

Media Information

7 July 2023

Plant Dingolfing relies on locally produced heat from regional biomass to reduce CO₂.

BMW Group signs long-term contract with UP

Energiewerke GmbH +++ Supply will come from new heating plant close to site +++ Will meet around 50 percent of plant-wide process hot water requirements +++ Annual CO₂ savings of approx. 20,000 tonnes +++

Dingolfing. BMW Group Plant Dingolfing will use heat produced from regional biomass and its own waste wood to meet about 50 percent of its process hot water requirements from 2025 onwards. The company signs a supply contract to this effect for just under 100,000 MWh of thermal energy per year with UP Energiewerke GmbH, a joint subsidiary of the public works department Stadtwerke Dingolfing and Bayernwerk Natur. This will save BMW Group Plant Dingolfing around 20,000 tonnes of CO₂ per year, compared to using conventional fossil energies.

"This agreement is an important element of our future energy mix. It will make us more regional, more renewable and more resilient. Alongside green power, green heat will also be key to continuing to improve our environmental footprint," says Plant Director Christoph Schröder. "By using biomass as a renewable energy source and with this supply contract for locally produced heat, we will be able to lower our overall CO₂ emissions by about 10 to 15 percent per year from current levels."

Energy supplies should begin no later than the second quarter of 2025. The supply contract is for 20 years, with an agreed annual purchase volume of just under 100,000 MWh of thermal energy. The heat will be produced at a new biomass heating plant being built on an industrial road in Dingolfing, at a site in direct proximity to BMW Group vehicle plant 02.40, between the Dynamics Centre and the A92 motorway.

Since 2010, the Dingolfing public works department has operated a biomass heating plant in the southeast of the city that supplies public buildings and private households with heating. The new heating plant will be realised in conjunction with E.ON company Bayernwerk Natur through the joint subsidiary UP Energiewerke GmbH, in which both partners hold a 50 percent stake.

Media Information

Date 7 July 2023

Subject Plant Dingolfing relies on locally produced heat from regional biomass to reduce CO₂.

Page 2

Together with Robert Heider, Stefan Pscheidl will be one of the two managing directors of UP Energiewerke GmbH: "This fantastic project is another step towards decarbonisation at local level. We are incredibly proud that our new heating plant will supply around 50 percent of the heat needed for the BMW Group's largest production site in Europe from biomass." Heider adds: "We are especially pleased that the project management – involving a global player like the BMW Group, a company like Bayernwerk Natur that operates across the state of Bavaria and the Dingolfing public works department as a local municipal player – has always worked extremely well and that an initial shared idea has now culminated in a lighthouse project. This is an important building block that will contribute to the energy transition."

New biomass heating plant west of BMW Group vehicle plant

The heating plant will have three boilers operating year-round, as well as its own pallet and waste-wood shredder. UP Energiewerke GmbH will invest a total of around 35 million euros in this facility over the coming years. Underground pipes will carry the locally produced heat to the energy centre at BMW Group vehicle plant 02.40, where it will be distributed across the site through the plant's internal network. Construction of the heating plant is scheduled to begin in late 2023.

"Creating a coherent overall concept, with regional loops and a strong partnership with the people responsible at the public works department and Bayernwerk Natur was important to us," says Roland Zeller, who is responsible for sustainability at the BMW Group site and helped develop the heating plant project. This will ensure the heating plant – including, its filter technology – will meet the latest environmental standards.

Wood and timber residues from regional forestry

About a quarter of the wood used as fuel will come from the BMW Group's own untreated waste wood – for example, from single-use pallets and transport crates. However, most of the wood will be obtained from regional forestry, i.e. from sustainably-managed PEFC-certified forests within an average radius of 60 kilometres from

Media Information

Date 7 July 2023

Subject Plant Dingolfing relies on locally produced heat from regional biomass to reduce CO₂.

