

ROADSHOW ESG

ODDO-BHF

November 14, 2024



Sustainability has always been part of Michelin DNA

- 1902 – first free medical care onsite
- 1992 – first low emission tire
- 2023 – global fair wage

We believe that the 3P nurture each other

PEOPLE x PROFIT x PLANET

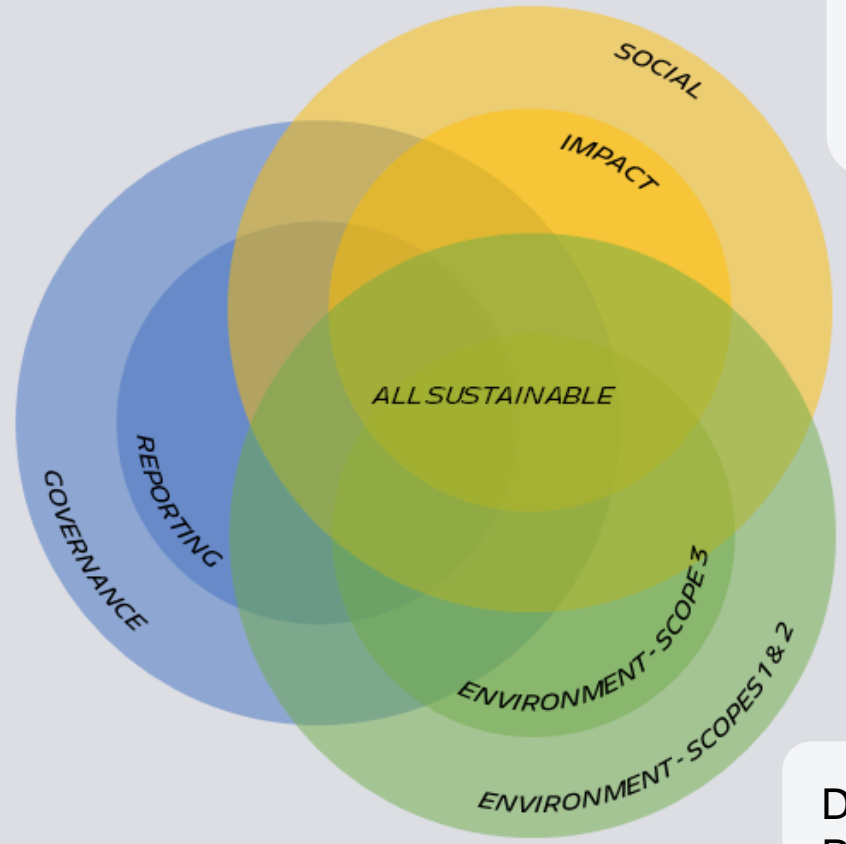


Florent Menegaux elected as Head of the Global Compact France Network, June 2023



A vision that encompasses a large scope of topics

Governance
Compliance
Business ethics



Fair Wage
Social Protection
Health and safety of workers
Human rights in the value chain

Climate change and adaptation
Circularity
Water

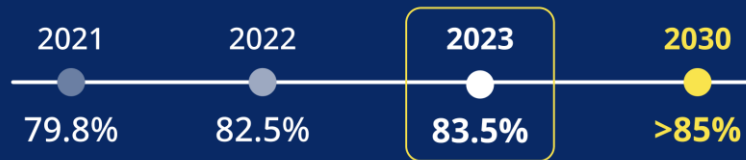
Deforestation & biodiversity
Product usage: CO2 and TRWP



