COMPASS GROUP

MODERN SLAVERY AND HUMAN TRAFFICKING
STATEMENT 2020

www.compass-group.com

INTRODUCTION

Compass Group PLC (Compass) presents its annual statement pursuant to the provisions of section 54 of the Modern Slavery Act 2015 (the Act) for the year ended 30 September 2020.

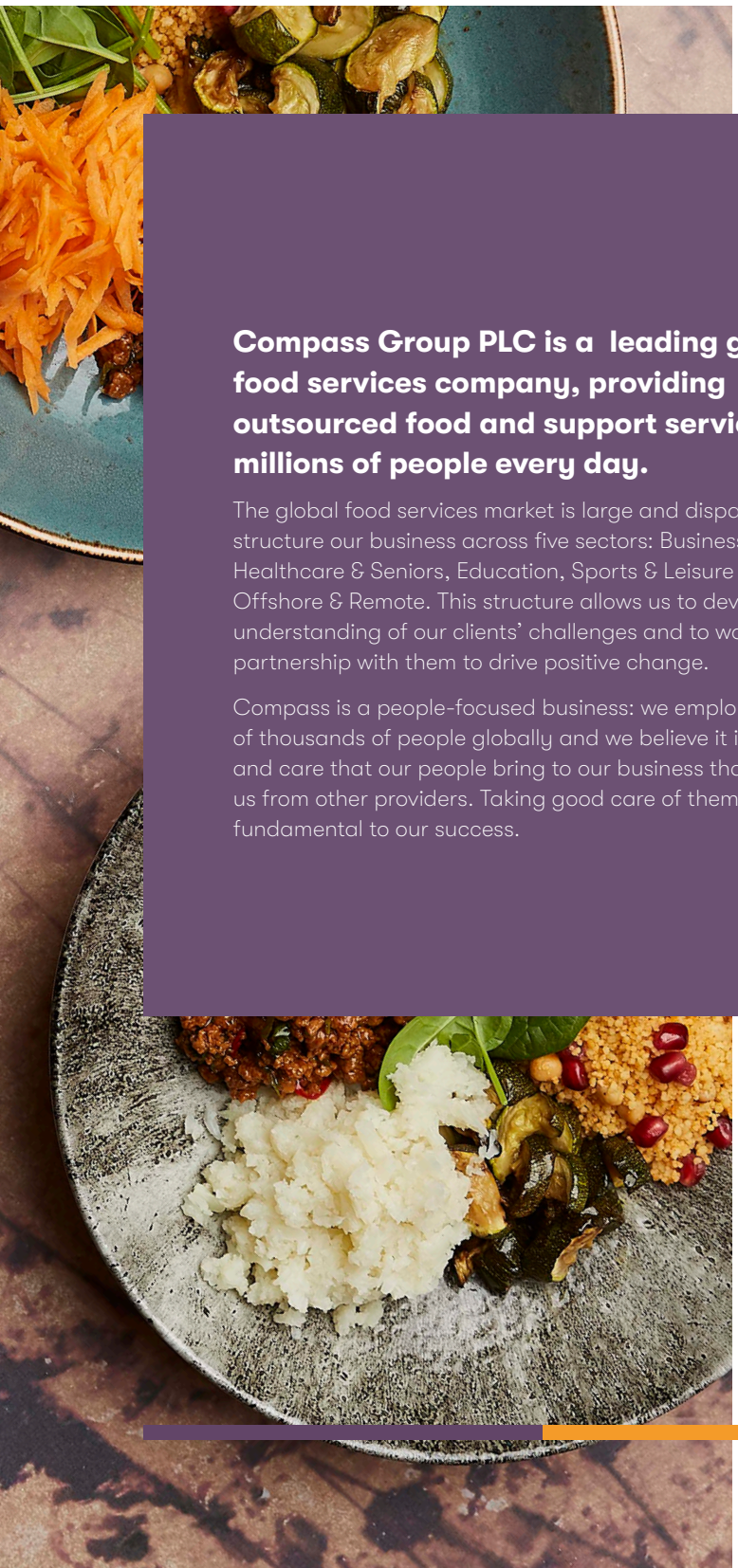
This annual statement is intended to update our stakeholders on our progress since last year. We have sought to provide an insight into how we have adapted and strengthened our risk management processes and awareness campaigns to prevent or detect modern slavery in our operations and supply chain. Building on a solid base, we remain focussed on the areas where we can have greatest impact. Key areas of progress this year include:

