

**COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN  
(CGEM)**

**INTERNAL RULES  
OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

*(version in force, adopted on December 14, 2020)*

## **Recitals**

Social responsibility (“CSR”) is a major component of the company’s performance.

The Supervisory Board decided to set up a CSR Committee (the “Committee”) to review these issues in detail and prepare the discussions, recommendations and decisions of the Board.

The Committee’s composition, roles, responsibilities and practices comply with the recommendations of the Corporate Governance Code for Listed Companies of the AFEP and MEDEF and its accompanying documents (hereinafter the “AFEP/MEDEF Code”), where appropriate.

The purpose of these internal rules is to clarify the Committee’s roles, responsibilities and practices.

A summary of these rules is published on CGEM’s website or in its Universal Registration Document.

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## **1. Composition of the Committee**

As is the case with the Supervisory Board, the Committee cannot comprise any of CGEM’s executive officers.

The Committee is composed of at least three members of the Supervisory Board appointed by the latter for their full term as Supervisory Board members. At least half of the members must be independent.

Its Chairman is appointed by the Board from among its independent members.

The Chairman of the Committee is responsible for preparing and leading the Committee’s meetings.

The Managers are involved in the work of the Committee and may participate in its meetings at the invitation of the Chairman of the Committee.

## **2. The Committee’s roles and responsibilities**

The CSR Committee's roles and responsibilities include:

- examining the Group's CSR strategy, objectives, policies and commitments (ethics and compliance, human rights, employee health and safety, the environment) and issuing the appropriate recommendations;
- ensuring the integrity, completeness and outstanding quality of the CSR strategy and initiatives being led and reported by the Group;
- ensuring that the Company and the Group are fully and properly engaged in the areas of non-financial compliance, ethics and corporate social responsibility, in line with stakeholder expectations.

To fulfill this remit, the CSR Committee:

- verifies that the internal CSR management system is robust and meets the needs and external requirements that it identified;
- receives the presentation of the Group's CSR risk map every year; it reviews, together with the Audit Committee, the risks and opportunities thus identified and is kept informed of their evolution and of the characteristics of their management systems;
- reviews the Group's CSR-related policies, guidelines and standards and ensures that they are effective;
- issues opinions and forward-looking recommendations concerning the completeness of the issues covered by the reporting systems, the annual statement of non-financial performance and, more generally, any CSR-related disclosures required by law;
- reviews and assesses reporting procedures for non-financial indicators (environment, health and safety, employee relations);
- monitors and addresses the CSR topics covered by the Group's CSR governance both in terms of actions and monitoring indicators, in particular in light of weaknesses identified by the Committee;
- conducts an annual review of a summary of the Group's non-financial ratings and recommends pathways to improvement.

The CSR Committee can draw upon the resources of the Group's internal CSR management system and acts as an external watchdog on CSR issues.

The guiding principles for the coordination of responsibilities between the CSR Committee, the Audit Committee and the Compensation and Appointments Committee are:

- The CSR Committee is responsible for reviewing all the policies and ambitions related to CSR;
- The CSR Committee coordinates its action with the Audit Committee and the Compensation and Appointments Committee to take into account:
  - The fact that the Audit Committee is responsible for reviewing all the risks;
  - The fact that the Compensation and Appointments Committee proposes to the Board the definition and implementation of the following policies:
    - Human resources planning and development
    - Diversities and inclusion
    - Compensation and succession plans of management
- The CSR Committee may make recommendations to the Supervisory Board in terms of:

- CSR components to be taken into account by the Compensation and Appointments Committee for the compensation policies for managers and the inclusion of diversities in the management succession plans,
- The type of audit or internal control to be implemented by the Audit Committee.

### **3. Committee practices**

The agenda items are determined by the Chairman of the Committee and the Chairman of the Supervisory Board, after informing the Managing Chairman.

Depending on the items on the agenda, the Chairman of the Committee may invite any director of the Group entities or departments to participate in the meetings of the Committee, after having informed the Managing Chairman.

The Committee may request external technical studies on matters falling within its competence, at the Company's expense, after informing the Managing Chairman and reporting to the Supervisory Board.

If external advisory services are used, the Committee shall ensure that the advice provided is objective.

The Secretary of the Committee is a person appointed by the Chairman of the Supervisory Board.

The Committee meets at least three times a year.

A Committee meeting may be held only if at least half of its members are present. They may not be represented by another member.

All the necessary documents to enable the members of the Committee to consider the items placed on the agenda shall be sent to them by the Chairman of the Supervisory Board, by postal or express mail or made available on a secure digital platform, within a reasonable period prior to the meeting. They may exceptionally be submitted at the meeting.

The Managers and/or the Chairman of the Supervisory Board, at the request of the Chairman of the Committee, may attend and participate in the Committee's meetings.

Depending on the items on the agenda, the Chairman of the Committee may invite any director of the Group entities or departments to participate in the meetings of the Committee, after having informed the Managing Chairman.

The Committee may request external technical studies on matters falling within its competence, after informing the Managing Chairman and reporting to the Supervisory Board.

If external advisory services are used, the Committee shall ensure that the advice provided is objective.

The Committee's meetings may be organized by secure video conference or other means of telecommunication enabling the identification of the members and ensuring their effective participation. These means transmit at least the voice of the participants and comply with technical specifications enabling the continuous and simultaneous transmission of the deliberations.

The participation of members in Committee meetings by video conference or other means of telecommunication is taken into account in the calculation of the quorum and majority.

The Chairman of the Committee shall report in writing to the Board on the work of each Committee meeting and shall present this report at the next meeting of the Supervisory Board and make any relevant comments.

The report of the Supervisory Board on corporate governance sets out the description of the activities of the Committee during the past year in compliance with the French Commercial Code and the AFEP/MEDEF Code.

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