Ambitions for 2030 and 2023 results

Be world-class in employee engagement

METRICS
Engagement rate



Be a reference in diversity and inclusion

METRICS
IMDI⁽¹⁾



(1) IMDI = Inclusion & Diversity Management Index

Be world-class in employee safety

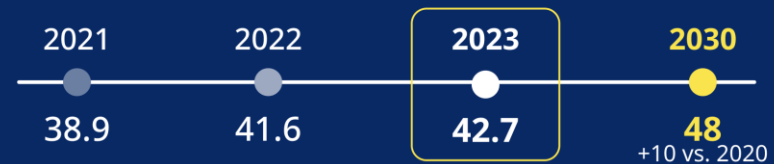
METRICS
TCIR⁽¹⁾



(1) TCIR = Total Case Incident Rate

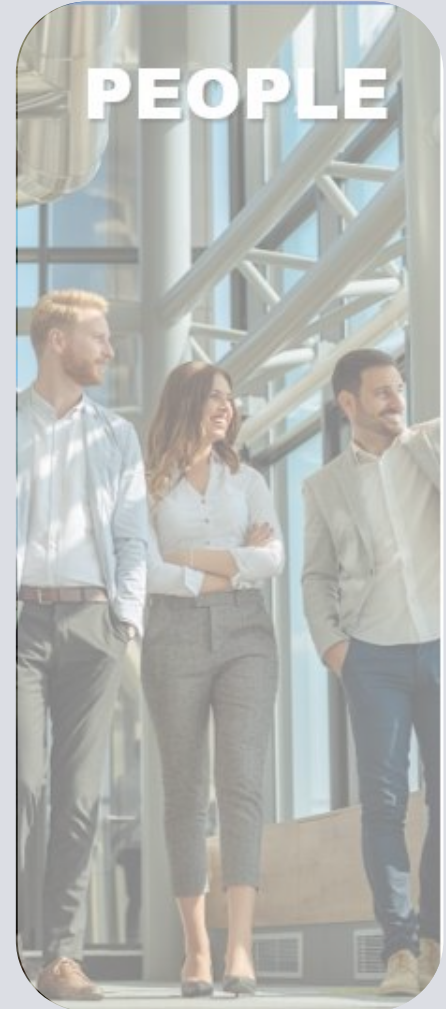
Be best-in-class in value created for customers

METRICS
NPS partners⁽¹⁾



(1) NPS = Net Promoter Score

PEOPLE



Total Case Incident Rate: number of accidents and cases of occupational illness recorded per 200 000 hours worked.
The Partner NPS « Net Promoter Score », a weighed average of the OEMs and business dealer clusters.

Ambitions for 2030 and 2023 results

PLANET



Reach net-zero CO₂ emissions for Scopes 1&2 by 2050 ⁽¹⁾

METRICS
CO₂ emissions



Contribute to reaching net-zero emissions in use (Scope 3)

METRICS
Products energy efficiency



Reach full circularity of tires by 2050

METRICS
Renewable and Recycled Materials Rate



Be best-in-class in environmental footprint of industrial sites

METRICS
i-MEP ⁽²⁾



(2) i-MEP = industrial - Michelin Environmental Performance

(1) Interim target by 2030: divide by two compared to 2010

(2) The Industrial Michelin Environmental Performance (i-MEP) indicator will be used to track the environmental impacts of the Group's manufacturing operations over the next ten years. It will make these impacts easier to understand by focusing on five priority areas: energy use, CO₂ emissions, organic solvent use, water withdrawals, and waste production.

