

Kroger Fulfillment Network Expands with Customer Fulfillment Center in Denver Metro Area

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AURORA, Colo., June 21, 2022 /PRNewswire/ -- The Kroger Co. (NYSE: KR), America's largest grocery retailer, today announced it will offer more Americans delivery through the addition of a new [customer fulfillment center \(CFC\)](#) in Aurora, Colorado, powered by the Ocado Group (LSE: OCDO), engineering a model for the region, leveraging advanced robotics technology and creative solutions to redefine the customer experience in the Denver Metro Area.

"We are thrilled to expand and introduce our innovative Kroger Fulfillment Network to one of the fastest growing areas in the country and have the opportunity to grow our workforce," said Gabriel Arreaga, Kroger's senior vice president and chief supply chain officer. "Through the incredible partnership and support from the City of Aurora and Adams County, Kroger Delivery can accelerate its commitment to provide exceptional customer service through our state-of-the-art facility and end-to-end cold solutions, including custom-built refrigerated vans, to ensure our delivery customers receive the freshest products directly to their doorstep throughout the Denver region."

"As we continue to expand our nationwide CFC program, Kroger and Ocado Group are now live with five state-of-the-art fulfillment centers across the USA. As this site ramps up, Kroger Delivery will bring a world class online experience to homes across the Denver Metro area, powered by some of the most advanced technology available anywhere in the world," said Luke Jensen, CEO of Ocado Solutions.

"Adams County is excited to have this new state-of-the-art food distribution facility opening in our community," said Lynn Baca, Chair, Adams County Board of Commissioners. "Not only will it showcase innovative sorting technology, it will also help provide greater access to high quality food and fresh produce for our residents. Providing a delivery option will also benefit those in our community who may have mobility issues, or simply lack the time to go into a physical location."

The nearly 300,000 square-foot distribution center will bring nearly 400 new jobs to Aurora and adjacent communities.

Kroger Delivery Explained

This expansion represents an extension of a partnership between Kroger and Ocado, a world leader

in technology for grocery e-commerce. In 2018, the companies announced a collaboration to establish a delivery network that combines artificial intelligence, advanced robotics, and automation in a bold new way, bringing first-of-its-kind technology to America.

The delivery network relies on highly automated fulfillment centers. At the hub sites, more than 1,000 bots whizz around giant 3D grids, orchestrated by proprietary air-traffic control systems in the unlicensed spectrum. The grid, known as The Hive, contains totes with products and ready-to-deliver customer orders. As customers' orders near delivery times, the bots retrieve products from The Hive and are presented at pick stations for items to be sorted for delivery, a process governed by algorithms that ensures items are intelligently packed. For example, fragile items are placed on top, bags are evenly weighted, and each order is optimized to fit into the lowest number of bags, reducing plastic use.

After being packed, groceries are loaded into a refrigerated delivery van, which can store up to 20 orders. Powerful machine learning algorithms optimize delivery routes, considering factors like road conditions and optimal fuel efficiency. Drivers may travel up to 90 miles with orders from facilities to make deliveries.

Kroger currently operates customer fulfillment centers in Monroe, OH, Groveland, FL, Forest Park, GA (Atlanta) and Dallas, TX and Pleasant Prairie, WI with additional customer fulfillment centers slated for California, Frederick, MD, Phoenix, AZ, Romulus, MI (Detroit), Cleveland, OH, Charlotte, NC as well as South Florida and the Northeast.

Media Assets

To download Kroger Delivery photography and video, visit [here](#).

About Kroger

At The [Kroger](#) Co. (NYSE: KR), we are Fresh for Everyone™ and dedicated to our Purpose: To Feed the Human Spirit®. We are, across our family of companies, nearly half a million associates who serve over 11 million customers daily through a seamless shopping experience under a variety of [banner names](#). We are committed to creating #ZeroHungerZeroWaste communities by 2025. To learn more about us, visit our [newsroom](#) and investor relations [site](#).

About Ocado Group

Ocado Group is a UK based technology company admitted to trading on the London Stock Exchange (Ticker OCDO). It provides end-to-end online grocery fulfilment solutions to some of the world's largest grocery retailers and holds a 50% share of Ocado Retail Ltd in the UK in a Joint Venture with Marks & Spencer. Ocado has spent two decades innovating for grocery online, investing in a wide technology estate that includes robotics, AI & machine learning, simulation, forecasting, and edge intelligence.

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