

Ocado Retail Ltd

Modern Slavery

Statement

FY 2024

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Introduction



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 previous financial year (due to financial reporting changes, the financial reporting period for this year is 16 months). This statement refers to the financial year

ending 6th April 2025.

The challenge of eradicating modern slavery is incredibly important and significant, especially because it is often hidden and becomes even more difficult to address during unstable periods in world events.

This year we have made progress in the following areas:

1. Continued to deliver on our overarching Human Rights programme and completed the foundation stage, which included a Policy review, strengthening of our governance around suppliers' onboarding and SMETA non-conformances.
2. Completed assessments of our storage supply partners that store, handle and pick products sold on Ocado.com.
3. Completed a review of human rights due diligence programmes implemented by our high priority supply chain partners in categories identified as high risk.

Our programme is continually evolving and our work continues. We thank our customers, colleagues and supplying partners for their continued support.

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' followed by a long horizontal stroke.

Hannah Gibson
CEO

Our Structure, Business, Supply Chains and Governance

Our Structure

Ocado Retail Limited (ORL) is a 50:50 joint venture between Marks & Spencer Group plc and Ocado Group plc, and employs approximately 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 ORL only.

Our Business

Ocado.com (operated by Ocado Retail) is the world's largest dedicated online supermarket.

Reaching over 80% of the UK population, more than 1 million active customers benefit from an unbeatable range of around 50,000 products (including big-name brands, more than 7,000 items from the M&S food and drink range and Ocado's Own-Range), unbeatable service with next-to-no substitutions. Every order is carefully packed in one of seven customer fulfilment centres and General Merchandise Distribution Centres using world-leading software and technology. Shopping is then delivered directly to customers using a network of regional spokes and a fleet of delivery vans.

Ocado developed the first grocery shopping app in 2010 and continues to innovate, offering customers the best possible experience. ORL is also responsible for Zoom by Ocado, its rapid grocery delivery service.

All sites are operated by Ocado Group, who supply logistics services to ORL, including delivery drivers and warehouse operatives.

We do not have international operations.



Figure 1: Ocado Retail Coverage Map

Our Supply Chains

ORL has the widest range of any UK supermarket with approximately 50,000 products on offer through ocado.com that are sourced globally. At the time of publication, these products were sourced through approximately 1700 branded suppliers, 300 suppliers of M&S products and 147 Ocado Own Brand Tier 1 supplying sites.

The labour force within our supply chains is varied in nature and 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.

Third party storage and distribution sites (not including the customer fulfilment centres operated by Ocado Group) are utilised for temporary product storage and consolidation. We recognise the risk associated with these operations.

Our Governance

Human Rights & Modern Slavery risks to ORL 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 quarterly basis to the Compliance Committee and the Own Brand, Sourcing and Sustainability team. On a monthly basis, the progress against our targets is also reviewed with the ORL compliance team.

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



Policies in relation to modern slavery and human trafficking

Our policies draw from a number of internationally recognised declarations, standards and codes. These form the basis of how we operate and are listed below

- The UN Universal Declaration of Human Rights
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights
- The UN Global Compact
- The Base Code of the Ethical Trading Initiative (ETI)

The following policies are in place and shared with suppliers: -

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

Supplier Manual

The Supplier Manual forms part of our trading conditions with suppliers. They outline 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 forms part of our trading conditions with Ocado Own Range suppliers and outlines the standards our suppliers are required to 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 and provide remedy where necessary
- 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.

Human Rights Programme

1. Due Diligence Scope

The products sold by ORL can be classified into three categories: 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 focused on grocery products within the Ocado Own Range with this area being the priority for our supply chain due diligence. We also source a small quantity of branded goods not for resale which are included in our due diligence programme.

