

Media Information  
15 December 2025

## **Up and running: BMW Group and Encory launch innovative direct recycling to recover battery raw materials**

+++ Energy-efficient mechanical process +++ Method developed by BMW Group in-house +++ Bavarian battery cell know-how with regional partners +++

**Munich/Salching.** The new Cell Recycling Competence Center (CRCC) in Salching in Lower Bavaria has now been officially commissioned – marking a major step forward in implementing innovative direct recycling as a joint project between the BMW Group and Encory GmbH. For construction and operation of the new Competence Center, the BMW Group and Encory are relying on regional partners.

### **Innovative direct recycling enables reuse of battery raw materials**

Direct recycling allows residual materials from battery cell production, including complete battery cells, to be mechanically dismantled. The raw materials are not entirely reverted to their original state, but are instead “directly” fed back into the cell production cycle. This direct recycling methodology, developed by experts from the BMW Group, therefore eliminates the conventional, energy-intensive chemical or thermal processing previously required. At the new CRCC, direct recycling will be scaled up and introduced in stages until, once fully operational, the annual volume of battery cell material recycled will be in the mid-double-digit tonne range. Going forward, the recovered raw materials will be directly reused in pilot production of battery cells at the company's own Cell Manufacturing Competence Center (CMCC) in Parsdorf.

### **Direct recycling: A process for the future**

“Our direct recycling process puts us at the forefront of the industry,” explains Markus Fallböhrer, SVP of Battery Production at BMW AG. “This technology has tremendous potential to further optimise battery cell production.” It is also conceivable that, for the first time, cell manufacturers could be enabled to use direct recycling in series production.

**Joint venture runs Competence Center – IP remains with BMW Group**

An existing hall owned by the company Sturm in Salching in Lower Bavaria (Straubing-Bogen district) will be used for the new Competence Center. In addition to the production area and warehouse space of around 2,100 m<sup>2</sup>, the building also offers just under 350 m<sup>2</sup> of offices and break rooms, as well as photovoltaic systems on the roof. While the Competence Center will be built and operated by Encory GmbH, the intellectual property for the recycling method is fully owned by the BMW Group. As a joint venture between the BMW Group and the Interzero Group, Encory will develop and implement logistics and consulting solutions, including for recovery, recycling and reconditioning of vehicle components. Both partners hold a 50-percent stake in the company. The new Competence Center will employ about 20 people.

**Strong partners from the region**

With the exception of one Swiss company, only German firms were contracted for the construction and operation of the Competence Center. Nearly half of these companies are located within a 100-kilometer radius of Salching.

**Optimal location for new Competence Center in Bavaria**

The BMW Group consolidates its battery cell expertise at its Competence Centers in Munich, Parsdorf and Salching. The Battery Cell Competence Center (BCCC) in the north of Munich offers state-of-the-art labs and research facilities for developing the battery cells for next-generation high-voltage batteries and producing them in small quantities. The best battery cell from the BCCC will be scaled up for series processes on a pilot line at the Cell Manufacturing Competence Center (CMCC) in Parsdorf. Recycling of surplus material from pilot production in Parsdorf will take place at the new Cell Recycling Competence Center (CRCC) in Salching. The recovered raw materials will then be reused in cell production, ensuring short distances between all Competence Centers and preventing valuable raw materials from being lost. Following on from the BCCC and CMCC, the CRCC thus represents

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the next step in the BMW Group's battery cell strategy on the road to the circular economy.

**Circular economy at the BMW Group**

The BMW Group views the circular economy as one of the key issues in shaping more resource-efficient mobility. Its approach is aimed at finding the best ways to keep materials in the cycle – ensuring that resources are not lost, but retain their value for long-term use. The BMW Group applies the principles of Re:Think, Re:Duce, Re:Use and Re:Cycle. From vehicle design and production, to recycling and reuse, everything is geared towards ensuring that vehicles can serve as a source of raw materials at the end of their use phase. The BMW Group is taking steps to increase the percentage of recycled materials. It returns selected production residues to the material supplier or material processor, enabling their recovery and reintroduction into a new manufacturing process. In this way, recycled and reused materials are already making their way into BMW Group vehicles today. The circular economy requires holistic thinking – from product design, all the way through to vehicle recycling.

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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 services. The BMW Group production network comprises over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2024, the BMW Group sold 2.45 million passenger vehicles and more than 210,000 motorcycles worldwide. The profit before tax in the financial year 2023 was € 17.1 billion on revenues amounting to € 155.5 billion. As of 31 December 2023, the BMW Group had a workforce of 154,950 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. Sustainability is a key component of the BMW Group's corporate strategy – from the supply chain through production to the end of the use phase of all products.

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