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MICHELIN



THE MICHELIN PENSION AND LIFE ASSURANCE PLAN

ANNUAL STATEMENT OF GOVERNANCE BY THE CHAIR OF THE TRUSTEE FOR THE YEAR TO 31 MARCH 2026

INTRODUCTION

Governance requirements apply to defined contribution ("DC") pension arrangements to help members achieve a good outcome from their pension savings.

The Trustee of the Michelin Pension and Life Assurance Plan (the "Plan") is required to produce a yearly statement (which is signed by the Chair of Trustee) to describe how these governance requirements have been met in relation to:

1. Update on the Trustee's activity to meet its regulatory duties;
2. The Plan's investment strategy (including the default investments);
3. Net investment returns
4. Administration and core financial transactions;
5. Charges and transaction costs;
6. Assessment of the Plan's Value for Members; and
7. Maintaining the Trustee Board's knowledge and understanding.

A copy of this Statement along with other key Statements about how the Plan is run and managed are posted online at **pensions.michelin.co.uk/library**

Executive summary

During the last year, the Trustee undertook the following (over and above "business as usual"):

- Undertook a cyber simulation workshop with WTW;
- Completed connection to the Pensions Dashboard in 2026;
- Completed the transfer of the Journey Plan 4 funds to L&G's Cash TDFs at no expense to members;
- Reviewed the Directors knowledge and understanding to identify any areas that may require additional or refresher training
- Undertook a review of the Trustee's DC investment beliefs ahead of the triennial review in February 2026.

In the coming year (which will be covered by the next Statement), the Trustee intends to carry out the following:

- Triennial DC investment review of the default arrangements and the self-select fund range (in October 2026).
- Transition of the Plan's DC administration from Capita to Legal & General (L&G) (July to September 2026).

1 MEETING OUR REGULATORY DUTIES

The Trustee meets on a quarterly basis to discuss the Plan. There have been the following changes to the Trustee or the Trustee Directors over the last year:

- Mr James Dimmock was appointed by the Company as a new Trustee Director on 14 May 2025.
- Ms Zoe Siddall was appointed by members of the Plan as a new Trustee Director on 14 May 2025 following the Member Nominated Director election.
- Mr Richard Lavis resigned with effect from 14 May 2025.
- Mr Carl Abbott (from ATS Euro master) was due to join as a Trustee Director with effect from 11 February 2026; however, following the announcement of the closure of the ATS Section it was deemed not appropriate to take up this role.
- Mr Iain Hall resigned with effect from 14 May 2025 but agreed to act as an "adviser" to the Trustee Board in future.

This Statement covers the period from 1 April 2024 to 31 March 2025 and has been prepared in accordance with:

- Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by subsequent Regulations

The Statement of Investment Principles sets out the Trustee's investment policies which the Trustee, with the help of their advisers, review at least every three years. The last review was carried out in September 2024 and is appended to this Statement.

An implementation statement setting out how the Trustee complied with the Statement of Investment Principles during the year to 31 March 2026 will be published in October 2026.

2 THE PLAN'S INVESTMENT STRATEGY

Default Arrangement

The Plan is used as a Qualifying Scheme for auto-enrolment. This means that the Plan must offer a default investment strategy for those members who do not wish to make an active choice on their investments.

The Trustee is responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the Plan's default arrangement.

Details of the objectives and the Trustee's policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' ("SIP"). The SIP is reviewed at least every three years, and the date of the last review was 30 September 2024.

The Plan's SIP covering the default arrangement is available on **pensions.michelin.co.uk/library**. Please note that the SIP covers all the Plan's investments – the principles guiding the design of the default arrangement are set out in Sections 1 and 3 of the SIP. The aim and objective of the default arrangement, as stated in the SIP, is to provide a suitable investment strategy to help deliver good member outcomes at retirement by:

- Managing the main investment risks members face during their membership of the Plan;
- Maximising investment returns relative to inflation while taking an appropriate level of risk for the majority of members who do not make investment choices; and
- Derisking members as they approach retirement in order to reflect members' likely benefit choices at retirement.

There are two different types of members within the Plan; those who were previously members of the defined benefit section of the Plan and those who only have defined contribution benefits. The Trustee has defaulted members into different strategies depending on their specific characteristics. Therefore, there are two default arrangements as follows:

- **Journey Plan 2** - A series of Target Date Funds that are appropriate for members who are expected to use Flexible Access Income Drawdown following their retirement; and
- **Journey Plan 4** - (now L&G TDFs (WorkSave 4) - A series of Target Date Funds which are appropriate for members who are expected to take a high proportion of their retirement account as cash at retirement.

Members who join the Plan and who do not choose an investment option are placed into the Journey Plan 2 fund series which are Target Date Funds.

Within the Target Date Funds, members are initially invested in funds that are designed to maximise investment returns relative to inflation over the long run (i.e. when members are far from their Selected Retirement Date). Members are then gradually switched into funds that are expected to give good returns relative to inflation while consolidating past investment gains and protecting (at least to an extent) against significant falls in markets. Finally (in approximately the last 10 years prior to their selected retirement age), members are automatically switched into underlying funds aligned to their expected benefit choices at retirement.

Other Default Arrangements

The following fund has become an "inadvertent" default arrangement as a result of forced changes to funds members have been invested in:

LGIM Money Market Fund – this became an inadvertent default arrangement due to the suspension of the Threadneedle Property Fund in March 2020 (i.e. no contributions could be invested and no funds could be withdrawn). Members invested in the property fund were written to explaining that their contributions would be redirected to the L&G Money Market Fund (unless instructed otherwise) until the suspension was lifted. In October 2020 once the fund reopened, members' contributions were directed back to the Property Fund and members were notified of this. However, whilst members were given the option to transfer the money that had accumulated in the Money Market Fund over this period, those who did not opt for this will still have money invested there. This therefore makes the fund a default strategy under the Regulations.

L&G Review of the Default Arrangements

The Trustee monitors the performance of the default arrangements on a quarterly basis and formally reviews this and the appropriateness of the strategy at least every three years or immediately following any significant change in investment policy or the Plan's member profile. There were no significant changes to the member profile during the last Plan Year. The last review was completed on September 2023 where it was agreed that no changes should be made to the default arrangements as they remain appropriate.

The current default arrangements were introduced on 4 May 2017. The Trustee is required to review the SIP, which details the default arrangements, regularly – at least every three years and whenever there has been a significant change in investment policy. The SIP was last reviewed and signed off on 30th September 2024. The latest version of the SIP is appended to this Statement.

The Trustee is satisfied that the default arrangements remain appropriate and are consistent with the aims and objectives of the default arrangement as defined in the SIP for the following reasons:

A The default investment strategies use Target Date Funds.

B These are specifically designed to reflect the Trustee's investment requirements in terms of return and risk at each stage of a member's career.

C The Target Date Funds largely use passive management (where the manager is seeking to produce a return in line with a benchmark index) and therefore fees are competitive.

D The Target Date Funds are run by L&G, one of the UK's leading fund management companies and performance of the funds has generally been in line with expectations since the launch of the strategy.

E There have been no material changes to the membership since the default arrangements were introduced and last reviewed.

F The Trustee has reviewed the structure of the funds used within the default arrangement and other investment options. The Trustee believes that the current structures are appropriate for members when compared to other possible structures.

The Trustee has since completed a review outside of this Statement's reporting period (in September 2026) and will report in detail on this in next year's Statement.

Asset Allocation disclosure

The following table shows the asset allocation for the Plan's main default arrangement (where new members are defaulted into), the Journey Plan 2 Funds, for members of different ages, as at 31 March 2026. We also show the asset allocations for other default arrangements: the Journey Plan 4 Funds and the Michelin Money Market Fund (inadvertent default).

The asset allocation disclosures meet the DWP's statutory guidance "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap" as at January 2023.

JOURNEY PLAN 2

DEFAULT ARRANGEMENT

Asset Class	At SRA (65) Michelin Journey Plan 2 2020-25	55 y/o Michelin Journey Plan 2 2035-40	45 y/o Michelin Journey Plan 2 2040-45	25 y/o Michelin Journey Plan 2 2060-65
Cash	14.28%	2.45%	1.45%	1.45%
Bonds	48.04%	18.06%	5.23%	5.23%
Listed equities	25.21%	79.25%	92.66%	92.66%
Private equity	0.21%	0.00%	0.48%	0.48%
Infrastructure	0.00%	0.00%	0.00%	0.00%
Property / real estate	0.90%	0.00%	0.14%	0.14%
Private debt / credit	11.33%	0.23%	0.04%	0.04%
Other assets	0.03%	0.00%	0.00%	0.00%
Totals	100.0%	100.0%	100.0%	100.0%

Source: L&G

JOURNEY PLAN 4

DEFAULT ARRANGEMENT

Asset Class	Michelin Journey Plan 4 2015-20	Michelin Journey Plan 4 2020-25	Michelin Journey Plan 4 2025-30
Cash	45.43%	42.62%	31.17%
Bonds	54.57%	52.34%	43.39%
Listed equities	0.00%	2.01%	15.69%
Private equity	0.00%	0.00%	0.00%
Infrastructure	0.00%	0.00%	0.00%
Property / real estate	0.00%	0.00%	0.00%
Private debt / credit	0.00%	3.02%	9.74%
Other assets	0.00%	0.01%	0.01%
Totals:	100.0%	100.0%	100.0%

Source: L&G

MONEY MARKET FUND

INADVERTENT DEFAULT FUND

Asset Class	Michelin Money Market Fund
Cash	90.42%
Bonds	9.58%
Listed equities	0.0%
Private equity	0.0%
Infrastructure	0.0%
Property / real estate	0.0%
Private debt / credit	0.0%
Other assets	0.0%
Total	100.0%

Source: L&G

Note: The asset allocation figures presented have been sourced from L&G. For members whose asset allocation at the selected age on the default glide path involves multiple funds, we have determined the overall asset allocation based on the proportion of assets held in each fund.

Other investment options

The Trustee recognises that the default arrangement will not be suitable for the needs of every member and so the Plan also offers members a choice of other investment options. The main objectives of these investment options are:

- To cater for the likely needs of a wider range of members;
- To cater for members looking to take different benefits at retirement than those targeted by the default arrangements;
- To offer a wider range of asset classes, levels of risk and return and different investment approaches including ethical investment; and
- To support members who want to take a more active part in how their savings are invested.

In keeping with The Pensions Regulator's guidance, the Trustee also carries out an annual high-level review of the performance and suitability of these other investment options. There were no material issues with these investment options last year.

The Trustee carries out an in-depth review of the performance and suitability of these other investment options at least every 3 years. The most recent review was initiated outside of this Statement's reporting period (in May 2026). The Trustee will report in detail on this in next year's Statement.

3 NET INVESTMENT RETURNS

The presentation of the investment performance takes into account the statutory guidance issued by the Department for Work and Pensions. The Trustee has followed the statutory guidance in all areas.

In addition to the strategy review, the Trustee also reviews the performance of the default arrangement against the aims, objectives and policies on a quarterly basis. This review includes an analysis of fund performance to check that the risk and return levels meet expectations. The Trustee's reviews that took place during the Plan year concluded that the default arrangement was performing in line with the aims and objectives of the default as stated in the default SIP. The Trustee was also pleased to note that short-term performance had improved from last year's reporting period as a result of the strategic adjustments implemented by L&G (as noted in last year's statement). The Trustee will continue to monitor this carefully over the next reporting period.

Investment conditions

When reviewing the following figures, it should be borne in mind that major stock markets rose by approximately 18%, based on the 12 month returns to 31 March 2026 of the FTSE All World Index.

Default Arrangement

The table below shows the investment return of the default arrangement across various periods to the year 31 March 2026. The investment return varies depending on member's age and how far they are from their selected retirement age. Over the year to 31 March 2026, the funds used in the Plan's default arrangement saw investment returns of between 10.58% or, put in another way, a rise of £105.80 for every £1,000 invested for the Journey Plan 2 2030-2035 fund to a rise in value of 14.59% or, put in another way, a rise of £145.90 for every £1,000 invested for the Journey Plan 2 2060-2065 fund.

