

Corporate
Responsibility Report
2016



**REDUCING RISK
AND DRIVING GROWTH**

WE ARE COMPASS

We provide great food and support services to millions of people around the world every day. Our Group strategy continues to deliver shareholder value and we remain positive about the structural growth potential in food and support services globally.

Positive performance in key sustainability indices is of increasing interest to clients and investors, and we are proud to have performed well in these this year, including our achievement in the Carbon Disclosure Project of a 'Leadership' score of A-.

We will continue to engage with our teams and stakeholders around the world to understand the issues which matter most and to identify opportunities to build stronger partnerships which address global and local sustainability priorities so as to continue to reduce risk and drive growth.

OUR VALUES

- OPENNESS, TRUST AND INTEGRITY
- PASSION FOR QUALITY
- WIN THROUGH TEAMWORK
- RESPONSIBILITY
- CAN DO SAFELY

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For more information, contact us at GlobalHSE@compass-group.com
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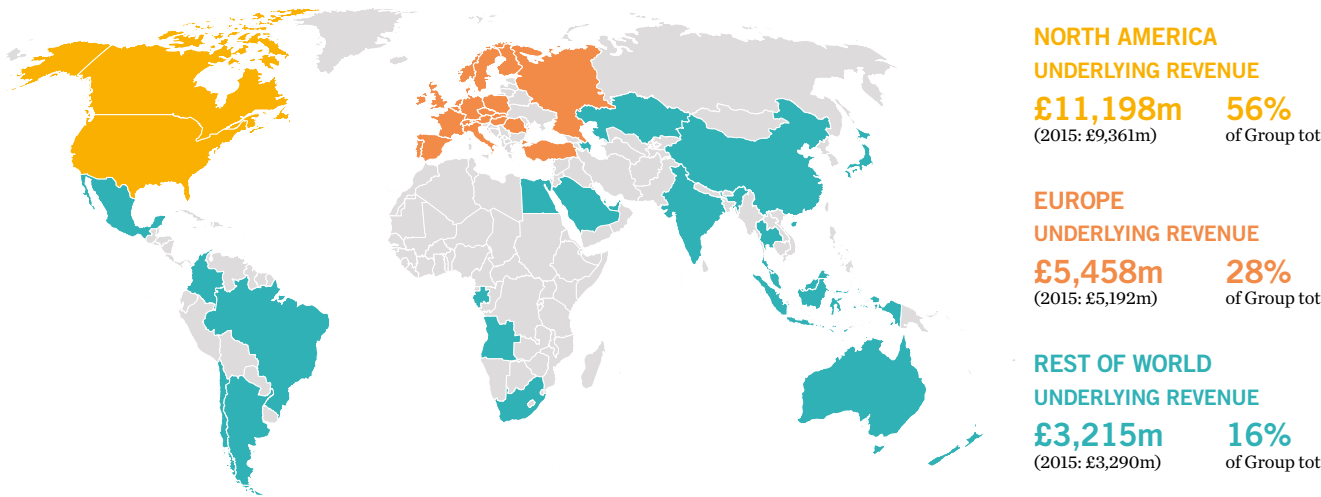
ABOUT OUR BUSINESS

WE ARE FOCUSED ON FOOD

Food is our core competence and we pride ourselves on our ability to provide clients with a wide range of innovative dining solutions.

| | | | |
|--------------------|------------------|----------------|---------------|
| WE OPERATE IN OVER | WE WORK IN OVER | WE EMPLOY OVER | WE SERVE OVER |
| 50 | 50,000 | 500,000 | 5 BILLION |
| COUNTRIES | CLIENT LOCATIONS | GREAT PEOPLE | MEALS A YEAR |

WE HAVE GLOBAL REACH



AND A SECTORISED APPROACH

We differentiate ourselves by sectorising and sub-sectorising our business. This enables us to get closer to our clients and consumers to create innovative, bespoke offers that best meet their needs and requirements.

| | | | | |
|---|--|---|--|---|
| BUSINESS & INDUSTRY | HEALTHCARE & SENIORS | EDUCATION | SPORTS & LEISURE | DEFENCE, OFFSHORE & REMOTE |
| We provide a choice of quality, nutritious and well balanced food for employees during their working day. In addition, where clients seek broader service offerings, we can deliver a range of support services to the highest standard, and at the best value. | We are specialists in helping hospitals in the public and private sectors on their journey of managing efficiency and enhancing quality across a range of food and support services. We have an increasing presence in the growing senior living market. | From kindergarten to college, we provide fun, nutritious dining solutions that help support academic achievement at the highest levels. We educate young people on how to have a happy, safe and healthy lifestyle while contributing to a sustainable world. | Operating at some of the world's most prestigious sporting and leisure venues, exhibition centres, visitor attractions and major events, we have an enviable reputation for providing outstanding hospitality and true service excellence. | Through our established health and safety culture, we are a market leader in providing food and support services to major companies in the oil and gas and mining and construction industries. For our defence sector clients, we are a partner that runs efficient operations outside areas of conflict. |

REDUCING RISK AND DRIVING GROWTH



Corporate responsibility underpins our business, enabling us to achieve our strategic goals in a more responsible and sustainable way. Each year, we do more to incorporate broader social, ethical and sustainable practices as ‘business as usual’ across our global business.

Nicki Crayford

Nicki Crayford
Group Health, Safety and Environment Director

DEAR STAKEHOLDERS

I am delighted to bring you this review of our Corporate Responsibility (CR) activities and progress against published commitments.

CR underpins our business, enabling us to achieve our strategic goals in a more responsible and sustainable way. Each year, we do more to incorporate broader social, ethical and sustainable practices as ‘business as usual’ across our global business.

We continue to focus on the areas where we believe we can make the most positive social impact, including developing our people, the health and wellbeing of our colleagues and consumers, the responsible use of resources and the integrity of our supply chain, all underpinned by Safety First in everything we do.

My colleagues across the Group work hard to enhance the positive contribution that we make to local communities and, as keen supporters of the United Nations’ Sustainable Development Goals (SDGs), we recognise that we have a key role to play in supporting the delivery of these goals at a global and local level. We have set out our commitments in support of the SDGs on pages 10 and 11. We continue to be signatories of the UNGC and you can view our latest Communication on Progress [here](#).

Overall, we’ve made good progress against our CR commitments in 2016 and you can find out more about our performance against key metrics on pages 24 to 31.

Looking ahead, we recognise that our stakeholders are looking for greater visibility and transparency with regard to the policies and operating practices that we deploy in our own business and across our supply chain. We continue to invest time and resources to improve our performance reporting in these areas and will report on progress in our 2017 CR Report.

Finally, I would encourage you to take a look at the great CR reports provided by my colleagues in our US and UK businesses, which reflect their passion for the positive impact that they have on their local communities and how they contribute to the Compass global commitments.
[USA – Our 2016 CSR Story](#)
[UK & Ireland – 2016 CR Report](#)

Thank you to all our partners and stakeholders for your continued support.



POSITIVE PERFORMANCE

We track our performance against a mix of financial and non-financial measures, which we believe best reflect our strategic priorities of growth, efficiency and shareholder returns underpinned by safe and responsible working practices.

KPI METRICS

Our strategic priorities are driven by our goal to deliver shareholder value and we use a number of financial KPIs to measure our progress. Growing the business and driving ongoing efficiencies are integral to our strategy.

The importance of Safety First in everything we do is demonstrated by key non-financial performance indicators that we apply consistently across our global business.



‘A SAFE PLACE TO WORK’
YOUR VOICE SURVEY 2016

91%
(of participants)

CARBON DISCLOSURE
PROJECT SCORE 2016

Leadership A-
(2015: 97B)

CODE OF BUSINESS
CONDUCT APPROVED
SUPPLIER SIGNATORIES
CONTRACTED DURING 2016

100%
(2015: 100%)

WOMEN IN GLOBAL
LEADERSHIP TEAM

26%
(2015: 23%)

OUR STRATEGY

A DISCIPLINED APPROACH TO GROWTH

- 1. FOCUS ON FOOD
- 2. INCREMENTAL APPROACH TO SUPPORT SERVICES
- 3. PRIORITISE ORGANIC GROWTH
- 4. BOLT-ON ACQUISITIONS
- 5. BEST-IN-CLASS EXECUTION

Food is our focus and our core competence. We take a pragmatic and incremental approach to support services, with strategies developed on a country by country basis.

Our priority is to capture the organic growth opportunities, as these yield the best returns. We will also invest in small to medium sized acquisitions, but only if they are attractive targets that have the right cultural fit and will enhance our portfolio.

We are committed to providing the best quality and value to our clients with best-in-class execution. We have increased our focus on innovation in our core food business to bring more variety and excitement to our offer as well as to improve our operations.

OUR BUSINESS MODEL



We drive organic growth by sectorising and sub-sectorising our business. This approach differentiates us, and allows us to get closer to our customers to create an innovative and bespoke offer that meets their needs. Organic growth is occasionally supplemented with small and medium sized acquisitions where they add capability or scale in our existing markets.

We focus on operational execution and generate efficiencies by optimising our supply chain and managing our food and labour costs. These efficiencies enable us to reinvest in the significant growth opportunities around the Group and improve margins.

Our organic revenue growth, the scale it creates and our focus on costs and efficiencies give us a competitive advantage. We can provide our clients and consumers the best value in terms of quality and cost and this, combined with sectorisation, helps drive organic revenue growth.

At the centre of it all are our people. They win new business, manage our units efficiently and effectively and bring innovative and high quality food and services to our clients.

