

**Ocado Retail
Modern Slavery
Statement
FY 2021/2022**

Introduction and Executive Summary



The UK Modern Slavery Act 2015 requires businesses to state the actions they have taken during the financial year to ensure modern slavery is not taking place in their supply chains and operations. At Ocado Retail Limited, we are fully committed to playing our part in eliminating modern slavery, transparently providing details of the steps taken throughout the past 12 months. This statement refers to the financial year ending 27th of November 2022.

It was a far from easy year with challenges to navigate occurring on a daily basis. Our suppliers and customers emerged from the Pandemic, to face an ongoing cost of living crisis. Worldwide, the Russian invasion of Ukraine increased the risk of trafficking and forced labour in supply chains, while also making a huge impact on the availability of commonly used ingredients.

During the period, we became partners of Unseen, a whistleblowing helpline that offers support to victims of human trafficking or abuse and liaises with the relevant authorities to bring the perpetrators to justice. We continue to sponsor Stronger 2gether and be a member of the Food Network for Ethical Trade.

We grew our Ocado Own Brand range during the period; we continued to build and implement our Human Rights Strategy across the growing Ocado Own Brand supply base to ensure we maintain our high standards, allowing our own brand range to grow in a responsible way. We have rolled out a compulsory Modern Day Slavery Training module for all ORL colleagues.

The ongoing risk of modern slavery requires us to encourage all employees and third-parties to remain vigilant, and immediately report any suspicions or concerns that may impact the human rights of people working throughout the supply chain. Modern slavery is a global issue and we believe that every individual can play their part to help to eradicate it in the future.

This statement was approved by the Board of Ocado Retail Ltd. and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'HG', written over a horizontal line.

Hannah Gibson
CEO

Structure, Business and Supply Chains

(Structure of the business, parent company and supply chain)

Our Structure

Ocado Retail Limited (ORL) is a 50:50 joint venture between Marks & Spencer Group plc and Ocado Group plc, and employs around 900 colleagues. It is based in Hatfield, Hertfordshire with a Customer Hub located in Sunderland, Tyne and Wear. As both M&S and Ocado Group issue Modern Slavery Statements separately, this report relates to Ocado Retail Limited (ORL) only.

Our Business

Ocado.com is operated by Ocado Retail Limited (ORL) and is the world's largest dedicated online supermarket with over 940,000 active customers, delivering to over 80% of the UK. Customers benefit from an unbeatable range of around 50,000 products (including big-name brands, more than 5,000 items from the M&S food and drink range and Ocado's Own-Range), unbeatable service with next-to-no substitutions, and the most sustainable grocery proposition of any British grocer. Every order is carefully packed in one of seven distribution centres using world-leading software and technology. Shopping is then delivered directly to customers using a network of regional spokes and fleet of delivery vans. Ocado developed the first grocery shopping app in 2010 and continues to innovate, offering customers the best possible experience. Ocado Retail is also responsible for Zoom by Ocado, its rapid delivery service. All sites are operated by Ocado Group, who supply logistics services to Ocado Retail, including delivery drivers, warehouse operatives, etc.

We do not have international operations.



Figure 1: Ocado Retail Coverage Map

Our Supply Chains

Our products are sourced globally and Ocado Retail Limited (ORL) is unique through the wide range of over 49,430 products that customers are able to purchase through ocado.com. At the time of publication, there were 1700 branded suppliers, 292 suppliers of M&S products and 96 Ocado Own Brand suppliers, across 157 supplying sites.

