

## PRESS RELEASE

New customers acquired at four locations

### **Arvato Supply Chain Solutions grows in China**

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**Guangzhou/Kunshan/Shanghai – Arvato Supply Chain Solutions is on a growth path in China with numerous new businesses. The supply chain and e-commerce service provider has taken over extensive logistics and fulfillment services for a total of five new customers at four locations in its Chinese network.**

"Online retail is a strong driver of this new business," says Raoul Kuetemeier, Head of Asia at Arvato Supply Chain Solutions. "With our supply chain competence, we are able to offer all services within the process chain and implement integrated e-commerce solutions across all sales channels. And that is being rewarded and increasingly sought-after by market participants."

Two new businesses are now being handled in the 5,000 square meter multi-user distribution center in Kunshan, east China.

One of the new customers is an online distributor of sporting goods from world's leading manufacturer Nike. The online business is driven through shopping platforms such as T-mall and Pinduoduo (PDD) and Arvato Supply Chain Solutions has taken over warehousing and order picking, returns management and the distribution of products such as basketballs, sports bags and wrist guards to end customers across China. In particular, Nike's newly developed "Buy Together" sales channel on the fast-growing PDD platform has led to a significant increase in volume. Around 30,000 orders per month are currently being shipped from the distribution center – a figure that will continue to rise over the next couple of months.

The second new customer in Kunshan is Tony Bianco, Australia's leading fashion footwear brand, for which online orders are also being processed in China. The range of services in the B2C business includes complete logistics and fulfillment as well as national distribution to Chinese consumers. "We have developed a special packaging solution for the high-quality products with tailor-made shipping cartons that help prevent transport damage," says Zhang Li, Head of China at Arvato Supply Chain Solutions. "This ensures high customer satisfaction with receiving goods."

A special requirement at the new site in Guangzhou, the largest city in the Pearl River Delta, for the new customer AISIN, a leading global automotive supplier from Japan, is above all the speed of B2B distribution of automotive spare parts and high-quality engine oils to retailers and repair centers all over China. "Local orders from the city usually have to be delivered the same day," says Vicky Zhou, Key Account Manager at Arvato Supply Chain Solutions. "Our new cloud-based warehouse management system with networked mobile devices, which we implemented there for the first time and which works almost paperless, ensures high process speed to continuously meet our client's demand".

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The two locations in Shanghai are also reporting successes. In the new warehouse in the Yangshan Free Trade Zone, Arvato is responsible for the storage, picking, packaging and global distribution of AR/VR glasses for a well-known global high-tech company. The goods are processed and shipped globally direct-to-retail to ensure low cost and shortest lead times – especially critical this time of year. And in Shanghai's Qingpu district, the Crazy Glue brand, known for superglue, is expanding the customer base in the 13,400 square meter multi-user warehouse. Here, Arvato Supply Chain Solutions is responsible for B2C e-commerce logistics and distributes more than 5,000 orders per month to end customers throughout China.

"The latest successes prove that we have an attractive domestic network in China. This enables us to offer B2B and B2C customers an efficient distribution and access to the market. Regional and global markets can be served very well through our modern distribution centres, in a bonded zone in Shanghai along with our well established global distribution centre in Hong Kong," summarizes Raoul Kuetemeier. "These are good prerequisites for further expanding our business in this region".

### **About Arvato Supply Chain Solutions:**

Arvato Supply Chain Solutions is an innovative and international leading service provider in the field of supply chain management and e-commerce. Partners come together with industry specialists in the fields of Telecommunication, Hightech, Entertainment, Corporate Information Management, Healthcare, Consumer Products and Publisher. About 15,000 employees work together to provide practical and relevant solutions and services worldwide. Using the latest digital technology, Arvato develops, operates and optimizes complex global supply chains and e-commerce platforms, as the strategic growth partner for its customers. Arvato combines the know-how of its employees with the right technology and appropriate business processes to measurably increase the productivity and performance of its partners.

For more information, please visit <http://www.arvato-supply-chain.com>.

### **About Arvato:**

Arvato is an internationally active services company and one of eight divisions of Bertelsmann SE & Co. KGaA. The division includes the solution groups Arvato Financial Solutions, Arvato Supply Chain Solutions and Arvato Systems as well as the Majorel group of companies, in which Bertelsmann owns 50 percent of shares.

More than 70,000 employees in almost 40 countries develop and implement innovative solutions for business customers all over the world. These include SCM and IT solutions as well as financial and customer communication services, which are continuously developed with a focus on innovations in automation and data/analytics.

Globally renowned companies from a wide variety of industries – from telecommunications providers and energy providers to banks and insurance companies, e-commerce, IT and Internet providers – rely on Arvato's portfolio of solutions.