HOW WE CREATE SHAREHOLDER VALUE



- GROWTH**

Our priority is organic growth and we continue to put focus and resources behind both MAP 1 (driving new business and retention), and MAP 2 (consumer sales).
- JOB OPPORTUNITIES**

We provide employment, training and career opportunities to more than 500,000 colleagues in over 50 countries. Indirectly, Compass provides employment to around 25,000 supply chain partners globally.
- MARGIN**

We remain focused on costs and improving MAP 3 (cost of food), MAP 4 (in unit labour costs and overheads) and MAP 5 (above unit overheads). This generates operating efficiencies and enables us to improve margins.
- EMPLOYEE WELLBEING**

With a large global workforce, we take our responsibility seriously, to treat all of our colleagues with respect and provide a safe and healthy workplace. Through our HR policies and Codes of Business Conduct and Ethics, we seek to ensure fair working conditions both in our own operations and across our supply chain.
- INVESTMENT**

We invest with discipline to support our organic growth. Capital expenditure tends to be between 2.5-3.0% of revenue. We also invest in infill acquisitions when they add capability or scale in an existing market and have returns that exceed the cost of capital by year two.
- PROSPERITY**

We contribute to economic growth in over 50 countries through sales revenue from products and services, as well as purchasing spend with suppliers, producers and farmers of around £5bn globally. Direct and indirect taxes paid by Compass contribute to social welfare.
- RETURNS TO SHAREHOLDERS**

We create value for our shareholders by delivering a balanced package of progressive dividends which grow in line with constant currency earnings and returning any additional surplus capital to shareholders to maintain net debt/EBITDA at 1.5x.
- CONSUMER WELLBEING**

We contribute to the wellbeing of our consumers by serving safe and healthy food, and providing nutritional signposting and education to make it easier for them to make healthier choices. Having a healthy and productive workforce is also important to our clients.

COLLABORATING TO CREATE A POSITIVE IMPACT

We have a wide range of stakeholders who influence or are affected by our day to day business, with varying needs and expectations. We recognise the importance of listening to their feedback and, as such, we adopt a partnership approach to share best practice and develop our policies and practices to address our key CR impacts.

Our stakeholders include employees, investors, clients and consumers, suppliers, NGOs and government agencies. We approach stakeholder engagement at a global, country and local level. Globally, we engage employees, investors, clients, suppliers and NGOs with particular focus on our key sustainability themes:

- Being a responsible employer
- Promoting nutrition and wellbeing
- Reducing our environmental impact
- Responsible sourcing and supply chain

Below is an example of how we work to engage our various stakeholders from a global perspective.

| STAKEHOLDER GROUP | ACTIVITY |
|--|---|
| INVESTORS | <ul style="list-style-type: none">• Annual Reports• AGMs• Meetings between investors, senior leadership and our investor relations team• Conversations between investors and our corporate responsibility / investor relations teams• Online communications• Investor conferences• Investor road shows• Annual CDP disclosure• Sustainability indices |
| EMPLOYEES | <ul style="list-style-type: none">• ‘Speak Up’ colleague helpline• Colleague engagement surveys• Global conferences / team meetings• Colleague intranets / newsletters• Sector and functional forums |
| CLIENTS | <ul style="list-style-type: none">• Client satisfaction surveys• ‘Top-to-Top’ meetings between our senior leadership team members and clients |
| CONSUMERS | <ul style="list-style-type: none">• Consumer insights research• Corporate websites• Consumer engagement / satisfaction surveys |
| SUPPLIERS | <ul style="list-style-type: none">• One-to-one meetings and conversations• Foodbuy supplier conferences• Field and factory visits for key supply contracts• Third-party supplier audits |
| GOVERNMENT / REGULATORS | <ul style="list-style-type: none">• Briefings and direct meetings |
| LOCAL COMMUNITY ORGANISATIONS AND NGOs | <ul style="list-style-type: none">• One-to-one meetings and conversations• Attending / presenting at multi-stakeholder forums• Ongoing partnership activity |
| GENERAL | <ul style="list-style-type: none">• Responses to requests for information regarding our CR policies and practices |

CDP (previously Carbon Disclosure Project) is a global disclosure system for companies, cities, states and regions to manage their environmental impacts and for investors or purchasers to access environmental information for use in financial decisions.

Compass has participated in CDP since 2009 and, each year, we have worked hard to improve the scope and detail of our annual disclosure. Working with our supply chain partners and the CDP support team, we have evolved our approach to become one of the few companies that disclose against all modules: climate change, water, forests and supply chain. We have presented at CDP workshops to share our experience of the CDP reporting journey and lessons learned along the way with other participating companies.

In 2016, we collaborated with 12 of our larger clients around the world as supply chain partners via the CDP reporting process. This created a helpful dialogue on targeted areas where we can work in partnership to reduce our collective environmental impact. We were delighted to have been ranked by CDP with a 2016 Supply Chain Climate Change score of A- against a CDP supply chain average score of D.



WE INVITED COLLEAGUES AROUND THE WORLD TO PARTICIPATE IN OUR IMPROVED EMPLOYEE ENGAGEMENT SURVEY



A STRONG PERFORMANCE, AS A RESULT OF OUR CONTINUED FOCUS ON AND INVESTMENT IN DEVELOPING STRONG PARTNERSHIPS WITH OUR CLIENTS



IN 2016 WE ASKED OUR PEOPLE IF THEY THOUGHT COMPASS TOOK THEIR HEALTH AND SAFETY SERIOUSLY



THIS YEAR, WE WERE PROUD TO ANNOUNCE A SIGNIFICANT EXPANSION TO OUR EXISTING CAGE FREE EGG POLICY WITH A COMMITMENT TO SOURCE 100% CAGE FREE EGGS (BOTH SHELL AND LIQUID) GLOBALLY BY 2025



CHARITABLE OBJECTIVES SUPPORT OUR CR STRATEGY, FOCUSING ON IMPROVING THE ENVIRONMENT, EDUCATION, HEALTH AND WELLBEING AND THE COMMUNITIES IN WHICH WE OPERATE. EACH YEAR, OUR PEOPLE AROUND THE WORLD MAKE THIS HAPPEN



OUR PEOPLE ARE AT THE HEART OF DELIVERING EXCELLENT SERVICE. RETAINING AND REWARDING THEM IS KEY TO OUR SUCCESS

PHILIP LYMBERY, CEO OF COMPASSION IN WORLD FARMING, SAID: “I AM DELIGHTED THAT COMPASS HAS BECOME ONE OF THE LEADING BUSINESSES IN THE CAGE-FREE MOVEMENT. I HOPE THAT THEIR COMMITMENT TO GO CAGE-FREE GLOBALLY ON ALL LIQUID AND SHELL EGGS BY 2025 WILL BE A CATALYST FOR OTHERS TO FOLLOW THEIR EXAMPLE.”



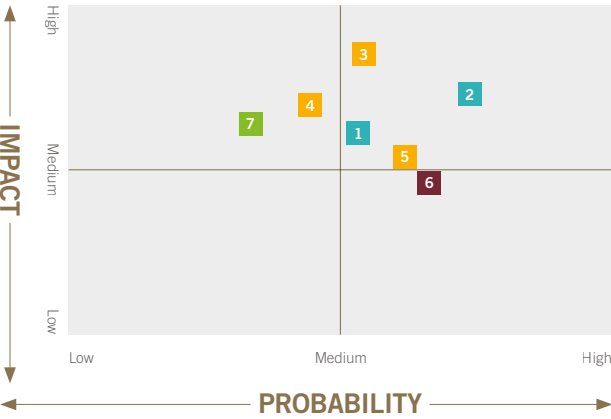
PRIORITIES AND PROGRESS

The Group’s strategy and approach to CR are well aligned as we improve the business model to reflect more sustainable practices. CR is a keystone of our commitment to provide the highest quality service to our customers. Across the business, the safety of our colleagues and consumers is our number one operational priority and supports our growth strategy, increases trust and helps us attract the best talent.

OUR CR STRATEGY

Each year, we review the issues which matter most to our business and stakeholders to help us better assess our key business risks and opportunities. Through this process we have identified seven issues we believe materially impact our business and our relationships with our stakeholders (see matrix below).

OUR MATERIAL IMPACTS



OUR PILLARS

In the following table we outline how our four CR pillars address these seven issues, why they matter to us and how they inform our priorities and activities moving forward.

