

BMW Group steps up sustainable sourcing of lithium in Argentina for battery cell production to ensure rapid e-mobility expansion

- Multi-year contract worth around 285 million euros with US company Livent
- Responsible extraction of lithium in Argentina
- Participating in study of sustainable lithium extraction in South America
- Wendt: "Making ourselves technologically, geographically and geopolitically less dependent on individual suppliers"

Buenos Aires / Munich. The BMW Group will be accelerating its expansion of e-mobility in the coming years. By 2030, at least half the company's global sales are expected to come from fully-electric vehicles. This will also increase the need for lithium, an important raw material for production of battery cells. For this reason, the company will source lithium from a second leading supplier, US-based Livent. The value of the multi-year contract will total around 285million euros. Livent will supply the lithium directly to the BMW Group's battery cell manufacturers from 2022 on.

"Lithium is one of the key raw materials for electromobility. By sourcing lithium from a second supplier, we are securing requirements for production of our current fifth generation of battery cells. At the same time, we are making ourselves technologically, geographically and geopolitically less dependent on individual suppliers", said Dr. Andreas Wendt, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network.

The BMW Group already signed a contract for the procurement of lithium from so-called hard-rock deposits at Australian mines back in 2019. Now, the company is broadening its supplier base and additionally sourcing lithium from Argentina, where the raw material is obtained from brine from salt lakes. Livent employs an innovative method, that emphasizes sustainable water use and minimizes the impact on local ecosystems and communities. The company will also contribute important data to the study of sustainable lithium mining initiated by the BMW Group.

The BMW Group sources critical raw materials like lithium and cobalt directly from producers and makes them available to its battery cell suppliers. In this way, the company creates complete transparency over the origin and mining methods of the material.

Sustainable lithium extraction in Argentina

The salt lakes in the border region between Argentina, Bolivia and Chile are home to roughly half the world's lithium reserves. In conventional lithium mining, brine from the layers below the salt lakes is pumped out of the ground and evaporated in shallow basins.

Livent obtains lithium from a brine resource in northern Argentina, using a proprietary method that is particularly sustainable. To minimise the impact on the surrounding ecosystem, most of the brine used is returned directly to the surrounding habitat and

not evaporated. This largely preserves the balance between the brine layers and groundwater layers. Solvents and other chemicals do not come into contact with the environment during this process. It also takes up much less space, since evaporation basins are barely used. The company is also involved in local educational programs and infrastructure measures.

Lithium water study in cooperation with University of Alaska Anchorage and University of Massachusetts Amherst

The BMW Group and BASF commissioned a scientific analysis of the water use of different lithium mining methods in South America from the University of Alaska Anchorage and University of Massachusetts Amherst in late 2020. The study will investigate the impact of lithium mining on local water resources and the surrounding ecosystems.

The aim is to improve the scientific understanding of the relationship between fresh water and lithium brine aquifers, to evaluate different technologies and thus provide the foundation for assessing sustainable lithium mining. The study will provide companies with a scientific basis to make more informed decisions on sustainable lithium mining in Latin America. The results of the study should be available in the first quarter of 2022.

Working towards strict IRMA standard for lithium mining

The BMW Group became the first automotive manufacturer worldwide to join the Initiative for Responsible Mining Assurance (IRMA) in early 2020. IRMA is a multi-stakeholder governed initiative that has developed guidelines for responsible extraction of raw materials and defined strict requirements for meeting its environmental and social standards. The BMW Group has set itself the goal of having mining suppliers certified according to this standard in the future. On the recommendation of the BMW Group, Livent has now become a pending member of IRMA, signifying its commitment to undergo a third-party audit in IRMA. Livent is the first company with mining operations in Argentina to have made this commitment, and one of the first lithium mining companies in the world to do so.

BMW Group ups the pace of electromobility expansion

The BMW Group will already have about a dozen fully-electric models on the roads from 2023. Between now and 2025, the BMW Group will increase its sales of fully-electric models by an average of well over 50 percent per year - more than ten times the number of units sold in 2020. By the end of 2025, the company will have delivered a total of around two million fully-electric vehicles to customers.

Based on its current market forecast, the company expects at least 50 percent of its global sales to come from fully-electric vehicles in 2030. At this point, there will no longer be any segment position in the BMW Group's entire product portfolio where the company does not offer at least one fully-electric model. The company will also be able to handle a much larger percentage of fully-electric vehicles if demand develops accordingly. In total, over the next ten years or so, the BMW Group will be releasing about ten million fully-electric vehicles onto the roads.

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 2020, the BMW Group sold over 2.3 million passenger vehicles and more than 169,000 motorcycles worldwide. The profit before tax in the financial year 2020 was € 5.222 billion on revenues amounting to € 98.990 billion. As of 31 December 2020, the BMW Group had a workforce of 120,726 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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About BMW Group Latin America

The BMW Group in Latin American has presence in the region with the three brands BMW, MINI and BMW Motorrad; as well as in some countries the sub-brand BMW i is also included. BMW Group Mexico began its activities at the end of 1994 and therefore celebrated in 2019 the 25th anniversary of its presence in this country. In Latin American region, the first importer was located in Ecuador in 1958, which has been active for more than 50 years.

The BMW Group has two plants in Brazil, one located in Araquari, Santa Catarina, focused on the production of cars. The other plant is located in Manaus, Amazonas, which is the first facility to manufacture two-wheelers for the brand outside of Germany. In July 2014, the investment of one billion dollars was announced for the construction and operation of a production plant in San Luis Potosi, Mexico; which began operations in 2019 with the new generation of the BMW 3 Series.

In addition, it has a service and after-sales organization, which offers customer service.

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