

# 12. Corporate Responsibility

During the period we continued to implement “The Ocado Way: 2020 Vision” across the business, and achieved a number of significant deliverables which are described below.

The four strategic pillars of Education, Entrepreneurship, Environment and Eating Well continue to drive the direction of our Corporate Responsibility strategy, and we have placed the recently launched Ocado Foundation at the heart of our employee engagement.



2015 also saw the launch of the Ocado Foundation.

## The Ocado Foundation

The Ocado Foundation was established to support our employees in their personal, charitable fundraising and volunteering efforts, and also be the vehicle for all Ocado fundraising.

We believe that many small actions make a big difference



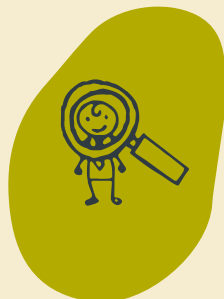
We target our efforts at a local, personal level



We are focused on actions where the results can be measured



We focus on areas where we have a related interest or expertise



We look after the many over the few





### Education

Using our knowledge and expertise to benefit schools and colleges continues to be a key driver for Ocado, demonstrated by our strong commitment to technology and road safety.



#### Code for Life

September 2015 saw our “Code for Life” programme turn one year old. To date, more than 44,000 users are taking advantage of the free resource “Rapid Router”, aimed at teaching primary school children across the UK how to code. The programme has been extremely well received in UK schools and is also being used globally in schools across the US, Australia, Spain, Portugal and Guatemala.

#### Road Safety

Ocado is an industry leader in road safety. Using this position, we continue to support other companies in their development of employee road safety strategies. Our strong relationship with both BRAKE and the Road Victims Trust continues to flourish with Ocado repeatedly invited to speak at a number of industry events throughout the year.



### Entrepreneurship

#### Britain’s Next Top Supplier 2015

We launched our annual search for Britain’s Next Top Supplier in January 2015. Backed by Chairman Lord Rose and Chef Tom Kerridge, the competition sets out to find the next big British success story in food and drink.

Beating off stiff competition from hundreds of entrants, the 2015 winner was Manfood, founded by Andre and Jon Dang in Cambridgeshire, who produce a chunky pickle made entirely from local ingredients.

Staying close to our entrepreneurial roots, the competition further demonstrates our commitment to doing more for small, British suppliers and encourages other retailers and consumers to do the same.



### Environment

For the 2015 financial year, we partnered with Ecometrica, a sustainability consultancy, to develop our data management systems and improve the transparency of our carbon footprint. As a result, we have strengthened our position to effectively maintain accuracy and accountability for our impact on the environment.

#### Greenhouse Gas Emissions

For the reported period, our CO<sub>2</sub> emissions increased relative to the previous year. As illustrated throughout this report, the business

has continued to grow significantly, highlighted by a rise in order volumes of more than 30% at both Ocado.com and Morrisons.com.

The carbon efficiencies implemented however, has meant that despite our substantial growth we have successfully achieved a three-year trend of improving energy efficiency, culminating in a 11.9% efficiency gain relative to our 2013 baseline year. Our progress is illustrated in the table below.

PwC has carried out a limited assurance engagement on selected GHG emissions data (table below) in accordance with the International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’ (ISAE 3410), issued by the International Auditing and Assurance Standards Board and, in respect of the intensity measure, in accordance with the International Standard on Assurance Engagements 3000 (Revised) ‘Assurance engagements other than audits or reviews of historical financial information’ (ISAE 3000 (Revised)). A copy of the limited assurance report is available in the “Our Responsibilities” section of the Company’s corporate website.

#### GHG Emissions (Tonnes CO<sub>2</sub>e)

	2012/13	2013/14	2014/15
Scope 1 – Direct	39,530	50,198	63,151
Scope 2 – Indirect	21,613	26,493	28,602
<b>Total Emissions</b>	<b>61,143</b>	<b>76,691</b>	<b>91,753</b>
<b>Intensity measures:</b>			
Tonnes CO <sub>2</sub> e / 100,000 orders	823.4	815.1	725.4



Britain’s Next Top Supplier 2015

# 12. Corporate Responsibility (continued)

## Case Study: Ocado Foundation London to Paris bike ride

A team of six cyclists from Ocado's Planning & Supply Chain Department were able to enjoy springtime in Paris when they completed the 300 mile London to Paris bike ride and in the process raised over £12,000 for Macmillan Cancer Support. The Ocado Foundation added a further £2,000.


The team, led by Director of Planning & Supply Chain, Mark Watson said: "I'm extremely proud of our achievement in completing the challenge and for raising such a huge amount of money for Macmillan Cancer Support. As well as supporting one another as a team, it was great to have the backing of Ocado and I'd like to thank everyone who sponsored us. This has been a phenomenal experience and one that I will never forget. It was quite wet when we got over to France which made things a bit more challenging but we all got through it in one piece. I think the highlight for me though, was cycling into Paris and trying to compete with six lanes of traffic as we went around the Arc de Triomphe – it certainly gets your heart beating a bit faster!"



The largest share of our emissions are attributable to vehicle usage (62%), followed by the operation of our premises (37%); mirroring the findings of our previous two years' greenhouse gas reports. As a result, developing the fuel-efficiency technologies within our operation and addressing the energy efficiency of our CFCs continues to be the focus of our carbon reduction strategy.