UN SUSTAINABLE DEVELOPMENT GOALS

Through our strategic review, stakeholders and international clients have indicated their growing interest in supporting the United Nations’ Sustainable Development Goals (SDGs) as agreed by world leaders in September 2015. In response to this feedback, we have focused our attention on how our business activities can help us to deliver towards the SDGs at a global and local level. See pages 10 and 11 for a more detailed narrative on those specific SDGs where we believe we can make the most positive social impact.

| OUR PILLARS | OUR PRIORITIES | OUR PROGRESS |
|---|---|---|
| <div>OUR PEOPLE</div> <div></div> <div>Our people are fundamental to our great service and reputation and we recognise their positive contribution to our performance.</div> <div>Ensuring our employees are well trained, safe, motivated and productive is an essential component of our business model.</div> | <div>1 WORKPLACE HEALTH & SAFETY</div> <div>Transparency around the processes and controls in place to ensure the safety and wellbeing of our people.</div> <div>2 EMPLOYEE RECRUITMENT & RETENTION</div> <div>Provide our people with training and development opportunities. Recognise and reward their great work.</div> | <div><ul style="list-style-type: none">Since 2013, we have achieved a 29% reduction in our Lost Time Incident Frequency Rate performance. However, this year we have seen our performance plateau. We are not complacent and continue to embed a strong safety leadership culture, as well as improved return to work programmesSadly, we had one work related fatality as a result of a motor vehicle accident. As part of our commitment for continuous improvement, we have shared lessons learned</div> <div>GLOBAL LOST TIME INCIDENT FREQUENCY RATE DOWN</div> <div>29%</div> <div>Relative to 2013</div> |
| <div>RESPONSIBLE SOURCING</div> <div></div> <div>Having a responsible supply chain is important for us to deliver the quality of food service which is a key business driver for Compass and of paramount importance to our customers.</div> <div>As a result of our actions across our supply chain, we are able to build client and consumer confidence, reduce potential risks and develop sustainable relationships.</div> | <div>3 PRODUCT SAFETY</div> <div>Visibility around the ingredients that we source for our operations.</div> <div>4 SUPPLY CHAIN INTEGRITY</div> <div>Ensure our supply chain is acting responsibly and humanely towards its workforce.</div> <div>5 CBC COMPLIANCE</div> <div>Ensure the implementation of our Codes of Business Conduct and Ethics. Measure and report concerns via the Speak Up whistleblowing programme.</div> | <div><ul style="list-style-type: none">We have extended our third party audit programme to validate around the world that all our markets are complying with the requirements of our Global Food Safety StandardsAudit results identified that some of our developing markets, including India and Singapore, required further support to implement effective controls. We have responded by investing in additional resource to help local teams embed the required operational standards</div> <div>GLOBAL FOOD SAFETY INCIDENT RATE DOWN</div> <div>19%</div> <div>Relative to 2013</div> |
| <div>HEALTH & WELLBEING</div> <div></div> <div>By pursuing our passion for wellbeing and nutrition, we can help our consumers and employees adopt a more balanced lifestyle.</div> <div>We support our clients to deliver improved employee performance and satisfaction, encouraging client retention in our business.</div> | <div>6 WELLBEING AND NUTRITION</div> <div>Promote simple product labelling and signposting to encourage our consumers to make healthy choices.</div> | <div><ul style="list-style-type: none">In our more developed markets including the UK and US, we have introduced apps such as MyFitnessPal, that enable consumers to track their calorie and nutritional intake, directly linked to our menus. These apps help our consumers to make healthier choices</div> <div>NUMBER OF SITES OFFERING HEALTHY EATING PROGRAMMES UP</div> <div>21%</div> <div>Relative to 2013</div> |
| <div>ENVIRONMENTAL REPORTING</div> <div></div> <div>As a leading food and support services provider, we have a clear responsibility to help protect the environment.</div> <div>We are reducing our impact by implementing programmes that focus on the improved use of resources, helping us to manage our costs and those of our clients more effectively.</div> | <div>7 ENVIRONMENTAL REPORTING</div> <div>Transparency around our environmental impacts, target setting and reporting to demonstrate progress.</div> | <div><ul style="list-style-type: none">We have extended the roll out of our food waste measurement and tracking technology solutionIn sites where we have implemented this solution, we have seen a reduction in food waste of around 50%In 2017, we will expand the pilot roll out to around 10 countries to assess the viability of a wider geographic scope</div> <div>GHG INTENSITY RATIO DOWN</div> <div>16%</div> <div>Relative to 2013</div> |

STRENGTHENING PARTNERSHIPS








WORKING TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS



2015 marked a defining moment in the global quest for a sustainable future. In Paris, 195 countries adopted the first ever universal, legally binding global climate deal. At the UN, governments defined their vision for a post-2015 development agenda by agreeing upon a set of global Sustainable Development Goals. We recognise that businesses like ours will play a key role in supporting the delivery of these goals.

We believe that the SDGs provide a useful platform, and common language, upon which we can build new, and strengthen existing, global and local partnerships to progress our sustainability activities.

Of the 17 goals designed to help deliver the 2030 vision for a more sustainable planet, we have identified seven where we believe we can make the most positive social impact. In addition to these issue specific goals, we recognise the critical importance of working in partnership, supported by SDG 17 (Partnerships for the Goals).

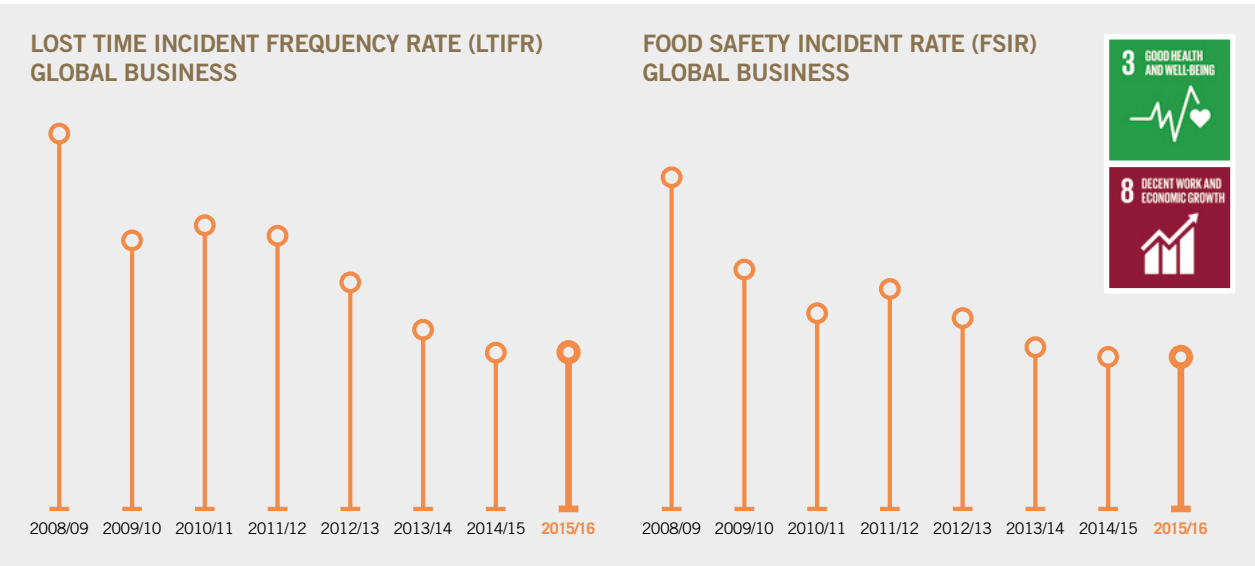
| UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS | THE GLOBAL CHALLENGE | COMPASS' ROLE | FOR EXAMPLE |
|---|--|--|---|
|  GOAL 2 <i>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</i> | By 2050, the world's population is expected to increase by two billion. At present almost 800 million of the world's population are malnourished and starving. This means that the need to improve sustainable agriculture will become increasingly critical as the demand on natural resources intensifies. | Every year, we spend around £5 billion on food. Collaborating with our supply chain to design and deliver scalable and practical solutions for food security and sustainable agriculture is therefore vitally important to safeguard the future of our business. | Since 2014, our Imperfectly Delicious Produce programme run by our US business has used over 200,000 kgs of imperfect fruit and vegetables that would otherwise have rotted in fields, been sent to composting or landfill for simply not meeting an artificial standard of attractiveness. |
|  GOAL 3 <i>Ensure healthy lives and promote wellbeing for all at all ages</i> | Nutrition is essential for sustainable development. Every year, poor nutrition kills over three million children under five, whilst around the world over two billion people are overweight or obese. | Each year, we serve over five billion meals. By pursuing our passion for wellbeing and nutrition, we are committed to helping our consumers and employees adopt a more balanced lifestyle. | Since 2010, we have worked towards a target that 100% of our units will provide Balanced Choices or similar healthy eating programmes by 2016. This year, we have seen a further improvement in our performance (67% vs 66% in 2015). We have not met our stated target of 100% of units by 2016 and will continue to work towards achieving this through 2017. |
|  GOAL 5 <i>Achieve gender equality and empower all women and girls</i> | Women and girls around the world struggle to exercise their rights, face discrimination, legal barriers and violence and receive unequal pay for equal work. | Women make up 57% of our global workforce and 26% of our global leadership team. We are resolved to empower all our female employees as we know this leads to increases in productivity, organisational effectiveness and consumer satisfaction. | In 2016, our UK business launched the Women in Food programme, to tackle the shortage of female chefs. By 2020, we expect that 50% of the chefs in our UK workplace will be female. |
|  GOAL 8 <i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i> | The availability of decent work is a must for lasting, inclusive and economic growth, yet while the global labour force continues to grow, there are not enough jobs available, particularly amongst young people and indigenous communities. | Our 500,000+ employees are fundamental to our great service and reputation. Around the world we are working with local communities to offer fair employment and great career opportunities. | In Australia, we launched Project 1050 to support the recruitment of an additional 1,050 indigenous jobseekers into the Compass workforce by 2019. |
|  GOAL 13 <i>Take urgent action to combat climate change and its impacts</i> | Climate change presents the single biggest threat to development, and its widespread unprecedented impacts disproportionately burden the poorest and most vulnerable. Urgent action to combat climate change and minimize its disruptions is integral to the successful implementation of all the Sustainable Development Goals. | As a leading food service company, we recognise that addressing climate change is important for food security and sustainable agricultural systems. We are committed to reducing our carbon footprint directly through energy efficiency and reducing food waste in our operations. We continue to partner with our clients, ensuring the use of innovative solutions to optimise resource efficiency. | Since 2008, we have measured our greenhouse gas (GHG) emissions. During this period, we have reduced our GHG intensity by 32% (tCO ₂ e/£m revenue). We have set the target of a 20% reduction in GHG emissions by 2017. |
|  GOAL 14 <i>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</i> | 30% of the world's fish stocks are overexploited, compromising their ability to produce sustainable yields. | Three words encapsulate our approach to sustainable seafood; (1) Avoid: by not serving seafood on the Marine Stewardship Council's (MSC) 'fish to avoid' list; (2) Improve: by buying more certified sustainable seafood each year; (3) Promote: the availability of responsibly sourced fish to our consumers. | We have partnered with the MSC in the UK to develop the Good Fish Guide app, which encourages everyone from chefs to consumers to make more sustainable choices easily and quickly. |
|  GOAL 15 <i>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</i> | People need nature to thrive. It is particularly critical for sustainable agriculture, yet deforestation, desertification and loss of biodiversity and natural habitats are degrading fertile land and reducing crop productivity. | We are working across our supply chain, to ensure we source our food and non-food products in a sustainable manner with the least possible impact on the environment. | Globally, we are a member of the Roundtables on Responsible Soy and Responsible Palm Oil, whilst 17 of our top 20 countries have already established sustainable and ethical sourcing programmes. |

