

UN Global Compact Communication on Progress - April 2019

CEO Statement of Continuing Support



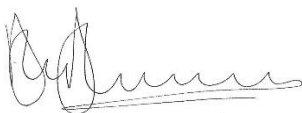
Dominic Blakemore, Group Chief Executive

Having a purpose matters, in business as in life, a company performs best over time if its purpose goes beyond profit and that is why Compass remains fully committed to supporting the United Nations Global Compact and upholding its ten principles which are reflected in our Corporate Responsibility commitments, policies and practices.

We strive to be a responsible corporate citizen. Since becoming a signatory to the Global Compact in 2004 we have made great progress, but it has not been easy and more remains to be done. At times our resolve has been challenged, but through the commitment and dedication of our great people we have been able to turn challenges into opportunities helping to make us stronger and better than when we started our journey.

Progress against our commitments to operate responsibly and our performance, since the publication of our last Communication on Progress statement, are outlined in our 2018 Annual Report and in our 2018 Corporate Responsibility Report as well as in our North America and our UK & Ireland Corporate Responsibility reports which can be found at www.compass-group.com.

Over the coming year, we will work to build on our existing legacy of creating long term value and of being a force for good.



Dominic Blakemore

Compass Group Chief Executive

4th April 2019

1. About Compass

Compass provides food and support services to millions of people every day. We have a global footprint, with some 600,000 colleagues working in around 50 countries across 55,000 client locations.

We manage the business in three geographic regions, North America, Europe and Rest of World. We segment our markets into various sectors and sub-sectors using our portfolio of brands. The five sectors in which Compass operates are: Business & Industry; Healthcare and Seniors; Education; Sports & Leisure; and Defence, Offshore & Remote.

Food is our core competence. We pride ourselves on our ability to provide clients with a wide range of innovative dining solutions and corporate responsibility is a cornerstone of our commitment to provide the highest quality service to our customers.

In all the markets and regions in which Compass operates, we continue to build our business and our reputation based on our ongoing focus on health and safety, people, the environment and our firm commitment for responsible corporate practices.

Our Corporate Responsibility Governance

The Corporate Responsibility Committee advises the Board on broad Corporate Responsibility (CR) policy taking into account the overall strategic plan and other factors. The Committee comprises Nelson Silva who acts as Chairman to the Committee and all the other non-executive directors in office; the Chairman of the Board; the Group Chief Executive; Group Chief Financial Officer; Group HR Director and the Group General Counsel and Company Secretary.

The Committee's primary responsibilities include: overseeing the production of challenging policies and procedures to deliver a world class health, safety and environmental process; ensuring that the Company is aware of the pitfalls which confront the business in pursuit of its commercial goals and to ensure that the Company's performance complies with its ethical policies and procedures. The Committee advises the Board on all matters relating to corporate social responsibility including, occupational health and food safety performance; supply chain integrity; environmental practices; ethical business conduct, positive promotion of employee engagement, diversity and human rights.

Since it was established in 2007, the Committee has supported the Board in the development of the Group's long-term CR vision.

The Executive Board together with senior local management, implements and monitors CR strategy.

People are our greatest source of competitive advantage and we are committed to giving our people the safest and fairest environment in which to work. At the same time, we continue to focus on developing an inclusive and welcoming environment for all people with diverse backgrounds, perspectives, talents, skills and abilities through our people strategy, including our approach to succession planning, development opportunities and the way we recruit and retain our employees.

Our people strategy is defined and managed by our Group HR Director, Robin Mills, who reports to the Group Chief Executive, Dominic Blakemore. Mr Mills is supported at Group level by the Group Reward and Diversity Director and in country by local management and HR teams.

Our Approach to Corporate Responsibility

In our 2018 Annual Report, we set out our commitment to further enhance our people proposition and to develop a clearer social purpose to improve the long-term quality and sustainability of our financial results. To help us achieve our aims, we have renewed our sustainability strategy through consultation with key stakeholders, including clients, employees and industry experts, as well as analysing evolving trends. Our renewed approach has been informed by these insights and we are now focusing on three key areas where we can make the most positive impact.

Our Sustainability Strategy

The three strategic priorities for our global businesses are performance, people and purpose. Our purpose also incorporates three pillars of sustainability: Health and Wellbeing, Environmental game changers and Better for the world which in turn encompass three “action platforms”.



