

PRESS RELEASE

DHL Supply Chain opens a new, highly automated fulfillment center for IKEA Germany

- Fulfillment warehouse commissioned to handle IKEA's fast-growing e-commerce business in Germany
- Combination of different robotics and automation processes improves operational
 efficiency and reduces employee workload
- DHL offers improved processing for faster delivery to B2C customers

Bonn – June 8, 2022: DHL Supply Chain, Deutsche Post DHL Group's contract logistics specialist, is opening a new, highly automated fulfillment center in Bergkamen, Germany, for its customer IKEA. The new state-of-the-art DHL facility has been commissioned to help the home furnishings group handle its fast-growing B2C online business in Germany, which grew significantly during the pandemic and required IKEA to rapidly expand its B2C fulfillment capabilities.

The multi-customer site in Bergkamen boasts 40,000 square meters of warehouse space and is part of the neighboring DHL Supply Chain Unna Campus, which is less than 10 kilometers away. Going forward, 20,000 square meters of warehouse space will be available for IKEA alone, with some 350 employees working for the customer on-site six days a week in three shifts.

The site will be fully operational at the end of June, at which point an average of 8,000 stock keeping units (SKUs = identical products with the same stock number) will be processed on-site. At full capacity the site is capable of processing 11,000 SKUs.

Packaging machines are available on-site for sensitive goods that require special packaging. The level and sophistication of automation at Bergkamen remains unprecedented in Germany. Complex conveyor automation in conjunction with Locus robots and Packsize machines are used to pick products efficiently. And to calculate the best package size, the system uses a cubistic algorithm. As a result, packing and filling material, as well as volume weight, are significantly reduced.

"For DHL Supply Chain, the implementation represents another important building block in our drive to grow e-commerce, one of our strategic growth sectors, as well as the continuation of our commercial automation and digitization strategy for continuous improvement in operations," said Rainer Haag, Chief Executive Officer DHL Supply Chain Germany & Alps.

"Thanks to the Locus robots, the distances our warehouse staff need to walk have been radically reduced and picking effectiveness significantly increased. Interacting with employees on site, the

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system reduces individual order process times, optimizes employee workflows and improves operational efficiency," Haag continues.

"The consumer sector around the world is undergoing change at the moment," says Kai Fuhlrott, Country Customer Fulfilment Manager IKEA Deutschland. Part of this change is the ever-increasing importance of online retail. Our focus is set on the changing needs of our customers. The commissioning of the Bergkamen fulfillment center for IKEA Germany allows us to take another step in providing an outstanding shopping experience for our customers, whenever and wherever, online or in our stores." Fuhlrott continues: "We are delighted to have found a new, competent partner in DHL Supply Chain, who has shown us new ways forward and has been able to set up a highly complex, customized fulfillment solution for us at the Bergkamen site in just a short space of time.

"Having two leading companies in their respective industries partner here on-site offers a degree of security for the city of Bergkamen as well as for employees. This is an important factor given the current pace of change. For Bergkamen, the A2 Logistics Park remains the right decision at the right time. I am convinced that the site offers the potential and opportunities to continue to profit from the growth of logistics – the largest business sector in Germany after automotive and trade. Logistics is a strong industry with a powerful focus on growth and the future. It is therefore a welcome partner for Bergkamen," says Bernd Schäfer, mayor of the city.

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DHL - The logistics company for the world

DHL is the leading global brand in the logistics industry. Our DHL divisions offer an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. With about 380,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling global sustainable trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, engineering, manufacturing & energy, auto-mobility and retail, DHL is decisively positioned as "The logistics company for the world".

DHL is part of Deutsche Post DHL Group. The Group generated revenues of more than 81 billion euros in 2021. With sustainable business practices and a commitment to society and the environment, the Group makes a positive contribution to the world. Deutsche Post DHL Group aims to achieve zero-emissions logistics by 2050.

About Ingka Group

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different groups owning IKEA sales channels under the franchise agreement with Inter IKEA Systems B.V.. The Ingka Group consists of three business units: IKEA Retail, Ingka Investments and Ingka Centres. It is the world's largest home furnishings retailer, operating 392 stores in 32 countries. In fiscal year 2021, a total of 657 million people visited IKEA stores and 4.6 billion people browsed our website www.IKEA.com. The Ingka Group operates shops with a vision to create a better everyday life for the many by offering beautifully designed, functional and high quality home furnishings at prices that are affordable enough for as many people as possible to afford them.

About IKEA Germany

IKEA has been present in Germany since 1974. We currently operate IKEA stores in 54 locations and three IKEA Planning Studios. In Germany we employ around 20,215 people and together we work to realise the IKEA vision: "Creating a better everyday life for the many."