Age of member in Plan Year 2025/2026 in years (fund)	1 year (%)	3 year (% p.a)	5 year (% p.a)
25 (Journey Plan 2 2060-2065)	14.59	10.15	6.41
45 (Journey Plan 2 2040-2045)	14.54	9.85	5.50
55 (Journey Plan 2 2030-2035)	10.58	7.54	4.08

Source: L&G, net of fees

The Journey Plan 4 funds are only in place for those members expecting to retire before 2030 so in line with the Regulations, we are not required to provide the above table given the ages of these members will be over 55.

Other Default Arrangements

Over the Plan Year to 31 March 2026, the funds used in the Journey Plan 4 Funds, which is the Plan's other default arrangement that is not open to new members, saw investment returns of between a rise in value of 4.18% or, put another way, a rise of £41.80 for every £1,000 invested for the Journey Plan 4 2015-2020 Fund to a rise in value of 5.97% or, put another way, a rise of £59.70 for every £1,000 invested for the Journey Plan 4 2025-2030 fund.

Over the same period, the fund used in the inadvertent default arrangement, the L&G Money Market Fund, rose in value by 4.09% during the year to 31 March 2026 (net of fees). The Trustee is satisfied that this Fund has performed in line with its objectives.

OTHER INVESTMENT OPTIONS

Self-select funds

The most popular fund among the other investment options, the Michelin Global Equities Fund – Passive Fund, rose in value by 18.50% (net of fees) during the year to 31 March 2026.

Over the Plan Year, the Trustee was satisfied that the majority of the Plan's self-select funds have performed in line with their objectives, with the exception of the following:

- Michelin Global Equities Active Fund, Michelin Corporate Bond Fund, Michelin Property Fund over the one-year period;
- Michelin Global Equities Active Fund over the 3-year period.

The above Global Equity Fund is actively managed and as such, some deviation from benchmark is expected, particularly in view of the recent equity climate which has proved challenging for most actively managed equity funds. The Trustee has been monitoring this fund closely with the support of its advisers and will continue to do so.

More information

Investment returns for all funds over several periods of time to 31 March 2026 are shown in **Appendix 4.**

4 ADMINISTRATION AND CORE FINANCIAL TRANSACTIONS

The Trustee has appointed Capita to administer the Plan on its behalf.

Core Financial transactions

The Trustee has received assurances from the Plan's administrator Capita, and has taken steps to ensure that, there were adequate internal controls to ensure that core financial transactions relating to the Plan were processed promptly and accurately during the Plan Year. Core financial transactions include:

- The investment of contributions,
- Processing of transfers in and out of the Plan,
- Transfers of assets between different investments within the Plan, and
- Payments to members/beneficiaries.

Service Levels

The Plan has a service level agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions. The Plan's administrator, Capita, aims to ensure that 100% of all these processes are completed within the service levels set by the Trustee.
In summary, these service levels include:

- Regular contributions files and the allocation of contributions are processed within 5 working days of the reception of the contribution file,
- Provision of quotation of benefits are provided within 5 working days of request,
- Payments of benefits are made within 5 working days of receipt of all necessary information,
- Provision of transfer value quotations are provided within 10 working days,
- Payment of transfer values are made within 5 working days of receipt of DC funds,
- Processing of investment switches are made within 3 days of request,
- Processing of DC members leaving the company are made within 10 days.

The key processes adopted by the administrator to help it meet the SLA are as follows:

- The processing of financial transactions related to Defined Contributions (contributions received and invested, disinvestments from investment manager and payment to members, transfers in) go through a dedicated bank account separated from the Defined Benefit transactions which go through a separate bank account,
- The balance of this account is monitored and fully reconciled on a monthly basis; any outstanding item is reconciled member by member; this ensures that contributions are fully invested, and members' disinvestments are swiftly paid; the age of outstanding unpaid balances is monitored; the administrator is working towards maintaining the balance of this account close to zero;
- Monitoring daily transactions;
- Monitoring daily workflow items;
- Regular internal audits of administration procedures;
- Reviewing the level, causes and resolution of complaints.

Over the year, the Trustee has performed the following controls to check the administrator's quality of work:

- The Trustee receives detailed quarterly reports from the administrator about their performance and compliance with the SLA. This report is reviewed at each Trustee Board meeting. The evolution of SLA figure by month, the causes of underperformance and the corrective actions are discussed,
- Each month, the Chair of the Trustee and the Secretary and a Trustee Director meet with the administrator to review the DC bank account reconciliation for accuracy, completeness and aged unpaid balances,
- Each month, the Chair of Trustee verifies the exact reconciliation between units held in funds at L&G on behalf of the Plan, and their allocation to members done by the administrator,
- Each month, the Chair of Trustee verifies the reconciliation between the cash flows in and out of the Plan, the evolution of the Plan assets and the funds' performance.

The Trustee understands that the administrator monitors its performance against these service levels by:

- Monitoring daily transactions;
- Monitoring daily workflow items;
- Regular internal audits of administration procedures;
- Reviewing the quality of data processed by Capita;
- Reviewing the level, causes and resolution of complaints.

The Trustee is satisfied that over the period covered by this statement;

- The administrator was operating appropriate procedures, checks and controls,
- The administrator was operating the investment of company contributions according to the agreed SLA,
- There have been no material administration errors in relation to processing core financial transactions; and
- All core financial transactions have been processed accurately during the Plan Year.

As mentioned above, the Trustee receives quarterly administration reports on service standards and member activity. These demonstrate that in the year to 31 March 2026 the administrator achieved, on average, quarterly performance against SLAs (target is 100%) as follows (this relates only to DC members):

- Q2 2025 – 78.87%
- Q3 2025 – 91.05%
- Q4 2025 – 85.61%
- Q1 2026 – 77.40%

Therefore, over the year to 31 March 2026, the administrator achieved on average 83% against SLA, below the 100% target and a dip from last year's figure of 94.91%. This is explained in part by some resourcing challenges at Capita toward the closing part of the year.

Data quality

The Pension team liaises regularly with Capita about the quality of the data they hold on the membership of the Plan. As at 10 February 2026, 93.75% of membership common data (i.e. data that is not specific to the Plan but required to administer the Plan e.g. address, date of birth) was held. This is a slightly higher figure compared to 93.12% as at 13 March 2025.

Cyber security

The Trustee is conscious of the threat of cyber-attacks on pension scheme information, as evidenced by the cyber-attack on Capita in 2023. For that reason, since 2023, the Trustee has appointed a cyber security specialist adviser who over the reporting period supported a full review of the Plan's cyber security risks and drafted a cyber security policy and response plan. It also supported a cyber simulation workshop over the period.

Own Risk Assessment (ORA)

Each year the Trustee carries out an assessment of the effectiveness of the controls which are in place to manage the risks faced by the Plan. The Trustee completed its ORA for the year ending 31 March 2025 in February 2026. This will be monitored on an ongoing basis and reviewed triennially, in line with legislative requirements.

Overall

The Trustee receives quarterly reports about the administrator's performance and compliance with the SLA. Using information provided by the administrator, the Trustee is reasonably satisfied that over the period covered by this statement:

- The administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA acknowledging there was a performance dip;
- There have been no material administration errors in relation to processing core financial transactions;
- The Plan's common data is accurate and up to date;
- The Plan's cyber security arrangements are effective.

The Trustee acknowledges that again this year, not all core financial payments were processed promptly and paid on time during the reporting period. The Trustee also notes that overall SLA performance deteriorated.

In light of the above, the Trustee took the decision to transfer the administration of DC benefits from Capita to a bundled solution with L&G. L&G were appointed following a review undertaken in conjunction with the Trustee's DC advisers WTW.

L&G's administration appointment will commence just after the reporting period, from 1 July 2026. The Trustee is confident that this change will shorten turnaround times for core financial transactions and improve the member experience.

Security of assets

The situation regarding the security of where pension contributions are invested is complex. It can vary from scheme to scheme and from fund to fund within each scheme. The Trustee has reviewed the structure of the funds used within the default arrangement and other investment options. The Trustee believes that the current structures are appropriate for members when compared to other possible structures.

The Trustee will continue to monitor this and plan to review more fully in 2027.

5 CHARGES AND TRANSACTION COSTS

The costs and charges in relation to the Plan are met either solely by members, jointly between members and the employers or solely by the employers.

SERVICE	PAID FOR BY MEMBERS	COSTS SHARED BETWEEN MEMBERS AND THE EMPLOYERS	PAID FOR BY THE EMPLOYERS
Investment	✕		
Plan Administration	✕		
Plan Governance			✕
Communications		✕	

The way we have presented charges and transaction costs (including projections) has taken into account the statutory guidance issued by the Department for Work and Pensions.

Charges

The charges quoted in this Statement are the funds' Total Expense Ratios ("TERs"). The TER is formed of a fund's Annual Management Charge ("AMC") and a fund's Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs but exclude transaction costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day.

The investment charges borne by members include a 0.1% p.a. contribution towards the costs of the Plan's administration and standard communications.

The Plan is a qualifying scheme for auto-enrolment purposes and the member borne charges for the default arrangement complied with the charge cap during the year covered by this Statement.

Transaction costs

The funds' transaction costs are in addition to the funds' Total Expense Ratios and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and stock market conditions at the time. Transaction costs can include custodian fees on trades, stockbroker commissions and stamp duty (or other withholding taxes). Transaction costs are deducted before the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority requires fund managers (the people who manage your funds on a day to day basis) and investment platform providers (i.e. the platforms through which you as members access your funds) to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission).

The transaction costs shown in this Statement do not include any costs members may incur from buying or selling units in the provider's funds as a result of the fund manager's fund price moving from a "bid" to "offer" basis (or vice versa).

Member borne charges and transaction costs for the Default Arrangements

The charges and transaction costs have been supplied by the Plan's provider, L&G. The presentation of the charges and costs, together with the projections of the impact of charges and costs, takes into account the statutory guidance issued by the Department for Work and Pensions. Full details of the annualised charges and transaction costs, for all funds for the Plan Year, can be found in **Appendix 2.**

Performance-based fees

There were no performance-based fees which were deducted from the default arrangement during the Plan Year.

Default Arrangements

During the year covered by this Statement the member-borne charges for the Journey Plan 2 Default Arrangement were 0.25% of the amount invested or put another way, £2.50 per £1,000 invested by a member. The default arrangement is a series of "target date funds" which invest contributions in different types of assets according to how far the Fund is from its target date when members are expected to retire. The charge paid by any individual member is not dependent on how far they are from their selected retirement date as members are invested in one fund throughout their career which has the same charge.

The following table shows how different representative members in the Plan pay their charges and transaction costs in the Journey Plan 2 Default Arrangement. As the default funds are structured as "target date funds", members will be invested into different funds targeting different retirement years (vintage-year) depending on when they enter the Plan. The following representative members are taken to illustrate the charges and transaction costs faced by a typical member.

Fund (period to selected retirement date)	Charges*		Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
Michelin Journey Plan 2 2015-2020 (0 years)	0.25%	2.50	0.12%	1.24
Michelin Journey Plan 2 2020-2025 (0 years)	0.25%	2.50	0.13%	1.25
Michelin Journey Plan 2 2025-2030 (5 years)	0.25%	2.50	0.11%	1.08
Michelin Journey Plan 2 2030-2035 (10 years)	0.25%	2.50	0.08%	0.78
Michelin Journey Plan 2 2035-2040 (15 years)	0.25%	2.50	0.09%	0.87
Michelin Journey Plan 2 2040-2045 (20 years)	0.25%	2.50	0.12%	1.15
Michelin Journey Plan 2 2045-2050 (25 years)	0.25%	2.50	0.12%	1.16
Michelin Journey Plan 2 2050-2055 (30 years)	0.25%	2.50	0.12%	1.16
Michelin Journey Plan 2 2055-2060 (35 years)	0.25%	2.50	0.12%	1.16
Michelin Journey Plan 2 2060-2065 (40 years)	0.25%	2.50	0.12%	1.17

Source: L&G as at 31 March 2026 *Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses.

