

BMW Group commissions study on sustainable lithium extraction.

- **Scientific analysis of water use for various lithium extraction methods.**
- **Cooperation with University of Alaska-Anchorage and University of Massachusetts-Amherst.**
- **Co-financing by BASF SE.**

Munich. The BMW Group is continuing its efforts to achieve sustainable supply chains and has commissioned two renowned American universities to conduct a scientific analysis of water consumption in the lithium extraction process. The aim of the University of Alaska-Anchorage and University of Massachusetts-Amherst study will be to investigate the impacts of lithium extraction on the hydrologic environment in Latin America.

BASF SE contributes to finance the study. Both companies - BMW Group and BASF SE - are already working successfully together with other partners in the "Cobalt for Development" project in the Democratic Republic of the Congo.

As the earth's lightest metal, lithium is used in manufacturing batteries, ceramics, glass and aluminium, among other items. Lithium is also an essential raw material for producing lithium-ion batteries and plays a key role in vehicle electrification.

Two thirds of the world's lithium reserves are found in Latin America. However, there has so far been a lack of scientific research into how lithium extraction impacts the region. The BMW Group intends to fill this gap with the study it has commissioned.

Patrick Hudde, head of Indirect Purchasing Raw Materials Management, BMW Group: "Electromobility can only be sustainable when the raw materials are also extracted in the most sustainable manner possible. The new study we have commissioned is designed to create a scientific basis for identifying the best options for sourcing lithium. We are delighted to work with two such renowned universities on this study and are certain it will generate important new knowledge about lithium extraction."

Professor LeeAnn Munk, University of Alaska Anchorage, Department of Geological Sciences: "Partnering with BMW on this ground-breaking lithium sustainability project is extremely exciting for our research group and we are eager to develop the best tools to be used in assessing lithium projects on a global scale."

Media Information

Date December 15, 2020

Subject **BMW Group commissions study on sustainable lithium extraction.**

Page 2

David F. Boutt, University of Massachusetts-Amherst, Department of Geosciences in the School of Earth & Sustainability: “This project represents a critical next step in advancing the understanding of hydrologic functioning of lithium brine-fresh water aquifer systems with the goal to reduce uncertainty in environmental impacts.”

The final results of the study should be available in the first half of 2022 and will include a five-tier rating system. This rating is designed to provide companies with better guidance on sustainable lithium extraction in Latin America.

The BMW Group is sourcing lithium for its fifth-generation high-voltage batteries itself and making it available to its battery cell supply chains. The company currently sources its Lithium feedstock from Australian mines that use hard rock mining to extract the material.

The condition for the BMW Group to enter into supply contracts with additional Lithium suppliers is that lithium extraction meets the BMW Group’s high sustainability standards, and that the companies get certified by the Initiative for Responsible Mining Assurance (IRMA). The study commissioned by the company should provide additional information in this context.

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 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 2.5 million passenger vehicles and more than 175,000 motorcycles worldwide. The profit before tax in the financial year 2019 was € 7.118 billion on revenues amounting to € 104.210 billion. As of 31 December 2019, the BMW Group had a workforce of 126,016 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



Media Information

Date December 15, 2020

Subject **BMW Group commissions study on sustainable lithium extraction.**

Page 3

value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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