity.

In other terms, the Group strives to ensure that no key industrial or business function can be performed by a legal entity in a country other than its country of tax residency.

Similarly, the management functions of all legal entities are, in principle, performed by resident natural persons who represent them and report to them.

In this way, the risk of a legal entity having a permanent establishment is under control, as is the place of effective management.

#### **Summary organization chart**

The Michelin Group prioritizes the creation of subsidiaries over the presence of branches, to ensure greater clarity and transparency within the Group.

Its objective is to allocate a single taxpayer role to each legal entity, i.e., the role linked to the location in which the subsidiary operates.

Lastly, in recent years, the Tax and Customs Department has been overseeing, with the legal, financial and operational teams, a program to streamline the Group's organizational structure, by limiting the number of legal entities as much as possible at a time of sustained external growth.

### **2.3.3 APPROACH TO UNCERTAINTY AND RISK APPETITE**

#### **Analysis and documentation of tax positions**

The Michelin Group makes every effort to comply with and apply the tax regulations of the jurisdictions where it operates.

The Group is committed to complying with the letter and spirit of all laws and regulations. In this regard, it might – when it thinks that it has solid and relevant technical arguments – adopt a tax position that could be interpreted differently by the tax authorities.

In all cases, these tax positions are subject to a technical analysis and supporting documentation.

In the event that the outcome is deemed uncertain, the accounting consequences of this uncertainty are assessed in accordance with IAS 12 – *Income Taxes*, and in particular its interpretation IFRIC 23 – *Uncertainty over Income Tax Treatments*. This interpretation is based on an analysis of the probability of occurrence of the various outcomes (e.g., strength of the company's arguments, possibility of appeal, available case law, etc.) of this uncertainty, in order to determine the appropriate accounting treatment.

#### **Analysis of favorable tax regimes**

The Michelin Group applies the favorable tax policies available to all economic operators in compliance with the specific applicable rules, whenever these policies are in line with its own manufacturing and/or operating objectives and are consistent with the economic substance of its investments.



## **A TAX POLICY IN LINE WITH OUR BUSINESS**

### KEY ELEMENTS OF OUR TAX POLICY

These favorable tax regimes are a key feature of the development of economic policies, which countries use to stimulate growth and attract investment in support of national policy.

They generally take the form of a reduction in long-term tax liabilities (tax reduction) or simply a temporary deferral of tax payments.

Members of the Tax and Customs Department analyze the tax regimes available in their respective countries and verify that our business activities are effectively eligible.

Their analyses cover the full range of classic and specific regimes, from tax consolidation to research and investment incentive regimes.

By way of example, our €1.2 billion in innovation expenditure in 2023 enabled the Group to receive €71 million in research tax credits worldwide.

We also operate in countries that, today, are sometimes said to benefit from certain advantageous tax regimes. Nevertheless, these operations correspond to real economic activity with the human, physical and financial resources needed to serve the local market.

#### **2.3.4 KEY COMPONENTS OF OUR TRANSFER PRICING POLICY**

Michelin applies OECD guidelines on transfer pricing and ensures that all transfer pricing policies in force comply both with the arm's length principle and the applicable local transfer pricing rules.

As part of its remit, Michelin's Tax and Customs Department defines the transfer pricing methods applicable to intra-group transactions involving, for example, finished and semi-finished products, industrial equipment, administrative services or research services.

The Tax and Customs Department and its worldwide network also ensure that these methods are properly applied in each subsidiary by regularly performing value chain analyses of the activities carried out by the various organizations and tracking intra-group transactions and the underlying allocation of profits among subsidiaries.

In this process, the type of activity – manufacturing, sales & marketing, decision center, holding company, financing, R&D, etc. – is important. The Tax and Customs Department periodically analyzes how and where the activities are carried out and whether the received compensation was suitable.

The main types of intra-group transactions include:

- brand and technology licenses granting rights to use intangible assets held in France, excluding recently acquired companies;
- the sale of raw materials, semi-finished and finished products;
- research, development and process engineering services provided by the research centers;
- management services provided by the Group's decision centers, business lines and regional organizations; and
- support services provided by the Shared Services Centers.

The principles governing compensation for intra-group transactions are defined in compliance with (i) the arm's length principle, in application of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, and (ii) applicable local legislation.

Transfer pricing methods are applied consistently and uniformly across the Group, with no attempt to artificially shift profits.

Intra-group transactions are documented in each country and are regularly audited by local tax authorities. In accordance with OECD recommendations, Group subsidiaries subject to documentation requirements under their domestic regulations prepare transfer pricing documentation every year at three levels:

- a master file presenting the Group's business, its organizational structure, a functional analysis of its processes and assets and a description of intra-Group financial transactions;
- local documentation presenting the subsidiary's activities and the results of its main intra-group transactions;
- a country-by-country report (CbCR) filed each year with the French tax authorities, presenting aggregate financial and tax information for each country in which Michelin operates.

In addition, Michelin regularly signs advance pricing agreements (APAs) with national tax authorities, which help to secure Michelin's transfer pricing policy. Such agreements may be unilateral (between the tax authorities of the country of residence and the local Michelin entity), bilateral (with the tax authorities of the countries of residence of two Michelin entities), or multilateral (with the tax authorities of the countries of residence of multiple Michelin entities).



## A TAX POLICY IN LINE WITH OUR BUSINESS

MICHELIN'S PRESENCE IN COUNTRIES AND TERRITORIES ON THE EUROPEAN UNION'S "BLACK" AND "GREY" LISTS OF NON-COOPERATIVE JURISDICTIONS FOR TAX PURPOSES IN 2023

### 2.4 MICHELIN'S PRESENCE IN COUNTRIES AND TERRITORIES ON THE EUROPEAN UNION'S "BLACK" AND "GREY" LISTS OF NON-COOPERATIVE JURISDICTIONS FOR TAX PURPOSES IN 2023

Countries on the **BLACK LIST** have refused to cooperate with the European Union or to remedy shortcomings in their disclosure of tax information and in good tax governance practices.

Countries on the **GREY LIST** have committed to disclosing tax information and applying other principles of good tax governance and have begun implementing necessary reforms.

