Compass is the world’s leading food service company

Every day we provide food to millions of people around the world. The rigorous execution of our strategy continues to deliver shareholder value. And given the structural growth potential in food services globally, we remain positive about the Company’s future.

Our role

As the industry leader, we have an important role in society for the long term. We create opportunities for our people to achieve their greatest potential and enrich their lives. We promote healthy and nutritious food offers for our clients and consumers. Together with our supply chain partners, we set global standards to ensure we consistently source our food responsibly and sustainably.

Making a positive impact

The Group’s strategy and approach to corporate responsibility (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 and wellbeing 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.

ENGAGING WITH OUR STAKEHOLDERS

We continually listen to our stakeholders and regularly review our approach to CR to keep pace with change and maintain our position as a responsible business partner. We consider the issues that matter most to our business and stakeholders to help us inform our business strategy. Through this process we have identified key issues we believe materially impact our business and our relationships with stakeholders (see matrix below for highlights) in our journey to becoming a more sustainable business. On pages 38 and 39 we explain how our four CR pillars address the most material business issues, why they matter to us and how they will inform our priorities and activities moving forward.

PROGRESS THIS YEAR

Each year, we participate in the key sustainability indices that focus on economic, environmental and social factors that are relevant to a company’s success. We use our participation in such indices to benchmark our performance within our sector and identify where we have an opportunity to improve our approach towards more sustainable business practices. Increasingly, our stakeholders, including clients, investors and NGOs, proactively assess the scores that we achieve and the progress we are making. We have performed well this year, including our achievement in the Carbon Disclosure Project (CDP) of a ‘Leadership’ score of A- in the Climate Change module.

In DJSI RobecoSAM, we scored 70% across all three dimensions (economic, environmental and social) which is well above the industry average of 39%. This now places us in both their World and Europe ratings.

Visit our website at www.compass-group.com for more information about our approach to CR and progress against the performance targets that we have set ourselves.

REDUCING RISKS IN OUR GLOBAL SUPPLY CHAIN

We spend around £6 billion on our global food supply chain and reducing risk is important to us to ensure food security for future generations. This year, we have continued to develop the way in which we measure our impacts and assess the risk for our business that deforestation presents. Our progress has resulted in a marked performance improvement in the CDP Forests module against peer companies in our sector. We are therefore delighted to have been recognised as the ‘most improved’ business in the Forests module for soy. We will continue to set ourselves more ambitious targets and actively support the sustainable production of forest risk commodities through supplier engagement.

Visit our website at www.compass-group.com for more information about our approach to CR and progress against the performance targets that we have set ourselves.
Material impacts and progress

OUR PILLARS

**OUR PEOPLE**

Our people are fundamental to our great service and reputation and we recognise their positive contribution to our performance. Ensuring our employees are safe, well trained, motivated and productive is an essential component of our business model.

**HEALTH & WELLBEING**

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

**RESPONSIBLE SOURCING**

Having a responsible global 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 clients and consumers. As a result of our actions across our global supply chain, we are able to build client and consumer confidence, reduce potential risks and develop sustainable supplier relationships.

**ENVIRONMENTAL REPORTING**

As a leading food and support services provider with a global footprint, we have a clear responsibility to help protect the environment. 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.

