

**REDMART BY LAZADA MARKS 10 YEARS OF ONLINE GROCERY SERVICE,
UNVEILS 24/7 AUTOMATED FULFILLMENT CENTRE TO CATER FOR
SINGAPORE'S INCREASED GROCERY DELIVERY DEMAND**

New facility more than doubles RedMart's capacity as online grocery industry booms in Singapore



Singapore, 14 October 2021 – RedMart, Singapore's first fully-digital, and largest online grocer, has marked 10 years of operations by unveiling its new 350,000 sq ft West Fulfillment Centre (WFC), built at an estimated cost of close to S\$100 million, and equipped with state-of-the-art automation technology to cater to the future grocery needs of Singaporeans.

The news comes as RedMart celebrates 10 years of pioneering online grocery delivery in Singapore this month. Over the past decade, RedMart has fed the nation and catered to changing consumer tastes, substantially increased its product range, satisfied international palates, and supported local producers and farmers in Singapore by widening their reach to consumer audiences, and helping them to digitalise.

Advanced automation at West Fulfilment Centre

To cater to the rising demand of grocery deliveries in the Republic, automation at West Fulfilment Centre will strengthen operations and allow for future growth, with the deployment of two state-of-the-art advanced automated systems:

Goods To Person Picking (GTP): The advanced GTP automated storage and retrieval system forms the backbone of West FC, where over 48,000 products can be sorted, stored and retrieved automatically, to fulfill customer orders. Comprising six purpose-built systems that coordinate to fulfill orders on a daily basis, the management of this system and products can be easily managed by six RedMart staff, instead of the dozens needed to do the same work manually.

Pick To Light (PTL): The foundation of RedMart's unbroken cold chain keeps products fresh. PTL automates the selection and sorting of frozen, cold and fresh produce, enabling a multi-shuttle system to circumnavigate the Cold facility as packers fulfill tens of thousands of orders efficiently, reducing human

error and physical contact, while maintaining freshness of RedMart's most sensitive products, led by a team of highly trained fresh produce experts.



Operator running Goods To Person (GTP) automation system



Pick To Light's (PTL) multi-shuttle system in operation

The brand-new grocery distribution facility reduces food waste at source with the use of machine learning for precise demand forecasting, and significantly reduces touchpoints between humans and grocery products before they reach the customer, particularly important for delicate fresh produce and in today's pandemic environment. Further, by optimising workflows with a combination of human supervision and automation, the larger facility allows more orders to be filled, while reducing human error and maintaining the same manpower headcount as before.

Recent growth of Singapore's grocery sector

These innovative solutions have enabled RedMart to match the growing demand for grocery delivery from Singapore households which, according to international grocery research organisation, IGD, saw the value of Singapore's online grocery market grow three-fold from S\$130m in 2017, to over S\$500m in 2020. This growth shows no sign of slowing, and is expected to grow by a further 35 percent by 2022.

Over the decade, RedMart has played an important part in supporting the nation through the peaks and troughs of changing consumer demand, as well as the battle for food security. Following the DORSCON Orange announcement in 2020, RedMart bolstered its operations to cater to four-fold growth in grocery sales, with visitors to the website spiking by 11 times and demand for fresh meat and vegetables surged by 40%.

Changing palettes and preferences of Singaporeans

The past decade has also brought with it changes in Singapore's taste preferences and purchasing behaviours. From a small produce range at its inception, today RedMart boasts numerous international supermarket brands and products on its platform. With just one-click, consumers can now access extensive international products from 18 countries. This includes Australia's Woolworths, the UK's Sainsburys and Korea's Lotte Mart, along with special imports from Japan and Taiwan, to name but a few. With more people staying in and cooking, the year 2020 also saw 30 per cent more customers purchasing fresh and frozen products on a regular basis.

Issues such as sustainability and the support local movement have also shaped Singapore's approach to food consumption. As a result, RedMart has supported the digitisation of local farmers and artisans by welcoming 20 local producers online over the years, ranging from local vegetable farm Sustenir, to Michelin Bib Gourmand listed FishBall Story to household favourites Hay Dairies for fresh local dairy. Through

harnessing RedMart's digital resources, these home-grown brands are able to uncover new channels and reach new consumer audiences by delivering nationwide, in turn, elevating their reach and influence.

Over the years, RedMart has grown the assortment of its Private Label range of products to cater to the increase in demand for everyday items. Starting with three items six years ago, RedMart's housebrand now carries over 400 products covering 13 of the 15 key categories on RedMart, of which more than 50 per cent of these items are produced with local partners and suppliers.

(For more details on RedMart's growth, please see the separate Appendix.)

Commenting on the milestone anniversary, Richard Ruddy, Lazada's Chief Retail Officer and Head of Groceries remarked:

"It has been an exciting decade watching Singapore's grocery retail landscape evolve and grow. Since its inception, RedMart has come a long way, but so has the industry. From the days of physically visiting wet markets and supermarkets for groceries and lugging them home, the weekly routine of grocery shopping has become much more accessible and inclusive with the advent of online grocery services like RedMart. With just a few simple clicks, shoppers can shop for the goods they need, saving customers both time and money, and to taste the world from the comfort and safety of home. The world is now truly at one's fingertips."

On the opening of West Fulfilment Centre, Gerald Glauerdt, RedMart's Chief Logistics Officer commented:

"RedMart has worked tirelessly over the decade through partnerships and collaborations with governments, brand partners and local producers to diversify suppliers and strengthen supply chains to minimise disruptions and to fortify Singapore's food security. The introduction of automated systems in our new fulfilment centre was timed to meet the anticipated demand for online groceries in Singapore in the next few years, but that has been realised sooner than expected as a result of the pandemic. This investment is sure to keep RedMart at the forefront of Singapore's grocery sector for years to come."

The future of Singapore's grocery scene

Looking ahead to the next 10 years of grocery delivery in Singapore, RedMart predicts sustained growth in digital grocery purchases as the world adjusts to living in a COVID-endemic world, evolving delivery options to meet the customers' needs, and the call for sustainable practices to ensure customer retention as e-grocers become the norm.

The forecasted shift of hybrid work environments, and its knock-on impact on culinary habits, has fueled the need for grocers to harness technology to keep up with rapidly shifting demand, along with the seamless integration of technology at the workplace and online. RedMart has established itself as a key leader in the online grocery space and is now Singapore's largest digital grocer, primed to deliver 25,000 orders daily by 2025. As Singapore continues to adapt to living in a COVID-endemic world, RedMart is here to support and feed the nation for the road ahead.

To access images of the West Fulfilment Centre, please click [here](#).

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About Lazada Group

Founded in 2012, Lazada Group is the leading eCommerce platform in Southeast Asia. We are accelerating progress in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam through

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commerce and technology. With the largest logistics and payments networks in the region, Lazada is a part of our consumers' daily lives in the region and we aim to serve 300 million shoppers by 2030. Since 2016, Lazada has been the Southeast Asia flagship platform of Alibaba Group powered by its world-class technology infrastructure.

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