

PRESS RELEASE

***Construction start for ultra-modern, automated
Douglas distribution center in Hamm***

Guetersloh/Hamm, 14 December 2020. Douglas and Arvato Supply Chain Solutions have signalled the start of construction on a new, ultra-modern distribution center in Hamm, North Rhine-Westphalia, with a ground-breaking ceremony. The leading beauty platform requires this new logistic area for its rapidly growing business. In August 2022 Arvato will begin shipping the first orders out of this facility for Douglas online stores in Germany, Austria, Switzerland and the Netherlands.

The real estate developer Hines is responsible for the construction of the new building for Arvato in the Hamm-Uentrop industrial area. The location is particularly attractive due to its optimal location in the eastern Ruhr area offering connections to several major motorways. The distribution center will encompass a total of 38,000 square meters providing storage space for up to 150,000 different articles. "In the future we will manage the entire logistics and fulfilment out of Hamm for Douglas orders out of the D-A-CH region and the Netherlands," explains Frank Schirrmeister, CEO of Arvato Supply Chain Solutions, expounding on the range of services. In addition to fulfilling customer orders, returns will also be collected here in the future. The new warehouse is the next stage in the partnership between Douglas and Arvato. Arvato has been operating e-commerce fulfillment for the Beauty company from its location in Ennigerloh (district of Warendorf, Muensterland) since 2000. Douglas and Arvato also enjoy successful international business operations with locations in Italy, Austria and Poland.

With the new logistics center in Hamm, the e-commerce and supply chain service provider is tripling capacity for Douglas. In the past ten years, the Beauty retailer's online sales have grown by an average of 35 percent per year. With increasing digitalization, online sales in Germany already accounted for over 40 percent of total sales in the financial year 2019/2020. Douglas already brought their e-commerce business into focus in 2018 with its #FORWARDBEAUTY strategy and expanded the company into a successful omnichannel retailer with a rapidly growing online business. "Now we take

another decisive step forward to evolve the company into the first fully integrated European Beauty platform with a real network of online shops, marketplace, and retail stores", says Tina Müller, CEO of the Douglas Group. "Digital First is our new fundament with the goal to improve all Douglas' processes with digital solutions."

The new distribution center supports these digital aspirations with high-performance automation technology and a cloud-based IT solution. It will house a highly automated shuttle solution including eight kilometers of conveyor. "The required investment in the mid double-digit million range is the largest investment made by Arvato Supply Chain Solutions in a technical infrastructure to date," says Frank Schirrmeister, emphasizing the importance of the project. "Digitalization and automation in logistics are crucial building blocks to deliver the customer experience of the future. We are incredibly pleased to stand together with Douglas as a partner and support their implementation of the #FORWARDBEAUTY.DIGITALFIRST strategy." The distribution center in Hamm sets the standard for all of Douglas' warehouse locations and underscores their unwavering realization of Digital First.

Arvato will create up to 400 new jobs at the new logistics center in Hamm. Staff will work up to three shifts in the warehouse.

ABOUT DOUGLAS:

Douglas is the leading premium beauty platform in Europe. Offering more than 100,000 beauty and lifestyle products in online shops, the beauty marketplace and over 2,000 stores, Douglas inspires customers to live their own kind of beauty by a previously unparalleled assortment. The continued expansion of the fast-growing e-commerce business is the focus of the #FORWARDBEAUTY.DIGITALFIRST strategy programme. In fiscal year 2018/2019, Douglas generated sales of 3.5 billion euros in the areas of perfumery, decorative cosmetics, skin and hair care as well as nutritional supplements and accessories.

#letsdobeautiful

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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.

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