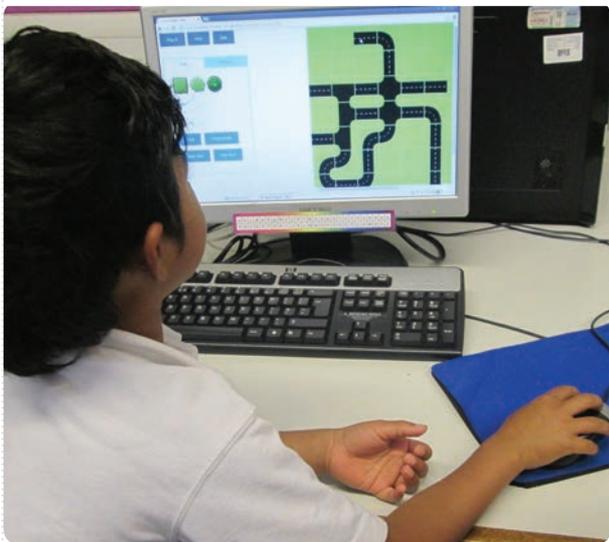




# CORPORATE Responsibility

2017 was a landmark year for our 2020 Corporate Responsibility Strategy: The Ocado Way. We won the Best First Time Responder Award for our voluntary submission to The Carbon Disclosure Project; we made progress with all four pillars of our Corporate Responsibility strategy, and we completed our first Corporate Responsibility report. Highlights for each pillar are featured below. For a more detailed look, view the full report at [ocadogroup.com](http://ocadogroup.com).



## THE OCADO WAY: 2020 STRATEGY



EDUCATION



ENTREPRENEURSHIP



ENVIRONMENT



EATING WELL



### EDUCATION

By sharing our expertise in food, retail, logistics and technology, we aim to add value to our society now, and help the next generation achieve more. In 2017, we continued to promote digital literacy, road safety, and recycling. Building on our existing relationship with HMP Northumberland recycling Ocado uniforms, we supported an education project to upskill offenders and enable them to earn a formal qualification.

#### Code for Life

We continued to develop Rapid Router, our open source software and guidance resource, teaching Key Stage 1 and 2 children how to code. At the end of November 2017, there were over 113,300 registered users and 2,267 registered schools worldwide.

#### Road Safety

We continued to work with Hertfordshire County Council on road safety projects aimed at children across five local primary schools. In September, we started working with Warwickshire County Council, the location of our Dordon CFC, on similar projects.

In spring 2017, we sponsored a special edition of The Young Driver's Guide, a magazine which helps reduce road risks for new drivers. 27,000 copies were delivered to 125 schools in Warwickshire and Hertfordshire, counties where we have a high presence on the roads. 88% of readers said they were more aware of the dangers faced by new drivers after reading the magazine.

#### Recycling

2017 is the second of our five year partnership with WRAP, promoting recycling education projects to primary school children. This year, we invested £100,000 in the partnership, along with an additional £30,000 to support Recycle Week, a social media campaign promoting the benefits of recycling, with a reach of over 3.5 million.

#### HMP Northumberland

HMP Northumberland textiles factory has processed over 55 tonnes of Ocado uniforms since our working partnership began in 2015. In 2017, prisoners began to include our refashioning project as part of the Performing Manufacturing Operations qualification (PMO), which is a Level 2 NVQ. In 2017, 17 offenders successfully completed the PMO, with a further 61 prisoners enrolled in the course, increasing offender employment opportunities after release. 10 product designs have been developed by offenders, which will be available for sale in 2018, with proceeds going to the Ocado Foundation for future charitable donations.



## ENTREPRENEURSHIP

We provide an environment where entrepreneurs in retail and technology can flourish. In 2017 we continued to find opportunities to encourage and reward entrepreneurial thinking in our own business and in education.

### Supporting SMEs

As discussed in last year's report, at the end of 2016 we launched our supplier application website, Supply Ocado, to make our retail listing process more accessible for Small to Medium-sized Enterprises (SMEs). In 2017 1,003 businesses applied through the website, 151 entrepreneurs met our Buyers, and 33 brands launched on [ocado.com](http://ocado.com).

We also established the Ocado Primary Network, a team dedicated to improving logistics for small suppliers at launch, and to continue this as they grow. 150 SMEs are currently managed by a dedicated full-time Ocado team.

