

## **Groceries Supply Code of Practice (GSCOP)**

### **Summary of Annual Compliance Report 2022 - 2023**

The Groceries (Supply Chain Practices) Market Investigation Order 2009 and The Groceries Supply Code of Practice (Code) have been in effect since 4th February 2010. They apply to grocery retailers with a turnover above £1 billion and impose obligations governing their relationships with suppliers. This includes submitting an Annual Compliance Report to the Competition and Markets Authority and the Groceries Code Adjudicator.

Ocado Group plc was originally designated on 1st November 2018 and superseded by Ocado Retail Limited on 16th October 2019 following the creation of the latter as a joint venture between Ocado Group plc and Marks & Spencer plc on 5th August 2019.

We recognise the crucial role that our suppliers play in meeting the expectations of our customers at Ocado Retail. We're committed to engaging collaboratively with our suppliers to ensure our relationships are conducted fairly and lawfully, in line with the requirements of the Code. This summary of our Annual Compliance Report is for the period of 28th November 2022 to 3rd December 2023.

### **Background**

During the last financial year, we continued to develop our proposition by opening one new Customer Fulfilment Centre and closing an existing site, reviewing our approach to product recalls and withdrawals, updating our Supply Ocado site for prospective supplier applications, migrating to a new haulier for our Primary Network operation, implementing a new finance system for payments and trialling new training for suppliers. Throughout these processes, the various teams engaged with the CCO to understand the Code requirements in order to define the approach to take when dealing with our suppliers to ensure we work in a collaborative and transparent way.

Ocado Retail has met all reporting requirements through timely submission of the Annual Compliance Report for 2022 to the CMA and submission of the Progress Update Reports to the GCA during 2023. The CCO has provided ad-hoc updates to the GCA when requests have been made for further information and has supported the GCA throughout the year.

### **Governance**

We have maintained our approach to strong governance throughout the financial year. This includes monthly review meetings that are held with each supplier-facing business area, including Buying, Finance and Supply Chain Teams, to review key metrics, project initiatives impacting suppliers and any supplier escalations. The purpose is to identify trends, maintain oversight and agree on any actions on a continuous improvement basis. We also conduct quarterly governance meetings with functional directors to ensure visibility and engagement at senior levels of the organisation. The CCO provides regular updates to the Audit Committee and there is a standing agenda item to review progress at each audit meeting.

### **Training**

We updated our online training module for Annual Refresher Training that was launched in March for Ocado Retail and July for Ocado Group. Over the course of the financial year, a total of 757 colleagues from Ocado Retail and Ocado Group completed the online module, which represents

99.5% of those eligible, with the remainder being those who joined the organisation prior to the end of the year and were within their induction period.

We ran a number of trainer-led sessions designed for supplier-facing business areas, with an ongoing focus on the Buying, Finance and Supply Chain Teams, as well as those that work closely with them. The training outlines our shared culture and individual responsibilities to ensure a strong behavioural foundation for compliance with the Code. The core elements of the Code are highlighted and are further supported by a number of case studies, themes and key messages, with nine sessions being held throughout the year and 92 colleagues having attended.

We continued to run negotiation training as part of our 'Buyer of the Future' programme, which not only focuses on approaching negotiations in a Code compliant way, but also stresses the importance of planning, communications and building relationships, with 58 members of the Buying Team having attended by the end of the financial year.

### **New Starters**

Our new starter process begins with a welcome email that is sent by the CCO to new colleagues. This outlines our designated status and provides a link to the Code, advises on the training requirements, and provides further contact details for help and support.

This information is also included in our induction material to ensure a consistent message for colleagues joining the organisation. All new starters are required to complete the online training module within their first two weeks of joining the organisation. We also ask that new colleagues check-in with their line manager before they make any contact with suppliers so that we can ensure we are comfortable with their level of knowledge.

We continue to evolve our online Commercial Academy that we developed in 2022 that buyers use during their first 12 weeks to cover key processes and knowledge requirements, as well as the 'new starter day' that enables new Buying Team colleagues to meet with subject matter experts from across the organisation, which is in addition to the standard induction day that is attended by all.

### **CCO Listening Sessions**

Following the launch of Listening Sessions in 2021, the CCO has continued to offer these for suppliers during the last year. This is an informal opportunity for suppliers to request a time slot on a monthly basis to discuss anything that is on their mind and is designed to remove any perceived barriers that suppliers may have in reaching out to the CCO.

The initiative continues to be well received by suppliers and they value the opportunity to either seek advice or ask for help with any difficulties they may be experiencing, with 21 such meetings being held over the course of the year. If any of our suppliers wish to request a time slot for a forthcoming session, they can do so by using the CCO's contact details below.

### **Supplier Survey**

The results of the Groceries Code Adjudicator's annual Supplier Survey highlighted that the majority of our suppliers, 94%, rated Ocado Retail Limited positively for overall compliance with the Code. We were pleased that we improved on our performance from the previous year, maintaining ninth position, which is particularly encouraging during a year of challenging market conditions that continued to see unprecedented levels of cost price increases.

We are grateful to our suppliers for taking the time to provide their feedback, which we reviewed in detail with each of the teams responsible. Each team developed an action plan that focused on process changes, training and awareness to address the areas of opportunity identified by suppliers.

### **GCA Support**

We have supported the GCA throughout the year by promoting a number of his initiatives and responding to requests where required. We arranged for the GCA to attend our supplier conference in September and the CCO attended the GCA's annual conference later that same month.

We have further supported the GCA by promoting the supplier survey and annual conference to our suppliers.

### **Supplier Disputes**

Our teams work closely with suppliers to resolve any issues that arise, the vast majority of which are resolved at the first point of contact. During the financial year we did not receive any formal disputes and dealt with four escalations informally as follows: -

- Three complaints were received and resolved by internal teams (level one)
- One complaint was received by the CCO (level two)

Three complaints were considered to be within the scope of the Code and were resolved in conjunction with each supplier concerned. Alongside the resolution we also identified additional steps that we have built into our approach in order to avoid any recurrence. The complaint received by the CCO was raised at the end of the financial year and therefore remained open.

### **Key Contacts**

We encourage all of our suppliers to raise any queries or feedback directly with their named contact within the Buying Team or with the Trading Manager for their category. Alternatively, any payment or invoicing issues can be directed to [payables@ocadoretail.com](mailto:payables@ocadoretail.com).

If any of our suppliers wish to raise queries outside of the Buying Team or would like to have a conversation in confidence, please contact our Code Compliance Officer (CCO), Robert Skelton, by email at [gscop@ocadoretail.com](mailto:gscop@ocadoretail.com).

Contact details for the Groceries Code Adjudicator (GCA) along with more information about GSCOP can be found [here](#).