

October 9, 2020

To: Human Rights Watch
From: Shipt Press

Shipt Response to Human Rights Watch Inquiry Re: Policies on Independent Contractors

Thank you for your note.

We would like to start by grounding us all in a few key themes. At Shipt, we are far more than a technology marketplace. We connect people with one another in real, human ways. We offer time-strapped families convenience. We provide those who are elderly or at-risk with a safe option to receive the food and goods they need. We partner with retailers, offering them critical functionality in a changing world. We offer thousands of Americans a rewarding, fun, flexible, supplemental income opportunity. And now, more than ever, we provide essential services.

We are committed to operating with integrity in everything we do. And that commitment extends to how we work with, and for, our customers, Shipt Shoppers, and the companies with which we do business.

Start-up companies are, by design, companies with brilliant ideas that move fast, create things that didn't exist before, and constantly iterate. And they learn as they go. That is exactly the case for Shipt. We believe we have the right strategic plan in place to ensure that Shipt is a strong, leading company in this space for years to come. Our goal is to be here – for shoppers, customers and retailers – for the long haul.

This is an extraordinary and challenging time. Businesses are trying to adapt in real-time to the ever-changing health and economic landscape to provide essential services. Given the current environment, there has been an unprecedented rise in demand for the home delivery of groceries, household essentials, and medications. Through our platform, we are able to deliver to vulnerable residents, as well as individuals or families who are adjusting to the daily changes and safety concerns related to the pandemic. In addition to the thousands of shoppers who have shopped with Shipt for years, we provide much-needed income for workers who have been negatively impacted by the pandemic.

We have heard a number of consistent questions and thought it would be helpful to address them here.

PAY

- Our platform provides over 200,000 shoppers with a flexible source of income. On average, Shipt Shoppers make more than \$21 per shop including base pay, promo pay, and tips. Active Shipt Shoppers average 13-14 shops per week.
- This average has not changed with the move to the new model.
- Let us give you a bit more detail:
 - Nationwide in September 2020, the average pay per shop was \$21.97, including base pay, promo pay, and tips.

- We know that some people assume the average is what it is because we shop in large, expensive markets. It is true that larger metropolitan areas, with higher costs of living, do tend to have higher pay. So, we removed the top 25 highest paying markets, less than 10 percent of our total markets, and re-ran the September numbers.
- While the pay in those markets is generally higher, with those markets excluded, our average pay per shop was \$21.69.

EVOLVED PAY MODEL

- We're constantly learning as we go. Our pay model for the first few years of our company's existence was commission-based. And what we learned is that doesn't compensate shoppers for their effort.
 - We continually seek and listen to shopper feedback. Throughout this change we've been transparent with shoppers, proactively communicating about the transition to the evolved pay model prior to implementation.
 - Shipt's updated pay model accounts for the effort it takes to complete and deliver orders, with factors like drive times for delivery, peak shopping windows, and the number of items in each order. While our pay model, like many aspects of our business, is proprietary, we strongly dispute any claims that shoppers are not provided with transparency. All shoppers have the opportunity to see and evaluate the:
 - Pay range for the shop and delivery, including the minimum they will be paid
 - Full list of items, and their quantities, included in the shop
 - Store name and address
 - Delivery address
 - Delivery timeframe
 - Estimates for how long the order should take to both drive and deliver
 - In our new pay structure, shoppers are always guaranteed the minimum amount of the range shown. If a shop is estimated to pay between \$15–19, the shopper is guaranteed at least \$15.
 - And, if a customer requests additional items to the order while they are shopping it? The model adjusts and shopper compensation increases.
 - Why does this matter? Because if a shopper gets to a store, begins shopping a 20-item order and finds that the majority of items are out-of-stock or can't be substituted, they will still be compensated for their effort. Previously, they would have been paid based on the cost of the basket.
- Shoppers always have a choice. When they review an order, they get to decide to accept or decline that order.

COVID-19

- Throughout the pandemic, Shipt has worked to protect shoppers who are delivering groceries and essential goods to families across the country.
- Every month, Shipt proactively emails all active shoppers to ask if they would like to receive reusable face masks, disinfecting wipes, and hand sanitizer at no cost to them.
- We have sent hundreds of thousands of emails offering PPE, and invested millions of dollars since beginning this program in June. We continue to see a strong shopper

response. We remain committed to this program. In addition, all shoppers have had, and continue to have, access to free PPE through all Target stores.

- Shipt rewarded shoppers who shopped most frequently in March and April with a monetary bonus. The spot bonus was Shipt's way of demonstrating our immense appreciation for our shopper community during this difficult time. We wanted to first and foremost thank the most active shoppers that have chosen to shop and help people across the country get groceries, essentials, and medicine they need.
- In March, we rolled out COVID-19 financial relief support for Shipt Shoppers who are temporarily unable to work due to being diagnosed with COVID-19, have a member of their household diagnosed, or are under a mandatory quarantine order. To apply for and receive financial support shoppers need to contact us at safetyresponse@shipt.com. It is important to note that, when shoppers contact us to report they are awaiting test results or that they or a household member have tested positive, we temporarily deactivate them to protect those who may be exposed to them should they continue to shop. Once they submit a confirmation from a medical professional that they are clear to resume work, they are reactivated.
- You mentioned, but did not identify, an individual who indicated they experienced COVID-19 symptoms and continued to work. First, all shoppers are required to review a daily health check in the app and agree to the terms. This includes agreeing not to shop or deliver if they are exhibiting symptoms, are awaiting test results, or have been diagnosed with COVID-19.

SHOPPER SATISFACTION

- Without knowing the details of your survey, including how it was sourced or how Shipt Shoppers were identified or validated, it is difficult to comment. What we can tell you is that we regularly survey both new and veteran shoppers about a number of topics. Consistently, we hear that shoppers appreciate the flexibility shopping with Shipt offers and intend to continue doing so.
- This year, we are on track to triple the numbers of people shopping for Shipt to meet the demands of consumers nationwide. The growth in the shopper community is a clear indication that people view Shipt as a great opportunity for flexible work.
- We respect that there is a very small, vocal minority that may disagree with some of the steps we take. We respect their opinions and are listening. However, based on all of the data we have, and the feedback we receive from shoppers, they do not speak for, or represent, the experiences of the majority of Shipt Shoppers.

Thank you.

Bridget Fruit
Chief Operations Officer, Shipt