<table>
<thead>
<tr>
<th>OUR PRIORITIES</th>
<th>OUR UN SDGs</th>
<th>OUR PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Workplace health &amp; safety  Transparency around processes, controls and reporting are in place and monitored to ensure the safety and wellbeing of our people and of those who work with us.</td>
<td>• Product safety  Visibility around the ingredients that we source for our operations.</td>
<td>• We employ 550,000+ colleagues worldwide and protecting their wellbeing is very important to us. Since 2014, we have achieved a 26% reduction in our Lost Time Incident Frequency Rate performance. This year, with a continued focus on embedding a strong safety leadership culture, we have achieved an improvement in our performance compared to last year, resulting in 15% less lost time incidents across our global business.</td>
</tr>
<tr>
<td>• Employee recruitment &amp; retention  Provide our people with training and development opportunities. Recognise and reward their great work.</td>
<td>• Supply chain integrity  Ensure our global supply chain is acting responsibly and humbly towards its workforce.</td>
<td>• Sadly, we had two work-related fatalities in our Europe business as the result of vehicle accidents.</td>
</tr>
<tr>
<td>• Wellbeing and nutrition  Promote simple product labelling and signposting at the point of sale to encourage our consumers to make healthier choices. Raise awareness of mental health issues and the support programmes available to our employees.</td>
<td>• CBC compliance  Ensure the implementation of our Codes of Business Conduct and Ethics. Measure, report and act upon concerns via the Speak Up whistleblowing programme.</td>
<td>• We have extended our third party audit programme to validate that all our markets are complying with the requirements of our Global Food Safety Standards. This year, audit results identified some of our developing markets, including South East Asia and Latin America, required further support to implement effective controls. We have responded by investing in upskilling our teams and securing additional resource to help them embed the required operational standards.</td>
</tr>
<tr>
<td>• Environmental reporting  Transparency around our environmental impacts, target setting and activities to demonstrate progress. Working to the Science Based Targets Initiative’s accredited methodologies, we will reduce the intensity of our Greenhouse Gas (GHG) emissions by 50% by 2030.</td>
<td></td>
<td>• Many of our businesses have implemented wellbeing programmes to encourage healthy behaviours amongst colleagues and consumers. These include healthy lifestyle campaigns, raising workplace awareness of mental health and employee assistance programmes. For example, we recognise that developing good eating habits in childhood sets people up for a lifetime of better diet. To encourage the right behaviours and habits in the younger generation, our Chartwells team in the UK business developed a Putting the Fun Back into Food programme. Since 2006, the programme has reached over half a million students. The aim is to excite children of all backgrounds about food and cooking to help them lead healthy lives.</td>
</tr>
</tbody>
</table>

### GHG Intensity ratio

| Compass Group’s disclosure in accordance with the Companies Act 2006 (Strategic and Directors’ Reports) Regulations 2013 is stated in the table below. |
|-------------------------------------------------|---------------------------------------------------|------------------|
| **GLOBAL GHG EMISSIONS FOR THE PERIOD 2 OCTOBER 2016 TO 30 SEPTEMBER 2017** | **2016-2017 CURRENT REPORTING YEAR** | **2015-2016 COMPARISON YEAR** |
| **Unit** | **GHG intensity ratio** | **GHG intensity ratio** |
| Tonnnes (t CO₂e) | 128,154 | 124,488 |
| Electricity, heat, steam and cooling purchased for own use (Scope 2 – location based) | 8,756 | 9,100 |
| Total Scope 1+2 | 136,910 | 133,588 |
| Emissions intensity per Em revenue | 6.0 | 6.7 |

We have calculated our Scope 1 and 2 GHG emissions since 2008 and aim to improve the scope and accuracy of our reporting each year. We have established an organisational boundary, reporting our emissions originating from our top 20 countries, accounting for 94% of Group activity by revenue. Our GHG emissions calculations are based on the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Applying an operational control approach, we have identified relevant activity data for Scope 1 and 2 emissions and have used the location based Scope 2 calculation method.
Looking ahead to 2018+

In 2016, we identified through our strategic review that stakeholders and international clients had a growing interest in supporting the United Nations’ Sustainable Development Goals (SDGs) agreed by world leaders in September 2015. In response to this feedback, we continue to consider how our business activities can help us to deliver on our contribution towards the SDGs at a global and local level.

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 six where we believe we can make the most positive social impact.