We are passionate about what we do and we want to do it well. We recognise that what we choose to eat and drink has a significant impact on our wellbeing. We offer clients and consumers choice and we believe that these choices can help them to make informed decisions. We are also championing mental health as part of our overall wellbeing proposition.

Our Health & Wellbeing pillar and supporting actions have been designed with the aim of inspiring and helping our clients, consumers and colleagues to live healthier and happier lives.

As a global operator and industry leader, we know that we have a role to play in influencing how food is sourced and produced. That is why our Environmental game changers and Better for the world pillars target specific areas where we can use our scale to make a difference and in this regard, we will continue to innovate and improve the way we work and collaborate with our suppliers, local communities and global partners to identify and connect key initiatives and to accelerate change for good.

The United Nations Sustainable Development Goals

We continue to support and align our business activities to the United Nations Sustainable Development Goals (UNSDGs). We have identified eight of the 17 goals which we believe will make a

considerable impact at a local and global level to address the challenges facing our planet and society. For example, we have a renewed focus on food waste reduction to promote responsible production and consumption.



Our progress in each of these areas is detailed below.

To read more about our approach with the UNSDGs and our sustainability strategy more generally, please see our [2018 Corporate Responsibility Report](#) and our [2018 Annual Report](#).

2. 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.

Assessment, policy and goals

We are a true people business and the focus on our people has never been greater. We regard our people and the way we organise, engage and motivate them as our critical competitive advantage and we are committed to ensuring that people within our business are subject to fair working practices and are treated with respect.

We work to ensure that workers in our global supply chain are treated fairly and will continue to support our suppliers with the aim of eradicating modern slavery, human trafficking and ending the exploitation of vulnerable people. The rights of our employees are respected by the implementation of our Human Rights Policy and Code of Ethics. Both are aligned to the ten principles of the United Nations Global Compact and the International Labour Organization core conventions.

We remain committed to the highest standards of business conduct and expect all our employees to act accordingly. Our Code of Ethics was developed in consultation with our European Works Council and the Institute of Business Ethics. The Code of Ethics, which is part of our [Code of Business Conduct](#) (CBC), underpins our social, ethical and environmental commitments and communicates

our commitment to responsible business practice. Furthermore, our global supply chain integrity requirements ensure that we work with suppliers who share our values.

Our [Human Rights Policy Statement](#) explains how we conduct our business and what values we uphold and expect. The scope of human rights includes:

- Non-discrimination and behaviour towards vulnerable groups
- Civil and political rights
- Economic, social and cultural rights
- Fundamental principles and rights at work.

Further details of our policies can be found on the [policies page](#) of our website.

Implementation

We expect all our employees to be aware of and comply with our CBC and our human rights policy. We also expect employees to actively avoid any breach of human rights principles by behaving in a responsible way and always acting with integrity.

The Group has a whistleblowing helpline called 'Speak Up' which is managed by an independent external operator and provides a confidential channel through which employees and/or suppliers can report allegations of wrongdoing, including:

- Evidence of a breach of human rights committed by a Compass colleague, business partner or unconnected organisation or individual in areas of Compass' operations
- Breach of their own human rights in relation to an act by another Compass employee or someone associated with Compass.

Allegations of wrongdoing are reported to the Audit Committee which in turn reports to the Board. All allegations are investigated at the most appropriate level of the organisation, which may, in some cases, be by the Audit Committee itself.

We take great care in selecting our supplier companies. All contracted suppliers are expected to adhere to our policies including our CBC.

Our [Supply Chain Integrity Policy Statement](#), underpinned by our Supply Chain Integrity Standards, defines the supply chain principles and standards to which we expect our suppliers to adhere. This includes the nine-point Ethical Trading Initiative Base Code. We are members of the SEDEX initiative, a collaborative platform to share responsible sourcing data on suppliers.

Our Global Leadership Team also:

- Ensures that Human Rights, CBC and Code of Ethics policies are brought to the attention of all employees
- Uses best efforts to make all interested parties such as suppliers aware of these policies
- Raises awareness of human rights and ensures that appropriate human rights training is conducted
- Ensures that human rights are included in risk assessments
- Publicly reports on Compass' performance in relation to human rights annually in both our Corporate Responsibility Report and Slavery & Human Trafficking Statement
- Develops detailed human rights policies in specific areas as the need is identified.