	RUSSIA*	2023	1 subsidiary	0 employee	When Michelin acquired Flex Composite Group in late September 2023, it inherited a dormant company in Russia, which it intends to wind up as soon as possible.
	PANAMA	present since 2000	1 subsidiary	8 employees	The company is home to the Sales & Marketing Department for the Central America (excluding Mexico) and Caribbean region, and leverages the port infrastructure of Panama.
	VIETNAM	present since 2009	2 subsidiaries	318 employees	Michelin has been present in Vietnam since 2009, with two subsidiaries that employed 318 people as of end-2023. One is engaged in manufacturing and sales & marketing activities and the other in sales & marketing only.
	THAILAND	present since 1987	4 subsidiaries	7,937 employees	Michelin has been present in Thailand since 1987. At end-2023, we had four subsidiaries employing 7,937 people. The largest of the subsidiaries is engaged in manufacturing (five manufacturing facilities) and sales & marketing activities. One subsidiary hosts a research center and the management team for the Asia-Pacific region (excluding China and India).
	TURKEY	present since 1995	3 subsidiaries	116 employees	Michelin has been present in Turkey since 1995. At end-2023, we had three subsidiaries employing 116 people. Two are distribution companies serving the domestic market and the third is a sales & marketing company serving the Cypriot market.
	MALAYSIA	present since 2002	2 subsidiaries	49 employees	Michelin has been present in Malaysia since 2002. At end-2023, we had two subsidiaries employing 49 people, one engaged in sales & marketing activities and the other providing services.
	HONG KONG	present since 1985	3 subsidiaries	14 employees	Michelin has been present in Hong Kong since 1985, with three subsidiaries employing 14 people as of end-2023. One is engaged in sales & marketing activities and the two others provide services.

\* In accordance with applicable regulations, the number of employees reported in the CbCR corresponds to the average number of employees in Russia during 2023. By the end of 2023, there were no more Group employees in Russia.

# 3

## ***GOVERNANCE, CONTROL AND MANAGEMENT OF TAX RISKS: AN INTEGRATED CROSS-FUNCTIONAL ORGANIZATION***

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## **GOVERNANCE, CONTROL AND MANAGEMENT OF TAX RISKS: AN INTEGRATED CROSS-FUNCTIONAL ORGANIZATION**

GENERAL PRINCIPLES OF GOVERNANCE

### **3.1 GENERAL PRINCIPLES OF GOVERNANCE**

The tax policy and any significant changes are reviewed and approved by the General Manager and the Deputy Chief Financial Officer, and are also presented to the Supervisory Board's Audit Committee.

Procedures are in place to manage cross-functional risks.

Internal Audit, Risk Management, Internal Control and Quality activities have been brought together within a single Corporate Department. A specific team within this department is dedicated to risk management.

This organization provides a shared vision of the primary risks and challenges for the Group. It also promotes efficient monitoring between the second (Internal Control and Risk Management) and third (Internal Audit) lines of defense across all time horizons and across all Group units.

The management of tax risks is fully integrated into the general risk management and internal control process. As part of this process, the Tax and Customs Director, reporting to the Finance Department, oversees the implementation of the tax policy and reports regularly to the Supervisory Board's Audit Committee on Michelin's tax position.

### **3.2 ORGANIZATION OF THE TAX DEPARTMENT**

The Group has an integrated, worldwide Tax Department comprising a Corporate Department based at Group headquarters and regional departments based in the local regional headquarters.

The Tax and Customs Department comprises a network of qualified, regularly trained in-house experts, at corporate level as well as in the regions and countries.

Taxation, whether direct or indirect, is necessarily based on a location (taxation territory) and legal entities (taxpayers). Management of tax affairs also requires specific expertise on certain cross-functional topics, which is why the Tax and Customs Department is organized with:

- Heads of Tax covering all geographic areas where the Group operates. These areas are currently grouped into five major regional clusters managed by Heads of Tax, spanning all geographies: (i) North America and Central America, (ii) South America, (iii) Europe and Africa-Middle East, (iv) Asia, and (v) China.

When necessary, these Heads of Tax are supported in their responsibilities by country tax manager, depending on the size and the profile of local operations, the complexity of the country, and/or the local organization of activities.

- Corporate managers cross-functionally manage issues in their respective areas of expertise. To date, six such areas have been identified: (i) tax governance, (ii) taxation of mergers, disposals and acquisitions, (iii) transfer pricing policy and transactions, (iv) tax reporting and communication, (v) customs and exports and (vi) digitalization and processes.
- Similarly, the customs teams are organized by regional cluster and area of expertise.

Tax teams are based in different companies to meet local operational requirements and deliver local expertise.



## **GOVERNANCE, CONTROL AND MANAGEMENT OF TAX RISKS: AN INTEGRATED CROSS-FUNCTIONAL ORGANIZATION**

GOVERNANCE FOR MANAGING RISKS ASSOCIATED WITH THE TAX PROCESS

### **3.3 GOVERNANCE FOR MANAGING RISKS ASSOCIATED WITH THE TAX PROCESS**

Michelin's tax policy is defined and implemented in line with its operating objectives, with the goal of supporting the Group's responsible and sustainable industrial and business development. It is managed proactively by thinking ahead, with a precise and defined organization and team.

Michelin's Tax and Customs Department performs its duties with a proactive mindset in order to anticipate the tax issues that could impact the Group in any situation. As part of this process, it is in regular contact with the operational teams, to support the Group's growth objectives as effectively as possible. To do so, the members of the Tax and Customs Department keep abreast of developments both nationally and internationally, enabling it to anticipate the challenges of tomorrow's major tax changes.

When tax regulations are unclear or subject to interpretation, the Michelin Group's practice is to conduct an in-depth analysis in-house and, when necessary, to seek the opinions of external advisors to support the decision-making process. If necessary or when deemed appropriate, the Group may decide to secure its transfer price positions through advance pricing agreements (APAs) or other tax positions through rulings.

Moreover, the Michelin Group has defined its own fundamental guidelines (see section 2 above), in a commitment to securing its positions and ensuring that the Group fairly pays all of the taxes due in its host communities.

### **3.4 INTERNAL CONTROL OF THE TAX PROCESS**

The Group's internal control process has the following core objectives:

- application of the instructions and guidelines issued by the Managers and the Group Executive Committee;
- compliance with laws and regulations;
- the proper functioning of internal processes, particularly those relating to the protection of corporate assets;
- the reliability of financial information.

