



**United Nations Global
Compact (UNGC)**

Compass Group PLC

Communication on Progress

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1. Statement of Continued Support

As a signatory to the United Nations Global Compact since June 2004, Compass Group PLC and its' group companies ("Compass") is committed to taking action to support and uphold each of the ten principles relating to human rights, labour, environment and anti-corruption.

During 2009-2010, we have worked hard to continue to improve our performance and believe that we have made good progress with regard to meeting our commitments, with particular focus on our environmental activities and performance reporting – please see our **2010 Corporate Responsibility Report** www.compass-group.com/CR10 for further details.

This document contains some examples of the **practical actions** that we have taken and full details of our implementation including **performance indicators and metrics** together with our **Group policies** can be viewed via our **global CR website** at www.compass-group.com/CR10. We will continue to develop our activities in response to the Global Compact commitments and provide timely COP updates to our stakeholders.

For further information, please contact us at <http://cr10.compass-group.com/Contact.aspx>.



Mark White
General Counsel and Company Secretary
Compass Group PLC

2. Company Overview

Compass Group PLC

Compass is the world's leading provider of food and support services. We specialise in providing food, facilities management and related services on our clients' premises and we generated annual revenues of over £14 billion in the year to 30 September 2010. The company employs more than 428,000 employees in 50 countries, operating across the following core sectors of Business & Industry, Defence, Offshore & Remote Site, Education, Healthcare and Sports & Leisure with an established brand portfolio. For more information, visit www.compass-group.com.

Our Vision – sets out what we want to be

To be a world-class provider of contract foodservice and support services, renowned for our great people, our great service and our great results

Our Mission – sets out how we are going to achieve this

Everyone in Compass is committed to consistently delivering superior service in the most efficient way, for the shared benefit of our customers, shareholders, employees and other stakeholders with an interest in the future success of the Company.

Our Guiding Principles – these set out what guides our decision making

- **Health, Safety and Environment First** – never to compromise on the health and safety of our customers and our people, and to manage responsibly the impact that our business has on the environment.
- **Delivering for Clients and Consumers** – to earn the continued loyalty of our customers by consistently demonstrating why we are the first choice for quality, service, value and innovation.
- **Developing our People and Valuing Diversity** – to recognise the diversity and contribution of our people. We create a work environment that is challenging and provides the opportunities and support for everyone to develop, learn and succeed.
- **Profitable Growth** – to deliver shareholder value through disciplined, sustainable growth, underpinned by strong governance that contributes to and leverages the benefits of our global scale.
- **Constant Focus on Performance and Efficiency** – to deliver the highest quality and performance, whilst relentlessly driving to be the lowest cost, most efficient provider.

3. Human Rights

Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure that they are not complicit in human rights abuses;

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Overview

The Compass Code of Ethics underpins our social, ethical and environmental commitments and sends a powerful message to all our stakeholders of Compass Group's commitment to responsible business practice. The 10 principles of the United Nations (UN) Global Compact, to which we are a signatory, are integral to our own Code of Ethics. This UN initiative encourages companies to commit to make human rights, labour standards, environmental responsibility and anti-corruption part of the business agenda whilst maintaining competitive advantage.

Our structure is underpinned by the highest levels of corporate governance. This empowers our local management teams to manage their businesses to successfully compete in their marketplace while operating within a strict corporate framework with clearly defined parameters. Our Code of Ethics sets out our social, ethical and environmental commitment towards each of our stakeholders and the communities in which we operate.

Every individual employee shares a responsibility to uphold these standards and to conduct our business in a professional, safe, ethical and responsible manner.

Our Code of Ethics, developed in consultation with our European Works Council and the Institute of Business Ethics, sets out the clear standards of behaviour that we expect all of our people to demonstrate in dealing with colleagues and those outside the Company such as customers, suppliers, shareholders and other stakeholders.

Our Policy (relevant extracts from our published Code of Ethics)

<http://www.compass-group.com/cr-code-of-ethics.htm>

Success in business is dependent on compliance with legal constraints, together with sensitivity to local customs and conventions governing business relationships.

The communities in which we operate (and from which we draw our employees) are important to us.

- We are committed to making a positive contribution to the sustainable development of the communities in which we operate.
- We take into account the concerns of the wider community – including national and local interests – in all our operations. We use our expertise to contribute to the wellbeing of the community in a manner appropriate to our business objectives.
- We endeavour to ensure that we are not exploited for the purpose of money laundering, drug trafficking, tax evasion or any other criminal activity.
- We support the rights of human beings as set out in the UN Declaration of Human Rights. We consider carefully before doing business in countries that do not adhere to the UN Declaration.
- We do not make donations to political party funds or candidates.
- We respect the law, traditions and cultures of the countries in which we operate. When there is an apparent conflict between local custom and the principles and values set out in the Code, employees acting on our behalf must be guided by the Code.
- We are committed to doing our business in a way that's as environmentally friendly as possible. The Group's Environmental Policy and Guidelines include standards on waste reduction and recycling, and the conservation of water and energy.

