Media Release



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COLES OPENS ITS FIRST AUTOMATED DISTRIBUTION CENTRE IN REDBANK, QUEENSLAND Largest single capital investment in Coles' history will provide a safer, more efficient and sustainable supply chain in partnership with Witron

CLICK HERE AND HERE FOR HIGH-RES IMAGES AND <u>B-ROLL VISION</u> OF COLES REDBANK AUTOMATED DISTRIBUTION CENTRE

The first Australian Automated Distribution Centre (ADC) using global leading Witron technology is the largest of its kind in the Southern Hemisphere. Prime Minister Anthony Albanese MP, Queensland Premier Annastacia Palaszczuk MP, Coles Group Chairman James Graham and Coles Group CEO Steven Cain are officially opening the ADC at Goodman's Redbank Motorway Estate in Queensland this morning.

This is the first of two Witron facilities to open here and comes after Coles Group's biggest investment into technology in the company's 109-year history. More than one billion dollars is being invested - with the second ADC opening in Kemps Creek, NSW in 2024.

The ADCs are designed to create safer and more sustainable outcomes for team members and suppliers, and better on-shelf availability for customers.

The state-of-the-art facility in Redbank is located 30 kilometres south-west of Brisbane and will service 219 Coles supermarkets in Queensland and Northern New South Wales, as far north as Port Douglas and as far south as Laurieton in NSW.

When operating at full capacity, the site can process up to four million cases per week, the equivalent of 32 million units sold in stores. Over the course of a year, this is around 1.6 billion sales units.

Chief Executive Officer Steven Cain said today is one of the most significant moments since Coles was founded in 1914 and five years in the making.

"Modernising our operations is how we improve efficiency and availability in our stores and deliver higher service levels for our customers, team members and suppliers," Mr. Cain said.

"Our new ADCs can process twice the number of cases and hold twice the number of pallets compared to one of our current DCs. The ADCs enable us to half our current total footprint, leading to a more productive and sustainable business model."

"Over 90 percent of the cases processed in these automated distribution centres will be processed fully by automation or ergonomically which will be a step-change for the safety of our team as it eliminates almost 18 million kilograms of manual handling in the supply chain each week once the ADC is running close to full capacity."

Coles Group Chairman James Graham AM said he would like to thank all those involved for their dedication to this very important project.



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"I'm proud of our team, partners and suppliers who've worked together for over five years to create this state-of-the-art facility. Over 3,000 people came together, contributing more than 2.5 million work hours to plan and design the facility, construct the building and install and commission the automation," Mr Graham said.

The Redbank ADC has LED and sensor lighting to reduce energy consumption and is fitted with a 180,000 litres of harvested rainwater storage for toilet flushing and landscape irrigation. There are plans for 3.5-megawatt solar installation which will be among the largest rooftop solar solutions in the Coles network. To minimise food waste, the edible food that can't be sold in the ADC will be donated to Coles community partner SecondBite.

The Hon. Prime Minister Anthony Albanese MP said this world leading technology will help advance supermarket supply chains.

"This technology is not only a first for Australia, but also a win for the state of Queensland. As we've seen during the pandemic and natural disasters, resilient supply chains are essential when it comes to feeding our nation and providing Australians with essential supplies," Prime Minster Albanese said.

"Coles is one of the biggest employers in this country and its team was pivotal in ensuring food security during challenging times. A facility like this one in Redbank shows how retailers and manufacturers can look to the future to improve the productivity, safety and sustainability of their operations for all Australians."

Queensland Premier the Hon. Annastacia Palaszczuk MP welcomed the significant investment in the strong Queensland economy.

"The decision to invest in and build this Australian-first facility here in Queensland is a testament to the strength of the Queensland economy," Premier Palaszczuk said.

"Coles' investment will drive productivity growth in Queensland while ensuring food security to one of the fastest growing regions in the country."

"It's great to see Queensland lead the way with the arrival of world leading technology at the Redbank Distribution Centre. The distribution centre will be powered by renewable electricity provided by Queensland's publicly owned energy company CleanCo."

WITRON Logistik + Informatik CEO Helmut Prieschenk said Coles has partnered with the market leader in warehouse automation systems for major food retailers globally.

"We have been engaged to build 93 automated distribution centres in 13 different countries, with the latest for Coles being the largest ambient system Witron has ever built," Mr. Prieschenk said.

"Witron will work with Coles to provide a technology focused, multi-disciplinary team for day-to-day operations, technical expertise and maintenance support."

Witron Founder Walter Winkler is extremely proud, that together with Coles, a powerful logistics platform has been created.



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"This ADC is for the benefit of the entire supply chain and will help the Australian grocery market by introducing the very best technology, and last but not least it creates great value to the Coles business," Mr Winkler said.

Coles thanks its partners and consultants Goodman Group, Richard Crookes Constructions and TMX Global for developing, building and managing the complex project to completion.

More information on Redbank ADC

The Redbank site spans 170,000 square metres which is the equivalent size of two Suncorp Stadiums. With a building size of 66,000 square metres, it's one of the biggest and most productive automated distribution centres in the world.

The High Bay pallet storage area stands 34 metres high, which is almost three times taller than Coles' current distribution centres.

The facility can hold the full range of over 18,000 ambient products. Queensland and Northern NSW supermarkets will no longer be reliant on a large number of products being transported from Sydney to Brisbane, so holding the full range of products within the state of Queensland will drive better availability for Coles customers.

Witron pack pattern algorithm enables store order pallets to be packed to different heights in an optimal stacking sequence, based on product characteristics and store friendly logic. Once these pallets are delivered to store, they will require less sorting due to improved product grouping, and greater levels of accuracy. This will aim to improve on-shelf availability and allow store teams to be more customer focused.

The Redbank ADC is proudly named Nguru-Mandin, meaning the spirit of the fishing net.

The site of the Redbank Automated Distribution – *Nguru-Mandin* - is home to the Yuggera, Jagara and Ugarupul people. Coles recognises the importance of developing a relationship with the land and waters within Yuggera and Ugarapul country where we have established operations. An acknowledgement of local language plaque has been erected at *Nguru-Mandin* with a blessing from the traditional owners of the land.

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