

Media Release

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Coles unveils state-of-the-art distribution centre in Western Sydney

Part of \$1 billion investment in world-leading technology and innovation

Coles has opened its second Automated Distribution Centre (ADC) using global leading Witron technology as part of its more than \$1 billion investment in technology led innovation.

The Kemps Creek ADC was officially opened this morning by Coles Group Chairman James Graham and Coles Group CEO Leah Weckert.

Located 40 kilometres west of the Sydney CBD, the ADC has been designed to provide better availability for customers and create safer, more efficient outcomes for team members and suppliers.

The site spans 187,000 square metres which is the equivalent size of around 25 rugby league fields. With a building size of 66,000 square metres, it's one of the biggest and most productive automated distribution centres in the world.

Once operating at full capacity, the Kemps Creek facility will service 229 New South Wales and ACT stores, with the site able to process more than four million cartons per week, the equivalent of 32 million products sold in stores. Over the course of a year, this is around 1.6 billion sales units.

This is the second of two Witron facilities Coles has opened and is part of the company's single biggest capital investment in its 110-year history.

The first ADC opened in Redbank, Queensland in May last year and has since processed more than 140 million cartons, with customers in Queensland and Northern New South Wales seeing a 20 per cent improvement in availability compared to other stores.

Today's opening comes as Coles steps up its investment into the state of NSW with the company also investing in its MilkCo facility at Erskine Park, and online Customer Fulfillment Centre at Wetherill Park.

Kemps Creek and Redbank ADCs form the two parts of a \$1 billion plus investment in technology led innovation for a more efficient, sustainable, and safer supply chain.

Further, Coles is investing around \$400 million across two online Customer Fulfillment Centres, one in Wetherill Park, NSW and the other in Truganina, VIC.

Chief Executive Officer Leah Weckert said she was proud of all the hard work the team had put into the opening of Coles' second ADC.

"Today marks a key milestone on our roadmap to enhance our supply chain and improve our operating efficiency, with a world-class facility that will deliver improved availability for our NSW customers," she said.

"We have seen great improvements in availability for our customers in Queensland and Northern New South Wales following the opening of Redbank ADC in Queensland last year – and I'm excited to see this second ADC bring these same benefits to NSW."

"This facility also delivers a step-change for the safety of our team, with the elimination of around 16 million kilograms of manual handling every week."

Coles Group Chairman James Graham AM said he was extremely pleased to see this major investment in Coles' supply chain come to fruition.

"Over 4,400 people contributed more than 1.8 million working hours to building the site, installing the automation and getting the system ready for operation – it is an achievement that everyone should be very proud of."

The Kemps Creek ADC is fitted with 3.5-megawatt solar solution on the roof, which is among the largest rooftop solar solution in the Coles network, with the Coles Group to be powered by 100% renewable energy by the end of FY25. To minimise food waste, edible food that can't be processed to our stores will be donated to Coles' community partners Foodbank and SecondBite.

WITRON Logistik + Informatik Technical CEO Johannes Meissner said he was extremely proud to see this second ADC open and begin to service NSW stores - off the back of the success Coles has seen from the opening of its Redbank ADC in Queensland.

"This ADC will deliver significant results for both Coles and its New South Wales customers. We are thrilled to see the partnership with Coles come to fruition."

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

More information on Kemps Creek ADC

The ADC is half the footprint of the current two DCs in NSW, due to utilisation of the 36m building height - which is almost three times taller than Coles' current distribution centres.

Witron's 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 Kemps Creek ADC is proudly named Naady'u Gulamadda, meaning the place of the Gula (Koala).

The site of the Kemps Creek ADC – Naady'u Gulamadda - is home to the Dharug People. Coles recognises the importance of developing a relationship with the land and waters of Dharug Country where Coles has established operations.

The name and associated artwork at the Kemps Creek ADC were developed through consultation with Leanne Watson from the Dharug Custodian Aboriginal Corporation.

An acknowledgement of country, culture and innovation plaque has been erected at Naady'u Gulamadda with a blessing from the traditional owners of the land.

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