2030 environmental ambition: on track to reach net zero emissions in 2050

Group's ability to have an influence

SCOPE 1 & 2

SCOPE 3

Manufacturing

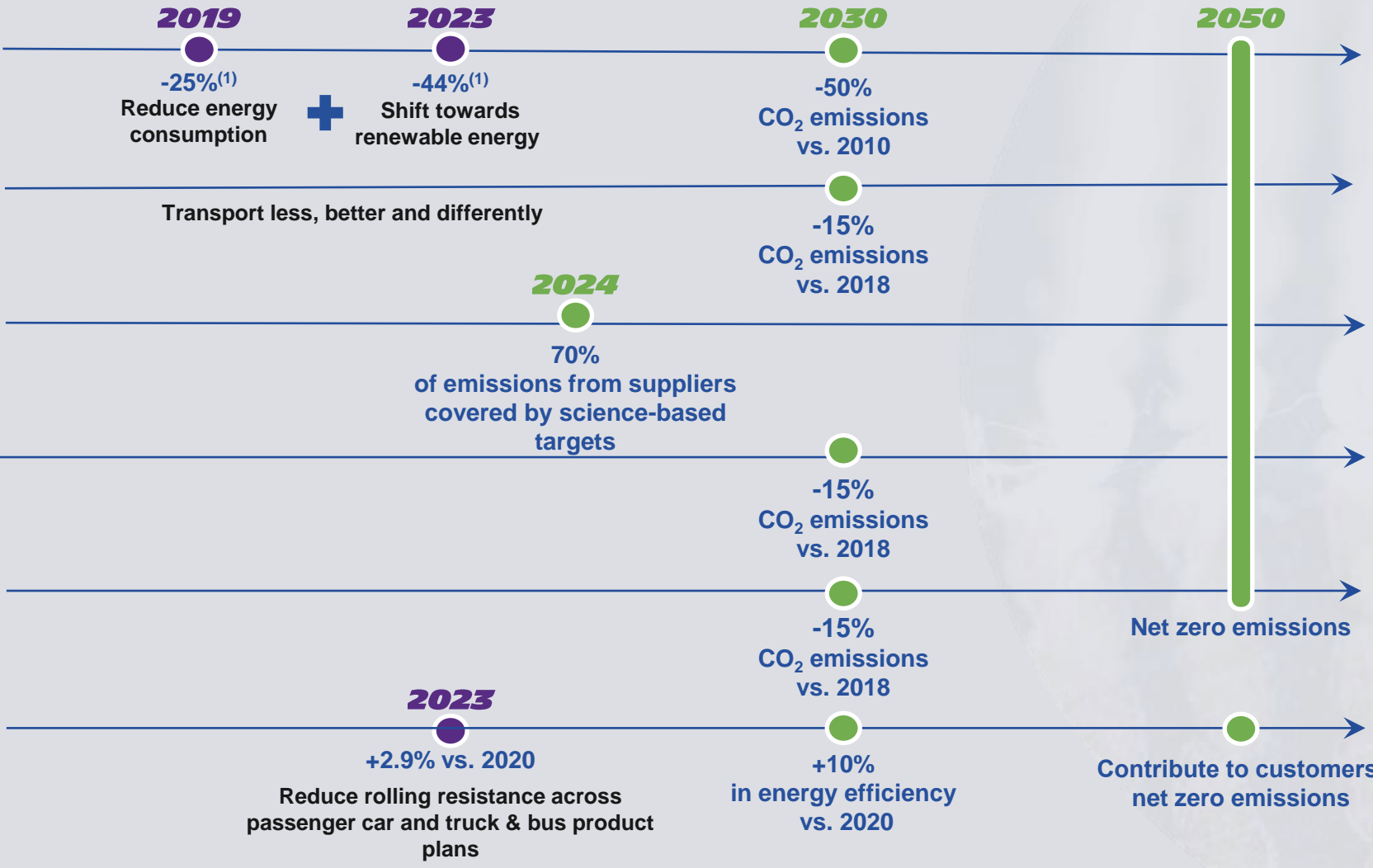
Logistics

Suppliers

Upstream energy

End-of-life treatment

Use of products



- high
- limited

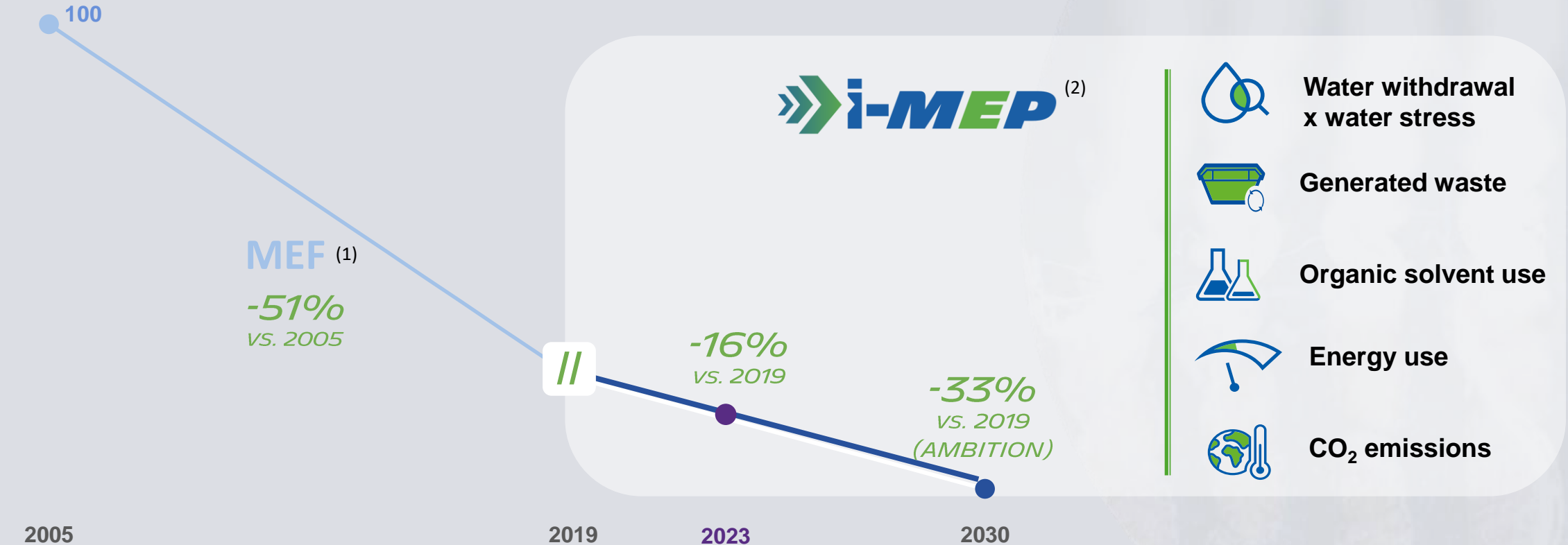


(1) CO₂ emissions vs. 2010 ● Results ● Ambitions

Sharp reduction in the environmental footprint of our operations, on track to reach 2030 target

Environmental footprint of our sites

(MEF vs. 2025 till 2019, i-MEP since 2019 - ISO14001- certified)



(1) Michelin Environmental Footprint;

(2) industrial-Michelin Environmental Performance; see detailed definition p.173 of the 2023 Universal Registration Document

Recognized leadership in non-financial performance

Major ratings

(as of September 30, 2024)

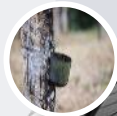
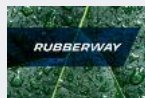
Michelin Ratings

 SUSTAINALYTICS	 MSCI <small>MSCI ESG RESEARCH LLC</small>	 CDP <small>DISCLOSURE INSIGHT ACTION</small>	 MOODY'S <small>ESG Solutions</small>	 ISS-ekom	 ecovadis