It comprises a set of resources, procedures, practices and actions aligned with the characteristics of the Group's businesses, which:

- contribute to the control over its activities, the efficiency of its operations and the efficient utilization of its resources;
- enable it to assess all of its material operational, financial and compliance risks appropriately.

In general, the risk management process has been designed in seamless alignment with the values of responsibility, integrity and ethical behavior embraced by the Michelin Group.

The Internal Control system covers substantially all the Group's operations, including every operating region and

every business unit (manufacturing, sales and dealership networks). In the event of an acquisition, a dedicated internal control system is deployed in the new unit, in alignment with its business and risks. The scope of internal control is broad and extensive, covering every potential area of major risk.

Internal control aims to protect the Group against the following tax risks:

- failure to comply with tax instructions and procedures;
- risk of profit-shifting (e.g., failure to comply with the transfer pricing policy);
- VAT (incorrect classification, failure to file or late filing);
- risk of double taxation;
- permanent establishment risk.

Internal control draws on the following standards and guidelines:

- OECD standards on transfer pricing regulations;
- tax regulations in the countries where Michelin operates;
- transfer pricing documentation;
- tax procedures and policy guide of the Tax and Customs Department.



## **GOVERNANCE, CONTROL AND MANAGEMENT OF TAX RISKS: AN INTEGRATED CROSS-FUNCTIONAL ORGANIZATION**

MICHELIN CODE OF ETHICS

### **3.5 MICHELIN CODE OF ETHICS**

The Code of Ethics applies to all Group employees without exception, as well as to all persons working on our sites or acting on behalf of a Group entity, anywhere in the world.

Michelin also encourages its customers, suppliers and other partners to adhere to the contents of the Code. Compliance with the Code is a prerequisite for doing business with the Group.

In terms of ethics, the Group considers compliance with all applicable national and supranational laws to be a minimum requirement.

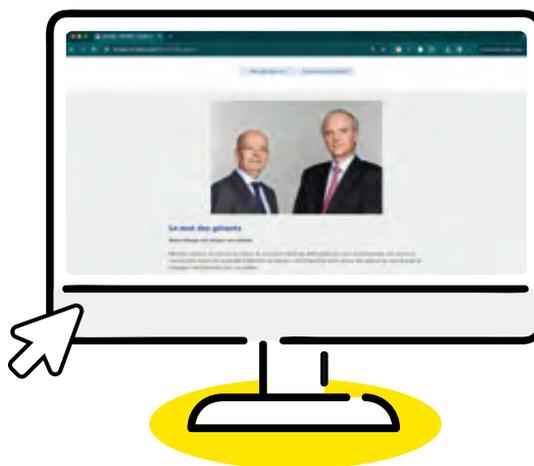
The Code outlines the Group's fundamental values and describes the related principles and requirements. It sets out the guidelines that should govern employee and stakeholder decisions, specifying the behaviors to adopt in typical situations for each work environment.

Beyond the scenarios presented in the Code, every employee, partner or supplier should exercise good judgment and common sense and act in good faith when faced with any other situations that may arise.

The Code is designed to help Group employees and our partners adopt appropriate conduct in relation to certain situations that may pose a risk to themselves or to Michelin, including anti-corruption, anti-fraud, legal and regulatory compliance, anti-harassment and anti-discrimination.

Whistleblowers can use the Michelin Group's ethics hotline to report issues, confidentially and securely. They may remain anonymous if they wish.

*Click on the link for more information on the Code of Ethics:*  
<https://ethique.michelin.com/en/>.





**GOVERNANCE, CONTROL AND MANAGEMENT OF TAX RISKS:  
AN INTEGRATED CROSS-FUNCTIONAL ORGANIZATION**

MICHELIN CODE OF ETHICS



# 4

## ***COOPERATION WITH TAX AUTHORITIES BASED ON CONTINUOUS DIALOGUE***

- |            |                 |    |
|------------|-----------------|----|
| <b>4.1</b> | Our approach    | 30 |
| <b>4.2</b> | Our commitments | 31 |







## **COOPERATION WITH TAX AUTHORITIES BASED ON CONTINUOUS DIALOGUE**

### OUR APPROACH

#### **4.1 OUR APPROACH**

##### **TRANSPARENT RELATIONSHIPS AND EFFECTIVE DIALOGUE**

The Michelin Group has a social responsibility to make tax contributions in the various countries in which it operates. In this regard, we believe that relationships with the tax authorities should be transparent and supported by continuous dialogue.

Governments also implement appropriate resources to verify that the prevailing rules are correctly applied by taxpayers. Even though we may sometimes have a different technical position from that of the tax authorities, we maintain constant and transparent dialogue with them based on thorough, well-founded technical analysis.

##### **TRUST-BASED AND SIMILAR RELATIONSHIPS**

In countries whose tax legislation is based on a relationship of mutual trust, as part of a commitment to facilitating transparency and legal certainty, the Michelin Group encourages the development and implementation of such programs.

In May 2019, for example, the Group signed a corporate tax partnership agreement with the French tax authorities, under the "trust-based relationship" protocol.

This type of tax partnership is a custom-tailored support solution designed to foster a long-term working relationship between the participating company and a dedicated tax authority contact, with the aim of facilitating the treatment of high-risk tax issues. The partners undertake to observe a number of cooperative principles, such as clear, transparent exchange of information, rapid response, pragmatism and consideration for each other's requirements.

The Michelin Group is also developing this type of relationship in other locations (e.g., Italy, Spain and Belgium) and intends to do so wherever possible.

##### **TAX RULINGS, ADVANCE PRICING AGREEMENTS (APAS), MUTUAL AGREEMENT PROCEDURES (MAPS)**

To secure certain international or domestic transactions, the Group prioritizes dialogue with authorities and, as such, seeks to sign APAs or other decisive tax agreements to avoid double taxation or confirm the proper interpretation and application of a standard.

Due to the complexity of the various tax systems around the world, multinational groups are very often faced with potential "double taxation" scenarios, where the same economic profit is taxed in two jurisdictions. In responding to this type of situation, Michelin relies on MAPs or other mechanisms stipulated in the tax treaties signed by its host countries, or else on the EU Arbitration Convention.