The key role that Compass Group can play is to deliver our contribution towards the SDGs at a global level.
### Our performance and targets

#### OUR PEOPLE

<table>
<thead>
<tr>
<th>WORKPLACE HEALTH &amp; SAFETY</th>
<th>KEY PERFORMANCE INDICATOR</th>
<th>2016/17 TARGET</th>
<th>2016/17 PERFORMANCE</th>
<th>2016/17 REVIEW</th>
<th>KPI TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OUR PEOPLE</strong></td>
<td>Global Lost Time Incident Frequency Rate (LTIFR)</td>
<td>Report % improvement (against 2008 baseline)</td>
<td>63%</td>
<td>Since our 2008 baseline, we have achieved a 63% reduction in our Lost Time Incident Frequency Rate performance. With a continued focus on embedding a strong safety leadership culture, we have improved our performance compared to last year, resulting in 15% less lost time incidents across our global business. Sadly, we had two work-related fatalities in our European business. They were as the result of vehicle accidents. We conduct root cause investigations of all fatalities to identify opportunities to strengthen our policies and controls. The lessons learned are shared to ensure that other parts of our business can learn from serious events. 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.</td>
<td>Report % improvement (against 2014 baseline)</td>
</tr>
<tr>
<td></td>
<td>Total Recordable Incident Frequency Rate (TRIFR)</td>
<td>NEW</td>
<td></td>
<td>This year, we have introduced additional global key safety performance indicators: Total Recordable Incident Frequency Rate (TRIFR) and Motor Vehicle Collision Rate (MVCR), to provide us with greater visibility and understanding of the types of incidents occurring within our business. We will report on progress against these new measures in next year’s CR report.</td>
<td>Report % improvement (against 2017 baseline)</td>
</tr>
<tr>
<td></td>
<td>Motor Vehicle Collision Rate (MVCR)</td>
<td>NEW</td>
<td></td>
<td></td>
<td>Report % improvement (against 2017 baseline)</td>
</tr>
<tr>
<td></td>
<td>% of employees surveyed in our 2016 global Your Voice survey who believe the Company places a high priority on health and safety</td>
<td>Report % improvement (against 2013 survey)</td>
<td>14%</td>
<td>We are pleased that so many of our employees (91% of employees surveyed) believe that the Company takes health and safety seriously (2013: 80%). The global Your Voice survey takes place every two years and the next survey will be in 2018.</td>
<td>Report % improvement (against 2016 survey)</td>
</tr>
<tr>
<td></td>
<td>% of female representation in the global workforce</td>
<td>Report % of female representation in the global workforce</td>
<td>55%</td>
<td>Women make up 55% of our global workforce (2016: 57%). In accordance with the Companies Act 2006, you will find more information on employee diversity on page 99 of the 2017 Annual Report.</td>
<td>Report % of female representation in the global workforce</td>
</tr>
<tr>
<td></td>
<td>% of women holding global leadership team positions</td>
<td>Report % of female representation in the global leadership team</td>
<td>28%</td>
<td>28% of our global leadership team positions are held by women (2016: 26%).</td>
<td>Report % of female representation in the global leadership team</td>
</tr>
<tr>
<td></td>
<td>Number of leadership and above unit management positions held by women</td>
<td>NEW</td>
<td></td>
<td>Last year, following approval by the CR Committee, we introduced new KPIs to support our diversity and inclusion strategy: to help recruit a workforce that reflects the diversity of the communities in which we work and build on the great progress that has already been made in a number of our key markets. We will report on our progress in next year’s CR Report.</td>
<td>Report % improvement (against 2017 baseline)</td>
</tr>
<tr>
<td>DIVERSITY1</td>
<td>Global Your Voice survey: Engagement score</td>
<td>Report % engagement score</td>
<td>75%</td>
<td>We have previously conducted a global Your Voice employee survey every two years. Last year, 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. 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. We hope to increase our score in the 2018 survey.</td>
<td>Report % engagement score</td>
</tr>
<tr>
<td>EMPLOYEE ENGAGEMENT1</td>
<td>Total number of concerns reported by employees globally, via Speak Up</td>
<td>Measure and report concerns with 100% follow up</td>
<td>3,697 cases</td>
<td>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.</td>
<td>Measure and report concerns with 100% follow up</td>
</tr>
</tbody>
</table>
### RESPONSIBLE SOURCING