Measurement of outcomes

Creating a good working relationship built on integrity, openness and trust takes time and investment and requires co-operation and commitment from all parties.

We continue to collaborate with our supply chain partners throughout the entire supply chain and we conduct audits which help identify potential human rights abuses in our partners' businesses. By conducting regular auditing across countries, we hope to eradicate the practices and conditions which could encourage these abhorrent activities to take place.

When issues are identified as a first step, we would take the lead by supporting our partners to make any changes necessary. Although depending on the severity of the issue, we would consider and, if appropriate, sever our relationship with a supplier.

Over the last year, we have proactively engaged and embedded our Supply Chain Integrity Policy across our top 20 countries (by market revenue) and driven greater compliance against our supply chain integrity standards. We will continue rolling out these standards throughout 2019.

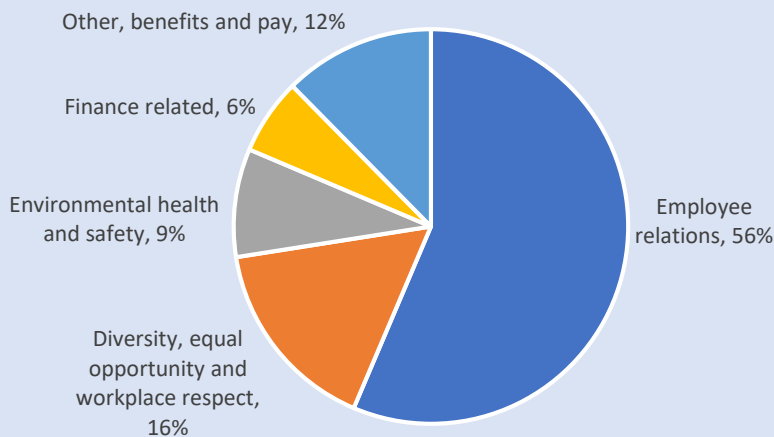
In 2018, we participated in the Workforce Disclosure Initiative. Funded by the Department of International Development and run in partnership with NGOs and a range of civil society and private sector organisations, the initiative aims to improve the quality of jobs in companies' operations and supply chains. Compass Group scored above the average of all disclosing companies of 53%, and above the sector average of 59%. Whilst we were pleased with these positive results, it also highlighted areas for improvement. We aim to tackle these areas over the coming year, including training and wage levels in the supply chain and to strengthen our commitment to human rights. We also intend to conduct a comprehensive human rights impact assessment across our global business which will include independent consultation across multiple business areas as well as our global supply chain. The purpose of the assessment is to help assess potential human rights risks in our own business and that of our supply chain, following which an exercise will be conducted to implement remedial processes and actions.

In the last financial year:

- There were no incidents of substantiated human rights breaches
- There were zero human rights grievances related to Compass reported by employees and suppliers via 'Speak Up'
- There were zero significant actual and potential adverse human rights impacts in the supply chain via 'Speak Up'
- Our top 20 countries have continued to operate programmes to support fair trade and ethically sourced, locally sourced, or sustainably sourced products
- 90% of the seafood purchased by our US business was certified sustainable.

Case study: Speak Up

We have renewed our efforts to raise the profile of Speak Up to further encourage employee participation and, as a result, in 2018, the number of cases reported via Speak Up rose to 4,351, a year on year increase of 17%. We believe that our efforts to increase awareness of the service appear to be working and we will continue with our proactive approach in the coming year. Speak up is translated into 34 languages and available by telephone and online.



Cases of Speak Up by Category: FY2018

3. 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.

Assessment, policy and goals

Compass has around 600,000 colleagues all over the world, so it is no understatement to say that we are people-powered. We aim to create environments that are fair and inclusive where everyone has an equal opportunity to progress. We attract and retain talent by creating opportunities for people and helping them to build their careers with us.

As detailed above, in our CBC we uphold the International Labour Organization core conventions. This includes upholding the freedom of association and the right to collective bargaining as well as being committed to the abolition of child labour and elimination of forced or compulsory labour both within our operations and our supply chains.

We do not tolerate any form of discrimination, and we seek to create a safe, positive, open, working environment wherever we operate. These commitments are embedded within our:

- [Code of Business Conduct](#) (CBC)
- [Human Rights Policy](#)
- [Supply Chain Integrity Policy Statement](#)
- [Workplace health and safety policy](#) and standards
- [Slavery and Human Trafficking Statement](#).

