

2015 GHG Report

Basis of Preparation

Introduction

The presented document states Ocado's carbon footprint and methodology of preparing the underlying data, for the 52 week period ending 29 November 2015.

It is the responsibility of Ocado management to ensure that appropriate procedures are in place to prepare its carbon emissions reporting in line with, in all material respects, the principles, criteria and methodologies set out in the following sections of this document.

Adhering to mandatory carbon reporting under the UK Government Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, our 2015 assessment has been carried out in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard. However, we have not reported 'market based' metrics per the Protocol due to the unavailability of such data in the current year.

The preparation of Ocado's stated carbon footprint has been calculated with reference to:

- 1) All seven of the Kyoto greenhouse gases where applicable, respecting the consensus of the Intergovernmental Panel on Climate Change (IPCC) 2007.
- 2) The UK Government conversion factors for greenhouse gas reporting, published by the Department of Environment and Rural Affairs/Department for Energy and Climate Change (Defra/DECC) 2015.
- 3) Revised IPCC Guidelines for National Greenhouse Gas Inventories (2006).
- 4) Guidelines and statistics as published by the International Energy Agency (2014; 2015).
- 5) The Chartered Institution of Building Services Engineers (2012).

Ocado GHG Statement

Ocado's carbon footprint for the 52 weeks ending 29th November 2015 are presented below. The results of our 2013 financial year is the baseline by which we track our progress.

GHG emissions (tonnes CO₂ e)	2013	2014	2015 ^(A)
Scope 1 - Direct	39,530	50,198	63,151
Scope 2 - Indirect	21,613	26,493	28,602
Total Emissions	61,143	76,691	91,753
Intensity measures:			
Tonnes CO ₂ e / 100,000 orders	823.4	815.1	725.4

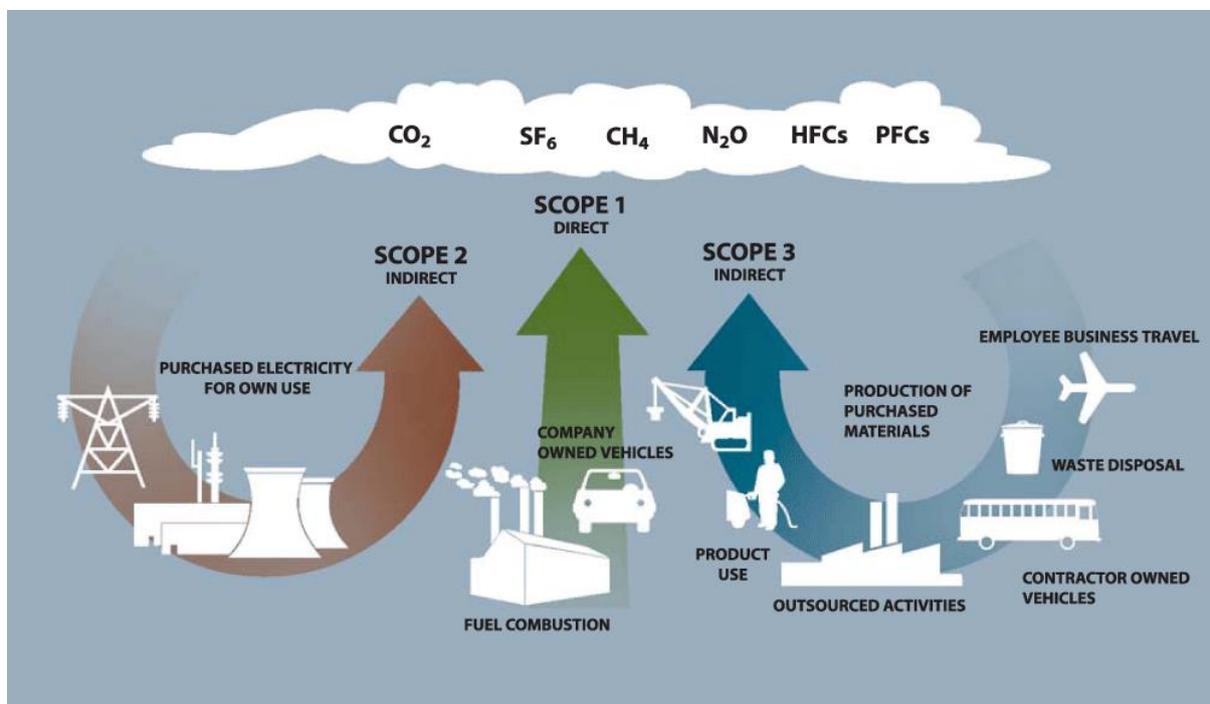
A Indicates PricewaterhouseCoopers LLP has carried out a limited assurance review. Their assurance report is available in the “Our Responsibilities” section of the Company’s corporate website

Organisational Boundary for GHG Reporting

We have accounted for all Scope 1 and Scope 2 GHG emissions deriving from the activity of our premises and vehicle fleet; collectively defined as *operational control* in accordance with the ‘Control Approach’ methodology of the GHG Protocol Corporate Standard. Whilst a proportion of our facilities and fleet are not owned by us, we maintain full authority to include such assets within operational control, and therefore consider the Control Approach to be the most appropriate.

Our emissions reporting covers Ocado’s UK operations and overseas activity in Poland. We have omitted emissions related to a third-party freezer warehouse, which provides Ocado with additional capacity external to our operational control.

Scope of Ocado’s GHG Reporting



Operational Boundaries of GHG Emissions (World Resources Institute).

Scope 1 - direct emissions derive from:

- Fuel consumption within our vehicle fleet
- Natural gas heating our facilities
- The use of refrigerant gases and dry ice in our operation

Scope 2 - indirect emissions derive from:

- Electricity consumption powering every site in the operation

Residing within the three scopes as defined by the WBCSD/WRI GHG Protocol, we broadly report five key aspects of our business: electricity consumption, fuel consumption, natural gas combustion, refrigerant gas usage, and dry ice. We have accounted for and reported all Scope 1 and Scope 2 emissions required by UK Government regulations.

Since reporting Scope 3 emissions is not mandatory under UK law, Ocado does not currently publish this Scope. However we are actively working towards including Scope 3 emissions in future GHG reports.

Methodology for calculating our GHG emissions

Our aim is to collate relevant information from the most credible, reliable, and comprehensive sources of data, to accurately calculate our carbon footprint. As such, the following data quality hierarchy is observed:

- I. Direct measurement and reporting by independent third-parties (for example, supplier invoices)
- II. Direct measurement and reporting by internal staff
- III. Calculated estimates** based upon periodic data
- IV. Calculated estimates based upon independent reporting methodologies (for example, protocols issued by Defra/DECC, IPCC)

**Our published carbon footprint comprises of less than 5% of estimated data.

For the 2015 financial year, we commissioned a partnership with an independent sustainability consultancy to improve the traceability and accuracy of our carbon footprint. As a result, we have designed and implemented a robust data management system to aid our long-term carbon reporting.

Once the required GHG data has been centrally collated by Ocado's Corporate Responsibility team, the information is processed against relevant conversion factors via our data management platform. The resulting Scope 1 and Scope 2 Tonnes CO₂e and the intensity measure are then independently assured.

External audit

PricewaterhouseCoopers LLP has undertaken an independent limited assurance review on selected data of our carbon footprint, marked by the  symbol above. Their assurance report is available in the "Our Responsibilities" section of the Company's corporate website.