



United Nations Global Compact (UNGC): Communication on Progress January 2016

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Statement of continued support

Compass Group PLC and its group companies ("Compass") has been a signatory to the United Nations Global Compact since June 2004 and we remain fully committed to supporting and upholding all of the 10 Principles.

We also recognise that living up to our commitment has to be seen as a process of continuous improvement and we are pleased to be able to show in this Communication on Progress that we have made some significant steps forward since we reported last year.

We have further developed our Speak Up programme - an effective guarantee for every one of our employees that their voice will be heard if they are witness to, or subjected to, any abuse of their human rights. We have also made some important contributions to improving educational opportunities through our operations in various parts of the developing world.

In addition, we have clearly demonstrated our support for the Modern Slavery Act (2015) and set out the positive measures we will be taking to ensure that we are making our full contribution to fulfilling the objectives of this important piece of legislation and helping to end the scourge of enslavement and human trafficking.

On the environment, we have made further progress on reducing our Greenhouse Gas emissions and food wastage. Further, we have laid some very important foundations for significant future reductions in our environmental impacts.

So, we are delighted to present this report which we will be sharing with all of our stakeholders in a number of different ways over the coming months.



Mark J. White
General Counsel and Company Secretary
Compass Group PLC

About Compass

As one of the world's leading contract food and support services businesses, we serve around 4 billion meals a year, employ more than 500,000 people in over 50 countries, and work in more than 50,000 client locations. Believing firmly that responsible wealth creation is the most fundamental contribution that any business can make, we also believe that being responsible means being aware of the effect we have.

First established in 2008, our Corporate Responsibility and Sustainability (CRS) framework is founded on five pillars that define how we want to manage that effect, how we want to live and how we work every day:

- **SAFETY FIRST:** Health and safety is our number one operational priority.
- **HEALTH & WELLBEING:** By pursuing a passion for wellbeing and nutrition, we help our consumers and employees adopt a more balanced lifestyle.
- **OUR PEOPLE:** Ensuring our employees are well trained, motivated and productive is an essential component of our business model.
- **RESPONSIBLE SOURCING:** Having a safe and responsible supply chain is important for us to deliver the quality of food service that is a key business driver.
- **ENVIRONMENT:** As a leading food service company, we have a clear responsibility to protect the environments in which we work.

While the pillars are expressed in a way that is most relevant to our business, there is a clear correlation with the 10 Principles of the United Nations Global Compact and our progress in each of the areas covered by the Principles is set out in the following sections.

“Corporate responsibility underpins our business, driving our decisions and enabling us to achieve our strategic goals in a responsible and sustainable way.”

Paul Walsh, Chairman

Human Rights

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

Principle 2: *make sure that they are not complicit in human rights abuses.*

Compass is fully committed, at a fundamental level, to upholding human rights - those basic, inalienable rights to which everyone is entitled.

The scope is broad but covers:

- non-discrimination against, and behaviour towards, vulnerable groups
- civil and political rights
- economic, social and cultural rights
- fundamental principles and rights at work

All of the above are directly relevant to our global business operations, including the activities of our supply chain, and are reflected in Principles 1 and 2 of the United Nations Global Compact. These Principles are embedded in our Code of Business Conduct and, even more specifically, in our Human Rights Policy Statement which sets out the responsibilities of our employees and our leadership team, establishes the indicators we use to assess our performance in this area, and commits us to an annual review of that performance informed by our prior year performance.

Speak Up

To further safeguard against the possibility of any abuse of human rights anywhere within the organisation, we operate a Speak Up programme. This is a Group-wide facility enabling any employee to raise any concerns he or she may have about improper, unsafe, unethical or illegal behaviours or activities. This strictly confidential telephone helpline and website service is run by an entirely independent specialist provider and is accessible 7 days a week, 24 hours a day. Reflecting the global nature of our business, the helpline has been set-up in more than one language in many countries – in Kazakhstan, for example, operators are available who speak Kazakh, Russian and English.

Associated Compass Policies

- Codes of Business Conduct and Ethics
- Human Rights Policy Statement
- Equal Opportunities and Diversity Policy
- Purchasing & Supply Chain Policy Statement

CASE STUDY: Brazil - A right to education

Over 20% of children in Brazil do not attend secondary school according to data published by UNICEF. As part of our commitment to human rights, our business in Brazil, GRSA, has partnered with the Cultivar Association whose main goal is the promotion of education and youth development in the city of Maracaí, São Paulo. While teaching young people to cultivate land for horticultural produce, the project's activities are planned to require only part-time attendance so that participants are still able to attend school as normal.

Under the terms of the partnership, GRSA buys vegetables grown by the students and the proceeds from the sales are then used to improve school facilities and enhance the learning of the students. To date, over 65 metric tons of vegetables have been purchased totalling nearly BRL 100,000 (£17,000). [For further information, click here](#)

CASE STUDY: South Africa - A right to basic nutrition

In 2011, Professor Jonathan Jansen, Vice - Chancellor and Rector of the University of the Free State, discovered that a significant number of his university students were studying without eating on a regular basis. Shocked by this situation, he donated the proceeds of his book, *We Need to Talk*, to establish the 'No Student Hungry' programme which provides food allowances to students to support them in their academic studies.