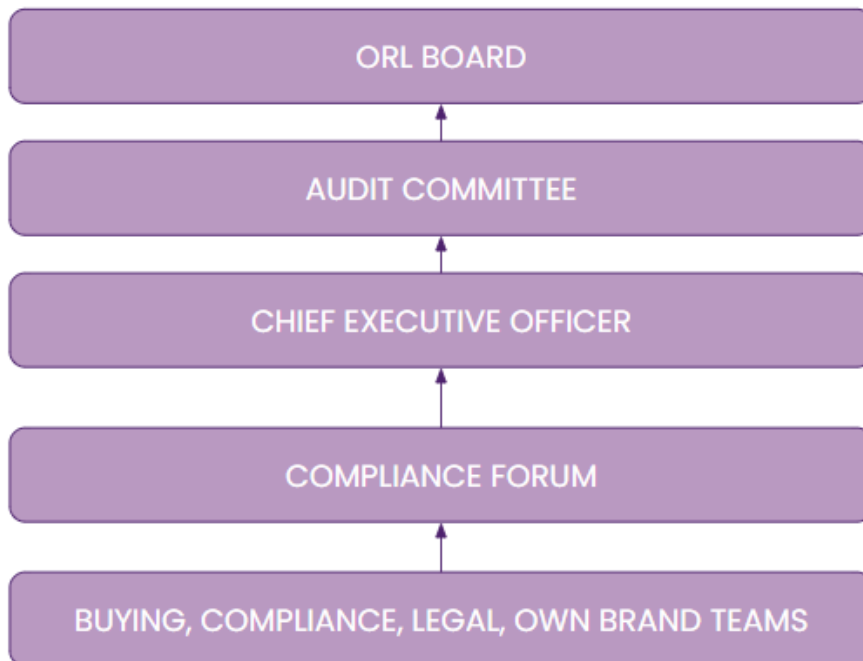
The labour force within our supply chains is varied in nature. It could include workers who would be considered more vulnerable to exploitation, such as temporary or seasonal workers, migrant workers recruited through labour agencies and agency workers.

Our Governance

Human Rights & Modern Slavery risks to the Ocado Retail Limited (ORL) business are included in the Ocado Own Brand, Technical, Compliance & Sustainability Risk Matrix.

Monitoring of progress against our Human Rights & Modern Slavery strategy sits with the Board's Audit Committee. Progress against targets is presented on a bi-annual basis and discussed within the Compliance Forum.

Our Governance framework, and the approval of this document, is as follows:



Policies in relation to modern slavery and human trafficking

The following policies are in place and shared internally or with third parties as required: -

- Grocery / General Merchandise Supplier Manual
- Ocado Ethical Sourcing Code of Practice
- Human Rights Escalation and Remediation Policy
- Human Rights Policy
- Whistleblowing Policy
- Anti-Bribery Policy

Grocery / General Merchandise Supplier Manual

This outlines the operational standards for suppliers who provide us with products to sell on ocado.com and includes the requirement that suppliers sign up to the nine ETI Base Code requirements: -

1. Employment is freely chosen
2. Freedom of association
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practised
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

Ocado Ethical Sourcing Code of Practice

This outlines the standards our suppliers should meet in terms of: -

- Human Rights Accountability and Human Rights Approach
- Audit Requirements
- Training
- Whistleblowing
- Supply Chain Transparency

Human Rights Escalation and Remediation Policy

This document details our human rights escalation and remediation requirements in line with The UN Guiding Principles on Business and Human Rights for instances of Non-Compliances found at supplier sites. It is understood that Ocado Retail may cause or contribute to an adverse impact that was not foreseen or prevented. If it is identified that Ocado Retail is responsible for such an impact, we will endeavour to remedy or co-operate in the remediation of the situation through legitimate processes and will therefore: -

- Fully co-operate in legitimate external processes aimed at addressing and resolving grievances directly and early
- Require that the companies with which we engage adopt grievance mechanisms to address possible human rights infringements
- Assure that the collaborative and multi-stakeholder initiatives in which we participate provide for effective grievance mechanisms and / or other measures of adequate accountability

Human Rights Policy

This policy includes provisions forbidding any use of forced, bonded or involuntary prison labour, ensuring that workers are not required to lodge deposits or identity papers with their employer, that child labour shall not be used and that suppliers shall contribute to programmes that provide remedies for incidents of child labour that conform to the provisions of the relevant International Labour Organization (ILO) standards.

Whistleblowing Policy

This policy is designed to enable our colleagues to raise legitimate concerns in relation to any danger, fraud or other illegal or unethical conduct in the workplace, without fear of being subject to any detriment, victimisation or disciplinary action.

Anti-Bribery Policy

This policy sets out our responsibilities and the responsibilities of those working for us, in observing and meeting our obligations to manage bribery, corruption and money laundering issues.

