









PRESS RELEASE

THE BMW GROUP AND PIRELLI TOGETHER WITH BIRDLIFE INTERNATIONAL INITIATE PROJECT TO CONTRIBUTE TO SAFEGUARDING INDONESIA'S NATURAL ECOSYSTEM

THE PROJECT ENCOURAGES THE PRODUCTION OF NATURAL RUBBER TO PROTECT BIODIVERSITY AND LOCAL COMMUNITIES IN THE FOREST OF HUTAN HARAPAN

Munich, Milan, Cambridge, 28 October 2021 – The BMW Group and Pirelli are joining with Birdlife International in a three year project that aims to favor the long-term production of sustainable and deforestation-free natural rubber in Indonesia. Birdlife International - an NGO that conserves global biodiversity, habitats and birds – will be supported by its two new partners in actions to benefit local communities, the conservation of the natural ecosystem and protection of endangered animal species in the forests of Indonesia. In Indonesia, the project is implemented by a number of nongovernmental organisations coordinated by the local consortium PT Restorasi Ekosistem Indonesia (PT Reki). In Indonesia, the cultivation of natural rubber is one of the traditional sources of income for the local population.

The project is located in part of the Hutan Harapan rainforest (island of Sumatra), which is home to around 1,350 different animal species. It will take the form of a series of initiatives aimed at improving the quality of life of the indigenous community by protecting farmers' land rights and promoting women's rights, conserving a deforestation-free area of 2,700 hectares and protecting several endangered species. The different activities will be implemented in line with the goals of the Global Platform of Sustainable Natural Rubber (GPSNR), the multi-stakeholder platform for the sustainable development of the natural rubber business, of which the BMW Group, Pirelli and Birdlife International are founder members.

The partnership between the BMW Group and Pirelli in support of Indonesia's Hutan Harapan forest is part of a joint pathway to sustainable natural rubber. In this context, Pirelli developed and produced the first tyre in the world, a Pirelli P ZERO, certified by the Forest Stewardship Council (FSC), fitted on the new BMW X5 Plug-in-Hybrid, in turn the first car in the world equipped with tyres with this certification.

THE MAIN ACTIVITIES OF THE PROJECT

The project presented by Pirelli, the BMW Group and Birdlife International foresees the involvement of a number of stakeholders: local communities, government agencies and the entire natural rubber value chain.

The three year program entails multiple activities, including:

- **Agroforestry** approach in the context of natural rubber, as promoted by the GPSNR, to optimize the relationship between production, income diversification by varying crops in the same area, conserve biodiversity, soil fertility, capitalization of resources from a circular point of view and carbon sequestration.
- Good Agricultural Practices (GAP): training courses for smallholders on good cultivation and plantation management practices, in support of the environment, productivity and improvement of smallholders' living and working conditions.
- Local community engagement: involving farmers' families active in the area to identify, ensure respect for and protection of their habitual rights.
- Forest protection: a monitoring and direct checks of the forest area through wardens, drones and satellite control technologies.
- **Female empowerment:** workshops for women to develop skills with a view to ultimately occupying potential new roles, with particular attention to activities connected to the sustainable management of natural rubber and the protection of biodiversity and forests.
- Care and protection of animals: census taking and monitoring of animal species most at risk such as the Sumatran tiger, Helmeted Hornbill, Greater Green Leafbird and Agile gibbon, with the involvement of local communities in active forest and biodiversity protection roles.
- Traceability and use of sustainable natural rubber: creation of a natural rubber Growers' Cooperative to permit the direct supply of natural rubber from the communities to the processing plants in the region; introduction of documentation for the traceability of the rubber from plantation to processor.

Birdlife International will coordinate with Pirelli and the BMW Group on the project's progress and results achieved through a plan of periodic reporting.

"As a premium manufacturer, our goal is to lead the way on sustainability and actively take responsibility within our supply chains. In the fight against climate change, we are rolling out targeted measures to support bio-diversity and tropical rainforest conservation," said **Dr Andreas Wendt, BMW AG Board Member for Purchasing and Supplier Network.** "Our project in Indonesia will help people and the local economy to work in greater harmony with nature. At the same time, it will also support local communities by professionalising their traditional cultivation methods for natural rubber."

Giovanni Tronchetti Provera, Pirelli's Senior Vice President for Sustainability and Future Mobility, said: "The development of this project is based on the principles of transparency and tangibility which have always guided Pirelli's actions. Together with BMW Group, in support of the goals of Birdlife we intend to be an active part of a project that aims to have a sustainable impact all round on natural rubber, in the belief that community, biodiversity and business must grow by supporting each other, creating a shared socio-environmental value."

Patricia Zurita, CEO, BirdLife International, commented: "BirdLife works beyond species and sites to address systemic drivers of the biodiversity and climate crisis, and promote a nature positive and carbon neutral world. This is why we joined the GPSNR and welcome this collaboration with Pirelli and BMW to embed practices to safeguard nature within the rubber value chain".

CO2 EMISSIONS AND CONSUMPTION:

BMW X5 xDrive45e Plug-in-Hybrid:

Fuel consumption combined: 1.7-1.2 l/100km (WLTP), 2.1-1.6 l/100 km (NEDC); Power consumption combined: 27.7-24.3 kWh/100 km (WLTP), 25.2-23.5 kWh/100 km (NEDC); CO2 emissions combined: 39-27 g/km (WLTP), 47-37 g/km (NEDC)

BIRDLIFE INTERNATIONAL

BirdLife International is the world's largest nature conservation partnership, with 117 Partners. Our purpose is to conserve global biodiversity, habitats and birds, working with people and business in the sustainable use of natures' resources. To inform and advance evidence-based business policy and practice, we offer a wealth of proprietary data and tools, provide science-based consultation and have boots on the ground in 115 countries. Globally, our science and biodiversity data inform international policy dialogue, and in the field of 'environment & ecology', BirdLife is ranked #1 in the UK for high impact research. Locally, our Partners provide acute insight at both a landscape and community level of issues and solutions and have the legitimacy to engage and advocate at all levels of government.

PIRELLI

With 18 plants in 12 countries and a commercial presence in 160, Pirelli is among the world's principle tyre producers and the only one to be fully focused on the Consumer market which consists of tyres for cars, motorcycles and bicycles. Pirelli has a distinctive position at the high and very high end - the "High Value" segment - and is a global brand with deep Italian roots. The Company is known for its cutting edge technology, production excellence, passion for innovation and constant commitment to reducing environmental impacts, as well as attention to new forms of mobility. Pirelli, in fact, puts sustainable development at the heart of its own growth strategies, along the entire value chain. With regard to the sustainable management of the natural rubber supply chain, in particular, Pirelli has for years been committed to a roadmap of activities based on training and the sharing of good practices in the countries where the material originates. This is in line with the principles and values of the Company's Policy for the Sustainable Management of Natural Rubber which was launched in 2017 and updated in 2021. Bringing together sustainability and innovation, Pirelli was the first company in the world to produce a line of tyres using natural rubber and rayon with Forest Stewardship Council (FSC) certification. www.pirelli.com

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THE BMW GROUP

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

In 2020, the BMW Group sold over 2.3 million passenger vehicles and more than 169,000 motorcycles worldwide. The profit before tax in the financial year 2020 was € 5.222 billion on revenues amounting to € 98.990 billion. As of 31 December 2020, the BMW Group had a workforce of 120,726 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company set the course for the future at an early stage and consistently makes sustainability and efficient resource management central to its strategic direction, from the supply chain through production to the end of the use phase of all products. www.bmwgroup.com

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