



MODERN SLAVERY REPORT 2023

Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction

This report by Ocado Group plc and its subsidiaries, Ocado Solutions Limited and Ocado Solutions Canada Inc., has been published pursuant to Section 11(1) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for the financial year 28 November 2022 to 03 December 2023. This is a joint report pursuant to 11(2)(b) of the Act made on behalf of Ocado Group plc and its subsidiaries mentioned above (collectively, "Ocado Group", "Group", "we", "us" or "our"). Ocado Group and its relevant subsidiaries comply with similar reporting requirements in the UK pursuant to section 54 of the Modern Slavery Act 2015. Ocado's UK modern slavery statement ("MSA Statement") which provides our global approach against all types of forced labour is available on our [corporate website](#).

Ocado Group is committed to respecting and supporting the internationally recognised human rights encapsulated in the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Throughout our operations, we seek to prevent the infringement of human rights and commit to addressing any adverse human rights impacts we identify as prescribed by the UN Guiding Principles on Business and Human Rights. We support the elimination of all forms of forced and compulsory labour, including child labour and support the protection of labour rights that promote safe and secure working environments for all workers.

We take all allegations of human rights abuse seriously and will not tolerate such practices in our operations or our supply chains. To report incidents of suspected misconduct, such as dangerous, fraudulent, illegal or unethical conduct taking place within Ocado Group's organisation we have a Speak Up service. This confidential service is operated by independent third party specialist, Navex Global. Speak Up allows anyone to report a concern by telephone or website, at any time of the day or night throughout the year by calling the relevant number listed in our [Whistleblowing Policy](#) or by submitting a report at [ocado.ethicspoint.com](#).

2. Our Group Structure

Ocado Group is a technology-led, global software and robotics platform business, with a strong retail heritage. Our organisation is divided into a number of subsidiaries that make up the Ocado Group. We are headquartered in Hatfield, United Kingdom and have satellite offices in Australia, Bulgaria, Canada, France, Greece, Japan, Poland, Singapore, Spain, Sweden and the United States.

3. Our Activities and Supply Chains

Our Technology Solutions division consists of (1) **Ocado Solutions Platform (OSP)**, our software and robotics platform business, a managed service and, where relevant, includes the construction of automated Customer Fulfilment Centres ("CFCs"), to leading retailers across the world, including in Canada; and (2) **Ocado Intelligent Automation (OIA)**, responsible for selling and importing our robotics and mechanical handling equipment technology to warehouse environments in non-grocery markets, including in Canada.

Our Logistics division activities are focused outside Canada in the UK where we provide third-party logistics and other services to our two UK partners. For more detail, please refer to our [MSA Statement](#).

Our direct supplier partners are largely based in the UK, USA and the EU. Our supply chain includes suppliers who (1) operate in their own facilities that contribute to manufacturing our products, and (2) provide outsourced services and products that support our operations, including logistics providers.

We have nearly 19,000 employees and over 2,800 agency workers based across 4 continents and 13 countries working with our 12 partners. The majority of these workers are based in the UK, with smaller specialised teams based internationally, including over 225 staff in Canada. As new people come on board it is important that we communicate what life is like at Ocado Group. We introduce the values, culture and principles that we live by, and help establish our standards of conduct. To deliver these key messages consistently, we have our Global Onboarding Programme which outlines our Global Employee Handbook and Code of Conduct. Ensuring the health, safety and wellbeing of our workers is a key priority for us. We monitor our progress in these areas on a continuous basis, using an array of feedback mechanisms, when assessing our people's wellbeing.

In 2023, we signed the Leadership Pledge coordinated by the Global Business Collaboration for Better Workplace Mental Health and joined the MindForward Alliance. In addition, we launched a new wellbeing programme, providing both proactive and reactive wellbeing support to our workers, including counselling. Over 1250 employees have registered on the site, which has in turn managed 131 Employee Assistance Programme cases. Furthermore, we developed our Mental Health Champion Framework, an internal global network of individuals to enable peer to peer support, adding 89 new champions globally.

4. Our Governance Framework

Our modern slavery governance framework includes codes of practice and policies setting global standards applicable to all of Ocado Group, including our subsidiaries in Canada.

Our Governance

Our Sustainability Committee, previously the ESG Committee, defines and oversees the responsible business strategy and ensures it is successfully implemented. The Committee is chaired by our Group General Counsel, Neill Abrams, with additional sponsorship by our Chief Financial Officer, Stephen Daintith. The Committee comprises leaders from across the business who are key to Ocado's strategic and operational success. It meets quarterly in a decision-making capacity and reports directly to the Board. The Committee is supported by a cross-functional working group, collaborating with business area leaders, to drive key priorities forward, including responsible sourcing, and when necessary, adjust plans in response to new challenges or opportunities that emerge.

Our Policies and codes of practice

Ocado Code of Conduct

Our Code of Conduct underpins our expanding business by emphasising the principles guiding our actions. It encapsulates our mission, values, and company policies for our employees. The Code was updated in 2023 to reflect our new values and emphasises the importance of complying with our minimum standards and expectations and speaking up if any wrongdoing is observed.