Risk Assessment and Due Diligence

Due to the nature of the Ocado Retail operation, which is the selling of grocery and general merchandise products through Customer Fulfilment Centres that are operated by an independent entity (Ocado Group), construction and recruitment are considered to be areas of low risk.

The products sold by Ocado Retail can be classified into three categories, these being Ocado Own Range, M&S branded and third party branded. The Ocado Own Range is the only category that we have full control over. We are heavily focussed on grocery products within the Ocado Own Range category and this area is therefore the priority for our supply chain work.

All suppliers of Ocado Own Range grocery products must be active members of Sedex and complete a Sedex Self-Assessment Questionnaire (SAQ) on an annual basis. We have fully mapped our Tier 1 suppliers, which are those that pack the Ocado Own Range products, and, through monthly reports, monitor the status of their compliance against our ethical requirements.

We use Sedex's Risk Radar, which provides an inherent and combined risk rating for suppliers of Ocado Own Range products based on factors such as country, product area, sector profile and site function.

Radar enables businesses to conduct a risk assessment of themselves or their supply chains, assessing risks by country and sector, as well as by individual site. The tool allows us to analyse and compare not only supplier risk, but also the management performance at a site.

Radar contains risk data based on independent and reputable sources that assess risks in the four SMETA pillars and 14 risk topics, which include sector risk and country risk. Radar also includes site data that is based on information uploaded by suppliers through their profiles and Self-Assessment Questionnaires (SAQ), as well as from third-party audit reports.

All Tier 1 suppliers of Ocado Own Range products must undergo an independent third party ethical audit to assess labour standards and health and safety on site, with our requirement being a two pillar SMETA audit as a minimum. We require all our Tier 1 suppliers to undergo such an audit at a frequency of maximum three years.

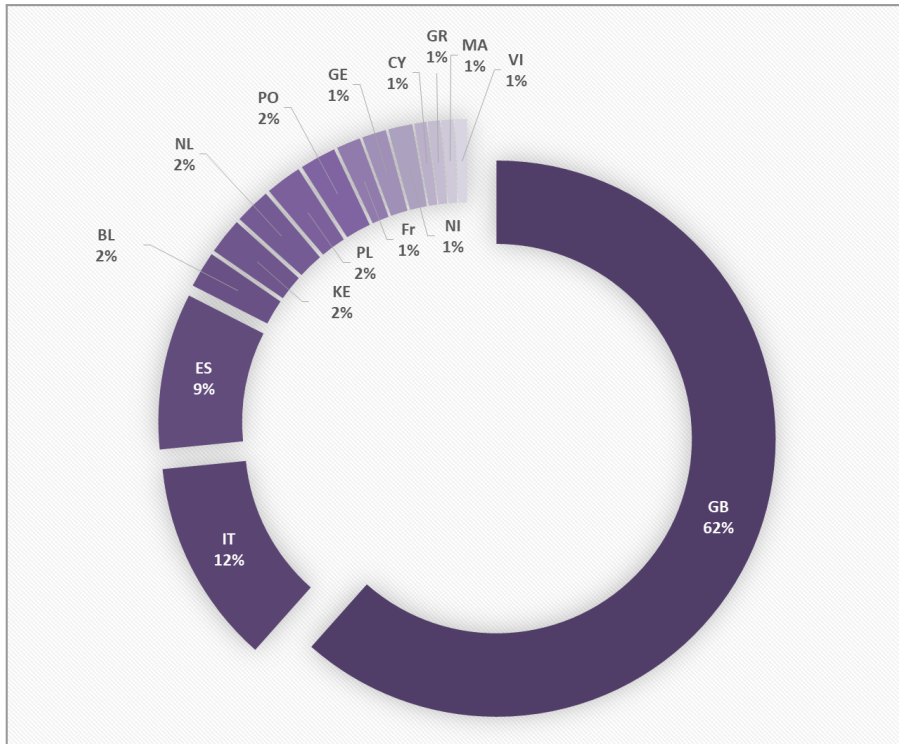
In April 2022, we introduced ORL Ethical Sourcing Guidance and Requirements for Own Brand Products. We require High Risk suppliers to undergo a two pillar SMETA audit every year and we work with them to implement all requirements.

