

Media Information

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Sustainability at the core of the corporate strategy

The BMW Group remains committed to its ambitious sustainability goals and is consistently driving forward the company's transformation with the aim of achieving climate neutrality by 2050. Recycling raw materials in a circular economy sense is intended to achieve the best possible resource efficiency.

Munich. The BMW Group continues to adhere to its ambitious sustainability targets and will reduce its CO₂ emissions by 40 per cent per vehicle by 2030 across the entire value chain compared to 2019. "We are consistently driving the issue of sustainability with our innovations," says Thomas Becker, Head of Sustainability and Mobility at the BMW Group. "The current raw materials debate also validates our drive towards a circular economy. We want to make the best possible use of the raw materials in our end-of-life vehicles and recycle them in the production of new vehicles. We will continue to reduce CO₂ emissions and conserve natural resources through maximum energy and raw material efficiency." An average of almost 30 per cent of BMW Group vehicles are already made from recycled and reused materials today, so-called "secondary raw materials". In the longer term, the "Secondary First" approach aims to increase this figure to 50 per cent.

The BMW Group is the first German car manufacturer to join the "Science Based Targets initiative" (SBTi) "Business Ambition for 1.5°C". This means the company's path to climate neutrality is following a scientifically validated and transparent path that is in line with the most ambitious target of the Paris Climate Agreement. At the same time, the company is committed to the goal of complete climate neutrality across the entire value chain no later than 2050.

360-degree approach across the entire value chain.

The BMW Group is consistently driving forward the electrification of its entire fleet. By 2030, at least one in two cars sold by the BMW Group is to be fully electric. The MINI and Rolls-Royce Motor Cars brands will offer only fully electric vehicles from the beginning of the 2030s. For example, the BMW Group aims to reduce CO₂ emissions per vehicle in the use phase by 50 per cent by 2030 compared to 2019.

"However, sustainability means much more for the BMW Group than merely building and selling electrically powered vehicles," says Thomas Becker. "Only a comprehensive sustainability approach from resource to recycling actually achieves a bottom-line reduction of CO₂ emissions." CO₂ savings in

the supply chain are becoming enormously important as e-mobility ramps up, especially in view of the energy-intensive production of high-voltage batteries. Nevertheless, the BMW Group aims to buck the trend by reducing CO₂ emissions in the supply chain by 20 per cent by 2030, compared to 2019 values, and by as much as 80 per cent in production. The BMW Group's global production network is already carbon net neutral thanks to selected offsetting initiatives.

Responsible sourcing of raw materials, conservation of natural resources.

The BMW Group has set itself the goal of building the most sustainable supply chain in the entire automotive industry. The focus here is on reducing CO₂ emissions, protecting natural resources and complying with environmental and social standards.

As e-mobility ramps up, the raw materials needed specifically for e-drive components now come under the spotlight. The design principle for the current-generation BMW eDrive electric motors eliminates the need to use rare earth materials in the rotor. The BMW Group is also taking its own approach to sourcing the raw materials needed to produce high-voltage batteries with the objective of achieving complete transparency in the origin and mining methods of the material: the company purchases lithium and cobalt directly and makes it available to battery cell manufacturers.

"Green steel" reduces CO₂ emissions by up to 95 per cent.

When it comes to reducing CO₂ emissions in the supply chain, using electricity from renewable sources can achieve spectacular progress. The BMW Group has already entered into more than 400 contracts with its suppliers to use 100 per cent green electricity. This also includes aluminium suppliers as well as the producers of the battery cells, for example. The BMW Group has been sourcing aluminium from the United Arab Emirates since February 2021 using electricity generated from solar energy. From 2024 onwards, all cast aluminium wheels for the brands BMW and MINI will also be produced using only green electricity. Regeneratively generated energy is used both in the energy-intensive electrolysis when producing aluminium and when casting the wheels.

CO₂ emissions are also being continuously reduced in the steel supply chain. From 2025 onwards, the BMW Group will purchase CO₂-reduced steel that is produced not using fossil-based raw materials such as coal, but instead using natural gas or hydrogen and green electricity. This reduces CO₂ emissions from making this steel by up to 95 per cent. The BMW Group will provide over

40 per cent of the demand at its European plants from this by 2030. This will reduce CO₂ emissions by up to 400,000 tonnes per year.

Circular economy as the key to more sustainability.

The BMW Group is focusing on significantly increasing the proportion of secondary materials in its vehicles with a view to further reducing the depletion of raw materials and emissions. The BMW i Vision Circular has already demonstrated how consistently a car can be designed following the principles of the circular economy. As well as organic-based raw materials, it primarily uses materials that have already gone through a product life cycle and in turn have 100 per cent recyclability. The aim is to recycle raw materials from end-of-life vehicles as effectively as possible for the series production of new cars in the future.

The example set by the BMW i Vision Circular makes it clear that resource conservation begins with a vehicle's design. This includes consistently reducing components, material groups and surface finishes. Instead of composite materials and adhesives, the BMW i Vision Circular primarily uses mono-materials as well as cords, buttons or quick-release fasteners, meaning that the individual components can be easily separated from one another and recycled according to type when they later come to be recycled.

Innovative recycling processes as the basis for effective circular economy.