Supplier Code of Conduct

Ocado's Group-wide supplier Code of Conduct ensures uniform compliance and high standards from all our suppliers. The requirements for suppliers incorporate international labour and human rights principles, referencing forced labour, and aligns to the Responsible Business Alliance industry standards.

Procurement Policy

Our Procurement Policy sets out the principles that need to be considered when buying goods or services on behalf of Ocado. This ensures that we have consistency and integrity when carrying out procurement activities and that adequate legal, financial, ethical and regulatory compliance considerations are applied when selecting suppliers to partner with.

Human Rights Policy

Our Human Rights Policy sets out our requirements for all persons working for us or on our behalf, in any and all capacity. Provisions in this policy include the prohibition of all forced and compulsory labour, the prohibition of child labour, the right to freedom of association and collective bargaining, and that working hours, wages and deductions comply with national laws. In 2023, we began the process of updating this policy, using third party expertise. The updated policy will launch in 2024.

Whistleblowing Policy

We are dedicated to fostering a culture of openness and transparency within our organisation. We have a Whistleblowing programme, known internally as "Speak Up" to facilitate whistleblowing without fear of retaliation. This initiative allows employees and third parties to report concerns confidentially through phone or online channels 24/7.

Anti-Bribery Policy

The policy and our public-facing Anti-Bribery Statement reiterate our zero-tolerance approach to bribery and outlines the standards we expect of those associated with us. The policy also details how to report and record gifts and hospitality and is supported with practical guidance. We updated our Anti-Bribery Policy in 2023 to align with the launch of our Procurement Policy.

5. Our due diligence processes

Our due diligence approach to eliminating modern slavery focuses on all types of modern slavery including forced and child labour. It is directed towards Technology Solutions manufacturing and non-manufacturing suppliers of key product categories that go into building our automation technology.

Procurement Practices

In line with our Procurement Policy, new suppliers are required to complete a standard pre-qualification questionnaire to ensure that legal, financial, ethical and regulatory compliance considerations are applied when selecting suppliers. This includes a Supplier Compliance Statement that contains information about the supplier's policy or procedures relating to modern slavery.

We require our construction suppliers to provide evidence that they manage the right-to-work eligibility of their contractual employees, including subcontractors, in each country as part of our General Instructions for Contractors. Furthermore, that their workers receive health & safety training relevant to their work; and that their workers hold valid construction competency cards,

such as the Construction Skills Certification Scheme in the UK. This provides confidence that workers on our sites are safeguarded during their recruitment.

Responsible Sourcing Programme

Our Responsible Sourcing Programme adopts a risk-based approach to identify, mitigate, monitor and prevent labour and human rights risks, this includes a range of processes and assessments to conduct labour and human rights due diligence on key and high risk suppliers in our technology supply chain. These include screening suppliers via EcoVadis, introductory meetings with our Responsible Sourcing Team, pre-qualification questionnaires and documentation requests, internal risk categorisation, and being able to demonstrate that they meet the minimum standards set out in our Supplier Code of Conduct.

We have progressed our efforts to map the lower tiers of our technology supply chain, which we acknowledge is a crucial step in our efforts to minimise our impact on adverse labour and human rights risks, including forced labour. We have established a mapping project using SupplyShift and have made progress targeting key suppliers and collating information such as geographical location, site type, industry, and materials type to ascertain inherent risk factors. Based on our findings, we have tasked several key direct suppliers with high risk supply chains to prioritise mapping down to raw material source.

To identify and mitigate risks in our technology supply chain, all high-risk suppliers must adhere to our Responsible Sourcing Programme's auditing protocol, which states that a supplier must provide an annual social audit. These audits must be carried out by an approved independent third party organisation and be unannounced or semi-announced with a four week window. We accept 4-Pillar SMETA, Amfori BSCI, SA8000, and Responsible Business Alliance (RBA) audits.

6. Risk management and remediation

Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

We recognise that forced labour and child labour poses a potential risk to several key industry sectors that are vital to how we operate as a business. These sectors are (1) warehousing and distribution in our UK logistics operations, (2) our and our client's construction projects, and (3) the manufacturing and sourcing of electronic components that go into our automation technology. The high number of temporary, seasonal, or agency workers in these sectors present inherent risks, such as language barriers, illegal recruitment fees, underpayments or withheld wages, excessive or forced overtime, accommodation and transport being provided by potential third party exploiters.

To help us monitor the inherent risks in our technology supply chain, our Responsible Sourcing Programme utilises the widely recognised EcoVadis evaluation tool to provide increased visibility and insights into supplier performance on human rights, ethics and supply chain management. As we screen our suppliers for risk, we are building a clearer image of the potential risks faced by workers in our global technology supply chain. In 2023, we selected and invited over 100 suppliers to undergo a full EcoVadis assessment as part of our ongoing responsible sourcing screening programme.

Over 2023, in our Technology Solutions divisions, an analysis of prequalification assessments and social audits, integral components of our responsible sourcing screening process, identified key supply chain risks. These include indicators of forced labour, potential human rights risks linked to critical raw materials, and challenges in cascading responsible sourcing requirements to the upstream supply chain, including visibility of tier 2 manufacturing sites.

