

New logistics hall with modern AutoStore system opened in Germany

Arvato Supply Chain Solutions expands e-commerce business for Rituals Cosmetics

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Guetersloh/Hanover – Arvato Supply Chain Solutions, together with their customer Rituals Cosmetics, celebrated the opening of a new logistics hall at the Hanover Fair site as part of an opening ceremony. The supply chain and e-commerce service provider will manage the online business of the wellbeing brand for Germany, Austria, Switzerland, and Poland from this location. The new distribution center, where Rituals occupies a quarter of the space, covers an area of almost 47,000 square meters and is located next to Arvato's existing logistics center in the Bemerode district. The heart of the automation solution for Rituals is a high-performance AutoStore warehouse system to enable fast and efficient processing of the rapidly growing online order segment. In the United Kingdom, Arvato has been responsible for the e-commerce business for Rituals since 2018. Online orders are processed at the Hams Hall site, centrally located in the triangle between the cities of Nottingham, Derby and Leicester.

"We have a long-standing and reliable partnership with Arvato," explains Mark Hoppenbrouwers, Director Supply Chain at Rituals Cosmetics. "Our collaboration began in 2014 with two packing stations in Venray, Netherlands, and has continuously expanded as our brand has grown." Arvato is now responsible for Rituals' online business in Benelux, the UK, USA, Hong Kong, Spain, and Portugal. "Until now, we have served the DA-CH region and Poland from our location in Gennep in the Netherlands," says Julia Boers, President of Consumer Products at Arvato Supply Chain Solutions. "However, the order volumes have expanded so rapidly it was necessary to look for alternatives or expansion options, and we made the decision to set up another location for Rituals in Hanover."

The automation solution installed by Arvato Supply Chain Solutions in Hanover delivers on the promise of swift order processing. The eight-meter-high AutoStore system houses a total of 32,000 bins filled with Rituals products, arranged on a multi-level grid in rows over a floor area of almost 4,000 square meters. Up to 120 robots can operate at the top of the AutoStore. They move autonomously along rails in all directions, gather bins from anywhere in the grid according to the articles needed for an order, and transport them to the respective work or pick stations. The system is equipped with six workstations – or ports – for replenishment of goods in, and 13 ports for picking. All up and downstream processes are connected to the system via conveyors, including 18 packing tables, sorter system, automatic carton erecting and closing machines. The AutoStore system is designed for a capacity of 20,000 to 30,000 orders per day, depending on whether picking is carried out in two or three shifts. Julia Boers: "We employ about 650 people at the Fair location, and around 50 new jobs have now been added due to Rituals. During seasonal peaks, we expect to need a much larger team."

The automation was implemented in record time. After completion of hall construction, the AutoStore system was ready in just five months. Arvato Supply Chain Solutions was able to draw on the experience and know-how from numerous other upgrade projects worldwide, a part of

its automation strategy. "We continue to handle 15-20 percent of order volume outside of the AutoStore system," says Jan van Meerbeck, Vice President Consumer Products at Arvato Supply Chain Solutions. "These are either fast-moving items - goods with a very high demand throughout - or oversized articles from the Rituals product range." An example of one of these articles is the ever-popular Rituals advent calendar, which does not fit into an AutoStore bin. Additionally, many value-added services are performed for Rituals. Orders are wrapped in wrapping paper, greeting and gifts cards are placed in the box, and – just like in the retail store – personalised perfumes or shampoos can be mixed for an end customer at the specially placed Hair Temple and House of Rituals Talisman station in the warehouse.

A distinctive feature of the AutoStore system in Hanover is the integration of a dangerous goods storage area for products such as deodorants. "We implemented a similar system as a world first in the AutoStore in Gennep, and have now adapted it successfully for Hanover," explains Jan van Meerbeck. The move to the new distribution center also brings other advantages. In the Arvato network, Hanover is the central hub for direct traffic for the DA-CH region, Northern, Eastern, and Southern Europe. This translates into closer proximity to the market, and faster throughput with late cut-off times and shorter delivery lead times to the end customer. Mark Hoppenbrouwers: "In addition to expanding our DA-CH business, we are considering options for further growth." Particularly since the capacity of the AutoStore can be easily expanded to meet growing online order numbers. Jan van Meerbeck: "We still have the potential for expanding capacity to meet up to 50,000 orders per day."

About Rituals Cosmetics:

Rituals Cosmetics is a brand dedicated to sustainable and personal wellbeing in the beauty luxury industry. As a foremost founder of integrating bath, body and home care into a single portfolio, Rituals embraces the lifestyle of transforming everyday routines into more meaningful moments. Each product is inspired by an ancient tradition allowing you to find happiness in the smallest of things. With an expansive innovation portfolio in body care, home fragrances, natural skin care and home wear, Rituals invites the consumer to enrich their world with wellbeing moments. Founded in Amsterdam in 2000, Rituals has since been established as a global industry expert in over 36 countries present in vibrant cities such as London, Paris and Hong Kong with 1000 stores, 3000 shop-in-shops, 5 body spas and world's first Mind Spa. Dedicated to its Clean, Conscious and Caring approach, Rituals is a proud Certified B Corporation™. As part of Rituals' commitment to continuously improve its social & environmental impact, the brand is focused on 90% natural origin formulas and packaging that's either refillable, recyclable or made of recycled material. Next to that, Rituals is an avid supporter of 3 charities. In a world of luxury brands, Rituals aims to be the forerunner in the luxury standard of bringing beauty and wellbeing together in a sustainable future.

For more information, please visit www.rituals.com.

For more information on our sustainability efforts, please read our sustainability report.

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, Tech, Corporate Information Management, Healthcare, Consumer Products and Publisher. About 17,000 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.

Arvato Supply Chain Solutions is part of Arvato, a leading international service provider with more than 96,000 employees in almost 40 countries. Arvato is a division of Bertelsmann.

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