The transaction costs borne by members in the Journey Plan 2 Default Arrangements during the year were in a range from 0.08% to 0.13% of the amount invested or put another way, in a range from £0.78 to £1.25 per £1,000 invested.

Other Default Arrangements

During the year to 31 March 2026, members invested in the Journey Plan 4 Default Arrangement paid charges of 0.25%, or put in another way, they paid £2.50 per £1,000 invested over the year to 31 March 2026. The transaction costs for the Journey Plan 4 funds were in a range from 0.04% - 0.16%, or put in another way, in a range from £0.36 to £1.59 per £1,000 invested over the Plan Year.

Fund (period to selected retirement date)	Charges*		Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
Michelin Journey Plan 4 2015-2020 (0 years)	0.25%	2.50	0.04%	0.36
Michelin Journey Plan 4 2020-2025 (0 years)	0.25%	2.50	0.08%	0.83
Michelin Journey Plan 4 2025-2030 (5 years)	0.25%	2.50	0.16%	1.59

Source: L&G as at 31 March 2026. *Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses.

The Michelin Money Market Fund became an inadvertent default following the suspension of the Threadneedle Property Fund in March 2020. Over the year to 31 March 2026, members invested in the Michelin Money Market fund paid charges of 0.19% and transaction costs of 0.06%, or put in another way, paid £1.90 in charges and £0.56 in transaction costs per £1,000 invested in the Fund.

The Trustee monitors the charges (on a retrospective basis) on the default arrangements quarterly and we can confirm that these have complied with the charge cap during the year covered by this Statement.

OTHER INVESTMENT OPTIONS

Self-select funds

The Plan offers members a choice of 12 self-select funds.

During the year the charges for the self-select funds ranged from 0.15% to 1.02% of the amount invested or put another way, in a range from £1.50 to £10.20 per £1,000 invested. The Michelin Emerging Markets Fund is the Plan's most expensive fund at 1.02% p.a. This fund is actively managed and therefore naturally has higher costs associated with its investments.

The table in Appendix 2 gives the charges for each self-select fund.

The investment charges borne by members include a 0.1% p.a. contribution towards the costs of the Plan's administration and standard communications.

The transaction costs borne by members in the self-select funds during the year were in a range from -0.06% to 0.26% of the amount invested or put another way, in a range from a gain of £0.06 to £2.64 per £1,000 invested.

The table in Appendix 2 gives the transaction costs for each self-select fund.

Missing information

The Trustee is satisfied that they have obtained full information on charges and transaction costs.

The Trustee has been unable to obtain information on the International Securities Identification Numbers ("ISINs"), in which the provider's funds are invested. This is because the funds are established via unit-linked contracts of insurance and therefore do not have ISINs. Fund fact sheets are available to members who wish to find out more information on the funds.

Illustration of charges and transaction costs – 'Pounds and pence' projections

We have illustrated the effect of the member borne charges and transaction costs through a set of 'pounds and pence' projections in Appendix 3. They show the compounding effect over time of these costs and charges for some example member accounts investing in the principal default Journey Plan 2 and 4 TDF funds and four self-select funds (including the deemed default Michelin Money Market Fund and also the highest and lowest charging funds). The Trustee has taken account of the statutory guidance produced by the DWP in preparing these illustrations. Please note these illustrated values are not guaranteed and may not prove to be a good indication of how your own savings might grow.

6 ASSESSMENT OF THE PLAN'S VALUE FOR MEMBERS ('VFM')

The Trustee remains committed to ensuring that the Plan provides value to its members and assesses whether the costs and charges members pay provide good value in relation to the benefits and services provided. The earlier table (page 11 above) sets out what element the members and the employer pays for.

In order to assess value for members for this Plan Year, the Trustee worked with its independent adviser (WTW) to apply a weighted framework of assessment constructed around the DWP's and TPR's latest supporting VfM guidance. The assessment was split into the following areas, weighted as follows:

Investment returns (60% weight)

- The investment returns that applied to the end of the Plan Year, focusing on the default investment options. The Trustee assessed the performance delivered against objective and against a range of market comparators. The assessment also considered the investment performance of the freestyle funds against their respective benchmarks.

Services (25% weight)

- The 'Services' provided to members incorporated the administration service, the quality of the member support solutions (including communications and retirement options and support) and the overarching governance framework supporting the operation of the Plan. The Trustee has assessed these elements by benchmarking against other large pension schemes and market best practice.

Charges (15% weight)

- Benchmarking the level of charges (including transaction costs) members pay in comparison to those pension schemes of a similar type and size and other types of pension vehicles.

Investment returns

The key area of focus was the performance of the default investment options, particularly Journey Plan 2 in which most members invest. Performance was considered over a five year period to 31 March 2026 against a variety of market comparators.

The findings were as follows:

- For the growth phase i.e. more than 10 years from retirement age (based on the TDF 2060-65 Fund) the performance was slightly behind target and below the average when compared with market comparators.
- The performance for members between 5 and 10 years from retirement age (based on the TDF 2030-35 Fund) was slightly behind target and below the average market return.
- The performance for members now at retirement over the prior five years (based on the TDF 2020-2025 Fund) was slightly behind target but broadly in line with the average market return.

The review also noted that most of the self-select funds had performed within an acceptable tolerance of their performance objectives over the five year period to 31 March 2026.

Services provided to members

The assessment noted that most of the services typically seen across large schemes providing a best practice approach were present. Examples included:

- A bespoke pensions website for members.
- Communications that have been designed specifically for the Plan, including personalised benefit statements, newsletters, and member guides.
- The Trustee regularly reviews its communication strategy to increase engagement with members (the area of 'Communications & engagement' demonstrating most of the expected key features).
- A wide range of good quality funds is offered, with integration of ESG factors and options for faith based investment. The range is monitored closely by the Trustee with evidence of close oversight.
- A dedicated Plan Administration Team through Capita is in place to help members who may also have DB benefits.
- Members are provided with tools to aid with retirement planning and have access to independent advice services and facilitated access to a drawdown vehicle at market competitive terms.
- Significant time and resource are devoted to the oversight and management of the Plan on behalf of the members (the areas of 'Risk management' and 'Investment governance' recording all the expected key features).

The Plan scored less well in terms of administration performance against SLAs with a variety of target metrics not being met.

Charges and transaction costs

- The cost benchmarking undertaken by WTW indicated that the current total member charge for the Plan's default Journey Plan funds (in which the vast majority of members invest) are below the market average when compared with existing schemes of similar size and nature (including master trust arrangements).
- In addition, half of the funds' transaction costs were below the market average and half above, for their relevant asset class.

Overall results summary

Overall, the Trustee is satisfied that the Plan offers members 'fair value' with access to a cost efficient DC pension saving vehicle that can demonstrate a well-established governance framework, albeit the level of member support is not as strong as the Trustee would like.

The Trustee has sought to address this by transferring DC administration to L&G. The Trustee is confident that L&G is well placed to deliver an improved service to members and its platform will also offer enhanced member support via digital planning tools. The restructuring of administration with L&G will also result in a reduction in overall charges for members. In combination, the Trustee anticipates an improvement in the future value proposition delivered to members by the Plan.

7 TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Plan's Trustee Directors are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Section 247 and 248 of the Pensions Act 2004 requires that each Trustee Director must:

- Be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Plan generally,
- Have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise his or her functions as Trustee Director, knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding and investment of the assets of occupational pension schemes.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law.

In addition, the Trustee is also required to explain how the combined knowledge and understanding of the Trustee Directors, together with the advice, which is available to them, has enabled them properly to exercise their functions as Trustee Directors of the Plan throughout the Plan Year.

SKILLS, EXPERIENCE, AND DIVERSITY

The Trustee Board

The Trustee Board has a broad range of skills and experience with Directors from different professional backgrounds: union representative, financial controller, treasury specialist, marketing specialist, pensions investment manager and a pensioner. These contribute to an informed and effective decision making process. One of the Directors is female, as well as the Secretary.

The Trustee regularly considers the diversity of the board in relation to core characteristics such as gender, age, and ethnicity and to the mix of skills, experience and cognitive diversity. Where vacancies on the board arise, the Trustee, where it is in their gift, seek to recruit new Trustee who enhance the diversity of the board and its overall effectiveness.

HOW WE HAVE ENSURED GOOD KNOWLEDGE AND UNDERSTANDING DURING THE PLAN YEAR

The Trustee has measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding. Details of how the conversance and knowledge and understanding requirements have been met during the period covered by this statement are set out below.

TRUSTEE TRAINING

Induction for newly appointed Trustee Directors

There is an induction process for newly appointed Trustee Directors, who are required to complete The Pensions Regulator's "Trustee Toolkit" (which is a free, online learning programme from The Pensions Regulator aimed at trustees of occupational pension schemes) within 12 months of becoming a Trustee Director.

Mr J Dimmock and Ms Z Siddall were both welcomed to the Trustee Board over the reporting period. Mr J Dimmock has completed the Trustee Toolkit.

Self-assessment and Training for Trustee Directors

Trustee Directors are encouraged to attend training courses and pensions conferences which support their work as Trustees. A record is kept of courses and conferences attended and Trustees are encouraged to feedback any learning points to the full Trustee Board.

The Trustee, with the help of its advisers, regularly considers training requirements to identify any knowledge gaps. There is a formal training plan in place which is updated on an annual basis in accordance with Trustee requirements.

At its February 2026 meeting, the Trustee Secretary supported a review of the Board effectiveness. This was supplemented by an independent review of Trustee TKU/Effectiveness undertaken by XPS. This independent review drew positive conclusions, indicating the Board is generally effective and has the potential to make consistently strong decisions. A few supplementary recommendations were made following the review, with actions taken by the Chair and Secretary to implement over the next 12 months to address any identified gaps in Trustee knowledge.

Overall, the Trustee Directors consider that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties. The Trustee received quarterly "hot topics" from its adviser covering technical and legislative/regulatory developments with respect to DC pensions. These updates are presented at each quarterly Trustee Board meeting.

During the period covered by this statement, the Trustee received training on the following topics:

Date	Topic	Aim / Benefit	Trainer
12/11/2025	Cyber Security awareness and simulation exercise	**Aim:** The Trustee Directors can assess the security of the Plan's administration systems. **Benefit to the members:** Reassurance that the Plan's administration systems and their personal information are safe.	WTW
11/02/2026	Bundled versus unbundled schemes	**Aim:** Inform the Trustee Directors of the difference between the scheme administration arrangements **Benefit to the members:** Confidence in the fact that the Trustee is looking for the best pension arrangement for members.	L&G and WTW

Governing Documents

All the Trustee Directors are familiar with and have access to copies of the current Plan governing documentation, including the Trust Deed & Rules (together with any amendments), the Statement of Investment Principles (SIP) and key policies and procedures. In preparing the annual Implementation Statement, the Trustee considers the contents of the SIP.

The Trustee refers to the Trust Deed and Rules as part of deciding to make any changes to the Plan, and, where relevant, deciding individual member cases and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments. The SIP was last reviewed and updated by the Trustee in September 2024. This version of the SIP is appended to this Statement.

Advisers

The Trustee has appointed suitably qualified and experienced actuaries, legal advisers and investment consultants to provide advice on the operation of the Plan in accordance with its Trust Deed and Rules, legislation and regulatory guidance.

With respect to Defined Contributions, the investment adviser attends all quarterly Trustee meetings. The Trustee's investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustee's advisers typically deliver training on such matters at Trustee meetings if they are material. Advice from our advisers and training helps the Trustee Directors to demonstrate a good working knowledge of the key scheme documents and policies. Objectives are in place for the Trustee's investment adviser in line with the TPR requirements.

The Trustee reviews the effectiveness of its advisers annually and periodically reviews the appointment of its advisers.