ORL products are received from suppliers, handled and delivered to customers through Customer Fulfillment Centres (CFCs) operated by Ocado Group (OG). ORL's products can also be received from suppliers and temporarily stored by our storage supply partners before being delivered into OG CFCs. Our storage supply partners, including OG, are independent entities with their own Human Rights and Modern Slavery systems in place. They are included in the scope of our due diligence programme due to the various and, potentially, vulnerable workforce employed by the sites.

The construction of CFCs is managed by OG and therefore not included in the scope of the ORL Human Rights programme. However, no CFCs, GMDCs or spoke sites were constructed during the period covered by this report.

2. Due Diligence Processes, Risk Assessment and Management

Ocado Own Range Overview

Ocado Own Range Tier 1 suppliers (direct Ocado suppliers, utilising Ocado Own Brand packaging) are only onboarded once it is verified that they are members of the Supplier Ethical Data Exchange (SEDEX), they've completed the SEDEX Self Assessment Questionnaire and have undergone an independent third party ethical audit to assess labour standards and health and safety on site (SEDEX Members Ethical Trade Audit - SMETA). Any Critical non-conformances raised must be closed before any Ocado production can start.

For the duration of supplying Ocado Own Range products, all Tier 1 suppliers (including goods-not-for-resale) must continue to be members of SEDEX, review the Self Assessment Questionnaire every 12 months and undertake a 2-pillar, semi-announced (over a 4-week audit window) SMETA audit at a frequency based on risk.

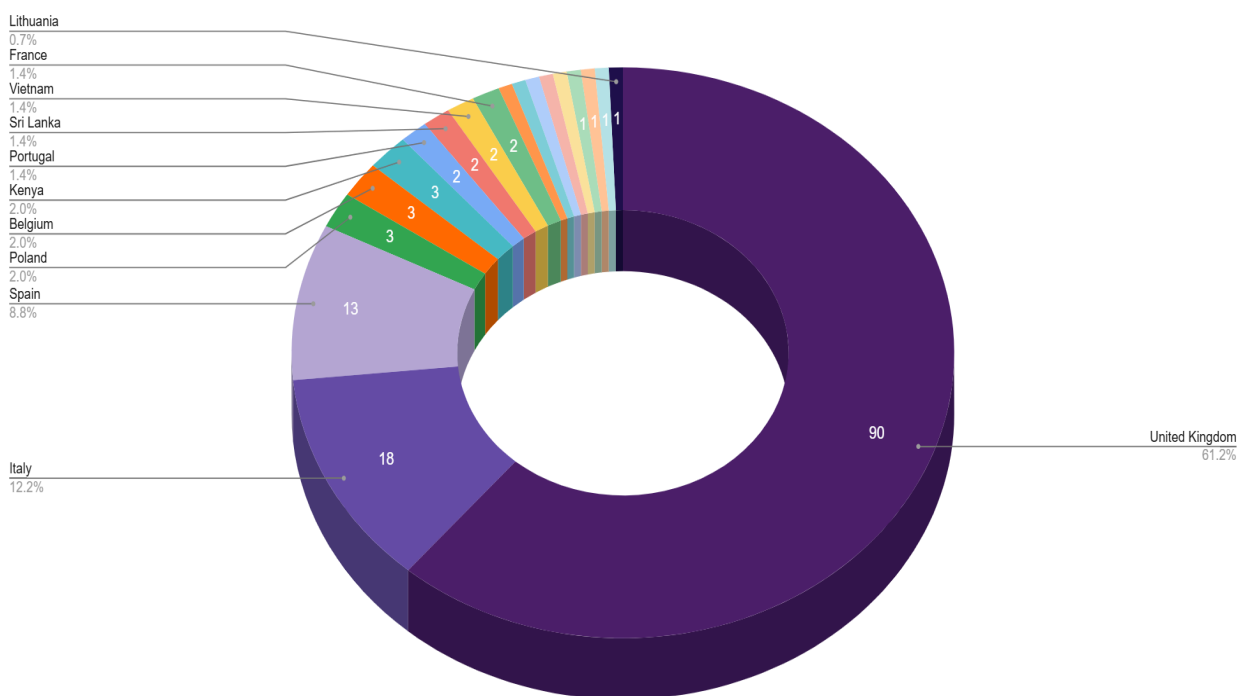
In accordance with the UN Guiding Principles and the ILO, we take a risk-based approach to our supply chains. We use SEDEX's Radar to identify the risk associated with our Tier 1 suppliers and establish the frequency of SMETA. SEDEX Radar provides a combined risk rating for suppliers of Ocado Own Range products based on factors such as country, product area, sector profile, site function and management controls at site.