To ensure these principles are embedded across our entire business, we require all suppliers, including labour agencies, to adhere to our CBC. The CBC includes our expectations in respect of labour rights, slavery and human trafficking.

An important component and a priority of our responsibility to employees is their safety. Our Workplace Health & Safety Policy sets out common minimum operating standards and behaviours which apply to every location we operate. Our health & safety performance is reviewed at every management meeting in Compass and monthly by the Group's Executive Board.

We want people from every walk of life to feel welcome at Compass and to be able to be themselves. We are committed to diversity and inclusion and measure and report on the gender split of our workforce. We value all our people and are striving to create a workforce which reflects the diversity of the clients and consumers that we serve in our local communities. Our passion for continuous improvement attracts great people with diverse backgrounds, talents and skills and we welcome the benefits that their differences bring to Compass.

Implementation

On recruitment, all colleagues are required to review and agree to abide by our principles to treat colleagues fairly and with dignity and respect. It is also clearly communicated that discrimination of any kind will not be tolerated. Although our global CBC is well embedded within our business, we are not complacent. To maintain visibility of the CBC's principles, we conduct training and regular performance reviews, including an annual requirement for key colleagues of influence to confirm their compliance with our CBC. We also conduct regular internal audits of policies by country and of compliance with local laws and regulations.

Health and safety training is obligatory for all employees working within sites and our common minimum operating standards and set of safety behaviours are in practice at every location in which we operate. We have set clear objectives and targets against which we measure and report on our health and safety performance. We also expect similarly high standards from our suppliers and contractors. Furthermore, all management meetings throughout the Group feature a health and safety update as one of their first substantive agenda items and health and safety improvement KPIs are included in the annual bonus plans for management teams.

Compass respects and values the individuality and diversity that every employee brings to the business and we seek to create a positive, open working environment. Our HR policies and practices are also developed to support our principles. We recruit colleagues to reflect the communities in which we work. For example, in our Australian business we have been focused on the recruitment of the indigenous community so that we achieve the targets set in the Elevated Reconciliation Action Plan.

To promote career progression, we ensure that our people, irrespective of background and experience, can develop and have a successful career with us. In our US business, for example, we

have a Leadership Legacy Network which promotes enhanced leadership for all and is a key pillar of our diversity and inclusion strategy.

We seek to implement engagement strategies which create an inclusive environment for all. We have made a significant investment in engagement in the last 12 months and undertook face to face conversations with employees across markets that represent over 90% of revenue. We undertook this initiative to gain an even deeper understanding of our people's views and on how we can build fair and engaging workplaces based on their insights.

It is important that our people are remunerated fairly. During annual salary review processes, we typically analyse proposals to identify trends and to ensure fairness. Details of the outcome of our pay gap analysis can be found below.

There is always more work to do and we are currently rolling out a network of diversity and inclusion action councils (DIACs) which have been operated successfully in our US business. They are part of an overall strategy which led to our US business being recognised by Forbes as one of the Best Employers for Diversity in 2019. In rolling out the DIACs, we are engaging with our local business leadership to raise awareness, share best practise and ensure that being a diverse and inclusive employer is a priority across all our operations. To encourage progress and make the transformation possible, measures of diversity are reported to senior management across our geographies as part of their regular business reviews.

On recruitment, all employees are required to review and agree to abide by our principles to treat colleagues fairly and with dignity and respect and we are clear that discrimination of any kind will not be tolerated. In addition to employees being able to report any breach of the CBC to their line manager, they can also use our confidential and anonymous reporting service, Speak Up. Allegations of wrongdoing are reported to the Audit Committee which in turn reports to the Board. All allegations are investigated at the most appropriate level of the organisation, which may, in some cases, be by the Audit Committee itself. Our governance structures demonstrate our commitment to preventing any form of discrimination and is a priority at all levels of our business.

Measurement and outcomes

We monitor, measure and report on our safety performance across the business through many metrics. Since 2014, we have reduced the number of safety incidents resulting in time off work by 34%. During this time, we have also reduced our number of food safety incidents by 22%.

Specifically, we:

- Seek to prevent injury to any employee, customer or contractor
- Conduct a full risk assessment as soon as practicable in taking on any new contract
- Consider the safety implications of our procurement decisions
- Ensure that every employee is properly trained to safely perform at work.