OUR TOP OPERATIONAL PRIORITY



SAFETY FIRST

Health and safety is our number one operational priority. A strong safety culture is important to our clients and is critical to protecting the wellbeing of our colleagues and consumers. Reducing the number of incidents we have results in a safer workplace and effective cost management through improved incident and absentee rates.



OUR APPROACH

We've worked hard to create a culture that takes safety very seriously, and to train our people to adopt behaviours that focus on keeping them free from harm. All management and board meetings throughout the Group feature a health and safety update as one of their top agenda items. The CR Committee reviews the Group's Health, Safety, Environment and Quality (HSEQ) policies annually to ensure that they continue to reflect our aims and aspirations, and meet with current legislation.

OUR KEY FOCUS AREAS

GLOBAL HSEQ POLICY AND STANDARDS

To ensure best practice and drive continuous improvement, we operate global policies and minimum operating standards and behaviours that have been steadily embedded across our business. Our standards are based on the strictest regulatory requirements and industry best practice. We assess each country on its progress against the Group Safety First programme.

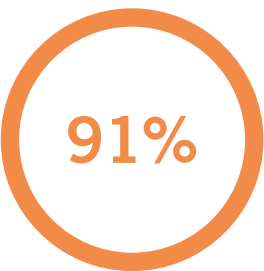
GLOBAL BEST PRACTICE SHARING

Supporting the Executive Board and CR Committee is our global HSEQ Leadership Forum, made up of technical specialists from around the business. The Forum is responsible for defining policies, setting standards, measuring compliance and sharing best practice across the Group. We also use this body to share lessons learned from incidents globally to determine if any improvements to policies and standards are required.

PERFORMANCE IMPROVEMENT

All countries report their health and safety and food safety performance on a monthly basis, and their performance is directly linked to the global leadership team bonus criteria. This year, we have worked hard with our internal stakeholders to review root cause analysis data related to our LTIFR and FSIR performance. Targeted prevention campaigns have been introduced, for example we have focused on Slips, Trips & Falls and Cuts.

This year we introduced an additional global safety key performance indicator: Total Recordable Incident Frequency Rate (TRIFR), to provide us with greater visibility and understanding of the types of injuries occurring in our business. We are using this data to engage with colleagues to identify ways in which we can reduce the likelihood of such incidents occurring in the future. We have measured the TRIFR metric in specific sectors since 2013; however, this year was the first time we reported our performance against this metric in all sectors, globally.



91% OF EMPLOYEES BELIEVE COMPASS IS A SAFE PLACE TO WORK (Your Voice Survey 2016)

OUR AWARD WINNING COMMITMENT TO SAFETY FIRST IN SPAIN



THE GLOBAL CHALLENGE

Every day, 6,300 people die because of occupational accidents or work-related diseases – more than 2.3 million deaths per year. The human cost is vast and the economic burden of poor occupational safety and health practices is estimated at 4% of global GDP.¹

WHY IT MATTERS TO COMPASS

Safeguarding the health, safety and welfare of our people and our consumers is not only a legal and moral responsibility – it's essential to the success of our business. Our aim is to set industry leading standards on health and safety across our working environments. In short, we are committed to Safety First in everything we do.

WHAT THIS LOOKS LIKE IN PRACTICE

Over the past two years, our HSEQ team in Spain have been rolling out a new preventive Health and Safety toolkit. The system is based on a model of continual learning and improvement across accident reporting, investigation and remediation. All accidents are reported through a call centre, where each call is initially answered by a medical service team to ensure that injured colleagues receive appropriate care

as quickly as possible. If there is not a clear link between the injury and activity, the incident is transferred to the HSEQ team. Their task is to investigate the relationship between the accident and the activity, to understand how it occurred, and to put preventative measures in place wherever possible. This system was initially launched at our sites in the Basque Country and Madrid, and has subsequently been implemented nationwide.

By using this tool, we have been able to identify more easily the circumstances in which accidents happen. As a result, we have been able to develop more efficient action plans, helping our team to decrease the accident rate by more than 25%, and decrease our Lost Time Incident Frequency Rate by more than 30%.

We are proud to announce that, in February, our team in Spain were finalists in the Awards Asepeyo for best preventative practices with over 100 companies involved. Our team also received a special mention in the National H&S Best Practices Awards in the category of H&S management. Our HSEQ system and team in Spain were also recognised by Repsol, one of the biggest oil companies in Europe, in their 2016 review of contractor H&S best practice.

OUR PRIORITIES

PERFORMANCE IMPROVEMENT

To deliver continuous performance improvement, by providing training and implementing best practices globally, and supporting those countries with higher incident rates.

SAFETY LEADERSHIP

To develop a pilot Safety Leadership programme in each of our regions, to educate our senior colleagues to become inspirational safety leaders within their own business and drive a positive safety culture.

BEST PRACTICE SHARING

To improve the number of colleagues using the web based Safety First portal, which provides access to the Group's HSEQ policy, collateral and best practice examples to increase employee engagement in the prevention of incidents.

1. ILO 2016 – <http://www.ilo.org/global/topics/safety-and-health-at-work/lang--en/index.htm>

OUR PILLARS

OUR PEOPLE

Ensuring our employees are well trained, motivated and productive is an essential part of our business model. Our people are ambassadors of our business and reputation and we recognise their positive contribution to our performance.



OUR APPROACH

We employ over 500,000 people in around 50 countries. In a business such as ours, people are at the heart of delivering excellent service to clients and consumers. We operate a specific People MAP implemented across our business globally to ensure consistency in operating practices. It provides a simple framework of objectives, measures and actions.

OUR KEY FOCUS AREAS

PEOPLE MAP

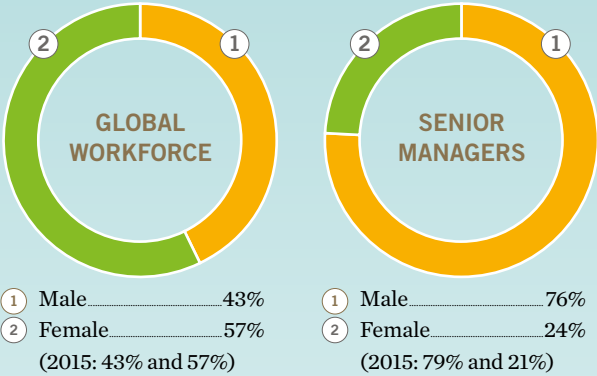
- **Attract** — recruit the right people, in the right way and reflect the diversity of the communities in which we work
- **Retain** — having the right rewards and benefits and work environment for people to want to stay with us
- **Develop** — ensuring that people have the right skills to do their job and develop careers with us
- **Engage** — connecting all our people to our goals, motivating them to achieve them and recognising their achievements
- **Perform** — having the processes in place to measure and continually improve individual performance

HUMAN RIGHTS

As a global employer, issues such as human rights, labour practices and responsible business practices are very important to us. We have been a signatory of the United Nations Global Compact (UNGC) since 2004 and each year, we publish a Communication on Progress (COP) and provide an update on our progress against the 10 UNGC principles in the areas of human rights, labour, environment and anti-corruption. See our latest COP [here](#).

DIVERSITY AND INCLUSION

We value the diversity of our people and strongly believe that the more our people reflect the diversity of our clients and consumers, the better equipped we are to service their needs. We base our relationship with employees on respect for the dignity of the individual and seek to create a positive, open working environment wherever we operate.



REWARD AND RECOGNITION

Since 2012 we have included non-financial key performance indicators in the global leadership performance bonus scheme, such as health and safety and food safety metrics. In many of our markets, we operate a Be a Star employee recognition scheme which recognises and rewards outstanding performance in such areas as health and safety, teamwork, responsibility and passion for their role.

EMPLOYEE FEEDBACK

We have conducted a global Your Voice employee survey every two years. In 2015, we reviewed the format of this survey in response to feedback received from participating countries and as a result, in 2016, we launched an improved and more engaging survey, simplifying the questions and optimising mobile technology to make the survey more easily accessible to colleagues around the world.

We are delighted that the 2016 Your Voice colleague survey achieved a 75% engagement rate (2013: 66%) which represents a positive trend of continuous improvement.

PROVIDING EMPLOYMENT OPPORTUNITIES TO ALL IN AUSTRALIA



THE GLOBAL CHALLENGE

Decent work is a must for inclusive and sustainable growth. Yet while the global labour force grows, employment is not keeping up. This is a challenge for all, but particularly among young people and traditionally under-represented groups, including minority and indigenous communities.