Board effectiveness

The business of the Board of the Trustee is set out in an annual business plan, with a further outline of its objectives on a three-year horizon. The plan ensures that the members of the Board can receive training when necessary and be informed about matters under discussion before decisions are taken. The Chair of the Trustee maintains a dialogue with the Directors on the arrangements for the Board's business and the effectiveness of Board discussions and decision-making. At a more detailed level, the Board maintains an action register. Progress against the business plan and the action register was reviewed and considered at each of the quarterly Board meetings over the period.

The Trustee also maintains a rigorous risk management process, to identify, evaluate and manage risks and to monitor the effectiveness of its controls, receiving assistance of its various advisers (administrator, investment consultants) who attend all board meetings (in person or remote) to help them make informed decisions. The Risk Register is a standing agenda item and was tabled at all quarterly meetings over the reporting period.

For the reasons set out above and taking into account the knowledge and experience of the Trustee Directors with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers (e.g. investment consultants, legal advisers), the Trustee Directors believe that their combined knowledge and understanding, together with available advice, enables them to properly exercise their functions.

Feedback

The Trustee is keen to encourage feedback from members on the running of the Plan including topics such as investment, administration services and communications.

On a periodic basis, the Trustee conducts member focus groups to receive feedback about the Plan. In June 2024, three focus groups were conducted with active members of Michelin and one took place in October 2024 with active members of ATS. The Trustee was assisted by their Communication adviser Likeminds to conduct the focus groups. The Trustee has formally reviewed the feedback from these focus groups and sought to ingrate feedback into the evolution of the Plan.

The Pensions Team regularly meet with members to receive feedback and a Trustee Director who is a union representative provides direct feedback at meetings from his encounters with members.

Signed: Vincent Dormieux **Date:** 29 October 2026

Signed by the Chair of Trustee of the Michelin Pension and Life Assurance Plan

APPENDIX 1

STATEMENT OF INVESTMENT PRINCIPLES

MICHELIN PENSION AND LIFE ASSURANCE PLAN DEFINED CONTRIBUTION SECTION

STATEMENTS OF INVESTMENT PRINCIPLES

September 2024

INTRODUCTION

The law requires the Trustee to produce a formal "Statement of Investment Principles" for the Plan's Default Arrangement and its other investment options. These Statements set out what the Trustee aims to achieve with the investment options and its investment policies which guide how members' money is invested.

This document is a compendium of the Statements of Investment Principles for the Michelin Pension and Life Assurance Plan Defined Contribution Section (the "Plan."). The Plan also has a Defined Benefit section and the Statement of Investment Principles for this section is published on the Plan website alongside this document. These Statements must cover a number of technical points in order to comply with legislation as well as meet the expectations of the Pensions Regulator and needs of the Plan's Auditors, which we have as far as possible shown separately in "for the record" boxes.

The Trustee began publishing, online, the Statements of Investment Principles from 1 October 2019 and will publish an Implementation Statement each year from 1 October 2020 describing how these Statements have been followed in the last year. The Trustee will make members aware of the availability of these Statements in their annual benefit statements.

CONTENTS

STATEMENTS OF INVESTMENT PRINCIPLES

The Trustee's Statements of Investment Principles contained in this document include the following:*

1. **Statement of the aims and objectives for the Default Arrangement;**
2. **Statement of the aims and objectives for investment options outside the Default Arrangement; and**
3. **Statement of investment beliefs, risks and policies.**

The Statement of Investment Principles for the Plan comprises items 1, 2 and 3.

The Statement of Investment Principles for the Plan's Default Arrangement comprises items 1 and 3.

APPENDIX (WHICH DO NOT FORM PART OF THE STATEMENT)

The Trustee's Statements of Investment Principles contained in this document include the following:*

A **Summary of the approach to investment governance**

FOR AND ON BEHALF OF THE TRUSTEE OF THE PLAN

Name:	Signed:	Date:
Vincent Dormieux	Vincent Dormieux	30 September 2024

For the record

* In accordance with sections 35 and 36 of the Pensions Act 1995; Regulation 2 and 2A(1) of the Occupational Pension Schemes (Investment) Regulations 2005; and the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

The Trustee has taken proper written advice and consulted the Employer in the preparation of these Statements of investment Principles.

These Statements will be reviewed at least every three years or more frequently as required by the Regulations.

1 STATEMENT OF THE AIMS AND OBJECTIVES FOR THE DEFAULT ARRANGEMENT

Reasons for the Default Arrangement

The Trustee has decided that the Plan should have a default investment arrangement because:

- The Plan is a qualifying scheme for auto-enrolment purposes and so must have a Default Arrangement;
- It should be easy to become a member of the Plan and start building retirement benefits without the need to make any investment decisions; and
- A majority of the Plan's members are expected to have broadly similar investment needs.

Objectives for the Default Arrangement

The main objective of the Default Arrangement is to provide a suitable investment strategy to help deliver good member outcomes at retirement.

The Trustee believes that it is in the best interests of the majority of members to offer a Default Arrangement which:

- Manages the main investment risks members face during their membership of the Plan;
- Should give good member outcomes at retirement by maximising investment returns relative to inflation while taking an appropriate level of risk for the majority of members who do not make investment choices; and
- Derisks as the member approaches retirement in order to reflect members' likely benefit choices at retirement.

Choosing the Default Arrangement

The Trustee believes that understanding the Plan's membership is essential to designing and maintaining a Default Arrangement which meets the needs of the majority of members.

The Trustee has taken into account a number of aspects of the Plan's membership including:

- The age and salary profile;
- The likely sizes of retirement accounts at retirement;The level of income in retirement that members are likely to need;
- Previous sources of retirement income from the Employer;

- Members' likely benefit choices at and into retirement; and
- Feedback from Member Focus Groups, which are conducted on a triennial basis.

The Default Arrangements

Having considered the membership characteristics, where members have not actively selected their own funds, the Trustee has defaulted members into different strategies depending on their characteristics. ***Therefore there are two Default Arrangements as follows:***

1. A series of Target Date Funds which are considered to be appropriate for members who are expected to use Flexible Access Income Drawdown following their retirement. This is based on the likelihood of them having accumulated significant pension pots at retirement and therefore less likely to withdraw their pension pots as cash. This is the Default Arrangement for all new joiners to the Plan and also for certain segments of the membership who were invested in the former lifestyle strategies and were switched to this Default when the Target Date Funds were introduced in May 2017. ***These were:-***

    - Members previously invested in Lifestyles A, B and C within 10 years of retirement and with only DC benefits
    - Members previously in the Lifestyles A, B and C more than 10 years from retirement

2. The second Default Arrangement is a series of Target Date Funds which is considered to be appropriate for members who are expected to take 100% of their retirement account as cash at retirement. As above, based on analysis of members likely pension pots and availability of DB benefits, it was considered that DC pension pots would be relatively small and that members would likely withdraw as cash and use DB benefits for longer term income. This is the Default Arrangement for a segment of the membership who were invested in the former lifestyle strategies and were switched to this Default when the Target Date Funds were introduced in May 2017. ***These were:-***

    - Members previously in the Lifestyles A, B and C within 10 years of retirement and with both DB and DC benefits

Both Default Target Date Fund strategies gradually move investments between different underlying assets (within the Target Date Funds) to manage the levels of investment returns and principal investment risks at each stage of membership of the Plan.

The expected levels of investment returns (after the deduction of charges) and risks for the funds used are consistent with the Trustee's objectives for the Default Arrangements. The expected investment returns and approach to managing investment risks including financially material considerations such as climate change are described in Section 3.

Full details of the current Default Arrangements are provided in the document "Investment Operation Document for the default arrangement and other investment options".

The last formal review of the Default Arrangements and fund range commenced on 16th February 2023 and was completed by the Trustee on 16th November 2023. A high-level review will be undertaken each year with a more detailed review every three years.

Costs of Default Arrangements

The investment costs are borne by members. Investment charges also include the charge for administration services (currently 0.1% p.a.). Further details as to costs are outlined in the document "Investment Operation Document for the default arrangement and other investment options".

2 STATEMENT OF THE AIMS AND OBJECTIVES FOR INVESTMENT OPTIONS OUTSIDE THE DEFAULT ARRANGEMENT

Reasons for the investment options

In addition to the Default Arrangements, the Plan offers members a choice of investment options because:

- While the Default Arrangements are intended to meet the needs of the majority of the Plan's members, they may not meet the needs of a wider cross-section of members;
- Attitudes to investment risk and the need for investment returns will vary from member to member and will also vary for each member over time and, in particular, as they approach retirement;
- Some members will want to be more closely involved in choosing where their contributions are invested.

Choosing the investment options

Membership analysis

The Trustee believes that understanding the Plan's membership is important in maintaining an appropriate range of investment options and has taken into account a number of aspects including:

- The members' age and salary profile;
- Previous sources of retirement income from the Employer;
- The likely sizes of members' retirement accounts at retirement;
- Members' retirement dates and likely range of benefit choices at retirement;
- The levels of investment risk and return members may be willing to take;
- The degree to which members are likely to take an interest in where their contributions are invested;
- The number of members who are likely to want ethical or faith based investment options; and
- Feedback from Member Focus Groups, which are conducted on a triennial basis.

Member behaviour

The Trustee has also considered the results of publicly available academic research and market surveys and information from the Trustee's investment adviser into how members choose where to invest their retirement account which in summary shows:

- Too little choice is viewed negatively by members;
- Too much choice can prove confusing and deter members from taking action; and
- Some members will not regularly review their choices.

Costs of investment options

The investment costs are borne by members and so a balance needs to be struck between choice and costs. Investment charges also include the charge for administration services (currently 0.1% p.a.). Further details as to costs can be found in the document "Investment Operation Document for the default arrangement and other investment options ".

Objectives for the investment options

The Plan offers members the following choices of investment options as an alternative to the Default Arrangements:

Self-select funds

The main objectives of the self-select fund range are to:

- Provide a choice of individual funds for members who want to be more closely involved in choosing where their retirement account is invested;
- Complement the objectives of the two Default series of Target Date Funds;
- Provide a broad choice of levels of investment risk and return;
- Provide a broad choice of investment approaches including ethical and faith based funds;
- Help members more closely tailor how their pension retirement account is invested to their personal needs and attitude to risk; and
- Help members more closely tailor how their retirement account is invested to reflect the benefits they intend to take at retirement.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

Risk and return

The expected levels of investment returns (after the deduction of charges) and risks for the funds used are consistent with the Trustee's objectives for these investment options. The expected investment returns and approach to managing investment risks including financially material considerations such as climate change are described in Section 3.

Full details of the current investment options are provided in the document "Investment Operation Document for the default arrangement and other investment options".

3 STATEMENT OF INVESTMENT BELIEFS, RISKS AND POLICIES

Introduction

This Statement sets out the general investment beliefs and policies which guide the Trustee's decision making.

For the record

This Statement of investment beliefs, risks and policies should be read in conjunction with the Statements of the aims and objectives for both the Default Arrangement and the investment options outside the Default Arrangement. Collectively, these respectively form the Statements of Investment Principles for the Plan and the Default Arrangement.

This Statement of investment beliefs has been prepared in accordance with the Occupational Pension Scheme (Investment) Regulations 2005 as amended by the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) Regulations 2019.

Risks

The Plan offers a range of funds which have various risk levels, including inflation linked bond funds, long dated gilts, corporate bonds, UK and Global equity, multi-asset, cash and Target Date funds.

Principal investment risks

The Trustee believes that the three main investment risks most members will face are:

1. **Inflation risk** – investment returns over members' working lives may not keep pace with inflation and, as a result, do not produce adequate retirement benefits.

   Further from retirement, this risk should be countered by investing in funds which are expected to produce returns well in excess of inflation over the longer term. Approaching retirement, the impact of this risk needs to be balanced against the other main risks members face.

2. **Benefit conversion risk** – investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits.

   For members taking cash at retirement, funds investing in cash deposits and other short-term interest-bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.

3. **Volatility/Market risk** – falls in fund values prior to retirement lead to a reduction in retirement benefits.