During 2015, our education sector business, Chartwells, sponsored the annual fundraising event to help enrol more students to the programme, made a donation, encouraged employees to lend their skills to support the cause, and provided healthy, balanced meals for the participating students. [For further information, click here](#)

How are we doing?

Highlights from our 2015 Corporate Responsibility Key Performance Indicators

- Measure and report, with 100% follow up, concerns reported by employees via Speak Up - **Achieved**
- Obtain 100% sign-up from new approved suppliers to the Compass Code of Business Conduct - **Achieved**
- Secure implementation of our global Purchasing & Supply Chain Policy in every country in which we operate - **In progress**

“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.”

Compass Group: Code of Ethics

Labour

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

Principle 4: *the elimination of all forms of forced and compulsory labour;*

Principle 5: *the effective abolition of child labour; and*

Principle 6: *the elimination of discrimination in respect of employment and occupation.*

The full extent of our commitment to human rights is extended to our responsibilities as an employer operating on a global scale. As a service company, we believe our people are key to the success of our business. We respect and value the individuality and diversity that every employee brings, we do not tolerate any form of discrimination, and we seek to create a positive, open, working environment wherever we operate. We place the highest priority on the health and safety of our employees and we actively encourage and support them in the development of relevant skills to progress their careers.

Regarding progress in 2015, we want to draw particular attention to two further areas relating to the UNGC Labour Principles.

Modern Slavery Act

Following the introduction of the Modern Slavery Act, by the UK government in 2015, we have committed to report, annually, on our efforts to ensure that our business and all of our supply chains are entirely free of any form of slavery or human trafficking. In order for that reporting to be meaningful, we will establish the necessary performance indicators and measure our actions against them, review our policies and our due diligence processes - making whatever changes are necessary - and make appropriate training available for all of our employees, wherever they are working.

Apprenticeships

Dedicated to the development of future talent, Compass has offered more than 3,000 apprenticeships over the last five years and can demonstrate an excellent retention rate. During the course of 2015, Compass in the UK received a Grade 2 Ofsted rating in recognition of effective leadership and management as well as a high quality of teaching, learning and assessment, and was shortlisted for a Business In The Community, Education to Employment Award.

Associated Compass Policies

- [Codes of Business Conduct and Ethics](#)
- [Human Rights Policy Statement](#)
- [Equal Opportunities and Diversity Policy](#)
- [Purchasing & Supply Chain Policy Statement](#)

CASE STUDY: Brazil, Portugal, Kazakhstan - Safety at work

During 2015, a number of our businesses around the world have implemented a new peer-to-peer mentoring approach to safety. For example, our offshore business in Brazil has implemented an 'on-board safety multipliers' programme, in which designated employees have been working with their peers - sharing good safety practices, encouraging the creation and issue of safety reports and helping to drive preventive actions. A similar mentoring project started in Portugal in September 2014 and has been continued in 2015, resulting in 517 employees being given specific training. Our business in Kazakhstan, which employs around 4,000 people, has developed a novel 'Best Safety Ideas' competition to encourage all our employees to think of new ways to address potential health and safety issues. [For further information, click here](#)

CASE STUDY: Australia - Supporting indigenous employment

In 2015, our business in Australia launched Project 1050, designed to bring an additional 1,050 indigenous jobseekers into the Compass workforce over the next three years. With the support of the Federal government and local communities, we pledged to increase our indigenous employment rate from 4.5% to more than 10%. Project 1050 is focused on both attracting and retaining indigenous employees with an emphasis on jobseekers who are long-term unemployed and/or facing significant barriers to employment. [For further information, click here](#)

Further case studies relevant to the Labour Principles include:

- UK – 'Collaborative Growth' Supplier Conference. [For further information, click here](#)
- UK – Supporting small businesses. [For further information, click here](#)

How are we doing?

Highlights from our 2015 Corporate Responsibility Key Performance Indicators

- Report % improvement in Global Lost Time Injury Rate (LTIR) - **Achieved**
- Report % improvement in retention rates for:
 - total employees
 - management
 - unit management - **Achieved**
- Report % of female representation in the global workforce - **Achieved**
- Report % of women holding global leadership team positions - **Achieved**

“I am so proud of the work we do with young people. Our Education to Employment programmes offer young people a real insight into our business and sector and offer real opportunities for them to grow their careers.”

