

Joint News Release

October 30, 2020

“Cobalt for Development” project started trainings for mining cooperatives in Kolwezi, Democratic Republic of Congo

- **Trainings for twelve artisanal mining cooperatives involve more than 1,500 miners**
- **Community activities have already reached more than 1,800 people**
- **Volkswagen joined cross-industry initiative of BMW, BASF, Samsung SDI and Samsung Electronics**

Kolwezi, Democratic Republic of Congo – The cross-industry initiative “Cobalt for Development” has started trainings for twelve artisanal mining cooperatives in October in Kolwezi, Democratic Republic of Congo (DR Congo). The trainings cover major environmental, social and governance aspects for responsible mining practices. This includes mine site management and legal compliance, human rights, health and safety as well as environmental management. The initiative intends to train more than 1,500 artisanal cobalt miners by mid-2021. BMW, BASF, Samsung SDI and Samsung Electronics had initiated the project “Cobalt for Development” to better understand and address challenges for responsible artisanal mining in the region. Since January 2019, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is commissioned to implement the project together with non-governmental organizations. Volkswagen recently joined the initiative as new partner. “For our e-mobility strategy, sustainable and responsible sourcing of raw materials is of utmost importance. In this regard, cobalt plays a vital role, despite a decreasing amount of the raw material in newer generations of batteries for electric vehicles. Through this initiative, we would like to add to our sustainable raw material strategy by delivering impact on the ground – in close cooperation with strong partners,” said Ullrich Gereke, Head of Procurement Strategy of Volkswagen Group.

In 2019, the project began testing how living and working conditions in Kolwezi's artisanal cobalt mines and in the surrounding communities can be improved. The project has developed interactive training methods and materials that can be adapted to any artisanal cobalt mining cooperative in DR Congo. "The training curricula offer practical risk mitigation guidelines for occupational and environmental risks. They are benchmarked with Congolese and international law and standards," explained Steven Hofmann, project director "Cobalt for Development". The project implements the trainings in close collaboration with artisanal mining cooperatives and with SAEMAPE, the government authority in charge of artisanal and small-scale mining. "This partnership with experienced artisanal mining actors is the essence of our approach," Steven Hofmann emphasized. "We jointly implement our training methodology and strictly avoid duplicating existing services." On-site coaching will begin in the upcoming months to support technical improvements in the areas of occupational safety, environmental management and legal conformity at mine sites.

Creating additional income opportunities for families in artisanal mining areas will reduce the dependence on their children contributing to family income and enable them to attend school. Therefore "Cobalt for Development" has been carrying out impactful community activities in Kisote and neighboring villages with its partner Bon Pasteur/Good Shepherd International Foundation since September 2019. So far, more than 1,800 residents of these communities – children, their parents and other community members – have benefitted from improved access to education and new income opportunities. A new, seven-classroom building for Kisote's public elementary and secondary school was inaugurated on October 26. The former school building will be renovated and converted into a vocational training center. The members of two women associations already successfully completed a vocational training course in breadmaking. Trainings in farming and financial literacy as well as the establishment of money savings groups support further income-generating activities. Additional activities include training in positive parenting, women's rights and conflict resolution.

While the partners do not intend to operate artisanal mines, it is planned to test at a specific pilot site under what conditions responsible artisanal mining could be viable. The project has so far screened 36 artisanal mines to identify a suitable site that fulfils two minimum requirements: legality as well as accessible and sufficient cobalt deposits. One of these mining sites currently under evaluation is located next to Kisote.

“Cobalt for Development” is engaging with private and public concession holders of cobalt mines to select a viable, legally operating pilot site. Learnings and insights gained from trainings and community engagement will contribute to a better understanding of responsible artisanal mining and how to improve the working and living conditions for miners and their communities. This project also contributes to the goals of global initiatives, such as the Global Battery Alliance, to foster sustainable supply chains.

Media contacts:

BASF SE

Christine Haupt
Phone: +49 621 60-41040
Email: Christine.Haupt@basf.com

BMW Group

Kai Zöbelein, Sustainability Communications
Phone: + 49 89 382-21170
Email: Kai.Zoebelein@bmw.de

Samsung SDI

Dongjun Choi
Phone: +82 2 2255-2616
Email: d-jun.choi@samsung.com

Volkswagen

Nikolas Thorke, Volkswagen Corporate Communications
Tel. +49 152 54904662
nikolas.thorke1@volkswagen.de

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €59 billion in 2019. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

About 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 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries. In 2019, the BMW Group sold over 2,520,000 passenger vehicles and more than 175,000 motorcycles worldwide. The profit before tax in the financial year 2018 was € 9.815 billion on revenues amounting to € 97.480 billion.

As of 31 December 2018, the BMW Group had a workforce of 134,682 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. Further information at www.bmwgroup.com

About Samsung Electronics Co., Ltd.

Samsung inspires the world and shapes the future with transformative ideas and technologies. The company is redefining the worlds of TVs, smartphones, wearable devices, tablets, digital appliances, network systems, and memory, system LSI, foundry and LED solutions. For the latest news, please visit the Samsung Newsroom at <http://news.samsung.com>.

About Samsung SDI

Samsung SDI intends to lead the market as “a creative leader in energy and advanced materials”. Founded in 1970, Samsung SDI currently produces advanced materials for use in the IT and automotive industries, secondary batteries for ESS (energy storage systems), and materials for semiconductors and displays. Samsung SDI has its head office, research center and production facilities located in Korea, and has overseas production facilities and sales bases in North America, Europe, China and Southeast Asia. For sustainable growth, Samsung SDI pursues harmonious growth by seeking measures to realize its vision of social and environmental values while creating economic value as well. Further information at www.samsungsdi.com

About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world’s leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 671.205 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2019, the total number of vehicles delivered to customers by the Group globally was 10.97 million (2018: 10.83 million). The passenger car global market share was 12.9 percent. Group sales revenue in 2019 totaled EUR 252.6 billion (2018: EUR 235.8 billion). Earnings after tax in the fiscal year now ended amounted to EUR 14.0 billion (2018: EUR 12.2 billion).

About “Cobalt for Development”

The project “Cobalt for Development” aims at sustainably improving artisanal mining working conditions as well as living conditions for surrounding communities in Congo. In cooperation with the local mining cooperatives, government authorities and civil society organizations, the project intends to strengthen legal compliance, improve health and safety conditions, environmental management as

well as economic and social well-being. In January 2019, the companies BASF, BMW, Samsung Electronics and Samsung SDI commissioned the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to implement this fully privately financed cross-industry initiative. In 2020, Volkswagen joined the project. None of the commissioning parties operate project mines.

Cobalt

pour le Développement