- The formation of a global Human Rights Working Group (HRWG) to enhance our approach to fighting modern slavery
- Updated our Human Rights Policy
- Roll out of a human rights risk assessment, human rights training and engagement on modern slavery risks across the Group
- Endorsed the World Business Council for Sustainable Development's Call to Action on human rights and ending slavery
- Preparation for the roll out of Supplier Ethical Data Exchange (Sedex) across multiple markets in the upcoming year
- Introduction of our new modern slavery eLearning training module
- In our UK business, introduced human rights due diligence at an earlier stage of supplier evaluation and conducted labour agency reviews

We will continue to work with our business partners, clients and communities to develop our capabilities and collectively end slavery in all its forms.



ABOUT COMPASS GROUP PLC



Compass Group PLC is a leading global food services company, providing outsourced food and support services to millions of people every day.

The global food services market is large and disparate, and we structure our business across five sectors: Business & Industry, Healthcare & Seniors, Education, Sports & Leisure and Defence, Offshore & Remote. This structure allows us to develop a deeper understanding of our clients' challenges and to work closely in partnership with them to drive positive change.

Compass is a people-focused business: we employ hundreds of thousands of people globally and we believe it is the passion and care that our people bring to our business that distinguishes us from other providers. Taking good care of them is therefore fundamental to our success.

COMPASS GROUP

OUR COMMITMENT

Compass is committed to supporting the dignity, wellbeing and human rights of all our people, the communities in which we operate, and those affected by our operations.

This commitment is clearly set out in our Human Rights Policy which we have recently updated and can be viewed on our website www.compass-group.com.

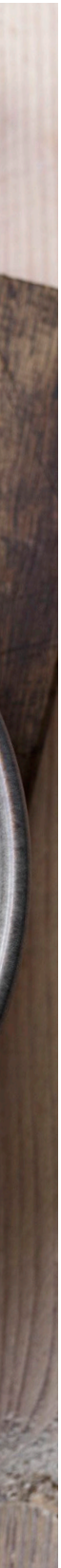
We have earned our reputation as a global leader and trusted partner through our commitment to ethics and integrity, by supporting our people and partners, and by remaining vigilant to the threat of modern slavery in our own operations and supply chain. By these means, we seek to promote a clear understanding of why maintaining our professional standards and a culture of ethics in our day to day working, can make a difference and help to safeguard against the exploitation of vulnerable people.

We fully support the UK Modern Slavery Act and the UN Universal Declaration of Human Rights and associated standards, such as the UN Guiding Principles.

Our approach to playing our part in eradicating modern slavery and supporting human rights reflects how we conduct our business activities: we seek to operate with honesty and integrity, and we expect our employees and business partners around the world to do the same. Our Code of Business Conduct (CBC) and Code of Ethics (our Codes) clearly set out our expectations, the spirit of how we operate, and what we stand for.



GOVERNANCE



At Compass, we recognise that good governance is essential for driving improvements and achieving our objective to eradicate modern slavery.

Oversight of the risk of modern slavery sits with the Compass Group PLC Board. Further oversight and guidance are provided by our Board Committees: the Corporate Responsibility (CR) Committee and the Audit Committee, the latter of which is responsible for overseeing the effectiveness of the system of internal controls.

The Group Director of Safety and Sustainability, who reports directly to the Group CEO, acts as the global functional lead for the Group with respect to the Human Rights Policy and has reporting responsibility for human rights on behalf of our operations and supply chain. The Group Director of Safety and Sustainability is also a member of the Executive Committee and attends all meetings of the CR Committee. Awareness and visibility of human rights and modern slavery is maintained through regular progress updates to our Regional Governance Committees and every CR Committee meeting.

