

Media Information

21 February 2023

## **70 percent less CO<sub>2</sub>: BMW Group plans to source aluminium from sustainable production in Canada from 2024**

- Rio Tinto's aluminium production relies on local hydroelectric power
- Innovative electrolysis method eliminates all process-related CO<sub>2</sub> emissions
- Potential use of up to 50 percent secondary material
- Set to supply US vehicle production at Plant Spartanburg

**Munich.** The BMW Group is continuing its efforts to systematically reduce CO<sub>2</sub> emissions in the supply chain. A particular focus is on CO<sub>2</sub>-intensive materials like aluminium, steel and plastics. The BMW Group therefore intends to source aluminium with significantly reduced CO<sub>2</sub> emissions from Rio Tinto's hydro-powered operations in Canada starting in 2024 and has signed a memorandum of understanding to this effect. Compared to conventionally manufactured aluminium, this approach can save around 70 percent of CO<sub>2</sub> emissions. The planned supply volumes will be used exclusively in vehicle production at BMW Group Plant Spartanburg in the US state of South Carolina, in body components like the bonnet, for instance.

"We have clear goals for lowering CO<sub>2</sub> emissions in the supply chain. By using innovative materials, we can reduce our vehicles' carbon footprint – even before handing them over to customers. The agreement to supply low-carbon aluminium is based on several pillars: in addition to hydroelectric power and a high percentage of secondary material, we also want to lead the automotive industry by ramping up our use of aluminium with no direct CO<sub>2</sub> emissions from the smelting process," explains Joachim Post, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network.

The Honourable François-Philippe Champagne, Canada's Minister of Innovation, Science and Industry, said: "Canada is a global destination of

choice for low-carbon investment. This exciting partnership between BMW and Rio Tinto is proof that Canada is well positioned to seize the economic benefits of the clean economy. I am proud to see that low carbon Canadian aluminium will be going into BMW's vehicles. Canada will continue to enhance our competitive advantages – abundance of critical minerals, skilled labour, clean energy, proximity to markets – to grow our economy and to support made-in-Canada innovation."

Owing to its comparatively low weight and other positive material properties, aluminium occupies a firm place in the BMW Group's intelligent composite construction. In the supply chain of a mid-sized fully-electric vehicle around a quarter of the CO<sub>2</sub> emissions are attributable to aluminium. This underlines the tremendous potential of reducing CO<sub>2</sub> in the aluminium supply chain.

### **Innovative manufacturing process**

The ELYSIS technology developed for aluminium production is revolutionising the smelting process required for manufacturing. The innovative method uses carbon-free anodes to eliminate all process-related CO<sub>2</sub> emissions and was successfully tested at industrial level for the first time in 2021. The BMW Group intends to become one of the first customers to use this technology in standard production.

### **Other pillars of agreement with Rio Tinto**

In addition to the carbon-free process, the agreement also covers aluminium alloys produced using electricity from renewable energy sources, with CO<sub>2</sub> emissions that are only a third of the industry average. The aluminium production facilities in Quebec run almost entirely on electricity from six local hydroelectric power stations. As a further contribution to resource conservation, secondary material will be mixed in with the end product to potentially reach up to 50 percent.

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The use of Rio Tinto's blockchain technology also guarantees full traceability of the aluminium, all the way back to the original bauxite mine. This enables end-to-end transparency throughout the supply chain and therefore plays an important part in tracking compliance with environmental and social standards for extraction of raw materials.

If you have any questions, please contact:

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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 over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2022, the BMW Group sold nearly 2.4 million passenger vehicles and more than 202,000 motorcycles worldwide. The profit before tax in the financial year 2021 was € 16.1 billion on revenues amounting to € 111.2 billion. As of 31 December 2021, the BMW Group had a workforce of 118,909 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.

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