



PRESS RELEASE

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Boulogne-Billancourt, June 21, 2022

Michelin buys 51% of Royal Lestari Utama (RLU), a pilot project developing sustainable rubber tree plantations in Indonesia

- **Michelin, which previously held 49% shares, has bought a further 51% of the capital of RLU, a joint venture with Barito Pacific Group, thus becoming the sole owner of RLU.**
- **RLU operates three licenses covering nearly 70,000 hectares in Sumatra, in the Jambi province, and 18,000 hectares in Borneo, in the East Kalimantan province.**
- **A way of reasserting the Group's ambitions and long-term commitment towards the production of sustainable natural rubber and towards the improvement of living standards for local communities.**

Michelin, which previously held 49% shares, has bought a further 51% of the capital of Royal Lestari Utama (RLU), a joint venture with Barito Pacific Group, thus becoming the sole owner of RLU. The project, which was launched in 2015, aims at creating the right conditions for the production of sustainable natural rubber over a wide area of 70,000 hectares in Sumatra, in the Jambi province, and 18,000 hectares in Borneo, in the East Kalimantan province. These territories suffered great damage and deforestation before Michelin and its Indonesian partner got involved.

With the takeover, the Group reasserts its trust in the project and the long-term vision it requires. The substantial work carried out since 2015, which has been widely documented, has led to a number of social and environmental improvements.

For nearly six years, after significant preparation work, rubber trees were planted over more than 23,000 hectares, and 39,000 hectares were preserved notably to develop agroforestry activities and subsistence agriculture. The project also includes a social dimension, consistently aiming at improving living standards for 50,000 inhabitants, by creating approximately 4,000 jobs, training farmers to rubber tree growing and diversifying crops.

A long-term commitment from Michelin for the entire natural rubber sector

The Group has invested over a billion euros in its various business since 2015 in Indonesia. For Michelin, this project is a significant long-term opportunity to actively contribute to making the natural rubber sector more sustainable.

Beyond these major improvements, Michelin is fully aware of the difficulties faced by a project of this magnitude. The natural rubber value chain is highly complex and fragmented and there is still much to be done on the commercial, environmental, and social fronts.

“Becoming the sole owner of RLU means Michelin will continue investing in a demanding but remarkable long-term project which combines social dimension, environmental protection and economic performance. We are proud of the actions taken with our Indonesian partner Barito Pacific, whom we thank for their contribution to the project since its launch in 2015. We are



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also confident in RLU's future ability to support the transformation of the natural rubber sector in Indonesia while improving living standards and preserving forests and ecosystems”, says Vincent Rousset-Rouvière, Purchasing Director of the Michelin Group.

About Michelin

Michelin, the leading mobility company, is dedicated to enhancing its clients' mobility, sustainably; designing, producing and distributing the most suitable tires for its clients' needs and uses; providing services and solutions to help enrich trips and travels and make them unique experiences; and developing high-technology materials that serve a variety of industries. Headquartered in Clermont-Ferrand, France, Michelin is present in 177 countries, has 124,760 employees and operates 68 tire production facilities which together produced around 173 million tires in 2021. (www.michelin.com)

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