WHY IT MATTERS TO COMPASS

Our 500,000 employees are fundamental to our business and reputation. Around the world we are working with local communities to offer fair employment and great career opportunities. This includes our long term commitment to provide opportunities for young and traditionally under-represented or disadvantaged groups.

WHAT THIS LOOKS LIKE IN PRACTICE

For the past 15 years, our team in Australia has worked to achieve positive, sustainable and capacity building outcomes for Aboriginal and Torres Strait Islander people. Through this activity, we now employ more than 500 indigenous Australians. Our goal is to increase this to 1,550 indigenous employees,

or 10% of our employee base by 2018. This year, we were delighted to welcome a further 29 indigenous Australians into our team.

As part of our wider Indigenous Engagement Strategy, our team in Australia is proud to partner with the Clontarf Foundation, an organisation dedicated to improving the education and life skills of young Aboriginal and Torres Strait Islander men. Our involvement includes:

- Hosting and supporting the Year 12 school camp in Sydney
- Providing traineeships and chef apprenticeships
- Providing complementary training, such as barista courses

In recognition of our work we were delighted to be awarded the first ever Prime Minister's Corporate Leaders for Indigenous Employment Award in 2002. This year our supply team in Australia was awarded The Supply Nation 'Corporate Member of the Year', recognising our commitment to engaging and supporting Supply Nation certified suppliers or registered indigenous businesses.

OUR PRIORITIES

WOMEN IN LEADERSHIP

Increase the number of women holding senior leadership team positions each year.

GRADUATES

Develop a graduate toolkit to support countries in offering graduate schemes and increase the number of graduates we employ globally each year.

INTERNAL HIRES

Improve sight of our talent in the Group to help us increase the number of internal hires across our global business each year.

RESPONSIBLE SOURCING



Having a safe and sustainable supply chain is important for us to deliver the quality of food service that is a key business driver for Compass. As a result of our actions, we are able to build the confidence of our clients and consumers, reduce potential risks and develop enduring relationships.



OUR APPROACH

The provenance and quality of the food we purchase is a key consideration for us. We require that food is purchased only from authorised suppliers and we work closely with our supply partners to ensure that they continue to meet the standards that we require.



OUR KEY FOCUS AREAS

GLOBAL SUPPLY CHAIN INTEGRITY

Our aim is to have industry leading standards that set the benchmark on performance regarding purchasing and supply chain practices. Our global Supply Chain Integrity Standards set out the minimum sourcing requirements for the mitigation of key risks to the

integrity of our supply chain. The standards are regularly reviewed and updated, providing our customers with the assurance that we will provide them with food that is safe, wholesome and responsibly sourced.

In 2016, we updated our Standards to reflect an increased focus on:

- Supplier mapping to aid visibility of the end-to-end supply chain
- Routine product testing, including the validation of species (meat/fish) and country of origin
- Ethical and sustainable supply chain practices that will help us to demonstrate alignment with the requirements of the Modern Slavery Act 2015
- Ensuring that our global sourcing practices do not contribute to deforestation

COMPLIANCE

We regularly review country performance against our global Supply Chain Integrity Standards to promote consistency in operating practices across the Group.

In 2017, we are introducing a risk assessment tool for countries to measure their progress in the implementation of the updated Standards. We will use the output from the risk assessment to identify those countries that require additional support to comply with the required standards. We will report on progress in our 2017 CR report.



BUILDING SUSTAINABLE AND RESPONSIBLE SUPPLY CHAINS IN THE USA



THE GLOBAL CHALLENGE

By 2050, the world's population is expected to increase by 2 billion, whilst 795 million people around the world are suffering from chronic malnutrition.¹ The need for sustainable agricultural systems is becoming critical as demands on global food systems intensify.

WHY IT MATTERS TO COMPASS

Each year, we spend around £5 billion on food products. This means that collaborating with our supply chain to design and deliver scalable and practical solutions for food security and sustainable agriculture is vital to the future of our business. As part of this work, our sourcing teams are continually working with our supply chain partners around the world to buy responsibly sourced products.

WHAT THIS LOOKS LIKE IN PRACTICE

Improving the welfare of farm animals is a key focus for our business. For instance, our team in the USA led our first cage-free shell egg policy in 2007. This has improved the welfare

of hundreds of thousands of farm animals; removing hens from battery cages and putting them into cage-free settings. Since 2008, we have purchased almost 300,000,000 cage-free shell eggs.

In 2015, we announced a major expansion to our existing cage-free shell egg policy by committing to also purchase liquid eggs from cage-free sources by the end of 2019. In 2016, we made this a global commitment in that we will source 100% of our eggs (both shell and liquid) from cage-free sources by 2025.

Reflecting our industry leading work on responsible sourcing, we were pleased to receive the Henry Spira Humane Corporate Progress Award this year for our cage-free commitments and the Compassion in World Farming's Good Egg Award.

We would like to thank Compassion in World Farming, the Humane Society International and the Humane League who have been central to our journey over the past decade. We are committed to continuing our work with them.

OUR PRIORITIES

ANIMAL WELFARE

We remain committed to improving our performance against the Business Benchmark on Farm Animal Welfare (BBFAW) in 2017, by establishing a common framework designed to deliver enhanced and harmonised animal welfare standards throughout our global supply chain.

DEFORESTATION

We are focused on achieving zero net deforestation through the use of sustainable palm oil, soy, beef and paper materials in the products that we source globally.

SLAVERY AND HUMAN TRAFFICKING

We will publish an annual Slavery & Human Trafficking statement to update stakeholders on risks identified and any remedial actions taken.

1. <http://www.un.org/sustainabledevelopment/hunger>

HEALTH AND WELLBEING

Obesity is reported to be one of the biggest threats to the health of the global population, as well as financial cost and societal impact. A poor diet has a detrimental impact on a person's wellbeing and can lead to a wide range of health problems.



OUR APPROACH

As a global food service company, we recognise that we have an enormous impact on what our 20+ million consumers choose to eat and drink. We make a positive contribution to their diet and nutrition and we are proud of the role we play in promoting the benefits of good nutrition and a healthy lifestyle, particularly, as in some of the markets where we operate, the food we provide may be the only nutritious meal eaten by our consumers that day.

By pursuing a passion for wellbeing and nutrition, we help our consumers and employees adopt a more balanced lifestyle. We help our clients to deliver improved employee performance and satisfaction, encouraging client retention in our business.

OUR KEY FOCUS AREAS

STAKEHOLDER ENGAGEMENT

We are working closely with our clients (and through them with our consumers), suppliers, governments and regulators across the world to respond to public health issues such as those associated with obesity and diet.

INNOVATION SUPPORTS POSITIVE LIFESTYLE CHANGES

Our consumers are becoming increasingly sophisticated about the nutritional content of their food choices and, during 2016, we continued to roll out our healthy eating frameworks, such as Balanced Choices, Whole+Sum and Webtrition, to help consumers make informed menu choices.

Mobile phone technology and the use of apps are changing the way we live our daily lives, including how we manage our health. At Compass, we are embracing this technology and use apps such as MyFitnessPal to help our consumers motivate themselves to eat and exercise to stay healthy.

HEALTHIER FOOD AND LIVES

Where good nutrition is concerned, little changes can make a big difference. Working with our country teams, including expert chefs and nutritionists, we analyse recipes, ingredients and cooking styles to see how we can help people eat better. Using toolkits such as Know Your Food, we provide people with clear, easy to understand information about how to stay healthy and eat well. We believe there are four areas where we can support our consumers to make healthier choices and live well:



ACCESS TO INFORMATION
ON NUTRITION AND
EXERCISE



REDUCE SUGAR,
FAT AND SALT IN
OUR MENUS



REDUCE RED MEAT
CONSUMPTION



PROMOTE
A PLANT-BASED
DIET

HELPING CONSUMERS MAKE HEALTHY CHOICES IN TURKEY



THE GLOBAL CHALLENGE

Nutrition is essential to sustainable development. Every year, poor nutrition kills 3.1 million children under five. At the same time, over 2 billion people are overweight or obese globally.¹ The global economic impact of obesity is estimated to be £1.6 trillion, or 2.8% of global GDP.²

WHY IT MATTERS TO COMPASS:

Each year, we are proud to serve over five billion meals. By pursuing our passion for wellbeing and nutrition, we are dedicated to helping our consumers and employees adopt a more balanced lifestyle. As part of our commitment, we have set a target for 2017, that 100% of our restaurants will provide Balanced Choices or similar healthy eating programmes.

WHAT THIS LOOKS LIKE IN PRACTICE

This year, our team in Turkey has been working with our clients to launch a new project to calculate and label the nutritional value of each meal served. This programme, which was initially piloted in 2015, uses software to analyse the nutritional profile of all the ingredients in our recipes. This information is then calculated for each meal, and labels are printed to indicate to consumers the energy, carbohydrate, protein, fat, calcium and salt content of each meal.

As part of raising awareness, our team in Turkey have also redesigned their menu formats to display nutritional information and explain how each meal contributes towards our consumers' daily requirements. We display these labels on the food counter and our clients can use this information on their websites or company intranet. By sharing this information in a clear and easy-to-follow format, we aim to build greater awareness and knowledge on the importance of making healthy and balanced nutritional choices. This is particularly important in countries such as Turkey, which has seen the rate of obesity rise from 18.8% to over 36% in the past 20 years.³

To date, 650 of our restaurants across Turkey use these labels and we have been delighted with the feedback from our consumers and clients. Moving forward, we intend to refine the label, by adding allergen and additional nutritional information. In addition, our team in Turkey will be rolling out this project to other client sites as well as providing training for our employees on how they can help consumers make balanced nutritional choices.

