



Investor Relations | Smithfield Foods USA, Global Food Company

Smithfield Foods and Lineage Logistics Unveil Fully-Automated, Next-Gen Distribution Center

New state-of-the-art facility in Olathe, Kansas – designed by Lineage Logistics and featuring its industry-leading technology – supports Smithfield’s sustainability, customer satisfaction and efficiency goals

OLATHE, Kan.--(BUSINESS WIRE)--Smithfield Foods, Inc., a vertically integrated global food company and one of the world’s largest pork producers and processors, and Lineage Logistics, LLC, the world’s largest and most innovative temperature-controlled REIT and logistics solutions provider, today announced the opening of an automated, next-generation distribution center in Olathe, Kansas.

Lineage designed and built the new facility to enhance Smithfield’s complex distribution network, which supplies thousands of destinations with frequent shipments of protein in varying quantities. Spanning nearly 20 million cubic feet with over 62,000 pallet positions, the distribution center’s innovations provide new levels of operational efficiency and reliability via automation.

At the facility’s core are 18 automated cranes that move inventory into, out of and within the facility, which also features one of the largest temperature-controlled layer-picking systems in the world. Layer-pickers disassemble and reassemble pallets of goods, a process previously performed manually. As a result, the robotics and software fully automate over 97% of the product movement through the facility.

Lineage sponsored academic research in mathematics to determine how to schedule and dispatch components in the facility, increasing throughput capability. Computer vision systems automatically identify the contents of each pallet, decreasing the building footprint. Lineage’s technology teams refined the robotic layout in simulation, stress-testing it against high growth, food holidays and even March 2020 panic-buying.

The facility also features Lineage’s patented blast cell technology (US Patent #10,663,210) that reduces freeze time and energy use by approximately one-half relative to traditional blast cells, aligning with Smithfield’s industry leading commitment to sustainability. Smithfield has pledged to become carbon negative, reduce GHG emissions 30% and halve food waste in its U.S. company owned operations by 2030.

“We are thrilled to announce the opening of the state-of-the-art facility that Lineage designed and built for Smithfield in Olathe,” said Greg Lehmkuhl, President and CEO of Lineage. “At Lineage, we seek to partner with customers who are dedicated to transforming the food supply chain and, by leveraging our innovation and expertise, Smithfield will optimize their operations for speed and efficiency.”

“Our new facility in Olathe represents the pinnacle of supply chain technology. It combines innovations in robotics, numerical simulation, thermodynamics, algorithms, computer vision and software to enable reliable and efficient access to food,” explained Sudarsan Thattai, Chief Information Officer and Chief Transformation Officer of Lineage. “Olathe is the foundation of our automated future.”

“As a major food company feeding a growing global population sustainably, we’re continually working to implement enhancements across our value chain, including our distribution network, to support our customers and reduce our environmental footprint,” said Shane Smith, President and CEO of Smithfield. “We’re pleased to partner with an innovation-driven company like Lineage to further optimize our operations and better serve our customers.”

“Automation is increasingly important element of our strategy to achieve efficiencies across our business and exceed customer expectations,” said Brady Stewart, Chief Operating Officer for Smithfield Foods. “The opening of our new facility in Olathe brings unmatched innovation and new levels of resiliency to our supply chain.”

“Lineage Logistics’ decision to build the Smithfield Foods distribution center in Kansas is confirmation that our central location, strong infrastructure and world-class workforce are exactly what companies need to expand business operations,” Governor Laura Kelly said. “This project is a major win for Olathe and the state as a

whole. Lineage exemplifies the type of businesses we are working to attract and retain, and their investment helps solidify our role as a 21st century hub for transportation, logistics and distribution.”

In addition to state-of-the-art software inside the building, the facility features Lineage Link™, a customer experience platform that provides Smithfield unprecedented access, visibility and control to their product. With the ability to see inventory levels and receive timely alerts, Smithfield can place the necessary orders and schedule the shipments to ensure their product reaches consumers when it is needed. This platform in turn seamlessly interacts with the operating software to ensure the tasks are prioritized for the requisite appointments to maintain the highest level of throughput and productivity. With this software investment, Lineage is pushing the bounds of what is possible in the food supply chain by creating a network in which food suppliers, carriers and distributors maintain a level of access and control that ultimately builds a stronger, more robust food system.

About Lineage Logistics

Lineage Logistics is the world’s largest temperature-controlled industrial REIT and logistics solutions provider. It has a global network of over 400 strategically located facilities totaling over 2 billion cubic feet of capacity which spans 19 countries across North America, Europe and Asia-Pacific. Lineage’s industry-leading expertise in end-to-end logistical solutions, its unrivaled real estate network, and development and deployment of innovative technology help increase distribution efficiency, advance sustainability, minimize supply chain waste, and most importantly, as a Visionary Partner of Feeding America, help feed the world. In recognition of the company’s leading innovations and sustainability initiatives, Lineage was listed as No. 17 in the 2021 CNBC Disruptor 50 list, the No 1. Data Science company, and 23rd overall, on Fast Company’s 2019 list of The World’s Most Innovative Companies, in addition to being included on Fortune’s Change The World list in 2020. (www.lineagelogistics.com)

About Smithfield Foods, Inc.

Headquartered in Smithfield, Va. since 1936, Smithfield Foods, Inc. is an American food company with agricultural roots and a global reach. With more than 60,000 jobs globally, we are dedicated to producing "Good food. Responsibly®" and serve as one of the world's leading vertically integrated protein companies. We have pioneered sustainability standards for more than two decades, including our industry-leading commitments to become carbon negative in our U.S. company-owned operations and reduce GHG emissions 30 percent across our entire U.S. value chain by 2030. We believe in the power of protein to end food insecurity and have donated hundreds of millions of food servings to our communities. Smithfield boasts a portfolio of high-quality iconic brands, such as Smithfield®, Eckrich® and Nathan's Famous®, among many others. For more information, visit www.smithfieldfoods.com, and connect with us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#).

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