We relaunched Britain's Next Top Supplier, our competition awarding a small supplier a £20,000 launch package and a six month listing with us at [ocado.com](http://ocado.com). The 2017 winner, The Garlic Farm, launched on our webshop with a range of 47 products within 6 weeks.

“To win Britain's Next Top Supplier 2017 is an incredible accolade for us. We've been innovating with garlic for over 50 years and we are so excited to bring the results of our labour to Ocado customers. We are after all a nation of garlic lovers – and our unusual products will bring that familiar taste to people in ways they have never experienced before.”

**Natasha Edwards**  
OPERATIONS MANAGER AT THE  
GARLIC FARM

### Engineering Education Scheme

In September, we signed up to this scheme, partnering with Monk's Walk School in Welwyn Garden City, Hertfordshire. Our Logistics Development and Engineering team agreed to mentor six A Level students, providing them with a special Ocado challenge to solve. We'll report more on the results next year.



## ENVIRONMENT

We continue to work on environmental data management with Ecometrica to provide a centralised data management system. Carbon emissions from our CFCs, Spokes and vehicles are tracked. We are expanding this to track all operational waste.

### Greenhouse Gas Emissions

Due to our continued growth, this reporting period saw our absolute emissions increase by 9.4% compared to the previous financial year. Despite this, we have decreased our intensity measure in tonnes of CO<sub>2</sub>e per hundred thousand orders by 27.6% against our 2013 base year.

As in previous years, fuels used by our fleet remain the largest contributor to our carbon footprint, accounting for 66% of our total emissions. Electricity is the second highest contributor, making up 25.5% of emissions, attributed mostly to our main CFCs. This is the first year we have reported a market-based figure alongside the traditional location-based method.

In June this year, we voluntarily submitted data to be reviewed by the Carbon Disclosure Project and subsequently won their Climate Change Best First Time Responder award. We're extremely proud to have an independent body confirm that we're working as efficiently as possible, and we will continue to strive for transparency and excellence.

This year the Carbon Trust have carried out a limited assurance engagement on selected GHG emissions data (below) in accordance with ISO14064:3 Specification with guidance for the verification of greenhouse gas assertions. A copy of the limited assurance report is available at [ocadogroup.com](http://ocadogroup.com).

GHG Emissions (tonnes CO <sub>2</sub> e)	2016/17	2015/16	2012/13
Scope 1 – Direct	82,305	72,377	39,530
Scope 2 – Indirect			
Location-based	28,270	28,675	21,613
Market-based	14,510	—	—
Total Emissions (location-based)	110,575	101,052	61,143
Intensity measure (tonnes CO <sub>2</sub> e/100,000 orders)			
Location-based	596.4	582.8	823.4
Market-based	522.2	—	—

Due to inaccuracies discovered in our 2015/16 data we have restated our GHG emissions and intensity measure for that period. Total emissions and intensity measure for 2017 have been calculated using the location-based method.



View more information about the basis of preparation of our emissions data online at [ocadogroup.com](http://ocadogroup.com)



# CORPORATE Responsibility



## EATING WELL

As an online grocer, we have a natural connection with food. We've continued to focus on reducing food poverty in the UK, growing our Food Partnerships with food banks and food charities. We've also maintained our promise to encourage our customers to eat well by having at least 100 promotions on fresh fruit and vegetables at all times.

### FRESH FRUIT AND VEGETABLES ON PROMOTION 2017



### Donate Food with Ocado

For every £1 our customers give in Donate Food With Ocado vouchers, we give £2 worth of food to our food bank partners. Rather than food banks being overloaded with overstocks, they choose what they need most from a long list of fresh and ambient products. In 2017 £142,709 was donated by Ocado customers; to date we have matched customer donations and given local charities 64 tonnes of food.

### Cool vans

When collecting fresh donations, we ask our Food Partners to use refrigerated transport. This year, we've given three of our charity partners a refrigerated van and we've paid for the branding, leasing, maintenance, tax and insurance on their behalf; they simply pay for their fuel. Their van drivers have also completed our Safe and Efficient Driver training programme, to try and keep them safe on the road.

Ocado is committed to the upholding of human rights. During the period, we introduced a Human Rights Policy reflecting our commitment to acting ethically and with integrity in all our business relationships and to implementing effective systems and controls. We fully support the Modern Slavery Act which is designed to root out slavery-like practices, such as human trafficking, in global supply chains. Our modern slavery statement will be published at [ocadogroup.com](http://ocadogroup.com).