<p>Negligible Risk 9,6</p>	<p>AAA</p>	<p>A - CLIMATE CHANGE « LEADERSHIP »</p> <p>B WATER SECURITY « MANAGEMENT »</p>	<p>73 / 100</p>	<p>B-Prime</p>	<p>78 / 100 <i>Platinum</i></p>

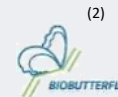
On the path to full product circularity with 40% renewable or recycled materials by 2030, up to 100% by 2050



NATURAL RUBBER



SYNTHETIC RUBBER



PYROWAVE



PLASTIFIERS / RESINS



FILLERS



TEXTILES



METALS



OTHER



(1) European project sponsored by Horizon 2020; project number: 82068

(2) Carried out with the support of ADEME

Michelin: First manufacturer to design a road-homologated tire with 58% renewable or recycled materials

On the way to our “100% Renewable or Recycled materials by 2050” goal: new tires with breakthrough technologies



(1) Size: 275/70 R22.5 152/149

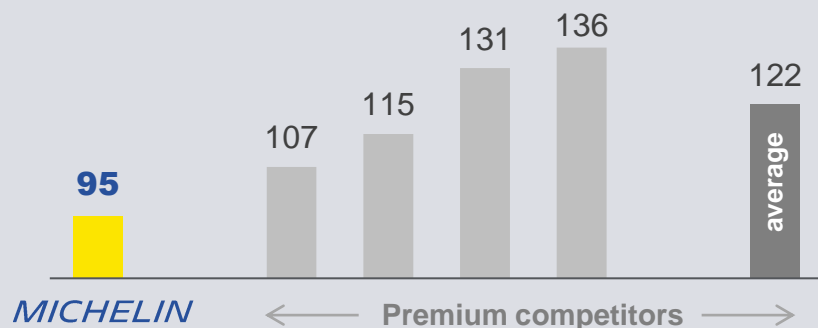
(2) Size: 235/55R19 105W



Tires abrasion: A considerable competitive advantage, without any compromise on safety

Particle emissions: Michelin vs. other premium tiremakers ⁽¹⁾

Particle per vehicle
unit: g/1,000 km



The environmental impact of tire abrasion is up to 50% higher for other manufacturers than for Michelin, whose tire technology currently gives them an enormous lead over the competition.



