

# Modern Slavery Act Statement 2020

This statement by Ocado Retail Limited, and its subsidiary Speciality Stores Limited has been published in accordance with section 54 of the Modern Slavery Act 2015, for the **financial year of 52 weeks ending 29th November 2020**.

## What is Modern Slavery?

This term refers to situations of bonded, forced or compulsory labour and human trafficking, by means of the threat or use of force or other forms of coercion, for the purpose of exploitation. There are an estimated 40.3 million<sup>1</sup> people in modern slavery around the world today, including 24.9 million in forced labour.

## Business Structure

In August 2019, Ocado Group completed a 50:50 joint venture deal with Marks and Spencer plc (“M&S”) (“Joint Venture”) where M&S purchased 50% of Ocado Retail Limited (“ORL”). This Modern Slavery Statement 2020 covers Ocado Retail Limited and its subsidiary Speciality Stores Limited, and will be the first time Ocado Retail has published its own statement. Paws and Purrs Limited has not been included as it ceased to trade during the previous financial year.



## Supply chain

Company	Principal Activity	Supply Chain Sectors
<b>Ocado Retail Limited</b>	Retailing of grocery and general merchandise products to customers through the ocado.com website.	Food, drink and general consumer goods sector.
<b>Speciality Stores Limited</b>	Retailing of general merchandise products to customers through the fetch.co.uk website.	Pet food and pet care products sector.

<sup>1</sup> Source: Global Estimates of Modern Slavery report. For more information, see: [www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms\\_575479.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf)

# Policies and Governance Framework

The Modern Slavery Statement is approved as follows:



# 122

First tier supplier sites of own brand products

# 50+

Sourcing countries

# 54,000+

Workers within our own brand supply chain

## Policies

### OCADO RETAIL CODE

The Code ensures everyone at Ocado understands how we conduct our business, and explains the values and principles behind Ocado.

### RESPONSIBLE SOURCING CODE OF PRACTICE

This policy stipulates that our goods must be produced lawfully, through fair and honest dealing, in decent working conditions, and without exploiting the people who made them.

### 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 employees 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 of those working for us, in observing and upholding our position on bribery, corruption and money laundering issues.

# Due Diligence and Risk Assessment

## M&S Own Brand Products

Ocado have a few large suppliers which together make up a significant proportion of our branded supply. 5,000+ product lines are M&S branded lines which have been assured to M&S standards. M&S standards on human rights can be found here: <https://corporate.marksandspencer.com/sustainability/business-wide/human-rights>

## Ocado Own Brand Products

We have a greater level of responsibility and control of our Ocado own brand grocery goods, and are particularly vigilant with suppliers of these products. All suppliers of Ocado own brand products we sell must be active members of Sedex (1) and complete a Sedex Self-Assessment Questionnaire (SAQ) annually.

We have fully mapped our first tier own brand suppliers and, through monthly reports, monitor the status of their compliance against our ethical requirements.

All first tier suppliers of Ocado own brand products must undergo an independent third party ethical audit a minimum every three years, to assess labour standards and health & safety on site; our preference is a 2-Pillar SMETA (2) audit as a minimum. Suppliers must share full access rights to view these ethical audits on Sedex. Any critical issues identified during the audit must be closed off within the agreed timelines.

During the reporting year, 35 ethical audits were conducted at our first tier suppliers' sites (3), making 94% of these sites compliant with our ethical audit requirements by year end. The remaining sites have booked or are working towards an ethical audit between late 2020 and early 2021.

We use Sedex's inherent and combined risk rating for suppliers of our own brand products; this is based on country, product area, sector profile and site function. During the reporting year, eight supplier sites fell into a high risk rating. All eight of these sites had undergone an ethical audit during the last three years.

(1) Sedex is an ethical trade service provider, working to improve working conditions in global supply chains. For more information see: [www.sedexglobal.com/about-us/who-is-sedex/](https://www.sedexglobal.com/about-us/who-is-sedex/)

(2) Sedex Members Ethical Trade Audit (SMETA) is an audit methodology, providing a compilation of best practice ethical audit techniques. For more information see: [www.sedexglobal.com/smeta-audit/](https://www.sedexglobal.com/smeta-audit/)

(3) A first tier supplier site is one that manufactures and/or packs products ready to be distributed to Ocado.

## Specific Country Risk

We had four supplier sites located across China: a country identified as high risk\*. We continue to further recognise the UK, Italy and Spain as countries of increased risk, due to the high number of supplier sites within these countries and the risk to migrant and refugee labour.

Country	No. of sites	Ethical audits
United Kingdom	79	74
Italy	16	15
Spain	15	15
Ireland	1	1
China*	4	4
Netherlands	2	2
France	1	0
Germany	2	2
Cyprus	1	1
Portugal	1	1

List of first tier sourcing sites and locations in 2020 for Ocado own brand products High risk countries.

\* These are Fetch.com suppliers, the Fetch.com business has been sold post year end.