During the period we made a donation of £306,808 to the Prince of Wales's Charitable Foundation, through sales of Duchy branded products.

No donations were made by the Group to any political party, organisation or candidate during the period (2016: nil).

### THE OCADO FOUNDATION

The Ocado Foundation launched in April 2015; it's the home of our charitable and fundraising activity, both internally and externally. We help our employees across the UK make a difference at a local level. We do this through donations to multiple small, local projects and charities where impact will be greatest, rather than only supporting a single national charity.

Matching the fundraising and volunteering activity resulted in donations of just over £22,147 for charities across the UK through the Ocado Foundation in the last 12 months. Ocado employees have volunteered more than 2,000 hours to a variety of good causes.



### Carrier bags

The legislation that came into effect in October 2015 requires a 5p charge on all new single use carrier bags in England. Given the aim of the legislation is to reduce bag littering and damage to wildlife, we believe that this is best done by removing the bags from circulation. One of the unintended risks of the legislation for us is that it could encourage our customers to keep hold of carrier bags rather than return them to us for recycling, so we decided to build on our existing (and very successful) bag recycling programme by offering a financial incentive for customers to return used bags to us. We call this our Bag Buy Back Scheme. A large majority of the proceeds from the bag charge fund this scheme; we believe that using a Bag Buy Back Scheme to proactively retrieve and recycle used bags from a customer's home correlates closely with the aim of the legislation, and is environmentally more sensible than simply donating all the proceeds to a charity. The Ocado Foundation is the custodian of the remaining funds and disburses them on charitable environmental, waste, and recycling projects. During the 2016/17 period, we charged customers for 138.8 million bags.

We've used the remainder of the funds from the charge to support waste, litter and recycling charities across the UK. This further supports the desire of the Single Use Carrier Bag Charging Legislation to see some of the money raised go to environmental causes such as supporting work to help tackle littering. This year we've donated £130,000 of carrier bag funds to WRAP, supporting recycling education projects; £150,000 has been spent on five refrigerated vans for our Food Partners; and £65,000 has been donated to CleanUpUK, a charity which helps people combat litter in their local area.



## CASE STUDY EDIBLELINKS FOOD BANK, ATHERSTONE

This food partner to CFC Dordon started out as a simple food bank in 2013, redistributing food surplus to local people experiencing food crisis. The project has grown into one of our most successful partnerships, attracting media coverage with their inventive community group membership schemes and pilot projects with government services.

“In just 13 weeks, we identified and refurbished empty council units and found a charity partner to set up our food bank, which opened in April 2013. We were collecting 40 to 60 totes in a council van, weekly. Now we’re using our donated Ocado Foundation vans to collect ambient and perishable food every weekday, and we’ve received a total of 33 tonnes of food.

When we started, we issued around 50 food vouchers to residents in need every month; we now issue at least this amount every week. In addition, we’re using excess donations to support 135 community groups, 15 breakfast clubs in secondary schools, and are working towards sustainability with initiatives like our honesty shops. Without doubt, this is the best project that I have ever been involved with and shows what is possible by the public and third sector working with a brilliant private sector partner. Ocado’s support has meant that we reach thousands of people in our local and surrounding communities, making a real difference to people’s finances, health and wellbeing.”

**Bob Trahern Assistant Chief Executive at North Warwickshire County Council**



## CASE STUDY CLEANUPUK, BEAUTIFUL BOROUGHS PROJECT

This charity helps people combat litter in their local area. We got in touch in September 2016, after we heard about their Beautiful Boroughs project, which focused on deprived areas in 10 boroughs in east and north London. We donated money from the single use carrier bag charge to help them reach their funding target. The money we’ve donated has enabled them to launch 40 additional litter picking groups, and extend the Beautiful Boroughs project to include Islington.

“Ocado’s generous financial support has enabled CleanupUK to continue to develop its work in the deprived areas of London and to expand to the deprived areas of Birmingham. We are now able to work with more people and achieve much greater impact.

We know that our work makes a difference because we have been evaluating the Beautiful Boroughs Project for three years and our evaluations consistently show that the practical results of our work are stronger, cleaner and more connected communities in which people feel empowered and active.

Ocado is CleanupUK’s first significant corporate supporter and occupies a very special position in CleanupUK’s family. I am looking forward to achieving great things in partnership with our wonderful new friends at Ocado”.

**George Monck, Chief Executive, CleanupUK**