[+ Download the ADAC study](#)

(1) Tyre wear particles in the environment, ADAC, March 2022 – 100 sizes tested

(2) DEKRA studies in 2020 (MARK20B, MARK20E) and 2021 (MARK21E)

Particle emissions get reduced with each new range ⁽²⁾

MICHELIN
e.Primacy



-20%

Vs

MICHELIN
Primacy 4

MICHELIN
CrossClimate 2



-13%

Vs

MICHELIN
CrossClimate +

MICHELIN
Pilot Sport 5



-20%

Vs

MICHELIN
Pilot Sport 4



TRWP: Michelin driving innovation and advancing knowledge in the tire industry

Scientific studies to measure the environmental impact of TRWP ⁽¹⁾



AIR

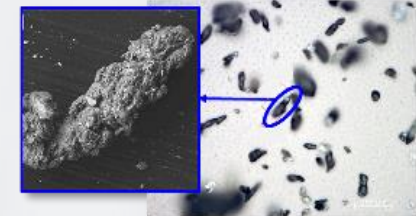
Studies confirm that TRWP account for less than 1% of particulate matter pollution



WATER

Studies suggest that most TRWP do not reach estuaries

TRWP



$5 \times 10^{-2} \text{ mm}$

100 times smaller than microplastics

2023

- ✓ Established Dec 2023
- ✓ Joint laboratory with CNRS (French National Center for Scientific Research) and University of Clermont Auvergne
- ✓ Mission 1: to understand the biodegradation of wear particles
- ✓ Mission 2: to develop tools to foster new solutions to make particles bio-assimilable by the environment.



2024

- ✓ Methodology to measure particles emitted by tires & road
- ✓ Developed by Michelin
- ✓ Validated by scientific reviews
- ✓ To be used by ETRMA⁽²⁾ as a reference for its testing
- ✓ Complementing Michelin's advocacy of EURO 7 regulation

⁽¹⁾ TRWP – Tire & road wear particles – are tiny debris generated by abrasion from a tire's contact with the road surface. This abrasion is caused by the tire's grip and keeps the tire safely on the road.

⁽²⁾ European Tyre & Rubber Manufacturers Association

[+ Download the ADAC study Tyre wear particles in the environment \(March 2022\)](#)

Natural resources and decarbonation: driving up industry standards on product performance

If the world was driving on Michelin PC/LT tires, it would save every year ...

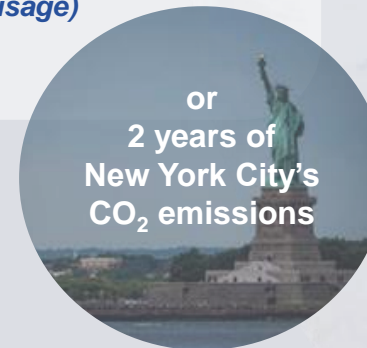
-620⁽¹⁾
thousand tons
Of materials

thanks to **lower abrasion**, while maintaining low rolling resistance and other performance features.



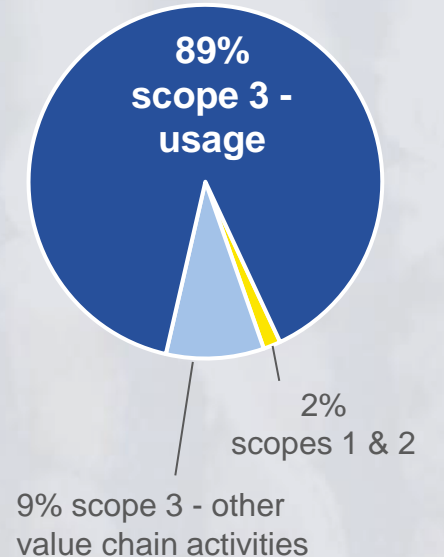
-115⁽²⁾
million tons
of CO₂ emissions
(scope 3 - usage)

thanks to **lower rolling resistance**, without sacrificing other performance features such as safety and low abrasion.



Tire industry CO₂ emissions are mostly related to scope 3⁽³⁾

Illustration: Michelin 2023 CO₂ emissions



(1) Underlying hypothesis: 30% advantage for Michelin vs. competitors in abrasion, as calculated by ADAC - Tyre wear particles in the environment, March 2022.

(2) Estimated impact on scope 3 usage of the tire industry if Michelin's technology was used by all manufacturers in all geographies. Underlying hypothesis: 20% advantage for Michelin vs. competitors in rolling resistance, based on data extrapolated by Michelin.

(3) See page 179 of the 2023 Universal Registration Document for details.

Watèa by Michelin: A unique solution to decarbonize urban LCV fleets

Stakes of transition to E-LCV



LCVs ~ 3-4% of global CO2 emissions



Switch to EV
→ - 60% emissions



Mandatory to operate in cities

Fleets pain points

How to transition ?