##### **MANAGING TAX LITIGATION**

Michelin's objective is not to systematically initiate tax litigation. However, in the changing and complex environment of tax rules, their interpretation can be subject to debate. As a result, the Group does not rule out the possibility of challenging, through administrative proceedings and/or litigation, any notified rulings that it believes run counter to its good faith interpretation of tax rules.

Action of this kind is only considered and, if necessary, implemented if an in-depth in-house technical analysis concludes that there is a sufficient probability of success.

In all cases, and in line with our commitment to build a relationship of trust with the authorities, this challenge is preceded by a series of discussions with the authorities concerned.



## **COOPERATION WITH TAX AUTHORITIES BASED ON CONTINUOUS DIALOGUE**

### OUR COMMITMENTS

#### **4.2 OUR COMMITMENTS**

- Make any and all necessary tax filings and payments on time.
- Communicate with local tax authorities in a transparent and cooperative manner.
- Do everything in our power to meet our legal obligations in a timely manner in the various countries where we operate.
- Work with the tax authorities to secure the Group's tax positions and prevent any misunderstandings or differences of interpretation during tax audits.
- Provide tax authorities with the material resources needed to conduct their work during on-site tax audits.
- Participate actively, directly or through professional associations in public consultations initiated by governments, tax authorities and international organizations, with the aim of supporting the development of tax policies.
- Explain to the public and concerned stakeholders the Group's approach to taxation, its economic contribution and its tax burden.

# 5

## ***OUR WORLDWIDE TAX FOOTPRINT***

<b>5.1</b>	Our global tax contribution	34
<b>5.2</b>	Summary of country-by-country data	53





**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION

**5.1 OUR GLOBAL TAX CONTRIBUTION**

The Michelin Group has created a total tax contribution (TTC) dashboard, which presents all the taxes paid worldwide by its legal entities. The dashboard also enables the Michelin Group's total contribution to public finances beyond corporate income tax to be measured. It presents, notably, corporate income taxes accrued and taxes on goods and services borne by Group companies.

We have not applied any materiality threshold, in order to allow for a global view of the taxes paid by the Group that is as accurate and comprehensive as possible.

Our total tax contribution breaks down into the following tax families: income tax accrued, payroll taxes, taxes on goods and services, environmental taxes and other taxes.

We will look at the following countries in more detail: Australia, Brazil, Canada, China, France, Germany, Hungary, Indonesia, Italy, the Netherlands, Poland, Romania, Singapore, Spain, Switzerland, Thailand and the United States.

**THE MICHELIN GROUP'S GLOBAL TAX CONTRIBUTION**

**17 COUNTRIES**

accounted for



**88%**

of total revenue, including revenue from independent and related parties



**88%**

of its Total Tax Contribution



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION

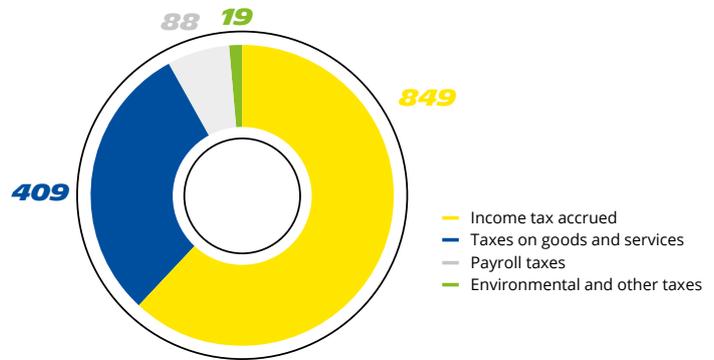
**5.1.1 GLOBAL TAX CONTRIBUTION IN FIGURES**

The data presented below is extracted from Michelin's country-by-country report (CbCR), prepared using the data used to draw up the Group's consolidated financial statements in accordance with IFRS.



**KEY FIGURES** at December 31, 2023

Legal entities	<b>355</b>
Employees	<b>132,276</b>
Total revenue <sup>(1)</sup>	<b>€61,361m</b>
Tangible assets	<b>€13,376m</b>
Net income (loss) before tax	<b>€2,419m</b>
Income tax accrued	<b>€849m</b>



**GLOBAL TAX CONTRIBUTION**

**€1,365**  
million

(1) CbCR definition, which includes intra-group transactions.

**PICTOGRAM DEFINITIONS**

- 1 - Manufacturing, including the production of polymer composite products in all grades, in all forms and for all uses, such as the manufacture of tires, tracks and related systems, and the production of elastomers.
- 2 - Sales, including the sale of polymer composite product solutions through wholesale, retail and online channels.
- 3 - Corporate or regional headquarters and/or global business line.
- 4 - Fundamental research, applied research and/or process engineering.
- 5 - Testing activities.
- 6 - Vehicle services and solutions.
- 7 - Production of latex and other natural resources and/or purchases of natural and synthetic rubber.
- 8 - Internal Group financing.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION

**5.1.2 TAX CONTRIBUTION BY COUNTRY**



GERMANY



BAD KREUZNACH



**15** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

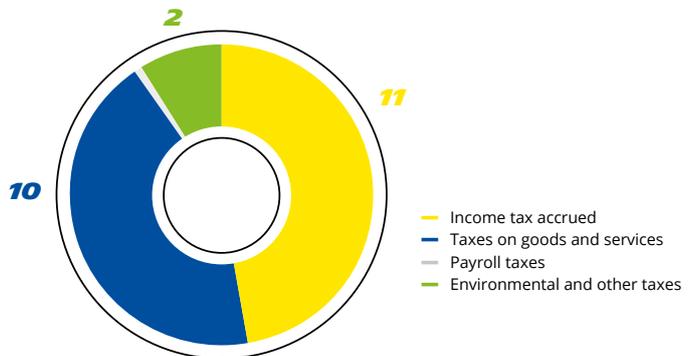
Legal entities	15
Employees	6,500
Revenue	€3,651m
Tangible assets	€347m
Net income (loss) before tax	€(145)m
Income tax accrued	€11m

**RATIOS**

2023 actual tax rate	-7.5%
Contribution to Group income before tax	-6.0%
Contribution to Group income tax	1.3%

**TAX CONTRIBUTION**

**€23**  
million



Figures have been rounded.