As a service company, our people are key to the success of our business. We respect and value the individuality and diversity that every employee brings to the business and seek to create a positive, open working environment wherever we operate.

- We are committed to basing relations with our employees on respect for the dignity of the individual and fair treatment for all.
- We aim to recruit and promote employees on the basis of their suitability for the job, without discrimination.
- We aim to foster effective communication to enable all our employees to perform their work effectively. This will include encouraging and helping employees to develop relevant skills to progress their careers.
- We place the highest priority on the health and safety of our employees and the safety of the environment in which they work.
- We do not tolerate any form of discrimination or sexual, physical, mental or other harassment of any kind toward our employees, whether from our own staff or others.
- We operate fair and just remuneration policies.
- We require any employee with a potential conflict of interest to disclose it to their line manager.
- We operate in an environment of trust and as such we do not tolerate any fraudulent or dishonest behaviour by our employees either within the Group or in dealing with other stakeholders.

Implementation

We have a Group-wide whistle-blowing programme called 'Speak Up' which is managed by an independent company. This enables our employees globally to raise, in confidence, any concerns that they may have about how we conduct our business. Work continues throughout our business to maintain employee awareness of 'Speak Up' and regular progress reports are provided to the Audit Committee of the Board.

In 2009-2010, we had 1,607 enquiries referred by employees globally. There is a clear escalation process in place to consider each query raised. Where appropriate, a full investigation and remedial actions are taken.

Associated Policies

Compass Code of Business Conduct & Ethics
Compass Diversity & Equal Opportunities Policy
Compass Responsible Purchasing Policy

2010 Actions

- We have drafted a new Compass Code of Business Conduct, which brings together in one place all relevant Group policies. The Code of Business Conduct is underpinned by our Code of Ethics. The draft document is being reviewed by internal stakeholders and subject to their endorsement, is intended to be published in March 2011 and communicated to Compass employees through a variety of channels including face to face presentations.
- We implemented the Compass Ethics Toolkit in 2009 to the Leadership Team and have steadily improved the accessibility of the training to our global teams, with the introduction of the toolkit in additional languages. We have also sought financial year end self-certification from over 1,300 employees (95% of applicable population) of compliance with the Group's Code of Ethics and are supporting the remaining 5% of applicable employees to complete self-certification as soon as possible.
- We updated the Compass Supply Chain Standards in 2010 to include the assessment of potential supply chain partners in their own human rights practices and those of their partners down the supply chain. This updated template will be progressively rolled out across our countries from 2011.

4. Labour Practices

Principle 4: Businesses should uphold the freedom of association and the effective recognition of the right to collective;

Principle 5: Businesses should uphold the effective abolition of child labour;

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

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Our Policies

Compass Code of Business Conduct & Ethics
Compass Diversity & Equal Opportunities Policy
Compass Purchasing and Supply Chain Policy

(Review above policies at <http://www.compass-group.com/cr-code-of-ethics.htm>)

2010 Actions

- We updated the Compass Supply Chain Standards in 2010 to include the assessment of potential supply chain partners in their own human rights practices and those of their partners down the supply chain. This updated template will be progressively rolled out across our countries from 2011. Our standard terms and conditions of purchase for international suppliers contain express provisions dealing with compliance with Group policies.
- The global HR Forum which consists of HR professionals from across the Compass business globally work together throughout the year to ensure that our HR policies are reviewed on an annual basis and updated as required to reflect changes in legislation or best practice. Country operational compliance with such policies is required as part of the People MAP Framework.
- We continue to make good progress with our employee diversity metric and have 19.2% of our global leadership team positions held by women (18.5% in 2008-2009).
- Great examples of our continuing efforts in terms of supporting increasing employee diversity can be viewed online in our 2010 CR Report – www.compass-group.com/CR10.

One such example:

Supporting indigenous communities



Collaboration between Compass, Rio Tinto and indigenous organisations in Western Australia is helping indigenous Australians to benefit from mining activities on their traditional lands. These joint venture agreements with Aboriginal communities, combined with funding for pre-employment programmes offering support, advice and skills training, help to ensure that local communities are equipped to take advantage of employment opportunities created by the presence of large corporations such as Compass.

5. Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Overview

A key driver towards our success is the degree of autonomy which is afforded to local management teams, allowing them to serve local markets in the most appropriate manner. To support their activities, we have developed an environmental policy supported by a minimum operating standard and a set of behaviours that are being introduced into all our operations.

2010 represented our third year of implementing a web-based reporting tool to consistently track and report globally on our greenhouse gas emissions in our 'Top Ten' countries which account for over 81% of total Group revenue. We are pleased that our ability to report our environmental performance accurately, including the quality of data, continues to improve and as a result, this year we are increasing the scope of our reporting countries from our 'Top Ten' to our 'Top Twenty' countries which will account for over 93% of total Group revenue.