OUR PRIORITIES

HEALTHY EATING PROGRAMMES

To increase the number of units providing healthy eating programmes to their consumers.

PROMOTE MEAT ALTERNATIVES

To develop recipes and concepts where meat plays a supporting role (not a primary role), with reduced portion sizes of red meat and more vegetable proteins and seasonal produce.

DIGITAL HEALTH

To provide innovative solutions, such as mobile apps more widely across the global business, and make it easier for our consumers to access nutritional information about the food that we serve.

1. <http://www.who.int/mediacentre/factsheets/fs311/en/>
2. <http://www.healthdata.org/gbd>
3. Hatemi, H., Yumuk, V. D., Turan, N., & Arik, N. (2003). Prevalence of overweight and obesity in Turkey. Metabolic syndrome and related disorders, 1(4), 285-290.

ENVIRONMENTAL REPORTING



As a leading food service company, we have a clear responsibility to protect our environment. We are reducing our impact on the environment, including energy use and food waste. Our programmes focus on the improved use of resources, which helps us to manage our costs, and those of our clients effectively.



OUR APPROACH

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.

We use a web based reporting system which provides a ‘one stop shop’ for countries to report progress against their non-financial KPIs, including environmental performance. The benefits to our business of deploying such a system include improving accuracy of data, and the ability to track our progress against targets.

OUR KEY FOCUS AREAS

CARBON REDUCTION TARGETS

We have had targets for reducing GHG emissions since 2010. Our current targets expire in 2017. We are currently working to establish new targets at an organisation and country level.

There are a number of methods available for setting reduction targets. Science Based Targets (SBTs) align with current climate science and the accepted level of decarbonisation that is required to limit global temperature increase to 2°C. They include mid and long term targets reaching to 2030 and 2050. Our work to develop SBTs has begun. We have researched and evaluated available target setting methods, using various company growth scenarios.

Once the targets have been agreed we plan to seek external validation of our approach and once validated, we will publish the targets. Aligning our targets with climate science protects us from future regulatory impacts, reinforces our good reputation for corporate governance and will provide momentum to drive long term cost reductions through innovation.

IMPROVING EMPLOYEE AWARENESS

We continue to use training programmes to improve the environmental awareness of our colleagues around the world. In 2016, we were delighted to receive a Green Apple award for our Environmental Toolkit, developed by our UK business to educate and help our front line colleagues to adopt more responsible behaviours in relation to their use of energy and water during the working day.

FOOD AND PACKAGING REDUCTION

We are working with our country teams to reduce the amount of food and packaging waste within our business. Our vision is to reduce food and packaging waste across our supply chain. We are a signatory to Courtauld 25, an ambitious voluntary agreement led by WRAP, that brings together organisations across the food industry to make food and drink production and consumption more sustainable.

OUR ENVIRONMENTAL PERFORMANCE



REDUCING FOOD WASTE IN THE UK



THE GLOBAL CHALLENGE

Food worth £800 billion is lost or wasted globally each year.¹ Therefore, reducing food waste across supply chains is a major opportunity to sustainably feed the planet. From an environmental perspective, food loss and waste also represents an extremely inefficient use of resources such as energy, water and land, and accounts for 3.3 gigatonnes of GHG emissions.²

WHY IT MATTERS TO COMPASS

Food waste is a particularly significant issue for the food industry. For instance, in the UK, it is estimated that £2.5 billion of food is wasted each year.³ As part of our commitment to source, use and dispose of our food and non-food products in a sustainable manner, we are continually looking to reduce waste throughout our businesses. This includes our ambition to reduce food waste by 10% and to eliminate food waste going to landfill by 2020.

WHAT THIS LOOKS LIKE IN PRACTICE

Since 2013, our team in the UK has been working with Winnow, a specialist food waste measurement company, to reduce the amount of food going to waste. Winnow have developed a unique smart metering bin, which measures the type, volume and value

of waste food. Our kitchen team use a touchscreen tablet to identify what they are throwing away, and then an electronic scale records the weight. Every morning our chefs and managers receive a report detailing where food waste occurred and the estimated cost. This information helps ensure we make better purchasing decisions, produce the correct amount of food and reduce potential waste.

In 2015, we began piloting this technology at 70 sites in the UK and the results have been impressive:

- By using the Winnow smart bin system our sites typically reduce waste by 40-70%
- In the last year, we avoided 650 tonnes of food being wasted (approximately 1.6 million meals)
- The system has helped cut our on-site food purchasing costs by 2.5 – 4%
- By reducing food waste, we have also prevented over 2,800 tonnes of CO₂ being emitted

We are now rolling the Winnow system out to a further 300 sites across the UK by June 2017 and have developed pilot sites in other European countries, as well as Asia.

OUR PRIORITIES

REDUCE FOOD WASTE

To introduce more food waste reduction programmes globally, including technology solutions that make it quick and easy for our chefs to monitor and reduce the amount of food waste generated.

REDUCE OUR EMISSIONS INTENSITY

To complete our work on developing SBTs appropriate to our business and communicate our plans in the 2017 CR Report.

RECYCLE WASTE COOKING OIL

Continue to improve our recycling of used cooking oil to reach our target of 100% of all units by 2020.

1. <http://www.fao.org/save-food/resources/keyfindings/en/>
2. <http://www.wri.org/blog/2015/09/what%E2%80%99s-food-loss-and-waste-got-to-do-sustainable-development-lot-actually>
3. <http://resource.co/materials/article/uk-hospitality-sector-wastes-%C2%A325bn-food-year>

RESPONSIBILITY MATTERS



Being a responsible partner matters to us. We have made good progress in our efforts to create a more sustainable business, by responding proactively to opportunities that arise and through pragmatic investment.

We are proud to report that our sustainability activities have been recognised with our inclusion in Fortune Magazine’s Change the World list of 50 companies that have had a positive social impact through activities that are part of their core business strategy.

I would like to thank my colleagues for their hard work and enthusiasm on the journey so far.

Susan Murray

Susan Murray
Chairman of the Corporate Responsibility Committee.

OUR APPROACH

As a Group, we are fully engaged in delivering a holistic approach to corporate responsibility. This is a complex area given the scale of the Group, its geographic spread, diversity of local cultures and differences in country and business development; however, each year, we have continued to build steadily on our progress.

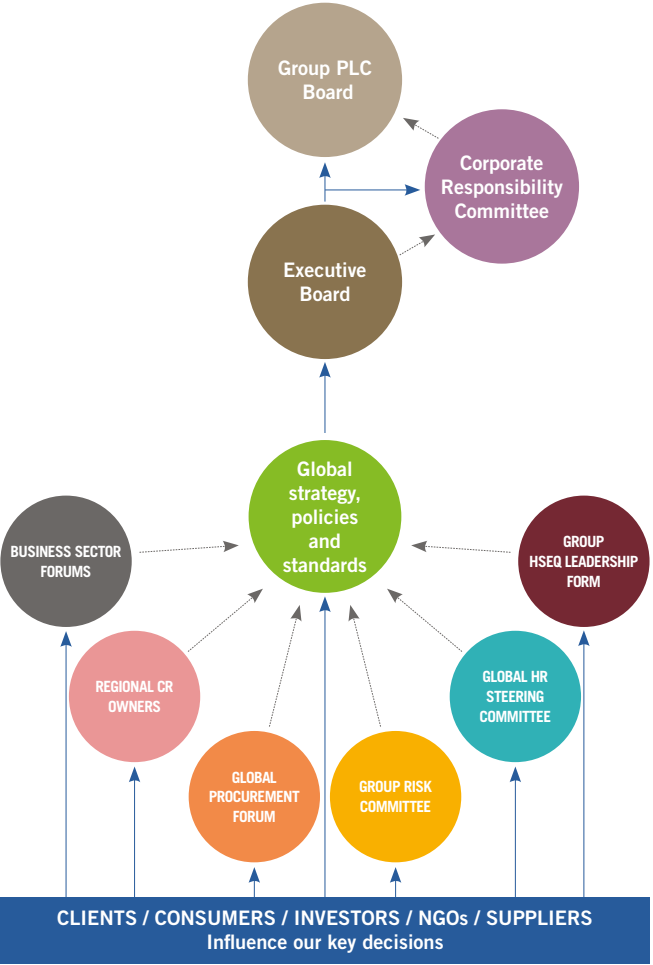
RESPONSIBLE BUSINESS PRACTICES

Our management structure is underpinned by the highest levels of corporate governance. We empower our local management teams to manage their businesses to be competitive in their marketplace, whilst operating within a strict corporate framework with clearly defined parameters.

CR COMMITTEE

Our overall commitment to good corporate governance is overseen by the Corporate Responsibility Committee of the Board. Established in 2007, the CR Committee continues to provide direction and guidance on all aspects of business practice and responsibility, ensuring consistent application wherever we operate.

The Committee’s primary responsibilities include: endorsement of CR policies; overseeing occupational health and food safety performance; supply chain integrity; environmental practices; business conduct and the positive promotion of employee engagement, diversity and human rights. In addition to supporting the development of our longer term CR vision, the Committee has driven an improvement in the scope of our CR commitments and the number of countries reporting against them.