How to operate?



How to finance ?



Value proposition

Tailored solution

EV, charging solution, maintenance

Digital services

productivity increase and service continuity

A unique value proposal through an **all-inclusive subscription** (Opex)

Leveraging multiple Group assets



Tire



Connected Mobility Solutions



Polymer Composite Solutions



Partnering with CA for vehicle financing

April 2023: 30% stake in Watèa capital finalized by Credit Agricole Leasing & Factoring



- Vehicles deconsolidation from balance sheet
- Leveraging CA mobility's commercial platform and expertise in small fleets

- Acceleration in automotive leasing in Europe
- Shared commitment to a decarbonized mobility



Strong commitment to reduce impact of operations on biodiversity and ecosystems

	2023	2025	2030
RESEARCH & DEVELOPMENT			
Life Cycle Analysis incl. biodiversity criteria from best methods	100% of new products	products: 100% services: Pilot	100% of new ranges marketed
RAW MATERIALS			
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⁾	100% EUDR compliant	100% of the volume use
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			
Biodiversity plan adapted to local issues	16 sites	at least 15 sites	100% of sites
No phytosanitary products to maintain outdoor spaces	22 sites	at least 30 sites	100% of sites

(1) Criteria in accordance with the EUDR - European Union Deforestation-free Regulation

(2) Calculated on the basis of 2023 volumes by supplier

(3) Per hectare

(4) Other than natural rubber ; Impacts of raw materials identified through Life Cycle Analyses (LCA)

Sustainable natural rubber by Michelin: Driving progress across a fragmented value chain

ID CARD

~90% of Group's supply come from ~2 M farmers with an average farm size of 3 Ha

Up to 7 middlemen between direct suppliers and smallholders in Asia

~150 direct suppliers

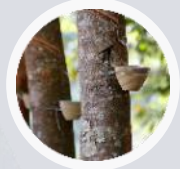
Global presence

in Brazil, Indonesia, Thailand & West Africa (including joint-ventures):

- 85,000 ha. of plantations
- 15 rubber processing plants
- 500,000 tons/year production

GPSNR Founding member

(Global Platform for Sustainable Natural Rubber)



ACCELERATING SUSTAINABILITY ACROSS THE INDUSTRY BY 2025

- **Dedicated roadmap** tracking commitments on zero deforestation, human rights, and farmer empowerment
- **Geolocation of millions of rubber tree plots** in collaboration with suppliers to meet EU regulation requirements for deforestation-free products by Dec.30, 2024.



EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN: 2023 ACHIEVEMENTS

- **Direct suppliers via EcoVadis:** 97% of expenditures assessed, 94% "ESG mature"
- **Indirect suppliers :** RubberWayTM app. deployed at 83% of suppliers (in volume) in 2023



IMPLEMENTING IMPACTFUL PROJECTS

- **Brazil**
increasing harvest while preserving the forest (767,600 hectares)* - 1,000 families in Amazonas
- **Indonesia**
improve skills of 1,000 smallholders using RubberWayTM app. by 2024 – (with Porsche)
East Kalimantan : training 2,000 farmers by 2024
- **Sri Lanka**
improving skills & sustainability performance of 6,000 smallholders by 2025, impacting ~30,000 people
- **Thailand**
helping 1,000 farmers diversify their income with agroforestry by 2025**
- **West Africa (with joint-venture)**
~90,000 farmers trained per year