In the last year, we formed a global HRWG comprising members of relevant functions in our key markets. The HRWG meets on a monthly basis to share best practice and align our strategy to enhance our approach to fighting modern slavery across the globe. It assists country management teams to embed the Group's human rights strategy into their local operations.

The operational responsibility for execution of our policies and programmes sits with the regional and country managing directors who are responsible for upholding our standards and requirements in their own businesses including within the supply chain.

The Group Head of Ethics and Compliance continues to provide leadership and engagement across our key ethics and compliance risks, including modern slavery. This includes making an active contribution to the training and development of our employees through sharing of best practice and leveraging the use of our new eLearning platform.

The Group's systems of internal control including the policies, procedures and activities that underpin these systems are designed to manage rather than eliminate risk and to ensure compliance with relevant legislation, regulation and best practice including that related to social, environmental and ethical issues. The systems provide reasonable, but not absolute assurance that the Group has reduced the risk that slavery and human trafficking could be found in its businesses or in its supply chains.

OUR POLICIES AND CODES

We recognise the interdependence of culture and controls and believe that we can achieve more, more quickly, if our people, business partners and suppliers understand the importance of their roles and take individual and collective responsibility in helping to eliminate the risk of modern slavery.

OUR PEOPLE

Our Codes are designed to provide our people with the clear guidance they need to help them to act ethically in the workplace and to do the right thing. We require all our colleagues and business partners to uphold our Codes and believe that this shared commitment will lead to continuous improvement in our own operations and those of our supply chain partners.

Our CBC makes it clear we are committed to upholding the Ethical Trading Initiative Base Code.

OUR SUPPLIERS

We seek to work with suppliers who share our approach to ethical trade and continue our practice of requiring our procurement teams and suppliers to comply with our Global Supply Chain Integrity Policy. This Policy is underpinned by a robust set of standards which clearly define our responsible sourcing priorities and the values we expect our suppliers to uphold. Where we identify instances of non-compliance, we work proactively with our partners to address the issues or, if necessary, we terminate our relationship with them. We make our position clear at the outset as one of the conditions of engagement and expect our business partners to proactively work with us and report any potential instances of misconduct to us, including identifying any possible instances of modern slavery.

We expect suppliers to comply with our CBC and we are in the process of creating a Supplier Code of Conduct to be introduced in 2021.

These Codes are underpinned by our adherence to several important internationally recognised declarations, standards and principles, including:

- The UN Universal Declaration of Human Rights
- The Base Code of the Ethical Trading Initiative (ETI)
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- The UN Global Compact ten principles

TRAINING AND AWARENESS

We are constantly looking for ways to raise awareness about the importance of human rights and the issue of modern slavery.

Our newly formed HRWG has helped to review and update our Human Rights Policy and strategy and implement training and awareness activities and initiatives. It has also led to the roll out of our human rights risk assessment, human rights training and engagement on modern slavery risks across the Group.

During 2020, we sought to transform and update the way we undertake ethics and compliance training and learning. We have implemented an improved global eLearning training platform, available in 32 languages, that includes a new modern slavery and supply chain module. This new platform enables us to deliver targeted training to our people, and our strategy is to leverage this flexibility over the next three years. To date, the module has been completed by members of the HRWG and Group Legal team, and our Foodbuy procurement businesses in the UK and Australia. This eLearning is an important step in helping raise awareness of modern slavery risks in our supply chain and we plan, as part of our strategy, to roll the training out more broadly over the course of the coming year.

In 2019, Compass joined the World Business Council for Sustainable Development (WBCSD) a global, CEO led organisation. Together with CEOs from 54 other companies, our CEO, Dominic Blakemore, endorsed the WBCSD's Call to Action on respecting human rights and ending slavery.

CASE STUDY

RAISING AWARENESS OF MODERN SLAVERY WITHIN OUR ORGANISATION

18 October was Anti-Slavery Day in the UK and Europe – an annual day to help raise awareness about the important issue of modern slavery and recognise our role and collective responsibility in eliminating all forms of modern slavery and respecting human rights.

We raised awareness of the issue of modern slavery internally by sharing details on the day across the business about our work to help eradicate slavery and to respect wider human rights.