Page 3

Dingolfing. As with the existing heating plant in Dingolfing, the partner for procuring wood is Biomasse Vertrieb Ostbayern (BVO) GmbH, which is backed by local forest owners and the Dingolfing public works department. The wood used as fuel is a by-product from forestry and timber harvesting that cannot be utilised elsewhere. Available in large quantities, this was often previously exported abroad in the form of wood chips. Using wood chips from sustainable forestry, instead of fossil fuels, to produce energy, helps lower CO₂ emissions, since the CO₂ released during combustion is bound from the atmosphere during the growth and life phase of the plants.

Anton Heidobler, a forestry engineer and managing director of BVO GmbH, explains: "Bavarian forestry will face enormous challenges over the coming years as climate change continues to progress. Largely coniferous stands must be converted to climate-stable mixed forests by planting more deciduous trees and changing tree species. Young trees must also be tended in the early stages and mixed growth regulation promoted, in favour of climate-resilient tree species. For this reason alone, over the coming decades, considerable amounts of waste wood will be generated from both regular use and salvage logging that can be recycled in a meaningful and economical way in the energy sector. With the new heating plant as a consumer, we will be able to keep value creation local. The use of regional biomass makes environmental sense and ensures shorter distances for transportation and recycling. In the interests of sustainability, we will, of course, only take what can grow back every year in our forests."

"Milestone in maintaining industrial location"

Armin Grassinger, mayor of the city of Dingolfing and chairman of the Stadtwerke Supervisory Board, says: "The city of Dingolfing has successfully partnered with BMW Group Plant Dingolfing in many different areas for decades. Construction of the new biomass heating plant is another shining example of how the community and business can work together to reduce CO₂ emissions. I am very happy with the completion of this project. It is another milestone in maintaining our

Media Information

Date 7 July 2023

Subject Plant Dingolfing relies on locally produced heat from regional biomass to reduce CO₂.

Page 4

status as an industrial location and another milestone on the road to climate neutrality."

Dingolfing Plant Director Schröder finishes by putting the new supply contract into context for the BMW Group: "Every location in our company's global production network is pursuing its own unique path to long-term decarbonisation of its production. Here in Lower Bavaria, we firmly believe that, in addition to further efficiency gains and evaluating possible uses of power-to-heat, regional availability of wood and biomass as a raw material will be another important building block in our heating strategy – and will further reduce our dependence on fossil fuels like gas and oil going forward. We are delighted with this agreement and the cooperation with UP Energiewerke GmbH."

If you have any questions, please contact:

Julian Friedrich, BMW Group Plant Dingolfing, head of Communications
Telephone: 49 8731 76 22020, Email: Julian.Friedrich@bmw.de

Thomas Niedermeier, BMW Group Plant Dingolfing, Communications
Telephone: +49 8731 76 27666, Email: Thomas.Niedermeier@bmwgroup.com

Media website: www.press.bmwgroup.com, www.bmw-werk-dingolfing.de
Instagram: <https://www.instagram.com/bmwgroupwerkdingolfing/>
Email: presse@bmw.de

BMW Group Plant Dingolfing

Plant Dingolfing is the BMW Group's largest European production site. Over 1,500 BMW 4 Series, 5 Series, 6 Series, 7 Series and 8 Series cars, as well as the fully-electric BMW iX, come off its production lines every day. Around 282,000 vehicles were built at the plant in 2022.

More than 18,000 people currently work at the site and 850 apprentices are being trained in 15 occupations. This makes the BMW Group site in Dingolfing not only the region's biggest employer by far, but also one of the country's largest industrial production sites and vocational training facilities.

In addition to cars, vehicle components such as pressed parts and chassis and drive systems are also produced in Dingolfing. Component plant 02.20 is also home to the company-wide Competence Centre for E-Drive Production, which supplies the BMW Group's

Media Information

Date 7 July 2023

Subject Plant Dingolfing relies on locally produced heat from regional biomass to reduce CO₂.

Page 5

vehicle plants worldwide with electric motors and high-voltage batteries for production of plug-in hybrids and pure electric models.

The car bodies for all Rolls-Royce models are also built at the site. The so-called Dynamics Centre, a large storage and transshipment facility at the heart of the BMW Group's aftersales logistics, provides the global BMW and MINI retailer organisation with original parts and equipment.