The frequency of SMETA is based on the SEDEX Radar risk rating of the site: High - audit every year, Medium & Low - audit every 3 years.

In 2024, the number of Ocado Own Range Tier 1 supplying sites increased by 7% to 147 (from 139 in 2023). The proportion of Medium & Low vs High Risk Tier 1 suppliers remained consistent with 2023 (85% of suppliers are Medium or Low risk, 15% are High Risk).

Same as the previous year, the majority of Tier 1 suppliers (90) are based in the UK. 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: -

Ocado Own Brand Tier 1 Suppliers by Country of Origin



High Priority Supply Chains Engagement

In addition to the requirements applicable to all Tier 1 suppliers, we require those active in certain categories (including commodities including coffee & tea, produce, seafood and those who have supply chains extending to countries with known Human Rights risks) have their own, robust Human Rights due diligence programmes in place.

In 2024, we completed our evaluation of suppliers' programmes, a process initiated in 2023. In total, we engaged with 43 suppliers to conduct an in-depth review of how Human Rights risks are managed within their supply chains. Based on our findings, we categorised suppliers as having 'Improvement Needed,' 'Average,' or 'Comprehensive' due diligence programmes. Encouragingly, the majority (26 suppliers, or 60%) had 'Comprehensive' programmes, demonstrating sufficient capability and resources to effectively manage supply chain risks. Notably, most suppliers in the Produce category—historically associated with human rights-related challenges—had 'Comprehensive' due diligence plans, reflecting the significant improvements the sector has made in recent years.

Only one supplier was scored as “Improvement Needed”. We worked closely with the supplier to increase awareness of Human Rights due diligence. As a result, they are conducting a gap analysis of their existing programme and developing an action plan to drive improvements in 2025 and beyond.

In 2025, we will take our engagement further, by working closely with “amber” suppliers to improve their due diligence programmes.

Storage Supply Partners

In FY 2024, we completed Human Rights & Modern Slavery Assessments of all six storage supply partners, including Ocado Group (OG), that ORL uses to store, handle and pick the products sold on Ocado.com.

For storage supply partners with multiple sites, we assessed one site per business, selecting the one handling the highest volume for ORL. Our assessment considered all group-level policies and processes implemented across all sites which gave us a good indication of how human rights risks are managed by our

partners.

The businesses assessed were risk rated based on the criticality of the non-conformances raised during the assessment: red (Critical and/or Business Criticals raised), amber (Major non-conformances raised), green (Minor or no non-conformances raised).

All but one of the businesses were rated as amber risk due to Major non-conformances raised, all of which were closed within 2024.

One business was rated as red risk due to 1 Critical non-conformance being raised. We worked with the site to close the non-conformance and carried out another assessment to verify implementation.

In 2025 we will continue to implement our due diligence programme in the sites we have not visited in the previous years.

3. Overarching Programme & activities in the reporting period

In 2023, we carried out a comprehensive review of the ORL Human Rights & Modern Slavery Strategy which included our Due Diligence, Risk Assessment, Audit requirements, Mitigation and Remedy. The review supported a new strategic programme, the first phase of which was delivered in 2024. The objective for the period was to solidify the strategic foundations across the four pillars of the programme:

- Policy & Communication: we updated our policies and strengthened the associated internal governance, we improved visibility of our requirements for suppliers, by including Ethical Policies in the newly launched Ocado Specification system and we formalised the tender/RFI/RFQ documentation to include Human Rights requirements.
- Due Diligence: we embedded the SEDEX pre-assessment in the supplier onboarding process and strengthened our governance around SMETA non-conformances.
- Monitoring & Reporting Progress: we improved our monitoring and reporting processes and developed a system for follow-up and escalation in case of non-compliance.