In 2023, the results of our main company in Germany take into account a restructuring provision following the announcement of the decision to wind down certain manufacturing operations by the end of 2025.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



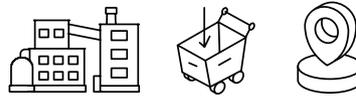
AUSTRALIA



MACKAY



**18** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

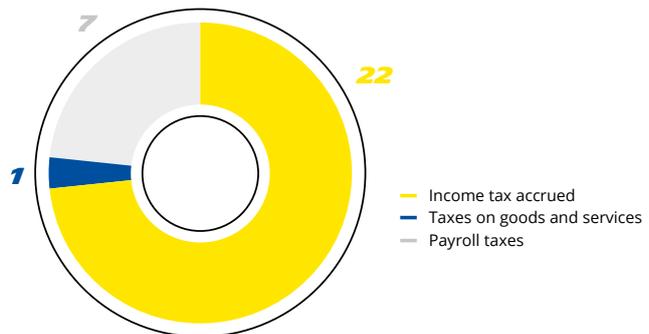
Legal entities	18
Employees	398
Revenue	€1,085m
Tangible assets	€119m
Net income (loss) before tax	€68m
Income tax accrued	€22m

**RATIOS**

2023 actual tax rate		32.8%
Contribution to Group income before tax		2.8%
Contribution to Group income tax		2.6%

**TAX CONTRIBUTION**

**€30**  
million





**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



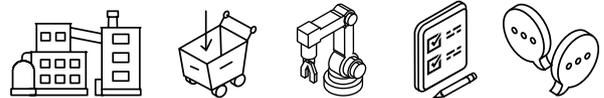
BRAZIL



CAMPO GRANDE



**7** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

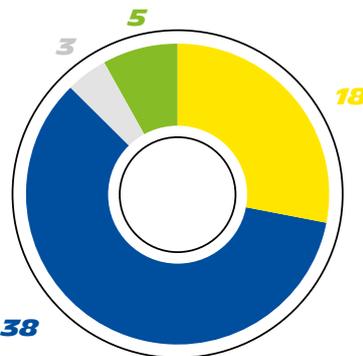
Legal entities	7
Employees	8,193
Revenue	€1,564m
Tangible assets	€536m
Net income (loss) before tax	€86m
Income tax accrued	€18m

**RATIOS**

2023 actual tax rate		20.8%
Contribution to Group income before tax		3.6%
Contribution to Group income tax		2.1%

**TAX CONTRIBUTION**

**€64**  
million



- Income tax accrued
- Taxes on goods and services
- Payroll taxes
- Environmental and other taxes



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



CANADA



WATERVILLE



**9** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

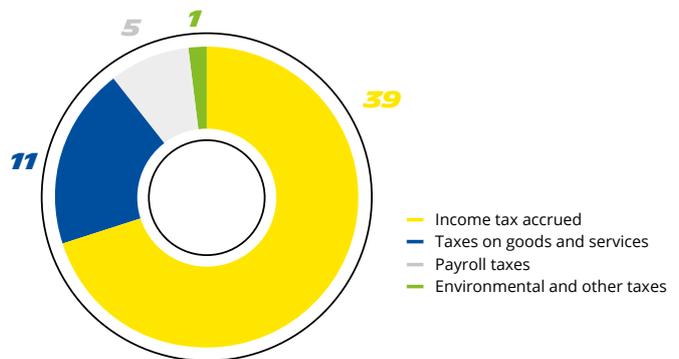
Legal entities	9
Employees	4,430
Revenue	€2,364m
Tangible assets	€411m
Net income (loss) before tax	€150m
Income tax accrued	€39m

**RATIOS**

2023 actual tax rate		26.2%
Contribution to Group income before tax		6.2%
Contribution to Group income tax		4.7%

**TAX CONTRIBUTION**

**€56**  
million





**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



SHENYANG



**12** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

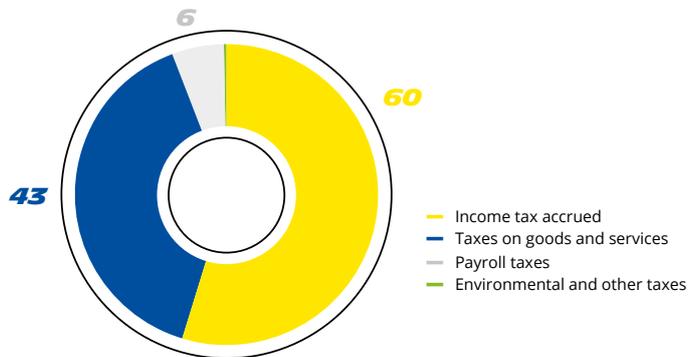
Legal entities	12
Employees	6,353
Revenue	€3,148m
Tangible assets	€939m
Net income (loss) before tax	€235m
Income tax accrued	€60m

**RATIOS**

2023 actual tax rate	25.6%
Contribution to Group income before tax	9.7%
Contribution to Group income tax	7.2%

**TAX CONTRIBUTION**

**€109**  
million



Figures have been rounded.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



SPAIN



ARANDA

**10** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

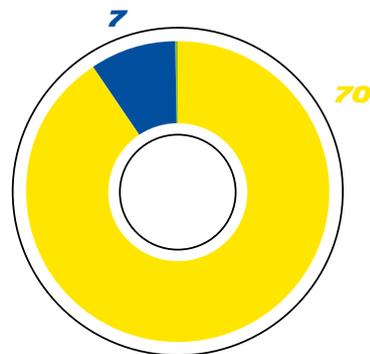
Legal entities	<b>10</b>
Employees	<b>8,507</b>
Revenue	<b>€3,575m</b>
Tangible assets	<b>€1,101m</b>
Net income (loss) before tax	<b>€295m</b>
Income tax accrued	<b>€70m</b>

**RATIOS**

2023 actual tax rate		<b>23.6%</b>
Contribution to Group income before tax		<b>12.2%</b>
Contribution to Group income tax		<b>8.3%</b>