   Funds investing in bonds or a mix of assets or investment techniques intended to manage short-term risks may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.

Other investment risks

The Trustee believes that other potential investment risks members may face include:

Active management[1] risk – a fund manager's selection of holdings may not lead to investment returns in line with the fund's objectives and investment markets generally.

Currency risk – changes in exchange rates will impact the values of investments outside the UK when they are being bought or sold (unless hedged).

Interest rate risk – the value of funds which invest in bonds will be affected by changes in interest rates.

Default risk – for bond funds (where money is lent in return for the payment of interest), the company or government borrowing money fails to pay the interest due or repay the loan.

Liquidity risk – funds which invest in assets which cannot be easily bought or sold (such as property) may at times not be able to accept new investments or disinvestments of existing holdings.

Counterparty risk – the financial institutions holding a fund's assets may get into financial difficulties leading to a reduction in a fund's value.

Market risks - Shifts in market sentiment (for example, in response to economic news or geopolitical events) or momentum in general market trading can lead to widespread changes and/or volatility in asset values over the short-term.

This can include short-term changes in the normally expected correlations of the behaviour of risks and returns seen between different asset classes, when standard approaches to mitigating risks such as diversification are temporarily ineffective.

Environmental, Social and Governance (ESG) risks – the extent to which ESG risks materialise which are not reflected in asset prices and/or not considered in investment decision making leading to under performance, relative to expectations.

Climate risk - The extent to which climate change causes a material deterioration in asset values as a consequence of factors including, but not limited to: policy change, physical impacts and the expected transition to a low-carbon economy.

Legislative/Regulatory - Changes in government policy or taxation may have a long-term positive or negative impact on certain sectors of a country's economy or one country relative to its neighbours over the medium to longer-term. Changes in Regulations can also affect the operational costs, tax efficiency and security of one investment vehicle relative to other vehicles over the shorter-term.

Managing risks

The Trustee has developed and maintains a framework for assessing the impact of all investment risks on long-term investment returns.

Time horizon

The Trustee monitors the age profile of the Plan's membership to arrive at an appropriate investment horizon when considering all investment risks:

- The Plan is open to new entrants;
- As a result, investment risks need to be considered over a time horizon in excess of 30 years; and
- A majority of members are expected to take income drawdown in retirement.

1 Active management is when the investment manager makes strategic and tactical decisions with the aim of outperforming a specific benchmark.

Principal investment risks

The Target Date Funds manage the three main investment risks as members grow older by automatically switching from assets which are expected to give long-term growth in excess of inflation into assets whose values should fluctuate less in the short-term relative to the benefits members are expected to take at retirement. The self-select fund range provides members with a choice of funds with differing risk and return characteristics which are expected to meet the investment needs of the majority of members.

Ability to invest/disinvest promptly

The Trustee recognises the importance of fund liquidity and that it is important that members' contributions can be invested promptly in selected investment funds, and that these can be sold promptly for example when members wish to change where they are invested, transfer to another arrangement or if they wish to draw on their pension pot. The Trustee manages this risk by selecting pooled investment funds which can be dealt on a daily basis. The Trustee's preference is for investments that are readily realisable but recognises that achieving a well-diversified portfolio and/or investments with potentially higher returns may mean holding some investments that are less liquid e.g. property. The platform provider is responsible for monitoring the ability for members to invest and disinvest promptly and is expected to notify the Trustee if a situation develops whereby there is any restriction on the ability for members to do so. For example, this situation could occur in the event of significant economic uncertainty impacting on the ability for fund managers to value the underlying assets.

Other investment risks

The Trustee manages the other investment risks as part of the process for selecting the funds used by the Plan. The Trustee monitors these risks as part of the quarterly meeting cycle and on a triennial basis when the strategy of the Plan and appropriateness of funds are reviewed.

The funds used give a good spread of investments which will help manage risks associated with market conditions, fund manager actions and default. The spread of investments provides diversification for the Plan which mitigates investment risk inherent in asset classes. The Trustee believes that the Plan's investment options are appropriate for managing the risks typically faced by members. The Trustee will discuss the potential impact of climate risks with its adviser when reviewing the investment strategy, and with managers on a periodic basis and will monitor developments in this area including the availability of solutions to mitigate climate-related risks.

Climate change

At this time, the Trustee has not made explicit changes to the development or implementation of its investment strategy to account for the risk posed by climate change. The Trustee has received high level training on the potential impact of climate risks with its adviser and will continue to do so on a periodic basis and will monitor developments in this area. The Trustee recognises that climate change is a long term financial risk to sustainability. However, the Trustee does not believe that any changes are required in light of the climate change risk at present. As part of the requirements for Task Force for Climate Related Financial Disclosures (TCFD), the Trustee has prepared and agreed a formal climate governance statement for the Plan which outlines its approach to climate-related issues and further details on oversight of climate risks and opportunities. This is reviewed on an annual basis.

Financially material considerations

In addition to climate risk, the Trustee recognises that the consideration of financially material considerations, including ESG factors and stewardship, are relevant to the development, selection and monitoring of the Plan's investment options and can have a materially detrimental impact on investment risk and return outcomes, if not understood and evaluated properly. The Trustee also recognises that the financial materiality of any factor, including ESG factors and climate risk, may be relevant to different degrees according to the asset class or classes in which a fund invests.

The Trustee will consider financially material considerations, including ESG factors and climate risk in the development and implementation of the Plan's investment arrangements over the appropriate time horizon (see above) for the purposes of determining the selection, retention and realisation of investments where there is sufficient data or evidence to allow them to systematically do so.

The Trustees continue to engage with the investment managers to ensure they take such considerations into account within their decision making and challenge these decisions where appropriate.

The Trustee has outlined below, the Trustee's policy towards financially material considerations and has outlined in summary under the heading 'Implementation' below, how the Trustee seeks to manage financially material considerations.

Implementation

The Plan uses standard pooled funds offered by the investment platform provider and fund managers. This gives access to a range of funds while keeping down costs to members but means that the Trustee cannot adopt a bespoke approach to managing financially material considerations. ***The Trustee nevertheless seeks to manage financially material considerations over the appropriate time horizon of the DC section's investments, to protect long-term returns by:***

- Choosing a platform provider from several candidates who the Trustee has interviewed and selected based on several criteria;
- Choosing fund managers who have clearly articulated policies for managing financially material considerations including climate change;
- Considering the extent to which ESG issues, including climate risk, where relevant, are integrated into the fund managers' investment processes or benchmark indices as appropriate and is satisfied that the fund managers follow an approach which takes account of financially material factors;
- For actively managed funds (where the fund manager decides where to invest), expects the fund managers to take financially material considerations into account when selecting which companies and markets to invest in. Although this expectation has not been explicitly communicated, through the managers' initial appointment and ongoing monitoring of the funds on a quarterly basis, the Trustee is aware of the consideration that the managers take into consideration when managing the funds;
- For passively managed funds, the Trustee recognises that the funds' objectives are to deliver returns in line with its benchmark (which may or may not take into account ESG factors), which the Trustee believes will deliver appropriate risk adjusted returns. The Trustee will review the index benchmarks employed for the Plan on at least a triennial basis and more frequently as is necessary;
- For all funds, the Trustee expects fund managers to engage with companies in which the fund invests to encourage business strategies which should improve or protect the value of those investments. Although this expectation has not been explicitly communicated, through the managers' initial appointment and ongoing monitoring of the funds on a quarterly basis, the Trustee is aware of the consideration that the managers take into consideration when managing the funds;
- Preferring fund managers who are signatories to the Financial Reporting Council's Stewardship Code in the UK and the United Nations supported Principles for Responsible Investment; and
- Reviewing Responsible Investment ratings of all the Plan's fund managers (provided by the investment advisers) on a quarterly basis.

Expected returns on investments

The Trustee believes that it is important to balance investment risks with the likely long-term returns from different types of assets used in funds (taking the funds' charges into account):

ASSET CLASS	EXPECTED LONG-TERM INVESTMENT RETURNS RELATIVE TO INFLATION	EXPECTED VOLATILITY IN FUND VALUES
Equities (i.e. company shares)	Strong return relative to inflation	Most volatile in the short-term
Property (e.g. offices, shops and warehouses)	Positive, but lower than equities	Lower than equities
Corporate Bonds (i.e. loan stocks issued by companies)	Positive, but lower than equities and property	Lower than equities or property
Fixed Interest Government Bonds (e.g. UK Gilts)	Positive, but lower than equities, property or corporate bonds	Lower than equities, property or corporate bonds
Long-dated Bonds (e.g. UK Gilts and Corporate Bonds with a duration of 15 years or more)	Positive, but lower than equities, property or corporate bonds. Should give fund values which move broadly in line with the financial factors influencing annuity rates.	Lower than equities or property
Index-Linked Government Bonds (e.g. UK Index-Linked Gilts	In line with inflation	Lower than equities, property or corporate bonds
Cash (and other short-term interest bearing investments)	Return may not keep pace with inflation	Minimal with high degree (but not complete) expectation of capital security
Multi-asset funds	Invest in a varying mix of asset classes which should deliver positive returns relative to inflation over the longer-term.	Shorter-term volatility lower than equities

Investing in private markets

The Trustee has received training on private markets from its investment adviser and understands the potential role of private markets in relation to the Plan's DC Default Arrangement. The Trustee is continuing to work with its adviser to develop its beliefs and objectives in relation to the use of private markets as it matures.

The current Default Arrangement is a series of Target Date Funds (TDFs) which is an off the shelf strategy managed by LGIM (Legal & General Investment Management). The Trustee has met with LGIM to discuss how they will be developing the TDFs to incorporate private markets in future and is satisfied that due consideration is being given to private markets in the future development of the investments of the TDFs. LGIM have told the Trustee that the Journey Plan 2 fund currently has investment in the LGIM Short-Term Alternative Finance Fund. Hymans Robertson, the Plan's DC investment adviser, has informed the Trustee that LGIM has further plans to incorporate a c.2.5% allocation to private markets via a new Long Term Asset Fund (LTAF) within the TDFs in 2024.

The Trustee does not plan to make any changes to the other Default Arrangements within the Plan (Journey Plan 4 and the Michelin Money Market Fund) at this stage.

Investment beliefs

The Trustee's investment decisions are made in the context of their investment beliefs that:

- Managing the principal investment risks and considering the long term return potential of the asset classes is the most important driver of good long-term member outcomes;
- As the Plan invests for members over the long-term, financially material considerations including the impact of climate change will have a bearing on funds' expected levels of risk and return;
- Investment markets may not always behave in line with long-term expectations during the shorter-term;
- Taking investment risk is usually rewarded in the long term;
- Investment risks can be reduced by spreading investments both within and across asset classes;
- Actively managed funds, where the manager chooses where to invest, may not always deliver the expected investment returns in the shorter-term;
- Passively managed funds, whose returns are intended to track a market index, may produce investment returns more efficiently than actively managed funds in some markets; and
- Charges and costs (levied by fund managers and platform providers) can have a material effect on net returns.

The Trustee has developed a Statement of Beliefs on Environmental, Social & Governance Issues including Climate Change which are reflected in this Statement of Investment Principles and are provided in the document "Investment Operation Document for the default arrangement and other investment options" which can be found on the Plan's website - **https://pensions.michelin.co.uk/library.**

Relationship with investment managers

Structure of the investment arrangements

The Plan invests contributions for members through the provider's investment platform. Contributions buy units in the provider's funds. The provider in turn backs the value of its funds by buying units in funds from a selection of fund managers where investments are pooled with other investors. This enables the Plan to invest in a range of funds giving a good spread of investments in a cost-effective manner.

The Plan's asset, and the Trustee's contract with the provider, is the policy of insurance issued by the provider. As a result, the Trustee does not have any contractual arrangement with the investment managers or title to the underlying funds' assets.