#### FOOD SAFETY
- **Global Food Safety Incident Rate (FSIR)**
  - 2016/17 Target: Report % improvement (against 2008 baseline)
  - 2016/17 Performance: 56%
  - 2016/17 Review: Compared to the 2008 baseline, we have improved our FSIR performance on a global basis by 56%, through strong unit compliance with our Global Food Safety Standards.
  - KPI Target: Report % improvement (against 2014 baseline)

#### SUPPLY CHAIN INTEGRITY
- **% of countries adopting our global Supply Chain Integrity Standards**
  - 2016/17 Target: 100% implementation of the new global Supply Chain Integrity Standards by 2017
  - 2016/17 Performance: 85%
  - 2016/17 Review: During the year, we have further evolved our global Supply Chain Integrity Standards to provide greater emphasis on supply chain mapping and responsible sourcing. Launched in 2017, the new global Supply Chain Integrity Standards will continue to be rolled out across all countries during 2018. 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.
  - KPI Target: 100% implementation of the new global Supply Chain Integrity Standards by 2018

#### CODE OF BUSINESS CONDUCT COMPLIANCE
- **% of contracted approved suppliers who have signed the Compass Code of Business Conduct**
  - 2016/17 Target: 100% of suppliers approved in 2017 will sign up to the Compass Code of Business Conduct
  - 2016/17 Performance: 100%
  - 2016/17 Review: We continue to ensure that all approved suppliers sign up to the Compass Code of Business Conduct. Such a requirement supports our alignment with the Modern Slavery Act 2015.
  - KPI Target: 100% of suppliers approved in 2018 will sign up to the Compass Code of Business Conduct
## Health & Wellbeing

<table>
<thead>
<tr>
<th>OUR PILLARS</th>
<th>KEY PERFORMANCE INDICATOR</th>
<th>2016/17 TARGET</th>
<th>2016/17 PERFORMANCE</th>
<th>2016/17 REVIEW</th>
<th>KPI TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wellbeing &amp; Nutrition</strong></td>
<td>The number of units providing Balanced Choices (or equivalent healthy eating programmes) to their consumers</td>
<td>100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2017</td>
<td>69%</td>
<td>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. Across our top 30 markets, we have seen a marginal improvement in the number of units providing healthy eating programmes during 2017, achieving 69% of units (2016: 67%). Whilst we have not achieved our target this year, we expect to improve our performance during the coming year and are actively working with those countries that need to improve the accuracy of their data.</td>
<td></td>
</tr>
<tr>
<td>% of units offering nutritional advice to consumers</td>
<td>Report % of units</td>
<td>69%</td>
<td></td>
<td>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. This year, our UK business launched a new consumer facing web-based portal called ‘NourishedLife’ which provides information and ‘top tips’ for a healthy balanced lifestyle (<a href="http://nourishedlife.co.uk/">http://nourishedlife.co.uk/</a>).</td>
<td>Report % of units</td>
</tr>
<tr>
<td>% of countries operating a sugar, salt and fat reduction programme</td>
<td>Report % of countries</td>
<td>100%</td>
<td></td>
<td>100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2018</td>
<td>100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2018</td>
</tr>
</tbody>
</table>
ENVIRONMENTAL REPORTING

FOOD WASTE¹ Implement Trim Trax (or equivalent food waste reduction programmes) 100% implementation across our top 30 countries by 2017

Our ambition is that all of our countries operate a food waste reduction programme. 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%.

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 2018. We are working with NGOs and other partners to develop a suitable food waste metric that we can introduce on a global basis.

ENERGY EFFICIENCY² Reduction in total GHG emissions 20% reduction in carbon emissions intensity by 2017 (against 2008 baseline)

The trend across our operations is positive and we continue to show improvements in our carbon emissions intensity against the 2008 baseline of 7.8 tonnes CO₂e/£m revenue.