**TAX CONTRIBUTION**

**€77**  
million



Figures have been rounded.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



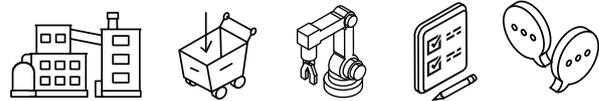
UNITED STATES



GREENVILLE



**37** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

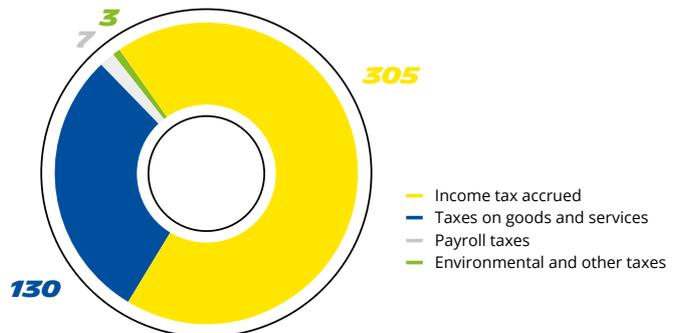
Legal entities	37
Employees	18,278
Revenue	€12,657m
Tangible assets	€2,500m
Net income (loss) before tax	€769m
Income tax accrued	€305m

**RATIOS**

2023 actual tax rate		39.7%
Contribution to Group income before tax		31.8%
Contribution to Group income tax		36.3%

**TAX CONTRIBUTION**

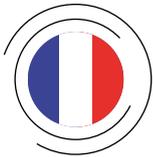
**€445**  
million



In 2023, the income of our main company in the United States takes into account a restructuring provision following the announcement of the decision to wind down tire production at Ardmore in 2025.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



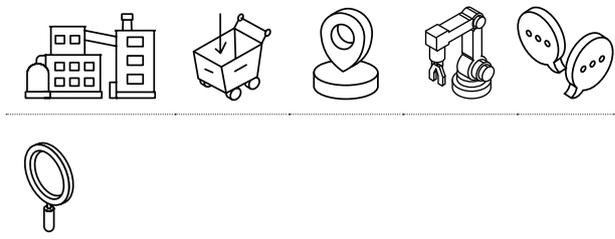
FRANCE



LADOUX



**44** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

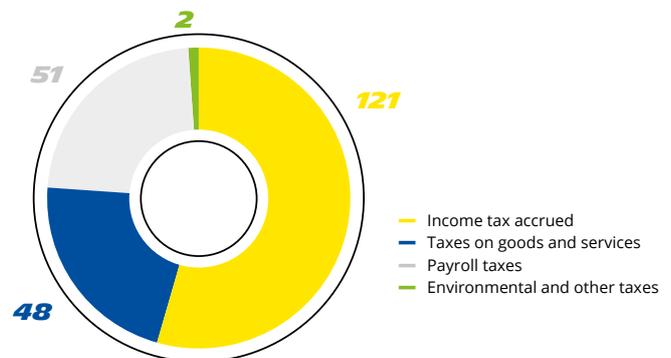
Legal entities	<b>44</b>
Employees	<b>21,009</b>
Revenue	<b>€11,243m</b>
Tangible assets	<b>€2,001m</b>
Net income (loss) before tax	<b>€73m</b>
Income tax accrued <sup>(1)</sup>	<b>€121m</b>

**RATIOS**

2023 actual tax rate	<b>165.9%</b>
Contribution to Group income before tax	<b>3.0%</b>
Contribution to Group income tax	<b>14.3%</b>

**TAX CONTRIBUTION**

**€222**  
million



France, as the Group's headquarters and base for the holding company, centralizes a large proportion of intra-group invoicing for services, as well as for brand and technology licenses, and was impacted in 2023 by non-recurring restructuring items and provisions on securities.

(1) Of which withholding tax.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



**HUNGARY**



NYÍREGYHÁZA



**2** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

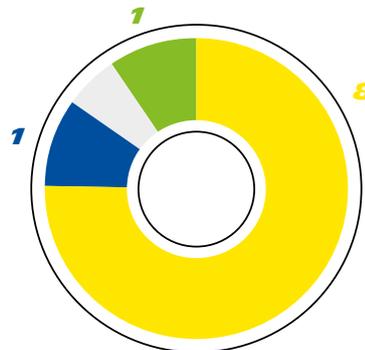
Legal entities	2
Employees	1,328
Revenue	€936m
Tangible assets	€120m
Net income (loss) before tax	€46m
Income tax accrued	€8m

**RATIOS**

2023 actual tax rate	16.8%
Contribution to Group income before tax	1.9%
Contribution to Group income tax	0.9%

**TAX CONTRIBUTION**

**€10 million**



- Income tax accrued
- Taxes on goods and services
- Payroll taxes
- Environmental and other taxes

Figures have been rounded.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



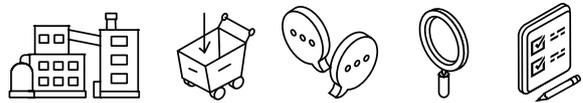
INDONESIA



CILEGON



**8** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

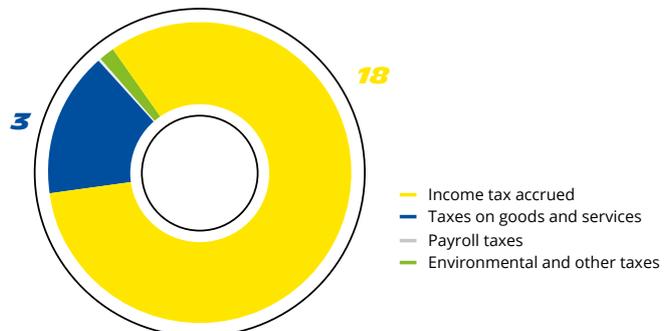
Legal entities	<b>8</b>
Employees	<b>7,692</b>
Revenue	<b>€832m</b>
Tangible assets	<b>€880m</b>
Net income (loss) before tax	<b>€50m</b>
Income tax accrued	<b>€18m</b>

**RATIOS**

2023 actual tax rate		<b>35.4%</b>
Contribution to Group income before tax		<b>2.1%</b>
Contribution to Group income tax		<b>2.1%</b>

