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Two new warehouses put into operation

Arvato Supply Chain Solutions expands location network in China

October 21, 2020

Shanghai and Guangzhou – Arvato Supply Chain Solutions has further expanded its network in China with two new locations in Shanghai and Guangzhou. The supply chain and e-commerce service provider now has a total of six distribution centers with almost 40,000 square meters of storage space in China.

“Within the past few months we have added two key sites to our footprint in line with our strategic goal to grow our Asian business together with our international customers,” says Raoul Kuetemeier, Head of Asia at Arvato Supply Chain Solutions.

In Shanghai, the new warehouse is located in the Yangshan Free Trade Zone (FTZ). Since September, Arvato has been providing 5,000 square meters of warehouse space there for a well-known high-tech company to store, pick and pack and globally distribute products such as AR and VR glasses. The site went live just in time to support a new product launch that started days after the first shipments were received. Around 20 employees handle a volume of 400 pallets inbound and outbound every day. With exception of the labeling, all inbound processes are controlled paperless. Worldwide distribution takes place by air freight via the nearby Pudong Airport. In addition to the geographical and the infrastructural benefits, the Yangshan FTZ, which is supported by the Chinese government, offers particular advantages in customs clearance. Goods can be imported and exported duty-free, which enables faster processes and reduces costs.

Prior to this, Arvato Supply Chain Solutions had expanded its domestic (non-bonded) footprint for a customer from the automotive supplier industry by opening a 2,000 square meters warehouse in Guangzhou, the largest city in the Pearl River Delta. The site complements the existing sites in Shanghai, Kunshan, Shenzhen and Beijing. In addition to the warehouse logistics services in Guangzhou, Arvato is responsible for national distribution in the B2B business and supplies retailer and repair centers throughout China with automotive spare parts and high-quality engine oils. Up to 100 pallets inbound and outbound are processed daily. “While Guangzhou is not our largest warehouse in China, it is the first to house our new IT system: offering an almost paperless cloud based Warehouse Management System with networked mobile devices,” explains Raoul Kuetemeier. Among other things Pick-by-voice systems, text recognition, RF handhelds, ring scanners and portable label printing equipment are used for this. Raoul Kuetemeier: “The automation of processes and sites with more technology and intelligent systems is an essential part of the digitization strategy of Arvato Supply Chain Solutions. The solutions must be scalable, flexible, globally deployable and reliable.”

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The automotive supplier's business has been carried out smoothly since the warehouse went into operation and is an expansion of the existing business in Beijing, North China. Raoul Kuetemeier continues: "Our overall aim is to provide innovative services to our clients in Asia and with this go-live we have a great showcase of our capabilities and more importantly a satisfied customer. We are well positioned for further growth."

Picture 1: New Arvato warehouse in the Yangshan Free Trade Zone.

Picture 2: Insights into the new warehouse in Guangzhou.

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 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

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companies, e-commerce, IT and Internet providers – rely on Arvato's portfolio of solutions.