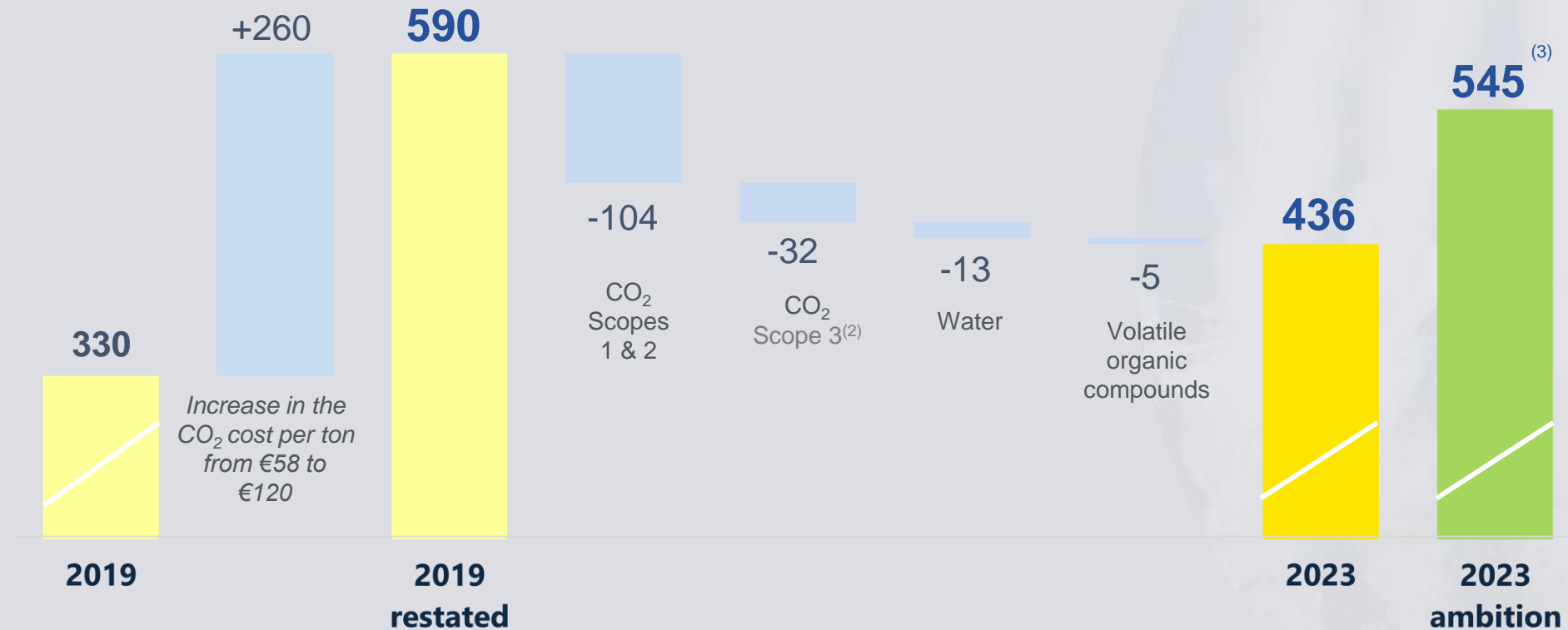
* With WWF

** As part of the Global Platform for Sustainable Natural Rubber (GPSNR)



Externalities: 2023 achievements exceeded ambitions

Externalities costs evolution: CO₂ emissions, VOC⁽¹⁾ emissions and water withdrawals
(€ millions)



(1) Volatil Organic Compounds

(2) Inbound and outbound transportation and distribution of natural rubber, semi-finished products and finished product

(3) Corresponds to 2023 target of approximately €300m announced at the CMD on April 8, 2021, adjusted for the ton of CO₂ valued at €120/t

Michelin applies the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

MICHELIN'S ANSWER

See p. 189 of 2023 Universal Registration Document for more details



Detailed information concerning the application of TCFD recommendations may be found in the public answers to the CDP Climate Change 2022 questionnaire (see <https://www.cdp.net/en/responses>).



GOVERNANCE

As part of the Supervisory Board's role of exercising permanent oversight of the Group's management, the CSR Committee began to review the climate strategy and issue recommendations.

STRATEGY

Four climate scenarios comprising narrative descriptions and quantitative socio-economic and physical assumptions were updated, deepened and deployed for use at two levels:

- by the business lines, regional organizations, operating units, corporate departments and other units as part of strategic thinking and ideation exercises,
- by the Group Executive Committee, to compare them to Group strategy and analyze their resilience about climate change and other indirect risks arising from the environmental transition.

RISK MANAGEMENT

In 2021, an initial internal audit of systemic physical risks was performed and the first pilot study of the vulnerability of certain Group operations was completed.