Stakeholder Management: we continued to work on embedding Human Rights within the Ocado business by carrying out awareness raising presentations with

various supplier-facing teams such as Technical and Buying.

Audit non-conformances

Our audit programme is an important component of our due diligence efforts. Audits are conducted at a frequency based on risk and we review their outcomes. The SMETA methodology categorizes non-conformances by severity: Business Critical (highest severity), Critical, Major, or Minor.

In 2024, we developed a strategic approach to addressing SMETA non-conformances based on three pillars:

- Monitoring: regular, detailed reporting and prioritised action to resolve overdue Critical and Business Critical non-conformances, followed by Major and Minor. We consider factors such as time passed since the non-conformance was raised and auditor action to guide our engagement priorities.
- Engagement: a balanced approach that involves working with suppliers to address overdue non-conformances and collaborating with auditing bodies to ensure corrective actions are reviewed urgently when non-conformances become overdue.
- Collaboration: recognising the challenges some suppliers face in resolving non-conformances, we work together to identify root causes and provide support for effective rectification.

In 2024, no sites were exited due to human rights breaches and no Ocado Own Brand Tier 1 suppliers had Business Critical non-conformances raised. At the close of the financial year, 9 Critical non-conformances were open and overdue in our Tier 1 supply base. All 9 suppliers affected have action plans in place to close the non-conformances. Our plan for 2025 is to strengthen our governance around SMETA non-conformances and work with our suppliers to close them.

Case study: Accommodation Standards

In September 2024, we became aware of allegations regarding inadequate accommodation for seasonal workers picking a salad crop for Ocado Own Brand in the UK.

We worked closely with the Ocado Tier 1 supplier and the grower in question to thoroughly investigate the claims, identify the root causes and implement effective

corrective measures.

The investigation included on-site visits to the caravans used by seasonal and full time workers. While the conditions were not as severe as alleged, they did require improvement. Corrective actions focussed on three areas: (1) immediate improvement of standards in line with produce industry guidelines, (2) implementing regular verification of accommodation to ensure any maintenance work is carried out in a timely manner and (3) long term preventative measures relating to our Tier 1 supplier carrying out relevant checks before growers are onboarded.

All necessary improvements and system updates were completed. Both the grower and Tier 1 supplier demonstrated a commitment to addressing the issues, ensuring better living conditions for workers moving forward.

Training and awareness raising

Ocado Retail

All employees of Ocado Retail are required to complete a compulsory Human Rights & Modern Slavery training within the first three months of joining and a refresher every year thereafter. This is a practical training module which includes 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.

In 2024, we provided in-person Human Rights training for all members of the Own Brand Technical team. The session included practical components, such as observing a worker interview to highlight its value in identifying human rights issues, as well as reviewing case studies and examples of effective remedies. The feedback received after the session was very positive and we intend to continue to deliver tailored training to other relevant teams in the business.

Suppliers

As part of Ocado Retail's sponsorship of Stronger Together, our suppliers in the UK have access to free "Tackling Modern Slavery in the UK Businesses" and "Advanced Tackling Modern Slavery" training. 102 suppliers attended the "Tackling

Modern Slavery in the UK” training in 2024 (35% increase from 2023) and 32 suppliers attended “Advanced Tackling Modern Slavery in the UK” (more than triple than in 2023).

