



Media Information
September 29, 2022

BMW Manufacturing Opens New Logistics Center.

- Consolidates Two Offsite Warehouses Into One Efficient Operation.
- Exemplifies BMW's iFACTORY Production Strategy of LEAN, GREEN, and DIGITAL.
- Will Use Autonomous Hostlers to Deliver Parts in the Future.

Spartanburg, S.C. BMW Manufacturing officially opened its new logistics center on Freeman Farm Road on Thursday, revealing a more efficient, sustainable, and digital operation. The new Logistics Center for X models, called LCX, is nearly one million square feet in size and was constructed by Becknell Industrial. Total investment in the project is approximately \$100 million.

"This new facility allows us to consolidate two warehouses and their material into one building, making our processes faster, leaner, and more efficient," said Dr. Robert Engelhorn, president and CEO of BMW Manufacturing. "Beyond this, the new logistics center incorporates elements of the BMW iFACTORY strategy, which defines the future of automotive manufacturing for the BMW Group production network. This building can be expanded, if needed, to accommodate future models."

A unique feature of the logistics center is that it is divided in the middle by a fence, separating the new Container Freight Station from BMW's Foreign Trade Zone (FTZ). Parts and goods, both duty-paid and duty-unpaid, enter the warehouse on one side to be separated. The duty-paid material is cross-docked and travels by truck to BMW's Consolidated Services operations at the Inland Port in Greer.



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Only the duty-unpaid, BMW Manufacturing-owned parts are allowed to enter the Foreign Trade Zone. Those FTZ parts are either stored on racks temporarily in the warehouse or go directly to the BMW plant to be used in production. Yard trucks, called hostlers, carry these parts across two newly constructed, private bridges built by United Infrastructure Group. These bridges cross over Freeman Farm Road and Interstate 85 to give quick access to the BMW plant. The bridge crossing over I-85 is one of the longest free-spanning bridges in the state.

"BMW has worked in close partnership with U.S. Customs and Border Protection and appreciates their support in creating this one-of-a-kind warehouse," said Oliver Bilstein, vice president of Logistics and Production Control.

Autonomous Logistics Strategy

During the LCX opening, BMW introduced its strategy of using autonomous hostlers as part of the logistics process. In a video demonstration, BMW showed a driverless hostler and trailer leaving the LCX building, traveling across both private bridges, and delivering parts to a building on the plant site. When BMW launches its autonomous logistics program in the future, it will eventually use 5G wireless technology on the Plant Spartanburg site, enabling real-time connectivity between machinery and equipment.



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To complement the autonomous hostler, the LCX building is equipped with “smart” dock doors. The truck communicates with the door once it has arrived, and the door opens automatically.

Plant Spartanburg already incorporates the use of autonomous logistics in other areas of production. In the body shop, you'll find Smart Transport Robots, or STRs. These flat, autonomous mobile robots can transport parts weighing as much as one ton to their destination. In assembly, logistics is also testing a driverless route train that delivers parts to areas in the X3/X4 assembly hall.

“Innovation, digitalization, and sustainability are key success factors for the future of logistics,” said Bilstein. “Autonomous transportation – whether with smart robots, tuggers, or even trucks – will make logistics even more flexible and efficient.”

Using Sustainable Methods in LCX

Plant Spartanburg follows the BMW Group philosophy of promoting sustainability in all areas. This was important in the building's design and use of equipment.

- The new logistics center structure is “solar ready,” meaning it supports the installation of a rooftop solar photovoltaic (PV) system in the future.
- Forklifts inside the building will be powered by lithium-ion batteries, the same technology that powers electric vehicles.
- In a pilot program, BMW used technology from CarbonCure that injected recycled CO₂ into a portion of the fresh concrete during the mixing process.



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This concrete was then used in a section of the LCX building. This reduces CO₂ emissions and does not compromise the concrete's strength. The BMW Group aims to reduce carbon emissions in production by 80 percent by 2030.

Since 1992, the BMW Group has invested nearly \$12 billion in its South Carolina operations. BMW Manufacturing is the largest BMW Group plant in the world, producing more than 1,500 vehicles each day and 433,810 vehicles in 2021, a record. The plant exports nearly 60 percent of its vehicles to about 120 global markets. For eight consecutive years, it has been the largest exporter by value in the United States. The model portfolio includes five top-selling BMW X models, four Motorsport X models, and two plug-in hybrid electric vehicle X models. The all-new BMW XM, the first electrified high-performance hybrid model in the BMW M portfolio, will begin production in late 2022. The factory has an annual production capacity of up to 450,000 vehicles and employs more than 11,000 people.

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BMW Manufacturing Co., LLC



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BMW Manufacturing Co., LLC is a subsidiary of BMW AG in Munich, Germany, and is the global producer of the BMW X3, X3 M, X5, X5 M and X7 Sports Activity Vehicles and BMW X4, X4 M, X6 and X6 M Sports Activity Coupes. In addition to the South Carolina manufacturing facility, BMW Group North American subsidiaries include sales, marketing, and financial services operations in the United States, Canada and throughout Latin America; a manufacturing plant in San Luis Potosi, Mexico; and a design firm and technology office in California. For more information on BMW Manufacturing, visit www.bmwusfactory.com.

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BMW Group in America

BMW of North America, LLC has been present in the United States since 1975. Rolls-Royce Motor Cars NA, LLC began distributing vehicles in 2003. The BMW Group in the United States has grown to include marketing, sales, and financial service organizations for the BMW brand of motor vehicles, including motorcycles, the MINI brand, and Rolls-Royce Motor Cars; Designworks, a strategic design consultancy based in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Co., LLC in South Carolina is the BMW Group global center of competence for BMW X models and manufactures the X3, X4, X5, X6 and X7 Sports Activity Vehicles. The BMW Group sales organization is represented in the U.S. through networks of 350 BMW passenger car and BMW Sports Activity Vehicle centers, 146 BMW motorcycle retailers, 105 MINI passenger car dealers, and 38 Rolls-Royce Motor Car dealers. BMW (US) Holding Corp., the BMW Group's sales headquarters for North America, is located in Woodcliff Lake, New Jersey. Journalist note: Information about BMW Group and its products in the USA is available to journalists on-line at www.bmwgroupusanews.com and www.press.bmwna.com.

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