With regard to minimising the environmental impact of the fleet, we are continuously evolving the design of our vehicles to improve aerodynamics, capacity, and trialling fuel-efficient technology developed in-house. Further, our strategic geographical expansion is in part designed to alleviate the use of fuel in our operations, opening new spokes to reduce the overall mileage of our delivery vans. Environmentally-conscious customers may also select 'green van slots', saving fuel and reducing emissions by having a delivery at a similar time to another customer local to them. Through implementing a range of initiatives, investments in our fleet have positively contributed to our substantial company-wide improvement in energy efficiency.

The Group's reported emissions have been prepared and calculated with reference to environmental reporting guidelines (2015), issued by Defra and using conversion factors published by DECC/Defra May 2015.

 For further details about data and preparation go to [ocadogroup.com](http://ocadogroup.com)

## Waste

We continue to monitor our waste closely and we remain confident that our waste volumes are very low when compared to the industry. The partnership with Ecometrica includes analysis of waste, and we look forward to reporting on this in more detail in future years.

## Bag Recycle Bonus Scheme

Recycling has always been a key driver for Ocado. Our business model is built around efficiency and low waste and for many years we've been operating a plastic carrier bag recycling scheme. Since 2007, Ocado has been collecting plastic bags from customers, and recycling them into carrier bags to be used again. This all takes place within the UK, keeping "supply chain miles" and carbon emissions to a minimum.

September saw Ocado continue its commitment to recycling by introducing the 'Bag Recycling Bonus Scheme', a scheme incentivising customers to recycle more bags by paying them 5p for every bag they hand back to us. We do this for both Ocado and other retailers' bags.

With our aim of becoming the UK's greenest, most innovative and best value grocery retailer, this scheme seeks to reward customers for helping us to help the environment.

## Case Study Ocado Foundation

April 2015 saw the launch of The Ocado Foundation. This was established to support our employees in their personal charitable fundraising and volunteering efforts and also to be the vehicle for all Ocado fundraising.

In its first seven months, £17,570 of match-funding was provided to charities across the country, as a result of employees undertaking all manner of fundraising efforts. More than £22,000 has also been fundraised for the Ocado Foundation in the same seven months, this money has been distributed across the Ocado network amongst local charities in the communities where employees live and work.





### Eating Well

Food and nutrition is at the heart of the Eating Well pillar. We use sustained promotions on fresh fruit and vegetables to try and encourage healthy eating and become a positive nutritional influence on our customers.

At the start of the financial year, we committed to always having at least 100 different fruit and vegetables on promotion at any one time, and during the period, we consistently exceeded this target.

At the start of the financial year we also launched “Donate Food with Ocado”. This scheme has been incredibly popular with customers, donating £96,913 during the 2015 financial year. This scheme differs from others in the industry, as customers make a financial donation that is matched with groceries from Ocado. We work closely with our food bank partners to discuss their needs, and then tailor the food we donate on a week by week basis to meet the requirements of the different people they support.

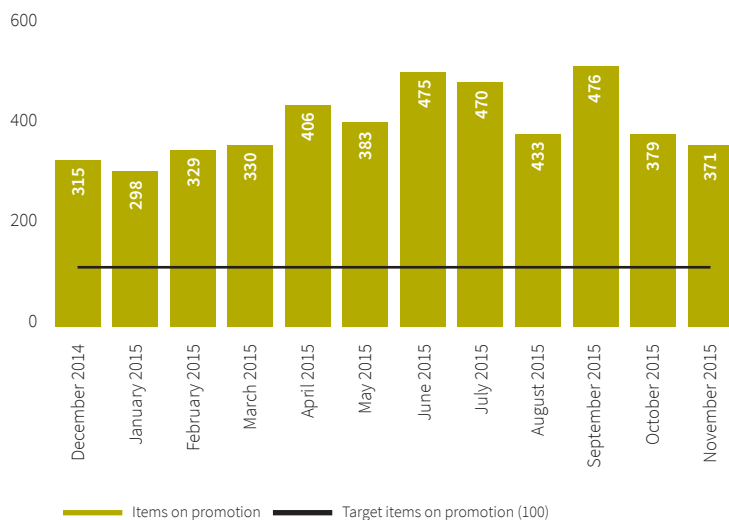
No donations were made by the Group to any political party, organisation or candidate during the period (2014: nil).

Ocado is committed to the upholding of human rights. We require our suppliers to operate in a fair and honest way towards their employees and with those whom they do business. We ask all our “Own Brand” suppliers to be members of Sedex, a global supplier ethical database, and to ensure that they have an ethical auditing programme in place.

Through sales of fruit and vegetables, we continue to support farmers in South Africa and Kenya by donating to the Waitrose Foundation. We made donations totalling £30,000 during the period of this report.

During the period we also made a donation of £145,000 to the Prince of Wales’s Charitable Foundation, through sales of Duchy branded products.

### Fresh Fruit/Vegetables on Promotion Each Month



### Case Study: Eating Well and Reducing Food Waste

“Having received generous donations from Ocado every Christmas for the last ten years, we were approached by the Ocado Corporate Responsibility team who asked if they could extend their support. We worked together to find a way of delivering fresh food to our foodbank clients along with food parcels of non-perishable items. DENS have since opened The Elms so we have been able to extend the support further by using the food donations to provide meals at both the Elms and our Day Centre.

Ocado’s support has also freed us up to use our other charitable funds to provide much needed 1:1 support to our residents and to provide them with opportunities to take part in confidence and skills-building activities to help prepare them for future independent living.”

Sharon Boyall, DENS Food Bank Manager

Ocado have been generous supporters of both projects providing weekly donations of fresh food, including meat, vegetables, bakery and other assorted food stuffs. This donation has provided fantastic fresh quality produce which enables our residents to enjoy a healthy diet. During the period May to November 2015, a total of 6,308 meals have been cooked for vulnerable, homeless people.