Fiona Ryland, HR Director Compass Group UK & Ireland

Environment

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

Principle 8: *undertake initiatives to promote greater environmental responsibility; and*

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

As a leading food service company, we have long had a clear understanding of our responsibility to protect the environment and progressively reduce our impacts, particularly in relation to energy use and food waste. The full extent of our commitment is set out in our Environment Policy Statement. Since 2008, for example, we have used a web-based reporting tool to consistently track and report on our Greenhouse Gas emissions and, as our ability to monitor our environmental performance accurately has improved, including the quality of the data, we have been able to increase the scope of our reporting countries. In 2014, we expanded the list from our 'top ten' to our 'top twenty' countries which account for approximately 93% of total Group revenue.

We are also highly conscious of our indirect impacts. Reflecting that, our Purchasing & Supply Chain Policy makes clear that we expect our suppliers and contractors to adhere to the same high standards that we impose on ourselves. Similarly, in those locations where we are not directly responsible for the procurement of utilities, equipment, fuel etc., we continue to work closely with our clients to consider how best to improve the environmental performance of our operations.

Adopting a “Science- Based” approach to GHG emission targets

Since 2013-2014, our Greenhouse Gas (GHG) intensity has decreased by 9.6% as a result of a 5.5% reduction in absolute emissions and an increase in revenue. In order to limit our environmental impacts still further, we will be applying Science- Based Targets (SBT) for energy and carbon reduction from next year. SBTs will bring our carbon reduction targets into line with climate science and the need to reduce emissions between now and 2050 in order to limit the global temperature rise by 2°C above pre-industrial levels – “the 2 degrees scenario”. We are also investigating the Sectoral Decarbonisation Approach (SDA) methodology which has been developed by the UN Global Compact, Carbon Disclosure Project, World Resource Institute and WWF. This methodology will allow us to set shorter term carbon emissions' targets whilst planning for longer term reductions out to 2050. In 2016, we will communicate our revised carbon emissions targets for 2017 and beyond.

Associated Compass Policies

- Environmental Policy
- Purchasing & Supply Chain Policy

CASE STUDY: UK - Green and Simple

Recognising that the transport sector is responsible for nearly a quarter of the CO₂ emissions from fossil fuel combustion globally, our UK market launched the Green and Simple logistics programme. Working closely with Brakes Group, our distribution partner, we have been able to consolidate more deliveries and reduce the impact that we have on the environment. Since 2010, through Green and Simple, we have reduced the distance our products travel by nearly 21 million kilometres, resulting in a reduction of 15,800 tonnes of CO₂ being emitted. We are now implementing a move to multi-temperature vehicles which will further reduce miles and carbon emissions from our supply chain. [For further information, click here](#)

CASE STUDY: Australia - GAIA food waste dehydrator

With up to one third of the food produced for human consumption every year (approximately 1.3 billion tonnes) being lost or wasted, our ESS team in Australia has invested in a new GAIA food waste dehydrator which can reduce the volume of waste by up to 90 per cent, producing a sterile granulated product that is up to 10 times richer in nutrients than typical garden compost. At full capacity, up to 7,500 kilograms of food waste will be placed into the dehydrator, returning approximately 1,125 kilograms of output each week. It is estimated that the dehydrator results in the avoidance of 309 tonnes of CO₂ equivalent being released into the atmosphere from landfill each year - the equivalent to taking 135 cars off the road. [For further information, click here](#)

Further case studies relevant to the Environment Principles include:

- UK – Reducing food waste with Winnow system. [For further information, click here](#)
- Australia – Operational Recognition. [For further information, click here](#)

How are we doing?

Highlights from our 2015 Corporate Responsibility Key Performance Indicators

- Reduction in total GHG emissions and 20% reduction in carbon emissions intensity by 2017 - **In progress**
- 20% reduction in water consumption by our corporate offices by 2017 - **In progress**
- 25% increase in spend on concentrated cleaning chemicals by 2015 - **In progress**
- 25% improvement in waste generated by Compass offices and diverted from landfill by 2017 - **In progress**
- Report % of units where cooking oil is recovered/recycled - **Achieved**

“Compass Group serves seven million meals each day and adopting this programme benefits clients by improving the healthy lifestyle choices of their associates, and the health of the planet.” ”

Compass North America Chief Operating Officer (discussing 2015 Menus of Change)

Anti-Corruption

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

As a world leader in our field, we recognise that we have to set the very highest standards for ethical business practice. 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 when dealing with colleagues and those outside the company such as customers, suppliers, shareholders and other stakeholders in the wider community.

This Code is supported by a rigorous internal audit function as well as appropriate employee training and further reinforced by our Speak Up programme (see section on Human Rights).

Associated Compass Policies

- Code of Business Conduct
- Code of Ethics

Internal documents

- Fraud and Theft Policy
- Group Gifts and Hospitality Policy
- Group Approvals Manual
- Accounting Policies and Procedures Manual

How are we doing?

Highlights from our 2015 Corporate Responsibility Key Performance Indicators

- 100% of new contracted approved suppliers to sign the Compass Code of Business Conduct by 2015 - **Achieved**

“ 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 ”

Compass Group: Code of Ethics