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.

Compass Group’s disclosure in accordance with the Companies Act 2006 (Strategic and Directors’ Reports) Regulations 2013 is stated in the table below:

<table>
<thead>
<tr>
<th>Global GHG Emissions for the Period 1 October 2016 to 30 September 2017</th>
<th>Unit</th>
<th>2016-17 Current Reporting Year</th>
<th>2015-16 Comparison Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combustion of fuel &amp; operation of facilities (Scope 1) Tonnes (t) CO₂e</td>
<td>128,154</td>
<td>124,488</td>
<td></td>
</tr>
<tr>
<td>Electricity, heat, steam and cooling purchased for own use (Scope 2 – location based) tCO₂e</td>
<td>8,376</td>
<td>9,100</td>
<td></td>
</tr>
<tr>
<td>Total Scope 1+2 tCO₂e</td>
<td>136,530</td>
<td>133,588</td>
<td></td>
</tr>
<tr>
<td>Emissions intensity per £m revenue tCO₂e/£m</td>
<td>6.0</td>
<td>6.7</td>
<td></td>
</tr>
</tbody>
</table>

We have established an organisational boundary, reporting on emissions originating from our top 20 countries, accounting for 94% of Group activity by revenue. Our GHG emissions calculations are based on the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Applying an operational control approach, we have identified relevant activity data for Scope 1 and 2 emissions and have used the location based Scope 2 calculation method.

Although absolute emissions have increased since last year, our revenues have increased at a greater rate and our GHG intensity has decreased by 23% since our 2008 baseline.

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.

Development of Science Based Targets (SBTs)

Our process to implement ambitious science based targets for GHG emissions is nearing completion. We have conducted extensive scenario testing of SBTs using a number of methodologies accredited by the Science Based Targets Initiative (SBTi). Following this exploratory exercise, we have now established our methodology and have modelled SBTs at a global and regional level. We will publish details of the new targets in the coming year following their implementation and external validation. This process will see us adopting a reduction in the intensity of our GHG emissions of 50% through to 2030, following a carbon reduction pathway of defined interim targets. By aligning our targets with climate science, this 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.
<table>
<thead>
<tr>
<th>OUR PILLARS</th>
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<th>2016/17 PERFORMANCE</th>
<th>2016/17 REVIEW</th>
<th>KPI TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENVIRONMENTAL REPORTING</td>
<td>WATER EFFICIENCY*</td>
<td>Water consumption by our corporate offices</td>
<td>20% reduction by 2017 (against 2008 baseline)</td>
<td>▢</td>
<td>KPI under review</td>
</tr>
</tbody>
</table>

This year, we continued to extend the scope of reporting to include additional locations where Compass has direct control, such as laundries and central production units. Despite a reduction in water consumption of 6% versus last year, we have seen a significant increase of 67% (vs the 2008 baseline) 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 2018, to help us identify these sites with higher consumption where we need to focus efforts to reduce our impact.

% 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 | ▢ 40% | In 2015, we collated and analysed spending data from countries to form our baseline against this KPI (concentrated cleaning chemicals require less water consumption). Concentrated chemical spend this year increased by 40% (approx. £21 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 next year. | 25% increase in spend on concentrated chemicals as a % of total chemical spend by 2018 (against 2015 baseline) |

GENERAL WASTE REPORTING | % of waste generated by Compass offices diverted from landfill | 25% improvement by 2017 (against 2011 baseline) | ▢ 16% | Zero to landfill by 2030 |

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, by collaborating with out waste contractors. Whilst we are pleased with the progress we have made to date, we have replaced this KPI with a greater level of ambition: zero to landfill by 2030.

% of units where cooking oil is recovered/recycled | Report % of units where cooking oil is recovered/recycled | ▢ 75% | Our analysis shows that 75% (2016: 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 next year. | 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
新陈代谢 target in progress
⚰️ target not achieved

Compass Group PLC Corporate Responsibility Update 2017