

VERIFICATION STATEMENT

TO THE STAKEHOLDERS OF COMPASS GROUP PLC.

EcoAct was engaged by Compass Group plc., (Compass) of Guildford Street, Chertsey, KT16 9BQ to provide independent third-party limited verification of its 2017-2018 direct and indirect greenhouse gas (GHG) emissions (CO₂e) as calculated in its environmental data system and as stated in its Annual Report & Accounts 2018.

Description of activities

The scope of this engagement covered the review and verification of the emissions-related data and calculations in the Compass Group plc. environmental data system, Our Impacts. Data and calculations reviewed included those related to Scope 1 Emissions, (Combustion of fuels, Refrigerant use), Scope 2 Emissions, (Purchased electricity consumption) and Scope 3 Emissions, (Waste) for both H1 and H2 2017-2018.

The organisational boundary of the Compass carbon footprint is defined as its top 20 countries of operation by revenue. Compass uses the operational control approach to its emissions reporting and includes a selection of its offices and sites in the UK and overseas, fuel use, waste production and disposal. Compass has historically and continues to exclude significant emission sources such as some of its central production kitchens, laundries and warehouses, as exceeding the capability of its data collection processes.

The organisational and operational boundaries used by Compass were reviewed by EcoAct, who determined significant exclusions of operational sites from the reporting boundary. Extending the scope of the carbon footprint to include all sites under operational control will likely increase the global carbon footprint reported below by a factor of five.

Opinion

Based on the data and information provided by Compass and their system provider and the calculations completed by them, nothing has come to EcoAct's attention to indicate that the following GHG assertions are not fairly stated and free from material error.

Scope 1 emissions of	129,516 tonnes of CO ₂ e;
Scope 2 emissions of	8,095 tonnes of CO ₂ e;
Scope 3 emissions of	1,629 tonnes of CO ₂ e;

Observations

In some instances, data recorded in the environmental data system were not supported by primary evidence, although this was, for the most part, provided on request. Some sites did not provide data for H2 but did for H1, with no explanation of the drop-off in data provision – these sites' emissions were estimated by Compass' system provider where such gaps were present. It was also apparent that data manipulation and categorisation across reporting sites was inconsistent in some cases. Whilst this did not materially impact the footprint calculation, this inconsistency did have the potential to impact the emissions totals reported under each Scope.



Recommendations

These recommendations aim to improve the accuracy of Compass' emissions reporting, its carbon footprint calculation boundary and scope and to support its emissions reduction targets.

EcoAct recommends that:

- Compass increase the scope of its carbon footprint calculation to align with its recent boundary review.
- Compass re-baselines this revised carbon footprint to support its emissions reductions target setting.
- Compass collates its environmental data monthly, and that this environmental data is supported by documentary evidence at the time of collation.
- Compass improves data quality across reporting entities by providing further support and training for data managers.
- Compass should explain in its Annual Report and Accounts GHG Statement, in accordance with the Comply or Explain requirement of the regulations, that emissions from its central production kitchens, laundries and warehouses are excluded from its reported totals.

Roles and responsibilities

The management of Compass is responsible for the organisation's emissions sources, data and GHG related information and the development and maintenance of records and procedures in accordance with its reporting requirements. It is EcoAct's responsibility to express an independent opinion on the GHG emissions reported in the Compass Annual Report & Accounts 2018 for the period of 1st October 2017 to 30th September 2018.

Objectives

The objectives of this verification exercise were to confirm whether the GHG emissions as declared in Compass' 2018 Annual Report & Accounts are fairly stated and free from material error or omission in accordance with the criteria outlined below.

Criteria

- Reporting standard: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol);
- Reference methodologies: ISO 14064-3:2006, Specification with guidance for the validation and verification of greenhouse gas assertions; Our Impacts environmental data system emissions factors and calculations; UK Government emission conversion factors for greenhouse gas company reporting, (2017 and 2018); DEFRA Environmental Reporting Guidelines, (Including mandatory greenhouse gas emissions reporting guidance) (2013).

Level of Verification and Materiality

EcoAct used the relevant requirements of the ISO 14064-3:2006¹ standard to conduct limited verification of Compass' 2017-2018 emissions-related data, calculation and greenhouse gas assertion.

¹ ISO 14064-3:2006¹, Specification with guidance for the validation and verification of greenhouse gas assertions.



EcoAct's work included the verification of Compass Group plc.'s material emissions-related information through the review and testing of consolidated data and evidence, along with the testing of a sample of data back to its primary source evidence. EcoAct then verified the carbon footprint calculation, as calculated in the environmental data system, in accordance with Compass' organisational and operational boundaries outlined above.

The majority of data omissions or miscalculations identified during the verification process were corrected prior to the final carbon footprint calculation. Any remaining data discrepancies were determined to be non-material to the overall carbon footprint total and the emissions sources to which the data belonged.

Further detailed observations and recommendations about the carbon footprint calculation and emissions reporting will be presented to the management of Compass Group plc. in a separate management report.

Gavin Tivey
Senior Consultant

EcoAct Limited
London, 13th November 2018

EcoAct is an independent company specialising in carbon footprint calculation and assurance and in carbon management consulting. The team has extensive experience in the assurance of carbon data, information, systems and processes. No member of the EcoAct verification team has a business relationship with Compass Group plc., its Directors or Managers beyond that required of this assignment and to our knowledge there has been no conflict of interest.