Delegation of investment decisions

The structure of the investment arrangements means that the Trustee has delegated day to day investment decisions including the management of financially material considerations to the fund managers. The Trustee, with the assistance of its investment adviser, reviews platform provider and strategy on a triennial basis whilst funds are monitored on a quarterly basis. When selecting managers, the Trustee specifically selects from the fund range offered by the platform provider.

Selection of funds and incentivising investment managers

The Trustee will invest in funds on the provider's platform which in turn invest in the investment managers' pooled funds. The objectives of the funds and the policies of the investment managers will be evaluated by the Trustee to ensure that they are appropriate for the needs of the Plan.

The Trustee's choice of funds, and hence choice of approaches to aspects such as responsible investment and shareholder engagement, are constrained by the choice of funds available on the provider's platform. Therefore, the Trustee only has limited ability to incentivise asset managers to align their investment strategy and decisions with the Trustee's policies, including the financially material considerations and non-financial matters set out at the end of this section 3 over the appropriate time horizon. While the Trustee will endeavour as far as possible to select a platform provider and funds on that provider's platform which are consistent with the Plan's investment objectives and the Trustee's investment beliefs, this needs to be balanced against the wider benefits of access to the other funds on the platform and the other services from the platform provider as well as taking into consideration the costs of change to the Plan and its members.

The Trustee will seek to engage with the platform provider to obtain funds which meet the Trustee's investment beliefs, and are expected to improve outcomes for members, but this is subject to being commercially viable for the provider and consistent with the charge cap for the default arrangements. The Trustee expects the provider to encourage the investment managers to adopt appropriate practices for responsible investment and shareholder engagement. However, the Trustee is aware that there may be circumstances where managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

The Trustees will periodically review the choice of platform provider, at which time the suitability of the provider's fund range and effectiveness of its governance of the investment managers on its platform will be key criteria.

Assessing medium-to-long term performance of investments

For actively managed funds, performance in the medium to long term can be improved where investment managers (i) make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity; and (ii) engage with issuers of debt or equity. At this stage, Trustee will look to the platform provider to monitor how the investment managers' make decisions based on the long-term sustainability of investee companies, their own ESG policies and their approach to climate related risks and disclosures. Where the platform provider has concerns, the Trustee expects the platform provider to bring these to its attention.

Asset managers are also incentivised to engage with issuers of debt or equity in order to improve their performance in the medium to long term by the fact that charges are a function of fund size. Also, they are incentivised by the fact that clients will invest elsewhere if fund performance is significantly less than peers.

Monitoring manager remuneration and performance

Remuneration

The basis of remuneration of the investment managers by the platform provider may be subject to commercial confidentiality. However, the Trustee will seek transparency of all costs and charges borne by members. Nevertheless, the Trustee expects that it will be in the interests of both the platform provider and the investment managers on the provider's platform to produce growth in asset values in line with the funds' investment objectives. For passively managed funds this should be within an acceptable margin of the index the fund tracks. For actively managed funds the investment return should be commensurate with the level of investment risk implied by the fund's objectives.

When selecting funds, the Trustee will ask its investment advisor to consider the investment managers' remuneration strategies and appropriateness of each fund's investment guidelines to ensure that there is no inducement or scope to take an undue level of risk and that the investment managers will act in line with the interests of the Plan's members.

In accordance with the 2015 Regulations, the Trustee conducts an annual Value for Members assessment and will take action should the provider be found to be giving poor value. In addition, in accordance with guidance from the Pensions Regulator, the Trustee will periodically review the Plan's choice of provider to ensure their charges and services remain competitive. The Trustee believes that these steps are the most effective way of incentivising the provider to deliver Value for Members, of which investment management charges and investment performance are key considerations.

The Trustee also undertakes a review at least every three years in which the appropriateness of the investment options at which time the suitability of the Plan's investment management arrangements is also considered.

Performance

The Trustee monitors the investment managers against a series of metrics on an annual basis over a long-term time horizon including:

- Short term performance and since inception of their funds' respective benchmarks or performance targets;
- Relative tracking error where appropriate;
- The exercise of stewardship responsibilities (including engagement with issuers); and
- The management of risks.

The platform provider or investment managers are expected to provide explanations for any significant divergence from a fund's objectives. A material deviation from performance and risk targets or approach to portfolio management is likely to result in the fund being formally reviewed.

Portfolio turnover

The Trustee does not expect investment managers to take excessive short-term risk and will monitor the investment manager's performance against the benchmarks and objectives on a short, medium and long terms basis.

For passively managed funds the turnover of holdings is driven by changes in the index a fund seeks to track and hence is outside the control of the investment manager [except where a fund's total assets under management are relatively small where the investment manager does not fully replicate the index or where a fund invests in less liquid stocks].

When selecting actively managed funds, the Trustee will consider, with the help of its investment advisers, the expected level of turnover commensurate with a fund's investment objectives, the investment manager's investment processes and the nature of the fund's assets.

Whilst the Trustee expects performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee will ask the investment platform provider or investment managers on the platform to report on at least an annual basis on the underlying assets held within fund with details of any transactions and turnover costs incurred over the Plan's reporting year. The Trustee will seek to compare (in conjunction with its investment adviser) portfolio turnover and the resultant portfolio turnover costs against peer groups or portfolio turnover and costs for an appropriate index. It should be noted that platform provider practices and their policies around portfolio costs are still under development.

Where a fund has significantly under or outperformed its benchmark, the Trustee will seek to ascertain where necessary whether higher or lower than normal turnover has been a contributory factor. The Trustee will challenge the platform provider and/or investment managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive.

Portfolio duration

The Trustee recognises the long-term nature of defined contribution pension investments and chooses funds which are expected to deliver sustainable returns over the Plan's members' investment horizon. The Trustee will carry out necessary due diligence on the underlying investment decision making process, to ensure the manager makes investment decisions over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustee expects that each fund will be used for at least three years, this being the period over which performance of the fund can be appropriately evaluated and the costs of change amortised, although all funds are subject to ongoing review against various financial and non-financial metrics in addition to their continued appropriateness within the investment strategy.

Security of assets

The funds offered to members are provided through a policy of insurance issued to the Trustee by the platform provider. The value of the funds may be affected in the event of the provider or the underlying investment managers getting into financial difficulties.

The underlying funds used by the provider's platform are accessed through a range of structures including reassurance agreements and Open Ended Investment Company contracts. In the event of a fund manager getting into financial difficulties, the values in these underlying funds will depend upon the nature of the contract with the platform provider and the fund vehicles used by the fund managers' funds. The Trustee conducted a review of the position with respect to the levels of compensation which were likely to be paid in the event of an issue with the platform provider or fund managers when the platform provider was appointed in 2016 and continues to monitor developments in this area. In May 2020, the Plan's investment advisers provided training for the Trustee in relation to the security of the Plan's assets. The Trustee believes that the structure of the platform provider provides a suitable structure for members, given the potential alternatives available.

Realisation of investments

The Trustee expects that the investment platform provider and the fund managers will normally be able to sell the funds within a reasonable timescale. There may, however, be occasions where the investment platform or fund managers need to impose restrictions on the timing of sales and purchases of funds (most notably for funds investing in property) in some market conditions to protect the interests of all investors in that fund.

Nevertheless, the Trustee recognises that most members' retirement accounts have a long investment timeframe, during which assets which are less easily traded (such as property) can be managed to deliver good long-term returns while avoiding the impact of liquidity issues at retirement.

Balance of investments

Overall, the Trustee believes that the Plan's investment options:

- Provide a balance of investments (a spread across asset classes and risk/return parameters); and
- Are appropriate for managing the risks typically faced by members.

Stewardship

The Trustee recognises that good stewardship can create and preserve value for companies and markets as a whole. The Trustee encompasses the exercise of voting rights, engagement by and with investment platform and fund managers and the monitoring of compliance with agreed policies. The Plan offers members the default arrangement and a choice of self-select funds.

Members' financial interests

The Trustee expects that the investment platform provider and fund managers will have the members' financial interests as their first priority when choosing investments.

Conflicts of interest

The Trustee will consider any conflicts of interest arising in the management of the funds used by the Plan and will ensure that the platform provider and each investment manager has an appropriate conflicts of interest policy in place. Platform providers and investment managers are required to disclose any potential or actual conflict of interest in writing to the Trustee.

This process will also be considered when appointing platform providers and choosing investment managers' funds on the provider's platform. As stated above, this includes any provisions to disclose any potential or actual conflict of interest in writing to the Trustee.

When given notice the Trustee will consider the impact of any conflicts of interest arising in the management of the funds used by the Plan.

Responsibility for investment decisions has been delegated to the investment managers which includes consideration of the capital structure of investments and the appropriateness of any investment made. Where managers are investing in new issuance, the Trustee expects the investment manager to engage with the issuer about the terms on which capital is issued and the potential impact on the rights of new and existing investors.

Voting and engagement

The Trustee believes that engagement with the companies in which the Plan invests as well as other relevant persons, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

The Trustee delegates primary responsibility for its corporate engagement activities to investment managers. The Trustee believes that the investment managers are best placed to engage with investee companies on their performance, strategy, capital structure, management of actual or potential risks, social and environmental impact and corporate governance.

The Plan invests via an investment platform provider, which in turn invest in funds which are pooled with other investors to keep costs down and ensure adequate diversification. As a result, the Trustee has adopted a policy of delegating voting decisions on stocks to the underlying fund managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The fund managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy. The Trustee is satisfied with this approach.

The Trustee is in the process of developing a deeper understanding of the voting and stewardship policies of all the Plan's fund managers, The Trustee will review the voting and engagement policies of the fund managers as well as the approach to governance of the investment platform provider to determine that these policies are appropriate. On an annual basis, the Trustee will request that the investment platform provider and fund managers provide details of any change in their house policy.

Where appropriate, the Trustee will engage with and may seek further information from the investment platform provider and fund managers on how portfolios may be affected by a particular issue, for example when issues arise which the Trustee believe could have a material impact on the performance of the fund.

The Trustee expects the investment platform provider to adopt similar practices with regards to the inclusion and ongoing oversight of fund managers on their platform. The Trustee also expect the platform provider to be able to evidence their own governance practices and compliance with both their own practices and any standards set by the Trustee, on request.

Monitoring

The Trustee expects the platform provider to monitor adherence of their investment managers to stated voting and engagement policies, engage with managers where concerns are identified and to report on these issues. The Trustee receives reports from the investment platform provider on the fund managers' voting activity on a quarterly basis. The Trustees will monitor the fund managers voting activity on an annual basis. The Trustees will also annually review the fund managers voting patterns and may also monitor voting on particular companies or issues affecting more than one company.

The Trustee aims to meet with all major fund managers (funds which the majority of members invest in) on a periodic basis (but will aim to meet with one manager a year). The Trustee will provide the fund managers with an agenda for discussion, including issues relating to individual holdings voting record and, where appropriate, ESG issues. Managers are challenged both directly by the Trustee and by their investment advisers on the impact of any significant issues including shareholder voting record, conflicts of interests and, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

Non-financial factors

The Trustee recognises that some members will have strong personal views or religious convictions that influence where they believe their savings should, or should not, be invested.

The Trustee believes financial considerations should carry more weight than non-financial when determining strategy and implementation for the Plan but the Plan's investment managers should embed the consideration of both financial and non-financial (including ESG) factors into their investment process and decision making.

The Trustee has previously and will in future conduct periodic surveys / focus groups to ascertain members' views on non-financial factors relating to the Plan's investments. Nevertheless, while the Trustee will bear members' views in mind when reviewing the suitability of the Plan's investment options and choice of funds used, the Trustee will not be bound by the members' views (for instance where it is uneconomic or impracticable to do so) and will continue to form its own view on financial matters.

The Plan offers a choice of an ethical fund and a faith based fund managed on Shariah principles for members who are likely to hold stronger views in these areas than the majority of members.

