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COLES SECURES SITES FOR ONLINE CUSTOMER FULFILMENT CENTRES *Investment supports 1200 jobs, brings world-leading online retail to Australia*

Coles Group has taken another step in its ongoing digital transformation strategy, securing sites in Sydney and Melbourne for two high-tech Customer Fulfilment Centres (CFCs) that will enable Coles Online to provide customers with market-leading range and service.

Coles in March 2019 announced an exclusive services agreement with UK-based Ocado Group plc to bring the world's leading online grocery platform, automated single-pick fulfilment technology and home delivery solution to Australia.

Coles joins major international grocery retailers including Kroger in the US, Sobeys in Canada, Morrisons in the UK, Groupe Casino in France and Aeon in Japan in partnering with Ocado to implement their end-to-end online shopping solution.

A key element of the Ocado model is the company's highly automated CFCs, which will enable Coles to provide customers with greater range and improved product availability while significantly increasing capacity to service online customers.

Coles has now signed agreements with Charter Hall Group for long-term leases on two new sites to house the CFCs in the Horsley Drive Business Park in Wetherill Park, NSW and the MidWest Logistics Hub in Truganina, VIC. Ocado will be responsible for the installation and ongoing maintenance of automation equipment in the CFCs.

Development of the CFCs will support more than 600 jobs during construction and fit-out, while a total of 600 additional ongoing jobs, including skilled technology roles, will be created at the CFCs once they commence operation in FY23.

Coles Group CEO Steven Cain said the investment in Coles' technology-led transformation would support much-needed employment opportunities at a time when COVID-19 had led many businesses to cut or delay their investment plans.

"We remain committed to our strategy of Smarter Selling through efficiency and pace of change, while partnering with world-class technology partners to provide the capability we need for a second century of sustainable growth," he said.

Mr Cain said Ocado's online fulfilment solution, which also includes new website technology for Coles Online and Ocado's delivery management technology to maximise transport efficiency, would transform the Coles Online experience for customers while also reducing waste and improving safety for team members.

“Ocado has been a world leader in online fulfilment for more than a decade, and through our exclusive Australian partnership we will use their proven technology to offer customers more products than ever before, delivered at a time to suit them, while building capacity to service the growing demand for online food and grocery shopping,” he said.

Luke Jensen, CEO of Ocado Solutions, said securing the development sites was an extremely exciting moment for the Coles-Ocado partnership, following the recent opening of Ocado's first international CFCs for partners in France and Canada.

“Ocado's technology has revolutionised the way in which grocery shopping is done online,” he said.

“When these two Coles CFCs go live and begin to ramp up, they will be instrumental in delivering unrivalled online grocery experiences to Coles customers in Victoria and New South Wales. They will also create exciting job opportunities for engineers looking to work with some of the most cutting-edge robotics and automation technology in the world.”

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