DUE DILIGENCE AND RISK ASSESSMENT

We understand the fundamental importance of due diligence and robust risk management to identify, prevent and mitigate incidences of modern slavery in our supply chain and operations.

Strong due diligence helps ensure we create trusted partnerships based on transparency and focus on the areas where we face the greatest risk.

We look to our people to act as our first line of defence in identifying any signs of modern slavery. We have sought to improve their awareness of the issue and to provide guidance that will help them to recognise the signs of modern slavery if they encounter them. In the year ahead, we will continue to engage our people in those areas of the business or supply chain where we perceive additional risk exists and provide the training required to upskill them.

In all the countries in which we operate, we adopt the same Global Supply Chain Integrity Standards, which set out the capabilities we require our supply chain partners to demonstrate. These standards include our mandatory supplier questionnaires that are not only focused on food safety and integrity, but also include the requirement that our suppliers agree to comply with the Base Code of the Ethical Trading Initiatives (ETI Base Code). These processes play a key role, helping ensure our supply chain partners are aware of and understand the first principles needed to actively identify and mitigate the risk of modern slavery in their own operations and supply chains.

SEDEX

During the year, the HRWG engaged with supply chain representatives to support the extended roll out of Supplier Ethical Data Exchange (SEDEX) across multiple markets in 2021. The SEDEX platform will help support and enhance our capability to identify potential risks within our supply chain. Although the progress of this workstream was impacted by the COVID-19 pandemic, we have undertaken several demonstrations that showcase the platform's capabilities and have developed plans for its adoption.

HUMAN RIGHTS RISK ASSESSMENT

Last year, we reported that we had initiated a Human Rights Risk Assessment across the Group. We engaged independent external human rights specialists to support our process and workshops.

This work was significantly impacted by the strict social distancing measures adopted to help protect populations against the spread of COVID-19, but we held virtual workshops with colleagues in the UK and Australia from our Supply Chain, People, Safety & Sustainability and Legal teams and it is our intention to include additional countries in the coming year using the insights and knowledge that we have gained from these early sessions.

GLOBAL SUPPLY CHAIN INTEGRITY STANDARDS

The pandemic highlighted to companies the heightened vulnerabilities of having an increasingly complex global supply chain and reinforced the importance of the work which we had started prior to the outbreak of Covid-19 to launch a newly updated and simplified version of our Global Supply Chain Integrity Standards. We believe that through greater supply chain transparency and appropriate controls, implementation of these standards will help us to shape a more agile, sustainable and resilient supply chain, enabling us to reduce the risk of modern slavery.



CASE STUDY

EVALUATING POTENTIAL SUPPLIERS

We continue to work on providing a focused risk-based approach to modern slavery in our supply chain. Our UK business introduced human rights due diligence at an earlier stage of their supplier evaluation process requiring potential suppliers to present their compliance programmes and controls for modern slavery as part of their tenders. This early engagement helps us to identify and evaluate any potential modern slavery risks at the outset of any potential supplier relationship.

The UK risk questionnaire is now being developed into a global purchasing blueprint which will, in due course, be implemented globally.

CASE STUDY

EVALUATING LABOUR AGENCIES

To address the risk of modern slavery in our operations, we have reviewed our recruitment practices in our UK business, such as the use of labour agencies, which we recognise as an area of heightened risk. We assessed and reduced the number of agencies with whom we work and strengthened our oversight of those remaining by streamlining onboarding and enhancing the due diligence and auditing processes.

AREAS OF HEIGHTENED RISK

Throughout the year, we have engaged with our procurement and supply chain teams to help improve and strengthen our controls and activities in areas of heightened risk.

We previously identified seafood, hot beverages, fresh produce, agency labour, garments and disposables are areas of heightened risk in our supply chain.

Our joint ventures across the Middle East recruit labour from a number of countries through legally mandated agencies in those countries. Recognising the clear risks present in this activity, the business constantly reviews and trains these labour agencies on our requirements and practices and measures their performance through internal and external audits, including third party specialists. This work has provided us with additional assurance that our controls are effective. However, we are cognisant of the risks in this area and the necessity of remaining vigilant along with continuously seeking to improve.