## 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. Its unique position to act as a forum for the retailing sector, 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 two-way dialogue and providing on-the-ground information and updates on modern slavery incidents in the UK.

## Progress

As described in the introduction, until August 2019, ORL was a subsidiary of Ocado Group PLC which took responsibility for our ethical sustainability. We now have our own, dedicated ethical sustainability resources.

During 2020, 35 (2019: 73) ethical audits were conducted at first tier supplier sites for Ocado own brand products, making 94% (2019: 94%, 2018:90%) of our suppliers compliant with our ethical trading requirements at year end. Ethical audits of our supply chain during the reporting year identified non-conformances in the following categories.

Employment is Freely Chosen SMETA audits in our supply chain during the year found: **0**

SMETA audits in our supply chain during the year found: **1**

(One instance was noted of a lack of child labour remediation policy. At the time of this statement the issue has been verified “closed” by the auditor.)

During the reporting year there were no cases of modern slavery identified in our supply chain. We are committed to establishing methods and practices to ensure that we can continue to monitor our suppliers and work towards a transparent supply chain that is free from modern slavery and human trafficking.

There were no reports of labour exploitation or human trafficking made through our “Speak Up” channels during the financial year.

## Partnerships

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.

We continued to be a project sponsor of Stronger Together in 2020, a multistakeholder business-led initiative aiming to reduce modern slavery and other hidden third-party exploitation of workers. We supported Stronger Together to develop a pragmatic toolkit for the Spanish horticultural industry, a key sourcing region for our products. This toolkit will support Spanish businesses to deter, detect and deal with forced labour and other third-party hidden labour exploitation. It has been tailored to the Spanish labour laws, risk context and business models. It is free to download from [stronger2gether.org](http://stronger2gether.org).

We joined 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.

# Looking Forward to 2021

With the change of the Ocado Group landscape we will be taking time to re-evaluate our supply chain and the risks of modern slavery and human trafficking that face our businesses. We are in the process of forming a Modern Slavery Steering Group made up of key personnel throughout the businesses. Our focus will be on:

- Identifying risks
- Due diligence
- Development and training
- Processes and policies
- Supplier engagement

## Identifying Risks within the Group

To aid in identification and risk we continue to be members of the Food Network for Ethical Trade (FNET). The network has been successful in bringing together suppliers and stakeholders to tackle human rights/modern slavery issues as an industry.

FNET aims to support its members to identify, manage and respond to global food supply chain ethical trade risks, to improve the food industry's understanding of ethical trade, to identify and facilitate collaboration opportunities, to promote trust and to build a forum for sharing issues and best practice.

Members can access resources to support the development of a human right's due diligence approach, in line with the UN Guiding Principles on Business and Human Rights and the requirements of the UK's Modern Slavery Act. Resources include an ethical trade risk assessment tool designed to identify risks posed by ingredients and raw materials and support companies to prioritise where to focus their resources along their supply chains. The Network also facilitates collaborative workstreams, for the members benefit.

## Due Diligence

Ocado Retail Ltd. intends to enhance our current due diligence measures by reviewing our current social audit requirements, to ensure that the measures are robust.

These additional measures will include upgrading horizon scanning methodologies and requiring suppliers to use specific audit bodies to undertake Ocado Retail Ltd. (SMETA).

We will increase our supplier site visits and will ensure that all team members attending at supplier sites are trained to spot the signs of forced labour and worker exploitation and understand the appropriate action to take. We will also undertake site assessments by external ethical specialists to help provide support to our suppliers and to facilitate transparency in the management of our supply chain.

## Development and training

We understand the importance of raising awareness of modern slavery and forced labour not only within our business, but also with our suppliers. To this end we are sponsoring members of Stronger Together, which is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. As part of Stronger Together we provide free training seminars to

our suppliers to support them in increasing their knowledge and understand how to face the complex challenges of modern supply chains.

Because we want our colleagues to be vigilant not only at work but within their communities too we intend to roll out training to all our employees, on how to recognise the signs of modern slavery, to ensure that they are fully aware of the issues and how to react and report effectively.

### **Processes & Policies**

We will be undertaking a full review and gap analysis of our current Human Rights policies to meet the needs of any additional due diligence implemented. And we expect to introduce new policies to meet our enhanced programme.

### **Supplier Engagement**

We will be working to engage and support our suppliers through a range of new initiatives. We will be running a series of virtual supplier engagement seminars throughout the year, covering both Human Rights and Environmental issues, to support suppliers in upskilling their teams and to measure progress against our key sustainability performance indicators.

We want to ensure accountability and will expect to work closely with our strategic suppliers and undertake annual reviews with them on key Human Rights challenges to ensure that we are driving continuous improvement through the supply chains, identified as key priorities for the business.

We will also be looking to join various new programmes and initiatives, both in the UK and globally, where we can engage with our suppliers and peers and provide support and effective solutions to the challenges faced.

This statement was approved by the Board of Ocado Retail Limited and Speciality Stores Limited and signed on their behalf by:

**Niall McBride**

Chief Financial Officer, Ocado Retail Limited