We are active members of Business for Social Responsibility (BSR). In 2023, they continued to provide tailored support on our Responsible Sourcing Programme strategy, and remain a platform to engage with industry peers on shared challenges through working group forums. Our Responsible Sourcing Team engaged in meaningful collaboration with BSR, leveraging their expertise on business and human rights. Together, we have developed an internal Risk Screening Matrix for labour and human rights that aligns with industry best practices. Our quarterly meetings have been dedicated to horizon scanning of incoming human rights due diligence and social compliance regulatory requirements. We are actively scanning and preparing for upcoming supply chain regulatory requirements to ensure our processes remain compliant and forward-thinking.

In 2023, as part of our membership with techUK, a trade organisation with approximately 1,000 member companies from the tech sector across the UK, we actively engaged with their responsible business conduct group; focusing on human rights and environmental supply chain due diligence, ESG/Sustainability reporting, international labour laws and responsible sourcing of materials and minerals.

Measures taken to remediate forced labour or child labour

In 2023, we were made aware of an alleged incident of modern slavery, involving a former employee, at one of our UK based CFCs operated by our Logistics division. Although our investigation did not necessitate specific remediation steps, as we did not find any wrongdoing on Ocado's part, we cooperated with the police to help facilitate their investigation regarding the alleged victim and any suspected third party individual(s). This incident has reinforced the importance of increasing awareness of this social issue and the reporting mechanisms available to our employees which we continue to assess and strengthen.

Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

Ocado has not identified nor reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

7. Training

We have a mandatory modern slavery awareness training course applicable to employees in specific roles worldwide across Ocado, including in Canada. During 2023, 1,380 employees completed and passed the training, bringing the total number of completions to 8,900 since launching the course in 2022. Furthermore, we continued to issue anti-bribery training to our staff, with more than 7,600 completing the training course in the reporting period.

In addition to our training programmes, we ran a series of internal awareness campaigns in 2023 around compliance topics; including Anti-Bribery, Whistleblowing and our Code of Conduct, to ensure our employees were aware of how to spot the signs and report their concerns of any unethical behaviour within our organisation.

8. Effectiveness

Assessments to ensure that forced labour and child labour are not being used in our business and supply chains

We continue to assess and where appropriate enhance our governance framework to ensure that modern slavery, including forced labour and child labour, are not being used in our business

and supply chain worldwide. This includes the continuous review and adjustment of our governance framework, policies, code of conducts and training programmes.

We also assess our effectiveness by reviewing incident reporting through our Whistleblowing and through our Responsible Sourcing Programme:

- The alleged incident of modern slavery reported in the UK remains the only known case raised in 2023, no additional incidents of modern slavery were reported through our whistleblowing “Speak Up” channels.
- In our technology supply chain, as a result of having effective Responsible Sourcing screening processes, we have declined one supplier for failing to comply with our zero-tolerance policy as outlined in our Code of Conduct. Furthermore, we have rejected a manufacturing site affiliated with another supplier due to its failure to meet the standards specified in our Supplier Code of Conduct.

Our training programme on Modern Slavery and related topics such as Anti-Bribery requires employees with specific roles, including those in Canada, to correctly answer a minimum number of questions to assess their understanding of the topic and pass the training. Those that do not, are required to repeat the training.

9. Overview of key actions taken in FY23:

- Launched a new Procurement Policy that covers legal, financial, ethical and regulatory compliance considerations when selecting suppliers.
- Launched a new Group-wide Supplier Code of Conduct, ensuring uniform compliance and high standards from all our suppliers.
- Launched a Responsible Sourcing Standard Operating Procedure in Technology Solutions for onboarding new suppliers, assessing potential risks and their ability to meet our labour standards and human rights requirements as outlined in the Supplier Code of Conduct.
- Developed and implemented the Ocado Responsible Sourcing Audit Requirements for high risk suppliers in our technology supply chain.
- Increased transparency of our direct and tier 2 supply chain in higher risk geographies using SupplyShift mapping tool and engaging with key Technology Solutions suppliers.
- Incorporated responsible sourcing aspects into quarterly business reviews with strategic suppliers in our technology supply chain.
- Developed a supplier scorecard which scores suppliers' efforts at meeting our Responsible sourcing requirements. This is monitored and updated quarterly, incentivising supplier-driven continuous improvement and ongoing performance evaluation.

Approval

This Report has been approved according to section 11(4)(b) of the Act by the Board of directors of Ocado Group plc, Ocado Solutions Limited and Ocado Solutions Canada Inc.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the

information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed by

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Stephen Daintith

Chief Financial Officer and Director

Ocado Group plc

I have authority to bind Ocado Group Plc and Ocado Solutions Limited and Ocado Solutions Canada Inc.

9 May 2024

Ocado Group plc

Buildings One & Two,
Trident Place, Mosquito Way, Hatfield,
Hertfordshire,
AL10 9UL,
United Kingdom
www.ocadogroup.com
Company Number: 07098618