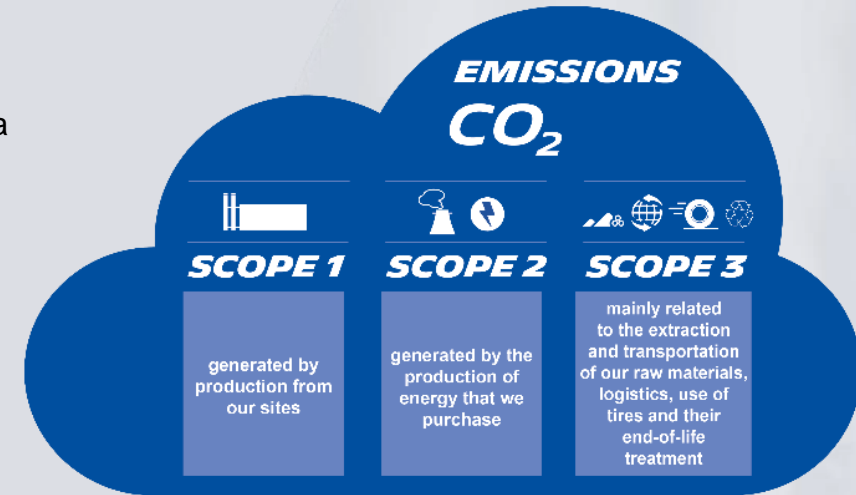
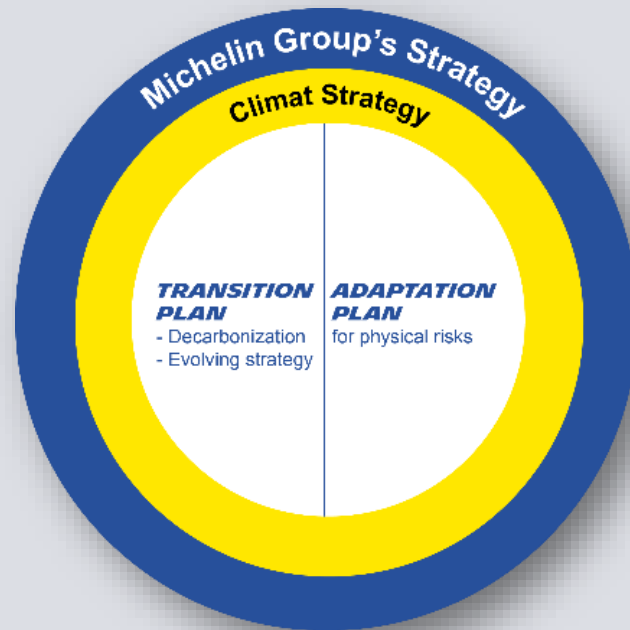
METRICS AND TARGETS

Joining the "Race to Zero" campaign, answering the call to action led by the Science Based Targets initiative (SBTi), the United Nations Global Compact and We Mean Business, by committing to reach net zero emissions by 2050.

Climate strategy structured around transition and adaptation plans, towards Net-Zero emissions by 2050

STRUCTURED AROUND 2 AXES:

- A **TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy
- An **ADAPTATION plan** responding to physical impacts of climate change



BASED ON 3 PRINCIPLES:

- **Achieve net-zero emissions by 2050** by fulfilling our external emission reduction commitments by 2030,
- **Identify risks and opportunities** based on climate change scenarios,
- **Transparently disclose information** to our external stakeholders.

Fostering social and societal cohesion through ambitious initiatives

'Living wage' for every Group employee

- 'Global Living Wage Employer' certified by Fair Wage Network
- Enabling each employee to provide for his/her **family's essential needs**
- For **all Group employees**, since Jan. 2024



Michelin One Care Program, a universal social protection floor

- Provide **time to welcome a new child**
- **Family protection** in case of employee's death
- Ensuring employees and their families can **access a health program**
- For **all Group employees**, by Jan.2025

Lifelong learning approach

- Each year, over **€240m dedicated to training**
- **Talent Campus** launched in 2022, with 1,000 teaching contributors
- **55,000 online modules**, available 24 hours a day

Diversity and inclusion: Progress in gender balance and acceptance of diversity, demonstrating the Group's commitment

EQUAL OPPORTUNITY

Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.

DISABILITY

Michelin offers career paths to people of all abilities according to its talent development policy.

MULTI-NATIONAL MANAGEMENT

All our host country nationalities and cultures are represented in all corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business.



GENDER BALANCE

Achieve parity among Group executives and, by 2030, set the gender balance benchmark in our industry.

IDENTITY

All D&I⁽²⁾ aspects, (e.g., age, sexual orientation, ethnicity, religion, etc.)
 Enable every person to be who they really are and to bring their authentic selves to work.

(1) IMDI Management Index: see definition on p. 237 of the 2023 Universal Registration Document

(2) Diversity and Inclusion

Disclaimer

This presentation is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documents filed in France with *Autorité des marchés financiers*, which are also available from the [Michelin.com](https://www.michelin.com) website.

This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions as at the time of publishing this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or inferred by these statements.

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