

Michelin's individual commitments to act4nature international

About the company

For more than a century, Michelin has been innovating for the future of more sustainable mobility and to meet the expectations of its customers and stakeholders, by enabling the men and women of the Group to develop their potential. This is summed up in the Company's Reason d'Être: "Offer everyone a better way forward", which permeates its strategic model and its human and social model.

Today, the Michelin Group is present on every continent. With 132,000 employees, 121 production sites in 26 countries, 9 research and development centers worldwide, and a commercial presence in 175 countries.

Because it is urgent to act to preserve the planet and its inhabitants, Michelin is multiplying its commitments and actions around the fight against climate change, the preservation of resources and the protection of biodiversity and ecosystems.

Materiality assessment

The economic activity of companies depends on biodiversity and ecosystem services. This dependence is considered material if the disruption or interruption of an ecosystem service provided by nature could affect the company's activity, generating a significant financial impact.

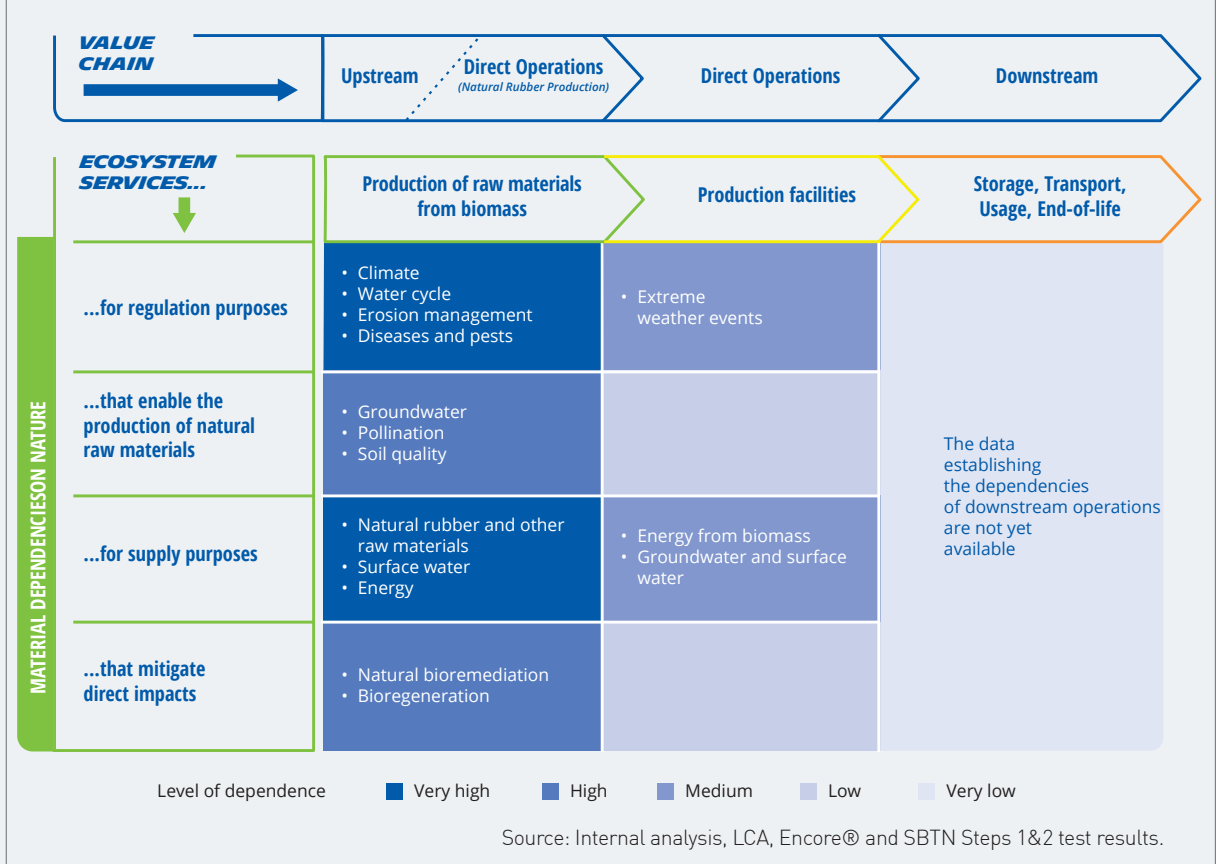
Conversely, some of the company's activities can lead to pressure and generate direct or indirect impacts on biodiversity and ecosystems, such as deforestation, overexploitation of resources, pollution, etc.

Michelin's dependencies on nature

Michelin, like many companies, depends on ecosystem services to carry out its business in the long term.