At this point in time, the Trustee believes that it is not necessary to consider specialist ESG managers or mandates to implement its default strategy (whilst acknowledging the importance of the ESG policy of the current manager underlying the Default Arrangement). However, the Trustee believes that it is appropriate to have some specialist funds within Plan's fund options which cater for those members who wish to make active decisions in this area. The Trustee believes that engagement on ESG issues with the membership should be part of the ongoing aim of improving general member engagement with the pension plan

The Trustee notes that non-financial factors can affect various investment risks which are borne by members and may under-perform other funds with broader-based investment approaches.

Fund managers are otherwise only expected to take non-financial factors into account when these do not conflict with the financial interests of members and the Scheme's investment objectives.

For the record

The Trustee obtains and considers proper advice from suitably experienced and qualified persons when choosing investments and preparing the Statement of Investment Principles.

Funds are chosen by the Trustee to give an expected level of return with an appropriate level of investment risk which meets the objectives of each investment option.

The funds used at each stage of the Default Arrangements are intended to deliver good member outcomes at retirement from an appropriate balance of investment growth relative to inflation and the pertinent investment risks.

The investment platform uses a life insurance company based legal vehicle for its funds. The fund managers used by the platform use a variety of different legal vehicles for their funds. The funds may invest in quoted and unquoted securities traded in regulated UK and overseas markets:

Equities (company shares); Fixed interest and index-linked bonds issued by governments and companies; Cash and other short-term interest bearing deposits; Commercial and residential property; Illiquid assets including infrastructure, forestry, private equity and private debt; Infrastructure and commodities through collective investment vehicles; Exchange Traded Funds to gain access to less easily traded and illiquid asset classes; and Derivatives to facilitate changes in where funds are invested or to help control investment risks.

Funds provided through a life insurance company must comply with the Financial Conduct Authority ("FCA") "Permitted Links" rules, which place limits on the degree of leverage a fund can use. Fund managers using other fund vehicles subject to the European "UCITS IV" and the FCA's "Non-UCITS" regulations have to meet requirements on the security and concentrations of assets. Exchange Traded Funds may be used directly or indirectly to gain access to less easily traded and illiquid asset classes.

Subject to the funds' benchmarks and guidelines, the fund managers are given full discretion over the choice of securities and, for multi-asset funds, choice of asset classes. Fund managers are expected to maintain well-diversified and suitably liquid portfolios of investments.

The Trustee considers that these types of investments are suitable for the Plan. The Trustee is satisfied that the funds used by the Plan provide adequate diversification both within and across different asset classes.

APPENDIX

A SUMMARY OF THE APPROACH TO INVESTMENT GOVERNANCE

For the record

The Trustee's approach to investment governance complies with the provisions of the Plan's Trust Deed and Rules as well as legislative requirements.

The Plan's investment governance is also intended to meet the expectations set out in the Pensions Regulator's 2016 Code of Practice 13.

Exercising the Trustee's Powers

The Trustee will always act in the best interests of the members.

The Trustee has delegated day-to-day work on the Plan's administration and investments. The current service providers to the Plan together with how they are paid is set out in the Investment Operation Document (which can be found here – **https://pensions.michelin.co.uk/library**).

Conflicts of interest

In the event of a conflict of interests, the Trustee will ensure that contributions are invested in the sole interests of members and beneficiaries.

Monitoring

The Trustee regularly monitors and reviews:

Investment Performance - The performance of the funds in which the Plan invests against both the funds' stated performance objectives and the investment objectives of the Plan. This information is provided in the investment performance report provided by the Plan's investment advisers. At the quarterly Trustee meetings, each fund is reviewed, and the Trustee takes advice from its investment adviser as to the appropriate changes to make to the investment strategy if required.

This will also include monitoring the levels of portfolio turnover in the event that significant under or out-performance occurs.

Value for members - The member borne charges for the Default Arrangement against the charge cap for auto-enrolment purposes and the funds' charges and transaction costs to ensure that they represent value for members. Further details can be found in the Plan's Annual Governance Statement by the Chair.

Suitability - The suitability of the Default Arrangement and investment options outside the Default Arrangement at least every three years and without delay after any significant change in investment policy or the demographic profile of the Plan's membership.

The Statements of Investment Principles - at least every three years and without delay after any significant change in investment policy or the demographic profile of the Plan's membership. The Trustee will consult the Employer on any changes.

Compliance with Statement of Investment Principles

The Trustee will monitor compliance with the Statement of Investment Principles annually and publish a report to members as required under relevant legislation, with effect from the Plan year ending after 1 October 2020.

Investment process - The processes for investing contributions and taking money from the investment options to pay benefits to ensure that they are carried out promptly and accurately.

Security of assets - The security of funds' assets when choosing a fund provider/manager and thereafter.

Voting – The fund managers' records of exercising shareholder voting rights and engaging with equity and bond issuers on matters which may materially affect the value of investments.

Conflicts of Interest – Instances where the actions of the platform provider or fund managers may be in conflict with the best interests of the Plan's members.

Reporting

In addition to the preparation and publication of this Statement, the Trustee arranges for the preparation of:

- The Plan's audited Annual Report and Accounts (which includes the Annual Governance Statement);
- The Annual Governance Statement by the Chair of Trustee describing the Plan's investment costs, value for members and governance during the previous year;
- An annual Implementation Statement describing how the policies and practices described in the Statement of Investment Principles have been followed during the previous year;
- Publication of an extract from the Annual Governance Statement by the Chair of Trustees in a publicly searchable location on-line; and
- An annual return to the Pensions Regulator.

APPENDIX 2

TABLE OF FUNDS AND CHARGES

Self-select funds outside the Default Arrangements

Please note that the charges in the table below take into account the 0.1% p.a. charge for administration services which are also borne by members.

Fund	Underlying Fund	Charges*		Transaction costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
Michelin Global Equities Fund – passive fund	L&G Global Equity Market Weights 30/70 Index Fund – 75% GBP Currency Hedged (VW)	0.23%	2.25	0.05%	0.54
Michelin Global Equities – active fund	Newton Global Equity Fund	0.85%	8.50	0.08%	0.81
Michelin UK Equities Fund – passive fund	L&G UK Equity Index (N)	0.15%	1.50	0.00%	0.04
Michelin Shariah Fund	HSBC Amanah Global Equity Fund	0.30%	3.00	-0.06%	-0.63
Michelin Ethical Global Equities Fund	L&G Ethical Global Equity Index (DP)	0.30%	3.00	0.01%	0.08
Michelin Emerging Markets Fund	Schroder Emerging Markets Fund	1.02%	10.20	0.22%	2.24
Michelin Inflation-Linked UK Government Bond Fund	L&G Over 5 Year Index Linked Gilts Index (N)	0.15%	1.50	0.10%	0.99
Michelin Long Dated UK Government Bond Fund	L&G Over 15 Year Gilts Index (AF)	0.15%	1.50	0.05%	0.49
Michelin Corporate Bond Fund	M&G Corporate Bond Fund	0.47%	4.70	0.26%	2.64
Michelin Property Fund**	Threadneedle Property Fund	0.87%	8.70	0.09%	0.94

Fund	Underlying Fund	Charges*		Transaction costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
Michelin Balanced Fund	L&G Global Equity Market Weights 30/70 Index Fund – 75% GBP Currency Hedged (VW) (45%) L&G PMC Threadneedle Property Fund (GBP) Acc Reinsured (DMCK) (15%) L&G Active Corporate Bond – All Stocks – Fund (DC) (40%)	0.37%	3.72	0.09%	0.92
Michelin Diversified Growth Fund	Schroder Life Sustainable Future Multi-Asset Fund	0.40%	4.00	0.23%	2.29

Source: L&G, 31 March 2026

*Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses.

**This fund invests directly in property. As a result, in addition to the fund's Total Expense Ratio, members also bear the cost of items such as property management and maintenance. As at 31 March 2026 the additional indirect fees and charges for this fund were 2.14%, bringing the total charge for members to 3.10% (which is higher than last year).

***This fund has become an inadvertent default since March 2020 due to the suspension of the Threadneedle Property Fund in March 2020. Although the Threadneedle Property Fund has opened again in October 2020, there are members whose contributions were moved here still invested in this fund.

APPENDIX 3

TABLES ILLUSTRATING THE IMPACT OF CHARGES AND COSTS

Member illustrations of 'pounds and pence' projections

The following tables give a summary of the projected fund and the impact of costs and charges up to a normal retirement age of 65. The figures are presented using four member examples: aged 18, 25, 45 and 55. Additionally, the tables include the performance of the funds over different time periods depending on the age of the member.

Example Member	Years	Journey Plan 2 2060-65		Michelin Money Market Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Youngest active member (aged 18)	1	£3,500	£3,500	£3,400	£3,400
	3	£7,300	£7,200	£6,700	£6,700
	5	£11,300	£11,200	£10,100	£10,000
	10	£22,700	£22,300	£18,200	£18,000
	15	£36,200	£35,200	£26,200	£25,800
	20	£52,300	£50,400	£33,900	£33,300
	25	£71,400	£68,000	£41,500	£40,500
	30	£94,100	£88,700	£48,900	£47,500
	35	£121,100	£112,900	£56,100	£54,300
	40	£153,200	£141,100	£63,200	£60,800
	45	£191,200	£174,100	£70,000	£67,200
	47	£208,400	£188,800	£72,700	£69,600

Example Member	Years	Journey Plan 2 2060-65		Michelin Money Market Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Youngest deferred member (aged 18)	1	£1,200	£1,200	£1,200	£1,200
	3	£1,300	£1,300	£1,200	£1,200
	5	£1,400	£1,400	£1,200	£1,200
	10	£1,700	£1,600	£1,100	£1,100
	15	£2,000	£1,900	£1,100	£1,100
	20	£2,400	£2,200	£1,100	£1,000
	25	£2,800	£2,600	£1,100	£1,000
	30	£3,400	£3,100	£1,000	£1,000
	35	£4,000	£3,600	£1,000	£900
	40	£4,800	£4,200	£1,000	£900
	45	£5,700	£4,900	£1,000	£900
	47	£5,900	£5,000	£1,000	£900

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Michelin Emerging Markets Fund		Michelin Global Equities Passive Fund		Michelin Inflation-linked UK Government Bond Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Youngest active member (aged 18)	1	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500
	3	£7,300	£7,100	£7,300	£7,200	£7,400	£7,400
	5	£11,300	£10,900	£11,300	£11,200	£11,600	£11,500
	10	£22,900	£21,300	£22,600	£22,300	£24,000	£23,600
	15	£36,600	£33,000	£36,100	£35,300	£39,300	£38,600
	20	£53,100	£46,200	£52,100	£50,500	£58,500	£56,900
	25	£72,800	£61,000	£71,000	£68,300	£82,300	£79,500
	30	£96,400	£77,700	£93,500	£89,100	£111,900	£107,300
	35	£124,600	£96,500	£120,200	£113,400	£148,800	£141,500
	40	£158,200	£117,700	£151,800	£141,900	£194,800	£183,500
	45	£198,500	£141,500	£189,200	£175,200	£252,000	£235,300
	47	£216,700	£151,800	£206,100	£190,100	£278,600	£259,300

Example Member	Years	Michelin Emerging Markets Fund		Michelin Global Equities Passive Fund		Michelin Inflation-linked UK Government Bond Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Youngest deferred member (aged 18)	1	£1,200	£1,200	£1,200	£1,200	£1,300	£1,300
	3	£1,300	£1,300	£1,300	£1,300	£1,400	£1,400
	5	£1,400	£1,400	£1,400	£1,400	£1,500	£1,500
	10	£1,700	£1,500	£1,700	£1,600	£1,900	£1,800
	15	£2,100	£1,700	£2,000	£1,900	£2,300	£2,200
	20	£2,500	£1,900	£2,400	£2,200	£2,900	£2,800
	25	£2,900	£2,200	£2,800	£2,600	£3,600	£3,400
	30	£3,500	£2,400	£3,300	£3,100	£4,500	£4,200
	35	£4,200	£2,700	£4,000	£3,600	£5,600	£5,100
	40	£5,000	£3,100	£4,700	£4,200	£6,900	£6,300
	45	£6,000	£3,500	£5,600	£4,900	£8,600	£7,800
	47	£6,200	£3,600	£5,800	£5,100	£9,000	£8,100