Key Performance Indicators (KPIs)

The status of our compliance-based KPIs for 2023-2024 is as follows: -

Measure	Target	Status 2023	Status 2024
% of Ocado Own Range Tier 1 suppliers registered on Sedex	100%	100%	100%
% of Ocado Own Range Tier 1 suppliers with a Sedex Self-Assessment Questionnaire completed to 100%	100%	97%	97%
% of Ocado Own Range Tier 1 suppliers with a two pillar SMETA in the past three years	100%	94%	98%*
% of Ocado Own Range High Risk Tier 1 suppliers with a two pillar SMETA in the past year	100%	75%	92%*
% volume of High Risk supply chains assessed	100%	94%	100%
% of colleagues who received Modern Slavery training	100%	100%	100%

*4 suppliers have overdue audits – 3, medium risk 1 is high risk. 2 suppliers are within their audit window. 1 supplier is in contact with an audit body to organise the audit. 1 is medium risk, but due to an admin error, is flagging as high risk.

Deadline	Measure	Target	Status 2024
2024	Human rights assurance visits conducted across the third party storage and distribution sites based on risk.	100%	100%
Ongoing	Number of cases with modern slavery and/or labour abuse indicators identified in own supply chains	n/a	1

Partnerships

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

British Retail Consortium



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.

The Stronger Together

Consumer Goods Programme



In 2024 we continued to sponsor the Stronger Together Consumer Goods Programme, a multi-stakeholder initiative providing guidance, training and resources to help mitigate modern slavery. As Sponsors, Ocado employees and our suppliers have access to a suite of free interactive training workshops, resources and tools to support tackling hidden labour exploitation in operations and supply chains, including 'Tackling Modern Slavery in UK and ROI businesses' and 'Advanced Tackling Modern Slavery' training. In October 2024 Stronger Together launched a combined Consumer Goods Programme with two thematic workstreams to address both forced labour and responsible recruitment. Ocado became a sponsor of the forced labour workstream to focus on encouraging our suppliers to attend Stronger Together training that is delivered by experts from the consumer goods sector to build understanding of sector specific forced labour risks and to embed good practice.

Seasonal Workers Scheme Taskforce

In 2023, Ocado became a funding member of the Seasonal Workers Scheme Taskforce, whose mission is to “work collaboratively to develop and implement tangible actions to help safeguard and ensure access to workers’ rights in the UK Seasonal Worker Scheme (SWS) and wider UK horticulture”. This continues the steps taken in 2022, when we co-funded the development of the Just Good Work app, and broadens our engagement with the scheme. We are active members of the "Workers' education, information, communication, grievance mechanisms and remediation" Workstream. More details about the activities of the Taskforce can be found here:

<https://www.stronger2gether.org/seasonal-worker-scheme-taskforce-2024-round-up/>

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.



In 2023, FNET continued bi-monthly calls to serve as a forum for members to share knowledge and on modern slavery and ethical sourcing challenges. We continued to take part in these and joined the Due Diligence Working Group.

Unseen

Established in 2007, Unseen is a UK charity working with individuals, businesses, governments, communities, and other charities to help eradicate modern slavery. Unseen 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.



Ocado Retail are a member of Unseen’s Helpline Business Portal, a secure online platform where we receive redacted information reported to the Helpline concerning our own operations or supply chains. Unseen then supports ORL with facilitating next steps including collaboration with other stakeholders, investigating concerns and identifying areas requiring action.

As an associate member of Unseen's Business Hub, we also get access to Unseen's whole business network, expert live webinars, and latest insights.

Our partnership with Unseen helps support the 365 day a year operation of the Helpline, which provides a vital lifeline to potential victims.

In previous years, Ocado Retail have shared our entire UK grower list with Unseen, and in 2024 we expanded this to include our list of UK storage supply partners, which improved the visibility of potential modern slavery issues within this part of our supply base.

Plans for FY 2025

Continue to implement the overarching Human Rights Due Diligence programme. Chief among the areas of focus are:

- SMETA non-conformances governance
- High Priority Supply Chains
- Storage Supply partners due diligence through SEDEX & SMETA