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BMW Group signs long-term supply agreement for battery cells with Northvolt

Stockholm/Munich – In pursuit of expanding its offering of electromobility solutions, the BMW Group has signed a long-term supply contract worth 2 billion euros for battery cells with Northvolt. The battery cells will be produced from 2024 at Northvolt Ett gigafactory, currently under construction in Skellefteå, northern Sweden.

Northvolt's embrace of sustainable technologies in cell production and recycling represents a central motivation for the BMW Group's decision. Activities at Northvolt Ett, including cell production and complete cell recycling, will be powered entirely by renewable energy.

Oliver Zipse, Chairman of the Board of Management of BMW AG, said: "To make an effective contribution to climate protection, we aim to improve our products' overall environmental balance – from resources to recycling. This applies in particular to energy-intensive production of high-voltage batteries for electric vehicles. That is why we now have a contractual agreement with our cell manufacturers that they will only use green power to produce our fifth-generation battery cells."

Andreas Wendt, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network, added: "Signing this contract is another step towards meeting our growing need for battery cells in the long term. We are systematically driving electrification of our vehicle fleet. By 2023, we aim to have 25 electrified models on the roads – more than half of them fully-electric."

Faced with rapidly growing demand for battery cells, recycling of battery components at the end of their lifecycle and extensive reuse of raw materials will be key to closing the materials loop in the best way possible. With in-house recycling capacities, Northvolt is targeting 50 percent recycled material in new cells by 2030.

The signing of the cell supply agreement is a major milestone in the BMW

Group–Northvolt partnership, which dates back to mid-2018 when the two companies entered into a cooperation to develop battery cells. The partnership was underpinned by the BMW Group's financial participation in Northvolt.

Northvolt is a European supplier of sustainable, high-quality battery cells and systems. Founded to enable the European transition to a decarbonized future, the company has made swift progress on its mission to deliver the world's greenest lithium-ion battery with a minimal CO2 footprint. Among Northvolt industrial partners and customers are ABB, BMW Group, Scania, Siemens, Vattenfall, Vestas and the Volkswagen Group. For more information visit northvolt.com.

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