

Media Information
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BMW Group adopts new approaches for a more sustainable battery cell supply chain. Plans call for greater transparency and concrete measures for cobalt mining.

Munich, 27 October 2017. The BMW Group has set itself the goal of enhancing the transparency of its battery cell supply chain and exploring options for model projects in the Democratic Republic of Congo.

Cobalt is one of the key components in production of electrified vehicles and is used in significant quantities in high-voltage batteries for electric vehicles and plug-in hybrids. The challenge facing companies that work with cobalt as a raw material is that risks related to environmental standards and human rights cannot be completely eliminated in cobalt mining.

Since the beginning, more than one and a half years ago, the BMW Group has been participating in the Responsible Cobalt Initiative (RCI), together with many other companies and organisations, the government of the Democratic Republic of Congo and the Organisation for Economic Cooperation and Development. The aim of this initiative is to increase transparency and governance, and implement collective measures to overcome social and environmental risks in the cobalt supply chain.

In this context, the BMW Group has decided to take further steps:

First, the company will increase the transparency of its own cobalt supply chain by the end of the year, by releasing information on smelters and countries of origin for raw materials – even though these smelters are not direct BMW Group suppliers, but companies named as sources by BMW Group suppliers.

The BMW Group is also currently working with an independent partner on a feasibility study to explore to what extent the social and ecological situation can be sustainably improved through model mines for artisanal mining in the Democratic Republic of Congo. The study is specifically evaluating whether local model projects could be implemented with the potential for scalability at a later date.

Ursula Mathar, head of Sustainability and Environmental Protection at the BMW Group: “The BMW Group does not procure any cobalt itself; it only comes into contact with this raw material through the purchase of battery cells, for example. However, we are well aware that growing demand for electric vehicles also goes hand-in-hand with a responsibility for the extraction of relevant raw materials, such as cobalt. As a premium

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manufacturer – and in the interests of our customers – we aim to establish a transparent and sustainable supply chain that meets the highest standards.”

The BMW Group currently expects the first steps in verifying a local model project to coincide with the publication of smelters and countries of origin in December 2017.

With the measures it is taking in the battery cell supply chain, the BMW Group is emphasising its holistic approach to e-mobility — looking at all areas of the value chain in order to drive forward sustainable mobility solutions.

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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. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2016, the BMW Group sold approximately 2.367 million cars and 145,000 motorcycles worldwide. The profit before tax was approximately € 9.67 billion on revenues amounting to € 94.16 billion. As of 31 December 2016, the BMW Group had a workforce of 124,729 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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