**TAX CONTRIBUTION**

**€21**  
million



Figures have been rounded.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



ITALY



ALESSANDRIA

**16** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

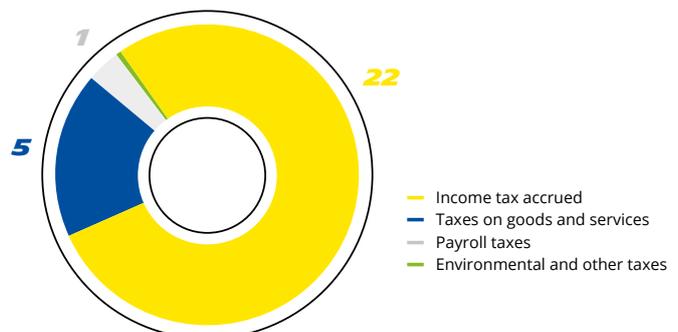
Legal entities	16
Employees	3,977
Revenue	€2,078m
Tangible assets	€497m
Net income (loss) before tax	€100m
Income tax accrued	€22m

**RATIOS**

2023 actual tax rate		22.4%
Contribution to Group income before tax		4.2%
Contribution to Group income tax		2.7%

**TAX CONTRIBUTION**

**€28**  
million



Figures have been rounded.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



NETHERLANDS



HERTOGENBOSCH



**12** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

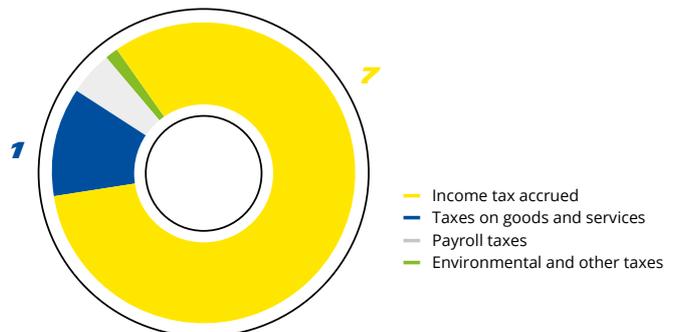
Legal entities	12
Employees	637
Revenue	€1,996m
Tangible assets	€50m
Net income (loss) before tax	€27m
Income tax accrued	€7m

**RATIOS**

2023 actual tax rate		23.9%
Contribution to Group income before tax		1.1%
Contribution to Group income tax		0.8%

**TAX CONTRIBUTION**

**€8**  
million



Figures have been rounded.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



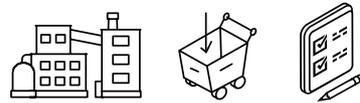
POLAND



OLSTYN



**6** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

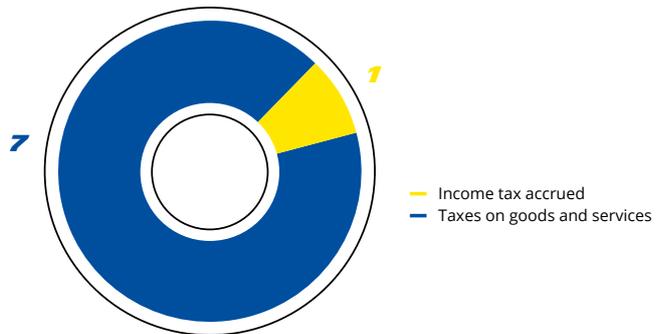
Legal entities	6
Employees	5,305
Revenue	€1,410m
Tangible assets	€565m
Net income (loss) before tax	€49m
Income tax accrued	€1m

**RATIOS**

2023 actual tax rate	1.5%
Contribution to Group income before tax	2.0%
Contribution to Group income tax	0.1%

**TAX CONTRIBUTION**

**€8**  
million



Poland's tax expense takes into account tax adjustments from previous years, including the favorable unwinding of an APA and differences in accounting standards.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



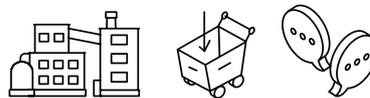
ROMANIA



ZALAU



**3** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

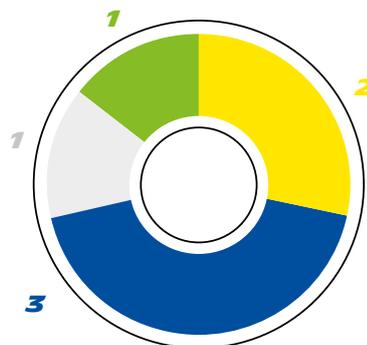
Legal entities	<b>3</b>
Employees	<b>5,615</b>
Revenue	<b>€1,156m</b>
Tangible assets	<b>€481m</b>
Net income (loss) before tax	<b>€5m</b>
Income tax accrued	<b>€2m</b>

**RATIOS**

2023 actual tax rate		<b>35.5%</b>
Contribution to Group income before tax		<b>0.2%</b>
Contribution to Group income tax		<b>0.2%</b>

**TAX CONTRIBUTION**

**€7**  
million



Income tax accrued  
Taxes on goods and services  
Payroll taxes  
Environmental and other taxes



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



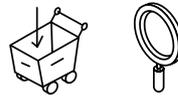
SINGAPORE



SINGAPORE HEADQUARTERS



**9** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

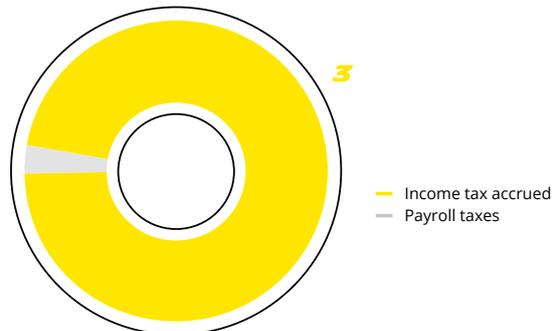
Legal entities	9
Employees	101
Revenue	€3,702m
Tangible assets	€8m
Net income (loss) before tax	€28m
Income tax accrued	€3m

**RATIOS**

2023 actual tax rate		12.4%
Contribution to Group income before tax		1.1%
Contribution to Group income tax		0.4%

**TAX CONTRIBUTION**

**€3**  
million



Figures have been rounded.