The BMW Group is also doing important groundwork around vehicle recycling on the road to a closed-loop economy. Up to 10,000 BMW, MINI, Rolls-Royce and BMW Motorrad vehicles are recycled each year at the BMW Group's Recycling and Dismantling Centre (RDZ) in Unterschleißheim near Munich. They are dismantled in a standardised process that focuses on identifying reusable components as well as materials that are suitable for recycling. BMW Group designers and development engineers use the expertise gained by the RDZ to optimise the recyclability of new models right from the start. The findings are also being shared with our partners. The BMW Group played a key role in setting up the IDIS (International Dismantling Information System) platform. The data and findings published there are available to recyclers around the world.

The RDZ has also used innovative methods for many years to recycle high-voltage batteries from electrified vehicles. Processes have been developed in conjunction with partners from industry and science that can achieve a recycling rate of more than 90 per cent. The BMW Group has also shared this expertise to foster general progress in the field of battery recycling.

In China, the BMW Brilliance Automotive (BBA) joint venture has now for the first time established a closed cycle for reusing the raw materials nickel, lithium and cobalt from high-voltage batteries. The raw materials extracted are used in production of new battery cells for the BMW Group. The closed material cycle conserves the consumption of resources and reduces CO₂ emissions by around 70 per cent compared to using newly mined primary material.

Sustainable production: less CO₂, waste and water consumption.

Circular economy principles also influence production processes. The BMW Group has established closed loops for steel and aluminium between its production sites and suppliers. As a result, around 70 per cent of the steel waste from the pressing plants and the aluminium residues are reused through a direct circular economy (the closed loop).

The BMW Group has reduced CO₂ emissions attributable to vehicle production by more than 70 per cent since 2006. All plants in the international production network have been CO₂-neutral since 2021. Alongside this, water consumption and waste generation have also been continuously reduced. For example, only around 580 grams of residual waste were produced per vehicle manufactured in 2021 at the BMW Group's largest European plant in Dingolfing.

Energy efficiency, resource conservation and waste avoidance are being further improved at the BMW Group's production sites with the transformation into an iFACTORY. The new BMW Group plant in the north-west of the Hungarian city of Debrecen, where our "Neue Klasse" models will be built from 2025 onwards, is a prime example of vehicle production that is consistently geared towards sustainability and the circular economy.

Responsibility for the environment.

The 360-degree sustainability approach not only encompasses the entire value chain from resource extraction to production and recycling, but also all levels of sustainability with ecological, economic and social aspects.

The company supports initiatives such as the World Wildlife Fund For Nature's (WWF) commitment to deep-sea mining as part of its efforts to promote responsible raw material extraction. The BMW Group is declining to use minerals from the deep sea, or to finance deep-sea mining, until the consequences of deep-sea mining on the ecosystems have been

comprehensively investigated scientifically and adequate protection for the deep sea can be guaranteed.

Even though no cobalt from the Democratic Republic of Congo is used in the fifth-generation BMW eDrive high-voltage batteries, the BMW Group continues to be involved in a local project there. Together with partners, the company has commissioned the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (German Society for International Cooperation) to develop measures to improve the working and living conditions of the micro-mining workers and the residents in the surrounding communities.

Responsibility towards the workforce and society.

The BMW Group is also intensively fulfilling its responsibility towards its workforce in the current phase of transformation towards electromobility and digitalisation. The largest training initiative in the Group's history is currently underway. The BMW Group invested around €389 million in 2021 in training and development for its employees. More than 75,000 attendees developed skills in these future fields, enabling them to help shape the transformation within the BMW Group.

The BMW Group positions itself as a reliable and credible employer when it comes to attracting talented and creative professionals; one that guarantees long-term sustainable jobs and attractive employee participation in the company's success. Individual career development, support for social commitment and a consistent commitment to diversity and against discrimination also demonstrate how the BMW Group lives its social responsibility in practice both internally and externally.

The BMW Group, a company with a multinational workforce and locations on five continents, engages actively in society and stands by its responsibility as part of the bigger picture. Intercultural understanding, solid education for children and young people, and road safety are among the areas to which the company is committed.

The BMW Group also promotes initiatives by its employees. One current example of this is the "PowerUp" project run by two BMW Group young professionals. The idea: a powerful storage block consisting of six high-voltage batteries from former development vehicles stores solar energy from a photovoltaic system and supplies a school near the BMW Group plant in Rosslyn, South Africa. This can generate 36 kWh of clean electricity every day. Enough for about 38 computers, 100 light bulbs and a water pump.

Thanks to the high-voltage batteries from Lohhof near Munich, not only does the school save on electricity costs, it also reduces its CO₂ emissions by 40 tonnes a year.

If you have any questions, please contact:

BMW Group Corporate Communications

Kai Zöbelein, Sustainability Press Officer

Telephone: +49-(0)89-382-21170

Email: Kai.Zoebelein@bmw.de

Marc Sauber, Head of the Sustainability Communication Team

Telephone: +49-(0)89-382-52322

Email: Marc.Sauber@bmwgroup.com

Internet: www.press.bmwgroup.com/deutschland

Email: presse@bmw.de

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 2021, the BMW Group sold over 2.5 million passenger vehicles and more than 194,000 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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