Of the 200 different materials that go into the composition of a tire, natural rubber accounts for around 21%. This material has unique properties that give tires specific characteristics, making it irreplaceable on an industrial scale. Michelin is therefore heavily dependent on this natural raw material for the manufacture of its products and, as a result, its revenues depend on maintaining biodiversity and ecosystem functions.

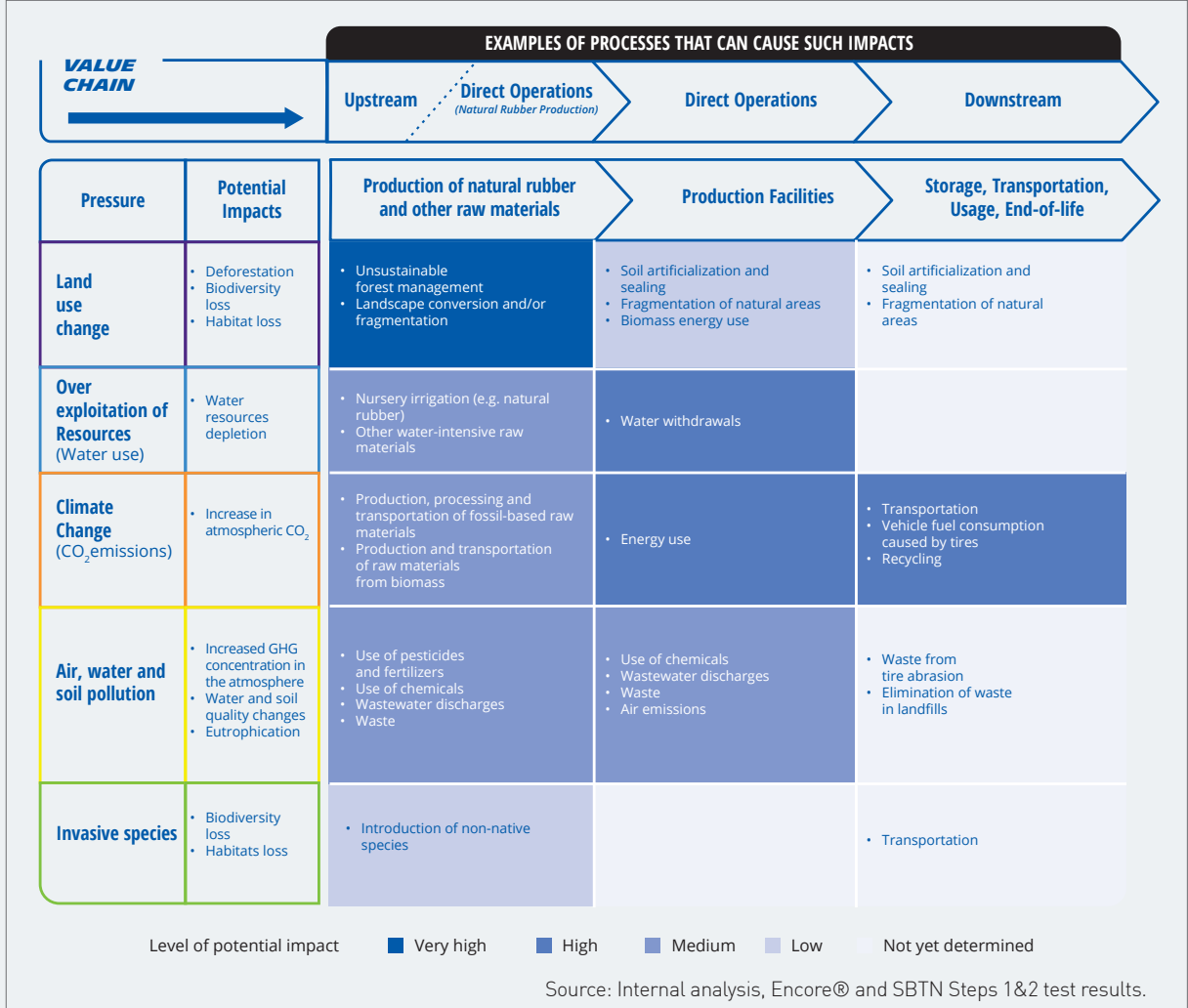
Michelin is also dependent on water and energy supplies for its industrial production.



The table above illustrates the ecosystem services on which Michelin's activities depend throughout its value chain. It does not reflect weak dependencies.

Potential impacts of Michelin's activities on nature

The main potential impacts of the Group's operations, illustrated in the table below, relate to rubber cultivation (land use) and industrial activities (climate change, water extraction and waste generation).



The impact of carbon emissions from scopes 1, 2 and 3 on climate change, and those generated by the production of industrial sites, are covered by reduction targets to 2030 and specific programs. A circular economy approach is also implemented to reduce the negative impact of our products on the environment, throughout their life cycle, and contribute to the preservation of resources^[1].

