

Media Information  
8 December 2021

## **BMW Group signs direct agreement with chip suppliers to secure supplies**

- Trilateral agreement with high-tech microchip manufacturer INOVA Semiconductors and feature-rich semiconductor foundry Globalfoundries
- Will secure several million semiconductors per year
- First deliveries for BMW iX
- Wendt: “Securing our semiconductor supply for the long term”

**Munich.** The BMW Group is exploring new ways of working with suppliers and, in the case of strategically important components, becoming more closely involved in the supplier network. To secure semiconductor supplies for the long term, the company has concluded a direct agreement with high-tech microchip developer INOVA Semiconductors and Globalfoundries, a manufacturer of feature-rich semiconductors. The agreement guarantees the BMW Group the supply of several million microchips per year. The microchips will be used in the ISELED smart LED technology co-developed by the BMW Group, which will be deployed for the first time in the BMW iX and rolled out in further models. Customer deliveries of the BMW iX got underway in early November.

“We are deepening our partnership with suppliers at key points in the supplier network and synchronising our capacity planning directly with semiconductor manufacturers and developers. This improves planning reliability and transparency around the volumes needed for everyone involved and secures our needs for the long term,” says Dr Andreas Wendt, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network. “This pioneering agreement marks the next logical step in securing our supplies in an even more balanced and proactive manner going forward.”

This agreement is an example of the commitment to build a more resilient supply chain partnership approach to regain supply-demand balance for chips in the automotive industry as well as efforts to further accelerate technology innovation.

“This agreement directly with an OEM certainly marks new territory for us as a semiconductor manufacturer,” says Robert Kraus, CEO of INOVA Semiconductors. “But

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we firmly believe this innovative approach to partnership throughout the production chain will help us achieve our objectives: In this way, we can secure supplies for our end customers and ensure high planning reliability throughout the long chip production cycles. It's a real win-win."

"Globalfoundries is committed to building stronger relationships with the automotive industry to deliver innovation and address the growing demand for feature-rich chips," says Mike Hogan, senior vice president and general manager of Automotive, Industrial and Multi-market at Globalfoundries. "This agreement with the BMW Group and INOVA demonstrates how the companies are partnering to develop innovative smart LED technology for the new BMW iX and to develop new technologies for the car of tomorrow."

**Several thousand semiconductors per car**

Depending on the equipment options, every car contains several thousand of semiconductors that are essential for all electronic devices. They serve various functions by performing arithmetic and control tasks in computers, storing data or even handling multiple tasks at the same time. The share of electronic components in vehicles is likely to increase further in the future.

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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 its course for the future early on and is making sustainability and resource efficiency the focus of the company's strategic direction – from the supply chain, through production, to the end of the use phase, for all its products.

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