CODE OF BUSINESS CONDUCT (CBC)

Our Code of Business Conduct incorporates our Code of Ethics and sets out the clear standards of behaviour that we expect all of our people to follow in dealing with colleagues and those outside the Group such as customers, suppliers and other stakeholders. The Code underpins our social, ethical and environmental commitments and demonstrates our commitment to the responsible business practices and principles of the United Nations (UN) Global Compact, to which we are a signatory.

This UN initiative encourages companies to commit to making human rights, labour, environmental responsibility and anti-corruption part of the business agenda.

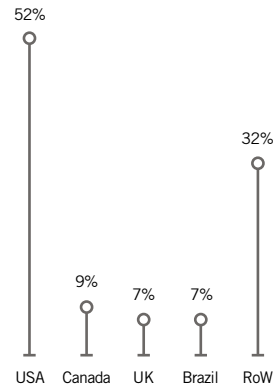
MEASURING OUR COMPLIANCE

We have a global whistleblowing programme, Speak Up, which is managed by an independent company, so that our employees can raise, in confidence, any concerns they may have about how we conduct our business, or if they are witness to, or subjected to, any abuse of human rights. In 2015/16, we received 3,579 reports via the Speak Up line. Each case is investigated and followed up by an assigned case manager.

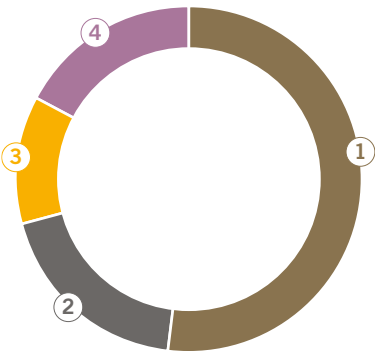
This year, we further developed the Speak Up programme to give us greater visibility of the types of reports we receive. The CR Committee and Executive Board receive regular updates on our performance regarding the nature of the reports we receive and agree specific actions as required.

We analyse the content of the Speak Up reports, to ensure we focus on and direct resources to, potential areas of vulnerability.

CONCERNS RAISED BY COUNTRY

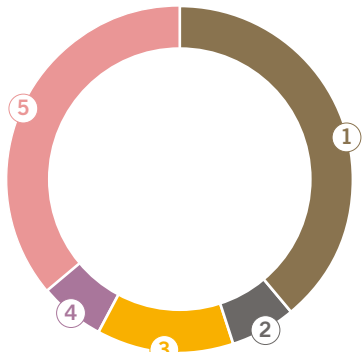


SPEAK UP












- 1 Employee relations 52%
- 2 Diversity and respect in the workplace 19%
- 3 Health, safety & environment 12%
- 4 Other/administrative 17%

TOTAL EMPLOYEES







- 1 USA 39%
- 2 Canada 6%
- 3 United Kingdom 13%
- 4 Brazil 6%
- 5 Rest of World 36%

OUR PERFORMANCE AND TARGETS





| OUR PILLARS | KEY PERFORMANCE INDICATOR | 2015/16 TARGET | 2015/16 PERFORMANCE | 2015/16 REVIEW | KPI TARGET |
|---|---|---|---|---|--|
| OUR PEOPLE | | | | | |
| 1 WORKPLACE HEALTH AND SAFETY¹ | Global Lost Time Incident Frequency Rate (LTIFR) | Report % improvement (against 2008 baseline) |  56% | <p>Since our 2008 baseline, we have achieved a 56% reduction in our Lost Time Incident Frequency Rate performance. However, this year we have seen our performance plateau. We are not complacent and continue to embed a strong safety leadership culture, as well as improved return to work programmes.</p> <p>Sadly, we had one work related fatality as a result of a motor vehicle accident. As part of our commitment to continuous improvement, we have shared lessons learned.</p> <p>We continue to develop our Safety First portal, which enables countries to share and implement best practice initiatives more easily, to support employee engagement in the prevention of incidents.</p> | Report % improvement (against 2008 baseline) |
| | % of employees surveyed in our global Your Voice survey who believe the Company places a high priority on health and safety | Report % improvement (against 2013 survey) |  11% | We are pleased that so many of our employees (91% of employees surveyed) believe that the Company takes health and safety seriously (2013: 80%). | Report % improvement (against 2016 survey) |
| 2 EMPLOYEE RECRUITMENT & RETENTION^{1,2} | Employee retention rate for all employees: | Report % improvement (against 2012 baseline) of employee retention: |  87%  96%  90% | <p>This year, we achieved a total employee retention rate (top 20 countries) of 87% (2015: 83%, 2014: 83%).</p> <p>We extended the scope of reporting for this KPI to our top 30 countries this year, and will use this data as our baseline to assess progress in 2017.</p> | Report % improvement (against 2016 baseline) in employee retention |
| | • total employees | • total employees | | | |
| | • management | • management | | | |
| | • unit management | • unit management | | | |
| DIVERSITY¹ | Number of leadership and above unit management roles appointed internally | N/A | | <p>This year, following approval by the CR Committee, we have introduced a number of additional KPIs to support our diversity and inclusion activities: to help recruit the right people, in the right way and to reflect the diversity of the communities in which we work to support our strategic HR priorities, and building on the great progress that has already been made in a number of our key markets.</p> <p>We will report on our progress in the 2017 CR Report.</p> | Report % improvement (against 2017 baseline) |
| | Number of graduates hired and tracked across the global business | N/A | | | Report % improvement (against 2017 baseline) |
| | % of women holding global leadership team positions | Report % of female representation in the global leadership team |  26% | | Report % of female representation in the global leadership team |
| | % of female representation in the global workforce | Report % of female representation in the global workforce |  57% | | Report % of female representation in the global workforce |
| EMPLOYEE ENGAGEMENT¹ | Number of leadership and above unit management positions held by women | N/A | | <p>This year, following approval by the CR Committee, we have introduced a number of additional KPIs to support our diversity and inclusion activities: to help recruit the right people, in the right way and to reflect the diversity of the communities in which we work to support our strategic HR priorities, and building on the great progress that has already been made in a number of our key markets.</p> <p>We will report on our progress in the 2017 CR Report.</p> | Report % improvement (against 2017 baseline) |
| | Global Your Voice survey: | Report % engagement score |  75% | | Report % engagement score |
| | • Engagement score | | | <p>We have previously conducted a global Your Voice employee survey every two years. In 2015, we reviewed the format of this survey in response to feedback received from participating countries. As a result, in 2016 we launched an improved, more engaging survey, simplifying the questions posed and using mobile technology to make the survey more easily accessible to colleagues around the world.</p> <p>We are delighted that the 2016 Your Voice colleague survey achieved a 75% engagement rate (2013: 66%) which represents a positive trend of continuous improvement.</p> | |
| CODE OF BUSINESS CONDUCT COMPLIANCE¹ | Total number of concerns reported by employees globally, via Speak Up | Measure and report concerns with 100% follow up |  3,579 cases | All our countries have access to the independently operated Speak Up whistleblowing programme, which enables employees to report material concerns for review and follow up. There is a clear escalation process in place to consider each concern raised. Where appropriate, a full investigation is carried out and remedial actions are taken. | Measure and report concerns with 100% follow up |

Our performance and targets continued

| OUR PILLARS | KEY PERFORMANCE INDICATOR | 2015/16 TARGET | 2015/16 PERFORMANCE | 2015/16 REVIEW | KPI TARGET |
|--|--|--|--|---|--|
| RESPONSIBLE SOURCING | | | | | |
| 3 FOOD SAFETY¹ | Global Food Safety Incident Rate (FSIR) | Report % improvement (against 2008 baseline) |  52% | <p>Compared to the 2008 baseline, we have improved our FSIR performance on a global basis by 52%, through strong unit compliance with our global Food Safety Standards.</p> <p>However, this year, we have seen our performance plateau.</p> <p>We are not complacent and continue to look for ways to make what we do safer, and work with colleagues and clients to drive improvement. We have extended our third party audit programme to validate around the world that all our countries are complying with the requirements of our global Food Safety Standards.</p> | Report % improvement (against 2008 baseline) |
| 4 SUPPLY CHAIN INTEGRITY^{1,2} | % of countries adopting our global Supply Chain Integrity Standards | 100% implementation of the new global Supply Chain Integrity Standards by 2017 |  80% | <p>During the year, we have further evolved our global Supply Chain Integrity Standards to provide greater emphasis on supply chain mapping and responsible sourcing. The new global Supply Chain Integrity Standards will be progressively rolled out across all countries during 2017.</p> <p>The Standards now include more detailed sustainable sourcing requirements around human rights, animal welfare and deforestation risks that our procurement teams will be adopting in their countries.</p> | 100% implementation of the new global Supply Chain Integrity Standards by 2017 |
| | % of countries with programmes in place to support: | Report % of countries with programmes in place to support: |  90% | <p>Increasingly, our consumers are seeking assurances that the products they purchase are sourced ethically and sustainably. 2014 was the first year in which we collated data against this KPI and, this year, 18 countries (2015: 17 countries) from our top 20 markets confirmed that they had sustainable and ethical sourcing programmes in place.</p> <p>During 2017, more progress needs to be made in improving the availability of data for the remaining top 20 countries.</p> | Report % of countries |
| | <ul style="list-style-type: none"> sustainable fish/seafood Fairtrade and ethically sourced products locally sourced products | <ul style="list-style-type: none"> sustainable fish/seafood Fairtrade and ethically sourced products locally sourced products | | | |
| 5 CODE OF BUSINESS CONDUCT COMPLIANCE¹ | % of expenditure on tea, coffee, sugar and bananas from ethical or Fairtrade sources | Report % of expenditure on tea, coffee, sugar and bananas from ethical or Fairtrade sources |  90% | <p>In 2015, we collated and analysed data from countries to form our baseline against this KPI.</p> <p>This year, 18 countries (2015: 18 countries) purchased over £140 million worth of products from Fairtrade or ethical sources. However, we identified a need to improve the accuracy of country spend data by category and we plan to verify the total spend by country ahead of our 2017 CR Report.</p> | Report % of expenditure |
| | % of expenditure on tea, coffee, sugar and bananas from ethical or Fairtrade sources | Report % of expenditure on tea, coffee, sugar and bananas from ethical or Fairtrade sources | | | |
| 6 WELLBEING & NUTRITION^{2,3} | The number of units providing Balanced Choices (or equivalent healthy eating programmes) to their consumers | 100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2016 |  67% | <p>The health and wellbeing of our consumers is important to us. We are committed to educating and informing people about food – empowering them to make informed choices about how to achieve a healthier lifestyle. For example, our programmes, such as Know Your Food in our UK business, provide educational material around key health topics, seasonal produce and sustainable and ethical sourcing initiatives. In 2015, we extended the scope of this KPI to include the top 30 countries and our analysis demonstrates that 67% of units (2015: 66%) currently operate healthy eating programmes. We have not met our 2016 target of 100% of units and will continue to work towards achieving this through 2017.</p> | 100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2017 |
| 6 WELLBEING & NUTRITION^{2,3} | % of units offering nutritional advice to consumers | Report % of units |  67% | <p>Our UK business is a signatory to all seven of the food service pledges of the UK Government's Responsibility Deal, and we continue to take an active role in the Responsibility Deal Plenary Group. Increasingly, we are providing our consumers with access to fitness apps that enable them to track their calorie and nutritional intake, directly linked to our menus.</p> | Report % of units |
| | % of countries operating a sugar, salt and fat reduction programme | Report % of countries |  95% | | Report % of countries |
| HEALTH & WELLBEING | | | | | |

