

Coles' Australia First Sourcing Policy



Matt Hood of Rugby Farm, Gatton QLD

Quality food costs less | **coles**

Selling locally grown produce

- 100% of the fresh meat sold by Coles is grown in Australia.
- 100% of our in-store bread is made in Australia or made in-store with Australian flour.
- Over 96% of fruit and vegetables sold by Coles is grown in Australia and we are looking to increase Australian sourcing by expanding growing seasons.
- Fresh Australian seafood from local fisheries when it is available and sustainable.

Coles in the community

- Over 13 million customers shop at Coles supermarkets every week.
- Nearly four million customers shop every week at Coles stores in rural and regional Australia.
- Coles employs more than 100,000 team members.
- Over 30,000 Coles team members live in rural and regional Australia.



Coles national reach

- Coles buys fresh produce from all major growing regions in every State of Australia.
- Coles has 24 dedicated fresh and chilled distribution centres across Australia.
- Coles sells fresh produce at more than 740 supermarkets across Australia.

Wednesday 7 September 2011

Coles brand cheese goes 100% Aussie-made with new Bega partnership

As part of its “Australian First” sourcing initiative, Coles has awarded its entire housebrand cheese business to iconic Australian dairy processor, Bega Cheese Limited.

The new five year contract means that the 50 per cent of Coles brand cheese currently sourced from New Zealand, over 9,000 tonnes, will now be produced in Australia each year.

This means Bega Cheese will be sourcing an extra 70 million litres of Australian milk – or 3500 milk tanker loads.

Coles Merchandise Director John Durkan said Coles wanted to enter a partnership that saw all its Coles brand cheese made in Australia.

“Coles was very keen to partner with an Australian dairy industry processor who could produce all of our cheese locally, and not rely on imported product,” Mr Durkan said.

“I’m very pleased that Bega will now be producing 19,000 tonnes of great quality Coles cheese each year.

“This contract is great news for both Bega and the Australian dairy industry, and further underlines Coles’ commitment to develop long-term, mutually beneficial partnerships with Australian rural producers.”

Bega Cheese CEO Aidan Coleman said that the contract was a growth opportunity for the company, and would inject an extra \$30 million directly into the Australian dairy industry.

“This new contract with Coles means we will be sourcing additional milk from our 400 dairy farmers across New South Wales and Victoria,” Mr Coleman said.

“We’ll also approach up to 70 farmers who don’t currently supply Bega and invite them to become part of our milk network.

“And Coles have asked us to give them a high quality product, so we’ll be looking for high quality, premium milk.”

Mr Coleman said the Coles contract would generate added investment and jobs in the dairy industry.

“Bega plans to upgrade their Coburg plant in Melbourne to meet the contract requirements, which will also create 30 new roles across the company.”

Bega will begin producing Coles brand cheese from February 2012.

**Further information,
Jim Cooper, Coles Media Relations**



MEDIA RELEASE

Bega Cheese Secures Landmark Cheese Deal with Coles

Iconic Australian dairy processor Bega Cheese Limited has struck a landmark deal to supply the entire range of house brand cheese to all Coles supermarkets.

The new, five-year arrangement, further evidences Bega Cheese's ability to create strong relationships with key business partners.

Bega Cheese CEO Aidan Coleman said that the contract was a growth opportunity for the company. This means Bega Cheese will be sourcing an extra 70 million litres of Australian milk, representing \$30 million of additional milk to be purchased.

"This new contract with Coles means that we will be sourcing additional milk from our 400 dairy farmers across New South Wales and Victoria," Mr Coleman said.

"We will also be intending to take on around another 70 farmers to become part of our high quality milk network".

Mr Coleman said the Coles contract would generate added investment and jobs in the dairy industry, and drive innovation.

"Bega Cheese plans to expand their Coburg plant in Melbourne to meet the contract requirements, which will also create 30 new roles across the company".

Coles Merchandise Director John Durkan said Coles, as part of its "Australian First" sourcing initiative, wanted to enter a partnership that saw all its Coles brand cheese made in Australia.

"Coles was very keen to partner with an Australian dairy industry processor who could produce all of our cheese locally, and not rely on imported product," Mr Durkan said.

"I'm very pleased that Bega Cheese will now be producing 19,000 tonnes of great quality Coles cheese each year".

"This contract is great news for both Bega Cheese and the Australian dairy industry, and further underlines Coles' commitment to develop long-term, mutually beneficial partnerships with Australian rural producers."

Bega Cheese will begin producing Coles brand cheese from February 2012.

September 6, 2011

For further information please contact:

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