We are committed to diversity and inclusion and measure and report on the gender split of our workforce. Overall, as at September 2018, women made up 57% of our total workforce and 30% of our senior leadership team (up from 28% last year). We have significantly increased the number of women represented on our Executive Board to 25% having been an all-male team just two years ago and anticipate this to increase further as we take on additional women at senior leadership level.

In 2019, [Compass Group was ranked as 157th by Forbes](#) out of the 2000 largest global companies for diversity.

In the UK, we published our 2018 [Gender Pay Gap Report](#) which showed our median gender pay gap reduced from 12.3% to 9.9% compared to the ONS published national average of 17.9%.

We conduct regular employee surveys and in 2018 we conducted over 1,000 hours of face to face conversations and 200 hours of focus groups with a broad sample of our employees. During these direct conversations, our colleagues told us that they value the camaraderie that comes from being part of a high-performing team, and that more focus on recognition, training and promotion were key to increasing their levels of engagement. Consequently, we are rolling out more training and leadership development, including unit manager training over the coming year.

We work closely with suppliers and require all contracted suppliers to adhere to our CBC. If a supplier violates the CBC, the relevant senior personnel are informed and we conduct an investigation. Following this we make an assessment including on the severity of the violation. As a first step, we will work with the supplier through a remedial plan of action to improve the ongoing situation. However, where the situation is serious and cannot be remedied, we may terminate the relationship with the supplier.

Training and education is important to raise awareness of labour rights across the business. Within our procurement business in the USA and UK, over 250 colleagues have now completed the e-learning module related to modern slavery. The training specifically raises awareness of the potential risks of human trafficking and slavery in the supply chain. We will continue our efforts to roll this training out further. Furthermore, in our UK business, over 50% of contracted, approved suppliers have shared information with us via the SEDEX ethical sourcing platform, up from 30% in 2017.

Case Study: Road Safety

Last year we introduced initiatives to tackle road safety. In 2018, we reinforced our Global Safe Driving policy, performance standards and metrics across our business. By introducing specific metrics against which all countries must report, we have achieved a higher level of visibility in relation to the actual and potential risks for both vehicle and driver safety. Working with country teams, we have developed initiatives focused on reducing the different risks. For example, in Kazakhstan, our employees have driven 100 million kilometres and worked 50 million hours without incident. In the UAE, we introduced safe driving training and police briefings, followed by a safe driving recognition scheme that rewards our drivers of passenger vehicles between client sites for safe driving behaviour. Although we are making good progress overall in vehicle and driver safety, we are not complacent and remain focused on raising road safety awareness.

Case study: Farm worker awareness week, Compass North America

In March 2018, we launched National Farmworker Awareness Week in Compass USA. In support of our ongoing partnership with the Coalition of Immokalee Workers and the Fair Food Program, National Farmworker Awareness Week brings attention to farmworker issues in our communities, such as fighting poverty and exploitation, and honours the important contribution farmworkers make to our daily lives.

4. 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.

Assessment policy and goals

We recognise our responsibility to limit the impact our business has on the environment. Reducing this negative impact and increasing our positive environmental impact are key priorities in our sustainability strategy.

Food waste is a major global issue and we are committed to helping reduce this across the markets in which we operate. We continue to expand our food waste reduction programme and are also looking at ways of reducing our use of single-use plastics, such as cutlery and drinks stirrers, as well as developing plant-forward meals as a method of reducing reliance on animal products. We believe that over time, these initiatives will make a positive contribution to the global reduction of CO₂ emissions related to food production and contribute to the realisation of the UNSDGs.

Our comprehensive [Environmental Policy statement](#) can be found on our website. We have set clear objectives against which we will measure and report on our environmental performance. We expect similarly high standards from our suppliers and contractors. Specifically, we will:

- Report on the implementation of and compliance with our Environmental Standards, including food waste reduction programmes
- Reduce the water and energy used in our principal offices
- Reduce the CO₂ emissions of our vehicle fleets
- Reduce waste packaging in our supply chain
- Seek to reduce food miles by increasing the use of seasonally available products sourced from the relevant domestic market
- Ensure that all our employees are provided with the information, training and tools necessary to implement responsible environmental practices.