CASE STUDY

UNDERSTANDING HOW OUR SUPPLIERS MANAGE RISK

We engaged with our primary supplier of hot beverages in the UK to explore opportunities to introduce greater transparency into our supply chains for tea, coffee and cocoa – commodities that are associated with a higher risk of modern slavery. The more information that we have about where an ingredient is sourced from, who has been involved in growing or harvesting it, and how it is transported, the more control we have over mitigating risk.

We are increasing the frequency of our engagement with this supplier to work together on our shared objective to eradicate modern slavery.

ACCESS TO REMEDY



We constantly seek ways to improve our ability to prevent, detect and respond to any incidents as they arise and ensure our processes and controls remain effective.

Open communication is essential in identifying and dealing with wrongdoing. We are committed to maintaining a culture where everyone feels confident voicing concerns without fear of reprisal. Our global whistleblowing programme, Speak Up, offers multiple channels to enable our people and other stakeholders to share their concerns if they feel unable to discuss the issue with their manager or directly with the Company. Anyone using the service can choose to remain anonymous.

The Speak Up helpline is operated by an independent third-party provider and is available in 34 languages globally.

CASE STUDY

RESPONDING TO CONCERNS

The issues raised through Speak Up in the 12 months to 30 September 2020 were primarily of a human resources nature that were subsequently resolved through our standard employee grievance mechanisms. However during the year, we received a generalised concern regarding the recruitment model and practices in one of our regions. As a responsible employer, we treated the concern seriously and undertook a robust investigation which included an external audit of our practices in the region and on-site assessment by senior team members. Although we found the claim to be unsubstantiated and lacking in sufficient evidence, we took the opportunity to undertake a third-party audit and to review our recruitment processes and procedures to identify any areas for improvement. We also engaged with our current recruitment agencies to reiterate our commitments and expectations.

The business requires senior management to be present during the recruitment process – preferably someone able to speak the local language – to clearly communicate our expectations and commitments directly to all candidates rather than relying solely on the agency. Moreover, we introduced operatives into the recruitment pools to verify that our policies and processes are being followed. This work has provided us with additional assurance that our controls are effective.

EFFECTIVENESS

During the year, we have strengthened and developed the effectiveness of our risk management processes and compliance programmes.

Our Group Head of Risk and Internal Audit is a member of the HRWG. This group is working with the Internal Audit function to continue to develop our control framework, policies and processes to ensure they reflect our continuous improvement cycle and remain constantly effective.

We conducted a review of our Speak Up whistleblowing programme to identify areas of improvement to enhance our capabilities, held workshops on conducting remote investigations, and shared relevant lessons learned with our operations to improve the effectiveness of the programme.



LOOKING FORWARD

This year, with the use of technology, we have strived to advance our efforts to raise the profile of human rights and the awareness of modern slavery throughout the Group's businesses, whilst recognising there is more to do.

In the coming year, we will proceed with this continuous cycle of learning and development to strengthen our capabilities in human rights with a focus on training and developing our employees. Despite the challenges of the pandemic, we will achieve this through the use of technology including our new Ethics and Compliance eLearning platform. Our HRWG will ensure that progress and challenges are reported up the corporate chain to ensure that we learn not only from our achievements but also from our mistakes.

CONCLUSION

Compass is committed to supporting the dignity, wellbeing and human rights of all our people, the communities in which we operate, and those affected by our operations. We will continue to work with our business partners, clients and communities to develop our capabilities and work towards ending slavery in all its forms.



Nelson Silva
Non-executive Director of Compass Group PLC
Chairman, Corporate Responsibility Committee

Approved by the Board of Compass Group PLC on
19 November 2020 for release on 14 December 2020

COMPASS GROUP

ANNEX

Subsidiary companies of Compass Group PLC meeting the criteria to require the preparation of an annual Slavery and Human Trafficking Statement, in accordance with section 54 of the Modern Slavery Act 2015, that are included within the scope of this Compass Group PLC statement:

Compass Group Holdings PLC
Compass Group, UK and Ireland Limited
Compass Contract Services (U.K.) Limited
Compass Services (U.K.) Limited