In 2023, we will carry out a full review of the ORL Human Rights & Modern Slavery Strategy, including the risk assessment of all grocery and general merchandise Ocado Own Range products.

Ocado Own Range

Approximately 70% of our suppliers are classified as Medium & Low Risk.

Our Tier 1 suppliers are predominantly based within the UK, with 62% of suppliers being located here. Italy and Spain are the next significant countries within our supply chain, accounting for 21% of the overall total, whilst the remainder can be viewed in the breakdown that follows: -



Key Performance Indicators (KPIs)

The status of our key performance indicators for 2021 - 2022 is as follows: -

Deadline	Measure	Target	Status
Ongoing	% of Ocado Own Range Tier 1 suppliers registered on Sedex	100%	100%
2023	% of Ocado Own Range Tier 1 suppliers with a Sedex Self-Assessment Questionnaire completed to 100%	100%	92%
2023	% of Ocado Own Range Tier 1 suppliers with a two pillar SMETA Audit in the past three years	100%	100%
2024	% of Ocado Own Range High Risk Tier 1 suppliers with a two pillar SMETA Audit in the past year	100%	60%
2024	% volume of High Risk products mapped to source level	100%	75%

No. of Open Business Critical non-compliances

0

No. of Supplier sites suspended or delisted for ethical issues in 2022

0

% of ORL staff who undertook MDS training

100%

Partnerships

We are partnered with the following organisations and continue to look for further partnerships that will enhance our due diligence. : -

British Retail Consortium

We are members of the British Retail Consortium (BRC) and sit on both their Responsible Sourcing Group and Ethical Labour Working Group. The BRC's unique position, which enables it to act as a forum for the retailing sector and to engage with governmental and third-party organisations, is indispensable. The Gangmasters and Labour Abuse Authority (GLAA) and Independent Anti-Slavery Commissioner have a strong relationship with these groups, facilitating a two-way dialogue and providing on-the-ground information and updates on modern slavery incidents in the UK.



We are founding signatories to the British Retail Consortium's 'Better Retail, Better World', a collective action group from the retail industry to meet some of the biggest global challenges of the coming decades, including modern slavery and decent work, sustainable economic growth, inequalities, climate change and responsible consumption and production.

Stronger Together

We continue to be a project sponsor of Stronger Together, a multistakeholder business-led initiative aiming to reduce modern slavery and hidden third-party exploitation of workers.



Responsible recruitment | Fair work | Free from exploitation

Food Network for Ethical Trade

We continue to be members of the Food Network for Ethical Trade (FNET), a supplier-led initiative aiming to use the collective leverage of suppliers and retailers to bring about positive change in working conditions in global food supply chains by providing guidance, resources, training and opportunities for collaboration.



Unseen

In 2022, Ocado became a partner of Unseen. Established in 2007, Unseen is a UK charity working with individuals, businesses, governments, communities, and other charities to help eradicate modern slavery. We provide safehouses and support in the community for survivors of trafficking and modern slavery. Alongside running the UK Modern Slavery and Exploitation Helpline, Unseen provides ongoing support, not just to survivors, but to businesses and organisations to help tackle these issues right at their source.



Training and awareness raising

Ocado Retail

This year we rolled out a Human Rights & Modern Slavery compulsory training module to all of our colleagues. We wanted this to be a practical training module and therefore included scenarios, advice on how to report suspicions of modern slavery, an overview of the Modern Slavery Act, key facts and why supporting human rights is vital to our business.

Suppliers

As part of Ocado Retail's sponsorship of Stronger Together, all of our suppliers in the UK and Spain have access to free Modern Slavery training.

Plans for FY 2022/2023

ORL Business

Conduct a full review of the ORL Human Rights & Modern Slavery Strategy.

This will be carried out by a third party expert.

Strengthen the internal Governance by bringing the Human Rights & Modern Slavery KPIs to the Sustainability Steerco on a Quarterly basis.

Develop and implement the Human Rights & Modern Slavery Strategy for Goods not for Resale

Expand reach of training in the supply chain.

ORL Supply Chains

Analyse the outputs from the supply chain mapping exercise carried out in 2022 and continue to map the High Risk supply chains to source.

Review approach to Storage and Distribution partners and implement strategy.