Implementation

Our environmental performance is regularly considered at management meetings in Compass Group and the Board reviews our policy annually. Since 2008, we have had a web based reporting tool to consistently track and report our environmental performance. To improve our performance, we will upgrade this reporting tool over the course of 2019. This will enable us to measure our performance both more broadly and accurately, and to report on and target our progress across environmental goals such as food waste, carbon emissions and single-use plastics.

Reflecting our ambitions to limit our environmental impact, we have committed to establishing science based targets across our business as part of the Science Based Targets Initiative (SBTI). This is to ensure our carbon reduction targets are in line with climate science and the need to reduce emissions between now and 2050, to limit global temperature rise by 2°C above pre-industrial levels. We will be publishing information about our targets and subsequent action plan in due course.

Prior to appointing a new supplier, during the due diligence process, we conduct a rigorous assessment including an environmental analysis.

To reduce food waste many of our sites operate programmes to measure food waste, including repurposing and diverting it from landfill. In Compass USA, one such initiative to repurpose food waste is “Grub tubs,” which converts food waste to animal feed.

Throughout 2018, 34 of our countries engaged in our Global Stop Food Waste day. Working alongside clients and consumers we raised awareness, promoted initiatives, activities and competitions globally across this day in April to highlight food waste awareness across the Group. Our second Global Food Waste Day is due to be held in April 2019 and we are aiming to encourage even higher participation across our sites, and with clients and consumers.

Case Study – Local sourcing

In a growing number of our countries, we operate locally sourced food programmes. These include on-site solutions to grow plants such as salad leaves and vegetables for use in the site kitchens. On various Compass sites, *Smart Farms* grows herbs and leaves indoors, *The Garden Club* upcycles waste from a healthcare site and grows vegetables in the gardens on site whilst *The Growcer* is a hydroponics based on-site farm housed in shipping containers in harsh climates where access to such produce is more challenging. For example, the University of Ottawa use *The Growcer* produce salad leaves and vegetables for use in the kitchen and which are eaten by the students.

Measurement and outcomes

We monitor and report on our environmental performance annually. Our [most recent report](#) can be found on our website. This report of our carbon emissions is certified by an independent external provider. Over the course of 2019, we will be increasing the scope of our carbon emissions reporting to reflect a wider footprint of our business and will continue to work with clients and facilities providers to address our carbon footprint.

Food service is our core competence and tackling food waste remains a priority. We are expanding food waste reduction programmes across the business. Over 250 of our UK sites use the food waste programme Winnow. An additional ten countries are implementing the Winnow system across a selection of their sites in 2019, taking the number of sites using this system to above 300. Encouragingly, some clients have seen a reduction of some 30% in food waste after implementing a food waste reduction system across their sites globally.

Over the coming year, we will be measuring and recording food waste across in our top 20 countries and consequently setting food waste reduction targets.

Compass Group UK & Ireland has committed, alongside 90 other companies, to help halve UK food waste by 2030 as part of the Food Waste Reduction Roadmap with the Institute of Grocery Distribution and the Waste and Resources Action Programme (WRAP). Compass Group UK & Ireland is a signatory of the WRAP Courtauld 2025, a 10-year voluntary agreement that brings together organisations from across the food supply chain to work towards collective targets for 2025 (vs 2015). These are:

- 20% reduction in food and drink waste arising in the UK, and
- 20% reduction in the Greenhouse Gas (GHG) intensity of food and drink consumed in the UK.

Single-use plastics is one of our key focus areas and we have already made progress by removing millions of single-use plastic items across a number of countries including straws, drinks stirrers and

coffee cups. Using our new reporting tool, we will be able to measure single-use plastics use, which in time, will enable us to set performance targets.

Each year Compass participates in a number of sustainability indices which serve as benchmarks on corporate sustainability performance and provide an effective engagement platform for investors to encourage companies to improve their corporate sustainability practices.

In the past year, the hard work and commitment of our people has advanced the Group's ambition to make a greater environmental difference; driving positive outcomes beyond our business to make the world a better place. These efforts have been rewarded with The Carbon Disclosure Project rating us as A- leadership in climate change and DJSI RobecoSam scoring us in the 87th percentile for our industry.

Case study – Carbon Foodprint, USA

In our USA business we created a system called *Carbon FoodPrint* to partner with our clients and help meet sustainability goals. The tool tracks custom strategies to reduce energy, water and waste in the kitchen while identifying opportunities for chefs to re-engineer their menus to lower greenhouse gas emissions. Over the course of one year the programme:

- Saved enough CO₂ to plant the equivalent of two New York Central Parks
- Saved 600,000 kWh of energy, equivalent to switching 20 million light bulbs to LED
- Reduced rubbish disposal usage and saved 1 million gallons of water at one college
- Saved 400,000 gallons of water by switching to low-flow pre-rinse spray valves at a Business & Industry account.