Most of the revenue is from the global natural rubber trading business, whose market is located in Singapore.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



SWITZERLAND



GIVISIEZ



**11** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

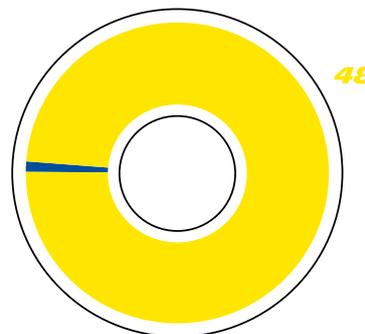
Legal entities	<b>11</b>
Employees	<b>343</b>
Revenue	<b>€799m</b>
Tangible assets	<b>€37m</b>
Net income (loss) before tax	<b>€381m</b>
Income tax accrued	<b>€48m</b>

**RATIOS**

2023 actual tax rate		<b>12.6%</b>
Contribution to Group income before tax		<b>15.7%</b>
Contribution to Group income tax		<b>5.7%</b>

**TAX CONTRIBUTION**

**€48**  
million



Income tax accrued  
Taxes on goods and services

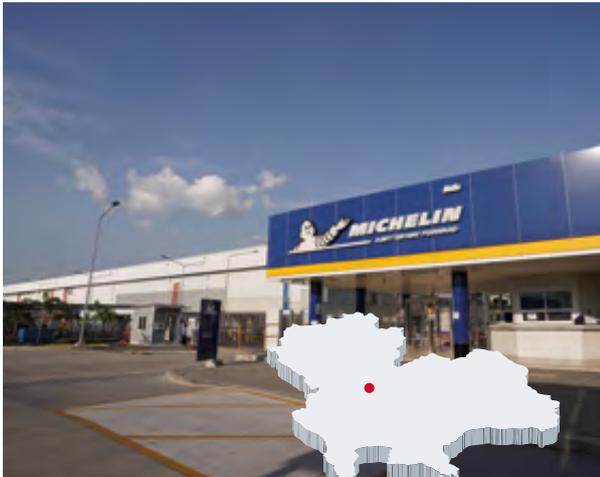
Our activities in Switzerland include sales, research and development, as well as financing activities for all of the Group's subsidiaries. This latter activity accounts for the bulk of the income generated in Switzerland.



**OUR WORLDWIDE TAX FOOTPRINT**  
OUR GLOBAL TAX CONTRIBUTION



**THAILAND**



LAEM CHABANG LMC

**4** companies whose main activities are:



**KEY FIGURES** at December 31, 2023

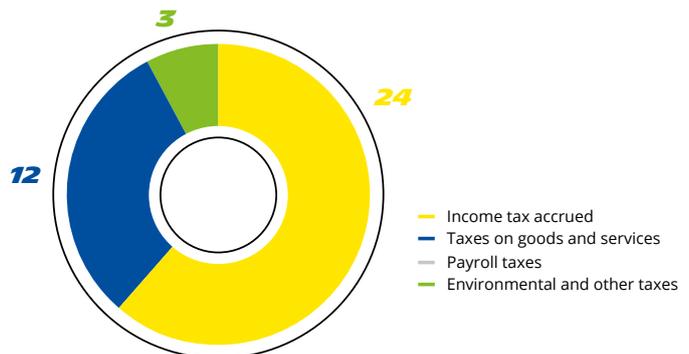
Legal entities	4
Employees	7,937
Revenue	€1,535m
Tangible assets	€1,021m
Net income (loss) before tax	€172m
Income tax accrued	€24m

**RATIOS**

2023 actual tax rate	13.9%
Contribution to Group income before tax	7.1%
Contribution to Group income tax	2.8%

**TAX CONTRIBUTION**

**€39**  
million





## OUR WORLDWIDE TAX FOOTPRINT

SUMMARY OF COUNTRY-BY-COUNTRY DATA

### 5.2 SUMMARY OF COUNTRY-BY-COUNTRY DATA

#### SELECTED TAX CONTRIBUTION DATA BY COUNTRY (in € millions)

COUNTRY	Total revenue	Net income (loss) before tax	Tangible assets	Income tax accrued	Number of employees
GERMANY	3,651	(145)	347	(11)	6,500
SPAIN	3,575	295	1,101	(70)	8,507
FRANCE	11,243	73	2,001	(121)	21,009
HUNGARY	936	46	120	(8)	1,328
ITALY	2,077	100	497	(23)	3,977
NETHERLANDS	1,996	27	50	(7)	637
POLAND	1,410	49	565	(1)	5,305
ROMANIA	1,156	5	481	(2)	5,615
THAILAND	1,535	172	1,021	(24)	7,937
AUSTRALIA	1,085	68	119	(22)	398
BRAZIL	1,564	86	536	(18)	8,193
CANADA	2,364	150	411	(39)	4,430
CHINA	3,148	235	939	(60)	6,353
UNITED STATES	12,657	769	2,500	(305)	18,278
INDONESIA	832	50	880	(18)	7,692
SINGAPORE	3,702	28	7	(3)	101
SWITZERLAND	799	381	37	(48)	343
OTHER	7,630	31	1,765	(62)	25,675
<b>TOTAL</b>	<b>61,361</b>	<b>2,419</b>	<b>13,376</b>	<b>(841)</b>	<b>132,276</b>

#### RECONCILIATION OF COUNTRY-BY-COUNTRY DATA WITH THE UNIVERSAL REGISTRATION DOCUMENT (in € millions)

	Revenue (sales) (Consolidated income statement)	Net income before tax (Consolidated income statement)	Tangible assets (PP&E) (Consolidated statement of financial position)	Income tax accrued (Note 11 - Income tax)	Number of employees (Note 7 - Employee benefit costs)
<b>2023 consolidated financial statements (included in the Universal Registration Document)</b>	<b>28,343</b>	<b>2,490</b>	<b>13,342</b>	<b>(849)</b>	<b>132,276</b>
Differences with the components constituting sales under the EU Public CbCR Directive	1,324				
Revenue from inter-company transactions	31,694				
Miscellaneous adjustments recognized in preparing the consolidated financial statements		(71)	34	8	
<b>Country-by-country data presented in this report</b>	<b>61,361</b>	<b>2,419</b>	<b>13,376</b>	<b>(841)</b>	<b>132,276</b>

(in € millions)	Country-by-country data	Consolidation adjustments	Deferred tax	Note 11 - Income tax
Income tax accrued	(841)	(8)		(849)
Deferred tax benefit/(expense)			342	342
<b>INCOME TAX</b>	<b>(841)</b>	<b>(8)</b>	<b>342</b>	<b>(507)</b>



*“Selected figures in this report, including the global tax contribution and certain figures in the country data sheets, have been subject to limited assurance procedures carried out by the Company's Statutory Auditors”.*

*Limited assurance report of Michelin's Statutory Auditors (see attached)*

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