

Press Release

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BMW Group's "Warm Land" Initiative: Leveraging Geothermal Energy to Power the Future of Manufacturing

- **In partnership with leading Chinese energy companies, BMW Group has officially launched its geothermal heating system at the Shenyang powertrain plant.**
- **A total of 28 medium-deep geothermal wells are planned to cover approximately 5.8 million square meters of heating area.**
- **Innovative downhole heat exchange technology featuring "heat extraction without water withdrawal" has been adopted to source heat from 2,900 meters underground while protecting the local soil and water.**

(Shenyang) The BMW Group has achieved another milestone in its global energy strategy with its "Warm Land" initiative in Shenyang. Today, the launch of the geothermal energy project, supplying heat to BMW Brilliance Automotive's Powertrain Plant and its Sixth-Generation High Voltage Battery Center, demonstrates how BMW Group leverages localized innovation to **reduce the carbon footprint of the Neue Klasse from the source, strengthening its green competitiveness in the Chinese market. Powered by non-fossil energy for heating**, the project not only drives low-carbon production but also provides a replicable and scalable model for heating in northern China's industrial regions.

At the launch ceremony Ms. Ilka Horstmeier, Member of the Board of Management of BMW AG for People and Real Estate, stated: **"With the commissioning of the new geothermal heating project in Shenyang, we, together with our partners from government and industry, are setting an important milestone for a forward-looking energy supply. This project exemplifies our holistic approach that combines responsibility and innovation. We are proud to take a leading role in China as well and to make a long-term contribution towards achieving global and local resource conservation goals."**

As a typical northern industrial city, Shenyang faces long winter heating seasons and heavy reliance on traditional energy sources, making heating a critical challenge for urban decarbonization. Driven by technological innovation and supported by the local government, BBA has joined forces with local partners such as China Huaneng Group, Wanjiang New Energy Co. Ltd., Shenyang Sino-German Park Development and



Construction Group etc. to tap into Shenyang's abundant geothermal resources. This benchmark project, combining energy efficiency, resource conservation, and high performance, **transforms the vision of a "super geothermal heater" into reality**, contributing to the development of the Shenyang Sino-German Zero-Carbon Industrial Park and the optimization of the regional energy structure.

The project employs advanced downhole heat exchange technology, using coaxial casing heat exchangers to extract heat from underground rock formations at a depth of 2,900 meters - equivalent to nearly 10 Eiffel Towers stacked vertically. **Operating as a closed-loop system, it ensures "heat extraction without water withdrawal"**, effectively protecting local water and soil resources. Compared with traditional shallow geothermal heat pumps, this system **occupies less land, operates more stably, and delivers higher energy efficiency**, making it particularly suitable for the heating needs of cold northern regions. According to the plan, the project includes **28 medium-deep geothermal wells**, covering a total heating area of approximately 5.8 million square meters.

This geothermal project marks a key step in BMW Group's efforts to **build a diversified renewable energy portfolio through innovative thinking**. From pioneering medium-deep geothermal energy applications and cross-sector collaboration in wind power, to exploring commercial potential of hydrogen energy and increasingly replace fossil fuels across the entire value chain, BMW Group is forging a path of energy transition defined by **"technological leadership, innovative models, and full-chain collaboration"**. The Sixth-Generation High Voltage Battery Center, now heated by geothermal energy, serves as the production hub for batteries powering the upcoming Neue Klasse models.

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