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Journey Plan 2 2060-65		Michelin Money Market Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Average active member (age 25)	1	£10,300	£10,300	£10,000	£9,900
	3	£16,200	£16,100	£14,800	£14,800
	5	£22,600	£22,300	£19,700	£19,500
	10	£40,400	£39,600	£31,500	£31,200
	15	£61,700	£59,800	£43,100	£42,400
	20	£86,900	£83,400	£54,400	£53,300
	25	£116,900	£110,900	£65,500	£63,800
	30	£152,500	£143,200	£76,200	£74,000
	35	£194,800	£180,800	£86,700	£83,800
	40	£245,100	£224,800	£97,000	£93,300
Average deferred member (age 25)	1	£3,000	£3,000	£2,900	£2,900
	3	£3,200	£3,200	£2,900	£2,800
	5	£3,400	£3,400	£2,800	£2,800
	10	£4,100	£4,000	£2,800	£2,700
	15	£4,900	£4,600	£2,700	£2,600
	20	£5,800	£5,400	£2,600	£2,500
	25	£6,900	£6,300	£2,600	£2,400
	30	£8,200	£7,400	£2,500	£2,400
	35	£9,700	£8,600	£2,400	£2,300
	40	£11,500	£10,100	£2,400	£2,200

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Michelin Emerging Markets Fund		Michelin Global Equities Passive Fund		Michelin Inflation-linked UK Government Bond	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Average active member (age 25)	1	£10,300	£10,200	£10,300	£10,300	£10,400	£10,400
	3	£16,300	£15,800	£16,200	£16,100	£16,600	£16,500
	5	£22,700	£21,700	£22,500	£22,300	£23,300	£23,100
	10	£40,800	£37,700	£40,300	£39,600	£43,000	£42,300
	15	£62,400	£55,700	£61,500	£59,900	£67,500	£66,000
	20	£88,300	£76,000	£86,500	£83,600	£98,000	£95,100
	25	£119,300	£98,800	£116,200	£111,400	£136,000	£131,000
	30	£156,400	£124,500	£151,400	£143,800	£183,200	£175,100
	35	£200,600	£153,400	£193,200	£181,800	£242,000	£229,400
	40	£253,600	£185,900	£242,700	£226,300	£315,300	£296,200
Average deferred member (age 25)	1	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000
	3	£3,200	£3,100	£3,200	£3,200	£3,300	£3,300
	5	£3,500	£3,300	£3,400	£3,400	£3,600	£3,600
	10	£4,100	£3,700	£4,100	£4,000	£4,500	£4,400
	15	£5,000	£4,100	£4,800	£4,600	£5,600	£5,400
	20	£5,900	£4,700	£5,700	£5,400	£7,000	£6,700
	25	£7,100	£5,200	£6,800	£6,400	£8,700	£8,200
	30	£8,500	£5,900	£8,100	£7,400	£10,800	£10,100
	35	£10,100	£6,600	£9,600	£8,700	£13,400	£12,400
	40	£12,100	£7,500	£11,300	£10,200	£16,700	£15,300

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Journey Plan 2 2045-50		Michelin Money Market Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Active member (aged 45)	1	£77,000	£76,800	£75,500	£75,400
	3	£92,800	£92,000	£87,900	£87,500
	5	£109,100	£107,600	£100,200	£99,400
	10	£152,100	£148,300	£130,400	£128,500
	15	£198,500	£191,600	£159,900	£156,700
	20	£248,500	£237,500	£188,600	£183,900
Deferred member (aged 45)	1	£21,600	£21,600	£21,200	£21,200
	3	£22,300	£22,100	£21,000	£20,900
	5	£23,000	£22,600	£20,800	£20,600
	10	£24,800	£24,000	£20,300	£19,900
	15	£26,800	£25,500	£19,800	£19,200
	20	£28,900	£27,100	£19,300	£18,600

Example Member	Years	Michelin Emerging Markets Fund		Michelin Global Equities Passive Fund		Michelin Inflation-linked UK Government Bond Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Average active member (age 45)	1	£78,500	£77,600	£78,400	£78,200	£79,100	£79,000
	3	£98,000	£94,900	£97,600	£96,900	£100,200	£99,600
	5	£119,000	£113,000	£118,200	£116,800	£123,200	£122,000
	10	£178,400	£162,300	£176,100	£172,400	£190,200	£186,800
	15	£249,500	£217,700	£244,800	£237,400	£273,700	£266,600
	20	£334,400	£280,000	£326,200	£313,500	£377,600	£364,800
Average deferred member (age 45)	1	£22,100	£21,800	£22,000	£22,000	£22,300	£22,200
	3	£23,700	£22,900	£23,600	£23,400	£24,300	£24,100
	5	£25,500	£24,000	£25,300	£24,900	£26,500	£26,200
	10	£30,500	£27,000	£30,000	£29,200	£33,000	£32,300
	15	£36,400	£30,400	£35,500	£34,100	£41,100	£39,700
	20	£43,500	£34,200	£42,100	£39,900	£51,100	£48,900

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Journey Plan 2 2030-35		Journey Plan 4 2025-30		Michelin Money Market Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Active member nearing retirement (aged 55)	1	£121,100	£120,800	£121,100	£120,800	£118,800	£118,600
	3	£141,100	£139,900	£140,900	£139,900	£133,600	£132,900
	5	£161,600	£159,600	£161,400	£159,600	£148,200	£147,000
	10	£215,700	£210,700	£215,100	£210,700	£184,200	£181,400
Deferred member nearing retirement (aged 55)	1	£54,500	£54,400	£54,500	£54,400	£53,400	£53,300
	3	£56,200	£55,700	£56,100	£55,700	£52,900	£52,600
	5	£57,900	£57,000	£57,800	£57,000	£52,400	£51,900
	10	£62,400	£60,600	£62,200	£60,600	£51,100	£50,200

Example Member	Years	Michelin Emerging Markets Fund		Michelin Global Equities Passive Fund		Michelin Inflation-linked UK Government Bond	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Active member nearing retirement (aged 55)	1	£123,600	£122,200	£123,400	£123,100	£124,600	£124,300
	3	£149,300	£144,500	£148,700	£147,600	£152,700	£151,700
	5	£177,000	£167,900	£175,700	£173,600	£183,400	£181,600
	10	£255,400	£231,400	£252,000	£246,500	£273,000	£267,900
Deferred member nearing retirement (aged 55)	1	£55,700	£55,000	£55,600	£55,400	£56,100	£56,000
	3	£59,800	£57,700	£59,500	£59,000	£61,200	£60,800
	5	£64,200	£60,400	£63,700	£62,800	£66,800	£66,100
	10	£76,800	£68,000	£75,500	£73,500	£83,200	£81,300

Assumptions and notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
2. Contributions are paid halfway through the year.
3. Investment returns and costs/charges as a percentage reduction per annum are assumed to be applied at the end of the year.
4. Charges and costs are deducted before the application of investment returns.
5. Inflation is assumed to be 2.5% each year.
6. Contributions are assumed to be paid from age 18 to 65 for the youngest members, from age 25 to 65, 45 to 65 for the average members aged 25 and from age 55 to 65 for the members nearing retirement and increase in line with assumed earnings inflation of 0% per year.
7. The values shown are estimates and are not guaranteed.
8. The real projected growth rates for each fund are as follows:

Fund	Real projected growth rate % p.a.
Journey Plan 2 2060-65	3.506%
Journey Plan 2 2045-50	1.542%
Journey Plan 2 2030-35	1.508%
Journey Plan 4 2025-30	1.475%
Michelin Money Market Fund	-0.488%
Michelin Emerging Markets Fund	3.639%
Michelin Global Equities Passive Fund	3.467%
Michelin Inflation-linked UK Government Bond Fund	4.478%

9 Transactions costs and other charges have been provided by Legal & General and covered the period 1 April 2021 to 31 March 2026. Transaction costs have been averaged by WTW using a time-based approach.

10 A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one Plan year may not accurately represent the actual transaction costs a member may expect to see in any future Plan year.

11 The pension scheme's normal retirement age is 65.

12 Example member:

- Youngest active: age 18, total contribution: £1,700, starting fund value: £1,700.
- Youngest deferred: age 19, total contribution: £0, starting fund value: £1,200.
- Average active member: age 25, total contribution: £2,500, starting value: £7,500.
- Average deferred member: age 25, total contribution: £0, starting value: £2,900.
- Average active member: age 45, total contribution: £6,600, starting value: £69,300.
- Average deferred member: age 45, total contribution: £0, starting value: £21,300.
- Nearing retirement active: age 55, total contribution: £8,000, starting fund value: £111,400.
- Nearing retirement deferred: age 55, total contribution: £0, starting fund value: £53,700.

APPENDIX 4
PERFORMANCE

4a Default Arrangement

The investment performance of the funds used in the default arrangement during periods to 31 March 2026 net of all costs and charges expressed as an annual geometric compound percentage were:

Fund	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Michelin Journey Plan 2 2015-2020	6.85	5.22	2.00
Michelin Journey Plan 2 2020-2025	7.22	5.95	2.98
Michelin Journey Plan 2 2025-2030	8.36	6.42	3.15
Michelin Journey Plan 2 2030-2035	10.58	7.54	4.08
Michelin Journey Plan 2 2035-2040	13.23	9.32	5.17
Michelin Journey Plan 2 2040-2045	14.54	9.85	5.50
Michelin Journey Plan 2 2045-2050	14.55	10.06	6.06
Michelin Journey Plan 2 2050-2055	14.57	10.06	6.36
Michelin Journey Plan 2 2055-2060	14.59	10.10	6.38
Michelin Journey Plan 2 2060-2065	14.59	10.15	6.41
Michelin Journey Plan 4 2015-2020	4.18	5.02	2.44
Michelin Journey Plan 4 2020-2025	4.44	5.13	2.67
Michelin Journey Plan 4 2025-2030	5.97	6.02	3.52

Source: L&G as at 31 March 2026

4b Other investment options

The investment performance of the funds used in the other investment options during periods up to 31 March 2026 net of all costs and charges expressed as an annual geometric compound percentage were:

Fund	Underlying Fund	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Michelin Global Equities Fund – Passive fund	L&G Global Equity Market Weights 30/70 Index Fund – 75% GBP Currency Hedged (VW)	18.50	15.03	10.21
Michelin Global Equities – Active fund	Newton Global Equity Fund	3.68	10.49	7.67
Michelin UK Equities Fund – Passive fund	L&G UK Equity Index (N)	21.98	13.24	10.92
Michelin Shariah Fund	HSBC Amanah Global Equity Fund	17.21	16.99	12.81
Michelin Ethical Global Equities Fund	L&G Ethical Global Equity Index (DP)	17.14	14.05	11.49
Michelin Emerging Markets Fund	Schroder Emerging Markets Fund	35.80	13.90	4.53
Michelin Inflation-Linked UK Government Bond Fund	L&G Over 5 Year Index Linked Gilts Index (N)	2.54	-5.08	-8.94
Michelin Long Dated UK Government Bond Fund	L&G Over 15 Year Gilts Index (AF)	-0.30	-4.24	-10.75
Michelin Corporate Bond Fund	M&G Corporate Bond Fund	3.38	4.09	-0.79
Michelin Property Fund	Threadneedle Property Fund	3.55	3.23	3.32
Michelin Balanced Fund	L&G Global Equity Market Weights 30/70 Index Fund – 75% GBP Currency Hedged (VW) (45%) L&G PMC Threadneedle Property Fund (GBP) Acc Reinsured (DMCK) (15%) L&G Active Corporate Bond – All Stocks – Fund (DC) (40%)	10.40	9.02	4.93
Michelin Diversified Growth Fund	Schroder Life Sustainable Future Multi-Asset Fund	11.32	7.22	N/A
Michelin Money Market Fund	L&G Sterling Liquidity Fund (TA)	4.09	4.70	3.20

Source: L&G as at 31 March 2026