5. Anti-corruption

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

Assessment policy and goals

As a world leader in our industry, we recognise that we must set the very highest standards for ethical business practice and each one of our employees shares that responsibility to uphold our standards and to conduct our business in a professional, safe, ethical and responsible manner.

Bribery or corruption in any form is unacceptable and Compass has a zero-tolerance approach to corruption. Most countries have laws that prohibit corruption. We are committed to complying with all laws in the countries in which we operate and to transparency in all our business dealings. We are also committed to creating a working environment, in which all our people uphold the highest standards of integrity and professionalism. This is particularly important in our dealings with governmental, federal, state, public and local authority officials in any country.

Our CBC explains our approach beyond fundamental compliance to all relevant laws by demonstrating our commitment to obtaining and maintaining the highest level of ethical standards wherever we operate. Our CBC sets out what Compass expects of its employees, business partners and suppliers and provides guidance on how Compass employees should live Compass' values in their everyday work. For instance, the Code states that, "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.”

Other relevant policies (internal purposes only) include:

- Fraud Policy
- Group Gifts and Hospitality Policy
- Group Approvals Manual.

The Compass Group Theft and Fraud Policy confirms the Group’s zero tolerance approach to fraudulent, dishonest or deceptive activities or behaviour, including in the case of corruption. The Code of Ethics reinforces the Group’s overall approach to doing business in an ethical way. Both are available for all employees on the Group’s intranet.

Furthermore, new suppliers are subject to a rigorous risk assessment as part of our due diligence when contracting to work with us.

Implementation, measurement and outcomes

Compass Group is certified with TRACE International, a globally recognised anti-bribery organisation. TRACE assists Compass, as well as other global companies, in conducting business ethically and in compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other anti-bribery legislation. As a member we have access to compliance resources and tools to implement anti-corruption and bribery processes. We have been a member of TRACE International since 2015.

To implement our Code of Ethics, we have established reporting and compliance procedures. This includes the appointment of a Head of Ethics and Compliance at Compass Group, training for relevant employees, raising awareness of our whistle-blowing procedures for employees and suppliers, and the integration of the CBC into employee and supplier contracts. All employees whose location or role poses a potential corruption risk must complete our anti-bribery and corruption training module.

We have established a series of procedures, reviewed annually, to ensure anti-corruption is embedded in every level of our organisation. All senior management are required to review and confirm that they have complied with the CBC, of which anti-bribery and corruption is an important component. The status of our compliance programme is reviewed on a regular basis, including at Regional and Group Governance Committees and the Group Risk Committee.

When employees sign their contract of employment and during annual performance reviews, they confirm acceptance of the CBC and confirm their continued adherence to it. In addition, all managerial colleagues are required to complete and pass ethics training, an e-learning course which includes modules on bribery and corruption.

Our independently managed, confidential telephone service, ‘Speak Up’ is offered to both employees and across our suppliers (see Section 2) should they wish to report any serious concerns they may have about wrongdoing in the work place, including:

- Evidence of a breach of human rights committed by a Compass colleague, business partner or unconnected organisation or individual in areas of Compass’ operations
- Breach of their own human rights in relation to an act by another Compass employee or someone associated with Compass.

The Audit Committee which in turn reports to the Board receives regular reports on country performance regarding the nature of the reports received and agree specific actions as required.

Compass Group PLC is audited annually by an independent auditor. KPMG LLP has been the Company's auditor since 2014. KPMG LLP conducted the audit of the Company's 2018 Annual Report and Financial Statements. Their 2018 auditor's report to the members of Compass Group PLC included those matters considered by the auditor to be of most significance in the audit of the financial statements including the most significant assessed risks of material misstatement (whether or not due to fraud) identified during their audit. KPMG LLP provided an unmodified audit opinion, indicating that no concerns were identified.

Allegations of corruption are reported to the Audit Committee which in turn reports to the Board. All allegations are investigated at the most appropriate level of the organisation, which may, in some cases be by the Audit Committee itself.

For further details regarding the content of this statement, please contact:

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