Although we have made good progress in collating data relating to our own business operations, we have more work to do in terms of improving the quality of data provided by our suppliers. To help us build a greater awareness of their activities, we have refreshed our supplier assurance programme to include additional focus on environmental practices within our global supply chain.

This refreshed programme will gradually be phased in across our businesses from January 2011.

In the majority of our locations where we are not directly responsible for the procurement of utilities, equipment, fuel etc, we are working closely with our clients to consider how best to improve the environmental performance of our operations.

Our Policies

Compass Environmental Policy
Compass Purchasing & Supply Chain Policy

Environmental management system – through mention in our policies, we are committed to ensuring that environmental minimum standards are implemented across our business including our supply chain. We review our policies annually to support company compliance and to raise awareness.

2010 Actions

- To help us build a greater awareness of their activities, we have refreshed our supplier assurance programme to include additional focus on environmental practices within our global supply chain. This refreshed programme will gradually be phased in across our businesses from January 2011.
- We believe that everyone at Compass has a moral obligation to safeguard each other, our customers and the environment by operating a safe, injury free and healthy workplace, serving food that is always safe to eat, nutritional and which minimises our impact on the environment. To ensure best practice, we developed a set of policies, minimum operating standards and behaviours in 2007, which have been steadily rolled out across our business. We are pleased to report that this year the first phase of the programme has been successfully implemented across 98% (2009: 95%) of our countries. Our standards are based on the strictest regulatory requirements and industry best practice. World-class performance continues to be our aim, seeking over the short-to medium-term to set the benchmark for our industry.
- Great examples of our continuing efforts in terms of supporting responsible environmental practices can be viewed online in our 2010 CR Report – www.compass-group.com/CR10.

One such example:

Reducing food waste



As previously reported in our 2008-2009 CR Report, our US business created a sustainable waste reduction programme called 'Trim Trax' for designed to educate and build employee awareness on measures that can be put in place to reduce food waste in the places where we operate.

The 'Trim Trax' programme is a great example of best practice sharing and, this year, we will introduce 'Trim Trax' in a phased roll-out across our 'Top Ten' countries and report on our performance in our 2011 CR Report as part of our overall CR commitments. This programme highlights the alignment between our CR strategy and our corporate strategy of reducing costs and increasing efficiencies across the business.

6. Bribery and Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Overview (extract from Compass Group Code of Ethics)

<http://www.compass-group.com/cr-code-of-ethics.htm>

We seek to establish mutually beneficial relationships with all our suppliers, and encourage them to match our high standards in respect of quality, food safety, working conditions, trading practices, health and safety and environmental protection.

- We treat our suppliers and subcontractors honestly and fairly.
- No employee may offer or receive – or influence others to offer or receive – any money or material gift that could be construed as a bribe or influence.
- We endeavour to ensure we are not exploited directly or indirectly by requests to make facilitation payments.
- All information concerning the company and its suppliers is to be treated as confidential.
- We do not work with companies that infringe the law or endanger Compass Group's reputation.

Our Policies

Compass Code of Ethics

Internal documents:

Compass Fraud Policy

Corporate Hospitality/Gifts Policy (to be published 2011)

Group Approvals Manual

Compass Accounting Policies and Procedures Manual

2010 Actions

- We have drafted a new Compass Code of Business Conduct, which brings together in one place all relevant Group policies. The Code of Business Conduct is underpinned by our Code of Ethics and in relation to minimising the risk of bribery and corruption in the business, contains specific information about Compass's zero-tolerance approach to corrupt behaviour. The draft document is being reviewed by internal stakeholders and subject to their endorsement, is intended to be published in March 2011 and communicated to Compass employees through a variety of channels including face to face presentations.
- We have also reviewed and amended our internal controls documents to further minimise the risk of fraud through, for example, our internal approvals process for the use of external consultants.

- A Group Gifts and Hospitality policy has also been developed and is included in the Code of Business Conduct.
- We have further developed a risk assessment to determine the potential level of risk of different parts of our business regarding bribery and corruption to ensure that the appropriate management processes are in place to mitigate any risks identified.
- Upon induction, all UK based Compass Group employees are required to read and confirm their adherence to the Code of Ethics. We are working with our HR teams around the world to ensure that a similar requirement is introduced (if not already in existence) into our induction procedures elsewhere.
- All Compass Group employees have access to the Speak Up 24 hour confidential telephone advice line where they can share any concerns that they have. Procedures are in place for any bribery/anti-corruption whistle blowing allegations to be escalated directly to senior management.

7. Performance Measurement & Progress

You can view our current progress against all of our CR performance indicators, including those relevant to our compliance with the UNGC principles, in detail via our online CR information at www.compass-group.com/CR10 .