Link to our previous act4nature commitments

The Michelin Group aims to align its commitments with the targets of the Kunming-Montreal Global Biodiversity Framework, as follows:

1. Replace natural rubber commitment:

"In 2030, 80% of the natural rubber volumes used by the Group will be assessed for compliance with the environmental criteria in its Sustainable Natural Rubber Policy"

By: **In 2030, 100% of natural rubber volumes used by the Group will be assessed as "deforestation-free"^[2] (2025: 50%)**

Michelin formalized its "Zero Deforestation" commitment in 2015, as one of the environmental criteria of its Responsible Natural Rubber policy. The materiality assessment confirms that land use linked to rubber farming is a major stake for Michelin and that the risk of deforestation is important. This is why we wish to emphasize our commitment to "Zero deforestation" through a quantified objective by 2030.

This commitment, which is more transparent and understandable for our stakeholders, is also more ambitious since Michelin is committed to evaluating 100% of the natural rubber used by the Group worldwide by 2030.

2. Add a new commitment:

Reduce the amount of pesticide used per hectare on rubber tree plantations operated by the Michelin Group and its joint venture^[3] by 70% in 2030 vs. 2019. (2025: 50%).

Natural rubber production does not require the intensive use of pesticides. However, at different stages of the production cycle, the use of these products may be appropriate, particularly to treat certain plant diseases.

Given the impact of these products on human health, biodiversity and ecosystems, Michelin bans the use of pesticides classified as "FSC Prohibited and Highly Restricted" and undertakes to restrict the use of other pesticides in its direct operations and joint ventures to what is strictly necessary.

Michelin also promotes the reduction of the use of chemical inputs among its natural rubber supply chain through the sharing of best practices and training in agroecology techniques offered to smallholders.

3. Remove the two commitments below that have expired and were achieved in 2022 as reported in the evaluation submitted to act4nature international in 2023:

- By 2022, 100% of plantations in which Michelin is a shareholder comply with Michelin's Sustainable Natural Rubber Policy.
- By 2022, 80% of natural rubber volumes used by the Group are mapped with Rubberway on environmental and social risks.

4. Commitments 1, 4 and 5, submitted in 2021 and presented in the grid below, are maintained.

Individual commitments

Individual commitment grid ^[4]					
Common Commitments	Description of SMART commitment	Scope	Commitment achievement metric	Objectif measurable	Horizon
1 - 2 - 3 4 - 9 - 10	1. Assess the impact of our products and services on biodiversity.	Direct operations: Products and services ^[5] .	Part of the new product lines and services marketed that have undergone a Life Cycle Assessment (LCA) including biodiversity criteria drawn from best LCA methods.	Products: 100% Services: Pilot	2025
				100%	2030
1 - 2 - 3 4 - 5 - 7 8 - 9 - 10	2. Natural rubber used by the Group is assessed as "deforestation-free".	Direct and upstream operations: (Natural rubber suppliers).	Part of natural rubber used by the Group assessed as "deforestation-free" ^[2] .	50 %	2025
				100 %	2030
1 - 2 - 3 4 - 5 - 7 8 - 9 - 10	3. Reducing the amount of pesticide used on rubber planting operated by the Michelin Group and its joint ventures.	Natural rubber plantings by Group subsidiaries and joint ventures ^[3] .	Reduction in pesticide use per hectare (base year 2019).	-50 %	2025
				-70 %	2030
1 - 2 - 3 4 - 8 - 10	4. Assessing the policies of our raw material suppliers with regard to biodiversity preservation.	Upstream operations: Raw material suppliers excluding natural rubber.	Part of raw materials suppliers, identified as having the greatest impact on biodiversity, assessed on their policies and practices ^[4] .	Pilot	2025
				80 %	2030
1 - 2 - 3 6 - 7 - 9 8 - 10	5. Reducing the impact of our industrial and research sites on biodiversity.	Direct Operations: Manufacturing and research facilities.	5.1 - Our sites respect the "zero phytosanitary products" commitment for the maintenance of outdoor spaces ^[7] .	30 sites	2025
				100 %	2030
			5.2 - Implementation of a biodiversity management plan adapted to local issues.	15 sites	2025
				100 %	2030

1 cf. Environmental Registration Document Michelin 2023, chapter 4.1.1 Environment.
 2 "Deforestation-free" status is determined by reference to the definitions and standards of the European Union Deforestation-free Regulation (EUDR).
 3 Subsidiaries: Programme Or Vert Bahia, Brazil and PT. Royal Lestari Utama, Indonesia. Joint-Venture: SIPH, West Africa, Michelin is a minority shareholder.
 4 Progress towards the 2030 target is reported annually.
 5 Tire products and services.
 6 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 possible need for remedial actions.
 7 Replacement of pesticides and fertilizers by mechanical methods combined with other alternative solutions.