| OUR PILLARS | KEY PERFORMANCE INDICATOR | 2015/16 TARGET | 2015/16 PERFORMANCE | 2015/16 REVIEW | KPI TARGET | | | | | | | | | | | | | | | | |
|---|---|---|---|---|--|------|------------------|------------------|---------|--------------------------|--------|---------|---------|--------------------------|-------|-------|---------------------|-------------------------------------|-----|-----|---|
| ENVIRONMENTAL REPORTING | | | | | | | | | | | | | | | | | | | | | |
| FOOD WASTE ³ | Implement Trim Trax (or equivalent food waste reduction programmes) | 100% implementation across our top 30 countries by 2016 |  85% | <p>Our ambition is that all of our countries operate a food waste reduction programme.</p> <p>We continue to implement food waste reduction programmes globally using technology solutions, such as Winnow, that make it quick and easy for our chefs to monitor and reduce the amount of food waste generated; sites in our UK business have seen a reduction in their food waste of between 40-70%.</p> <p>This year, 26 countries operated a food waste reduction programme and we are excited about the planned introduction of the Winnow solution in more European countries during 2017.</p> | 100% implementation of food waste reduction programmes across our top 30 countries by 2017 | | | | | | | | | | | | | | | | |
| | | 20% reduction in carbon emissions intensity by 2017 (against 2008 baseline) |  32% | <p>The trend across our operations is positive and we continue to show improvements in carbon intensity against the 2008 baseline of 7.8 tonnes CO₂e/£m revenue.</p> <p>We have calculated our Scope 1 & 2 GHG emissions since 2008 and continue to use a web-based platform to collate country data, which supports greater transparency and accuracy of data.</p> | 20% reduction in carbon emissions intensity by 2017 | | | | | | | | | | | | | | | | |
| ENERGY EFFICIENCY ² | Reduction in total GHG emissions | Report total direct GHG emissions – metric tonnes |  104,612 | <p>GHG emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the location based Scope 2 calculation method, together with the latest emission factors from recognised public sources including, but not limited to, Defra/DECC, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change.</p> <p>Compass’ disclosure in accordance with the Companies Act 2006 (Strategic and Directors’ Report) Regulations 2013 is stated in the table below:</p> <table><tr><th>GHG EMISSIONS BY SCOPE</th><th>UNIT</th><th>QUANTITY 2015-16</th><th>QUANTITY 2014-15</th></tr><tr><td>Scope 1</td><td>Tonnes CO₂e</td><td>95,430</td><td>109,869</td></tr><tr><td>Scope 2</td><td>Tonnes CO₂e</td><td>9,182</td><td>8,903</td></tr><tr><td>Scope 1&2 Intensity</td><td>Tonnes CO₂e/£m revenue</td><td>5.3</td><td>6.7</td></tr></table> <p>As a result of a 12% reduction in absolute emissions versus last year, and an increase in revenue, GHG intensity has decreased by 32% since our 2008 baseline.</p> <p>The reporting of GHG emissions covered 94% of consolidated Group revenue and we are seeking continuous improvement in data entry and completeness in future years.</p> | GHG EMISSIONS BY SCOPE | UNIT | QUANTITY 2015-16 | QUANTITY 2014-15 | Scope 1 | Tonnes CO ₂ e | 95,430 | 109,869 | Scope 2 | Tonnes CO ₂ e | 9,182 | 8,903 | Scope 1&2 Intensity | Tonnes CO ₂ e/£m revenue | 5.3 | 6.7 | Report total direct GHG emissions – metric tonnes |
| | | GHG EMISSIONS BY SCOPE | UNIT | QUANTITY 2015-16 | QUANTITY 2014-15 | | | | | | | | | | | | | | | | |
| Scope 1 | Tonnes CO ₂ e | 95,430 | 109,869 | | | | | | | | | | | | | | | | | | |
| Scope 2 | Tonnes CO ₂ e | 9,182 | 8,903 | | | | | | | | | | | | | | | | | | |
| Scope 1&2 Intensity | Tonnes CO ₂ e/£m revenue | 5.3 | 6.7 | | | | | | | | | | | | | | | | | | |
| <p>TARGETS 2017 ONWARDS</p> <p>In order to reflect our ambitions to limit our environmental impact we will be applying Science Based Targets (SBT) for energy and carbon reduction. 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 global temperature rise by 2°C above pre-industrial levels – the 2 degrees scenario.</p> <p>We will be adopting the Sectoral Decarbonisation Approach (SDA) methodology which has been developed by the UN Global Compact, Carbon Disclosure Project, World Resource Institute and WWF. Using International Energy Agency projections, SDA allocates a carbon budget in line with a 2 degrees scenario for each sector, and therefore takes into account the differences in mitigation potential (for instance, the decarbonisation of the electricity grid) and activity growth across these sectors.</p> <p>The SDA methodology will allow us to set shorter term carbon emissions targets whilst planning for longer term reductions out to 2050. We will communicate our revised carbon emissions targets in our 2017 CR Report.</p> | | | | | | | | | | | | | | | | | | | | | |

Our performance and targets continued


| OUR PILLARS | KEY PERFORMANCE INDICATOR | 2015/16 TARGET | 2015/16 PERFORMANCE | 2015/16 REVIEW | KPI TARGET |
|--------------------------------------|--|--|--|---|--|
| ENVIRONMENTAL REPORTING | | | | | |
| WATER EFFICIENCY ² | Water consumption by our corporate offices | 20% reduction by 2017 (against 2008 baseline) |  | In 2016, we continued to extend the scope of reporting to include additional locations where Compass has direct control, such as laundries and central production units. We have seen a significant increase of 82% (vs 2008) in our reported water consumption, as a direct result of having greater visibility of consumption data from our utilities providers and building landlords. We will continue to focus on improving the accuracy of data during 2017, to help us identify those sites with higher consumption where we need to focus efforts to reduce our impact. | 20% reduction by 2017 (against 2008 baseline) |
| | % increase in spend on concentrated chemicals as a % of total chemical spend | 25% increase in spend on concentrated chemicals as a % of total chemical spend by 2017 |  11% | Last year, we collated and analysed spend data from countries to form our baseline against this KPI (concentrated cleaning chemicals require less water consumption). Concentrated chemical spend this year increased by 11% (approx. £17 million) versus 2015 (approx. £15 million). Countries still have more work to do to accurately report their spend data, and we will report on our progress in 2017. | 25% increase in spend on concentrated chemicals as a % of total chemical spend by 2017 (against 2015 baseline) |
| GENERAL WASTE REPORTING ² | % of waste generated by Compass offices diverted from landfill | 25% improvement by 2017 (against 2011 baseline) |  20% | This year, we continued our focus on improving the accuracy of data reported by countries, including the composition of our waste, by collaborating with our waste contractors. This enables us to track progress on the proportion of waste being recycled and we are pleased with the progress we have made to date against our target. | 25% improvement by 2017 (against 2011 baseline) |
| | % of units where cooking oil is recovered/ recycled | Report % of units where cooking oil is recovered/ recycled |  70% | Our analysis shows that 70% of units have their used cooking oil recycled, a proportion of which is converted into biodiesel. Countries still have more work to do to accurately report their data, and we will report on our progress in 2017. | Report % of units where cooking oil is recovered/ recycled |

BASIS FOR CONSOLIDATION

- 1. KPI relates to our global performance
- 2. KPI relates to our top 20 countries representing 94% of total Group revenue
- 3. KPI relates to our top 30 countries representing 98% of total Group revenue

All targets relate to data capture ending 30 September for the year stated.

PERFORMANCE KEY

-  target achieved
-  target in progress



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