SLAVERY & HUMAN TRAFFICKING STATEMENT

Compass Group PLC (the **Company**) presents its annual statement pursuant to the provisions of section 54 of the Modern Slavery Act 2015 for the year ended 30 September 2017.

Introduction

Trends towards globalisation mean that it is increasingly common for businesses to source their goods and services from different countries, making visibility in the supply chain more challenging.

Whilst globalisation has created advantages for businesses and individuals alike it has also provided opportunity for unscrupulous businesses to exploit vulnerable people by coercing them into becoming victims of human trafficking and slavery.

Those that profit from modern slavery go to great lengths to ensure that their criminal activities are not discovered and consequently, it can be extremely difficult to identify such activity. This means that no business, including our own, can have absolute certainty that such activity does not exist within its business or supply chain. At Compass, our people are the key to our continued success and we will not tolerate any such behaviour in our own operations or within our supply chains.

Our business and supply chains

Compass provides outsourced food and support services to millions of people around the world every day. We operate in over 50 countries in five sectors: Business & Industry, Education, Defence, Offshore & Remote, Sports & Leisure and Healthcare & Seniors, more details of which can be found in our 2016 annual report at www.compass-group.com. As a result, our supply chains are complex and we remain committed to eradicating slavery and human trafficking through a combination of risk assessment, collaborative programmes, policies and activities which help us mitigate and manage the risk.

We recognise the importance of maintaining both visibility and transparency within our supply chain in order to continue to protect those who work within it from potential abuse and exploitation and to this end, we take great care in selecting the companies who supply us.

Policies and contractual controls

Our approach in respect of slavery and human trafficking is to eliminate it both from our business and from our supply chains. This is consistent with our Human Rights Policy, our Code of Business Conduct and our Code of Ethics, details of which can be found in our annual and corporate responsibility reports for 2016 and on our website at www.compass-group.com.

Our Global Supply Chain Integrity Policy, a copy of which can be found at www.compass-group.com, is underpinned by a robust set of Standards which clearly define our responsible sourcing principles and the values we expect our suppliers to uphold.

Our Standards encompass the nine-point Ethical Trade Initiative (ETI) Base Code whereby:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used

- Living wages are paid in the country of supply/production
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

Our Approach
Our suppliers are required to confirm signed acceptance and compliance with these criteria. However, they often have their own complex supply chains and as a result, it is not possible for us to directly monitor or control the working conditions of each individual supplier.

We are committed to reducing supply chain complexity so that any vulnerabilities can be more easily identified and addressed through a comprehensive risk-based assessment.

Compass Group is a member of the Supplier Ethical Data Exchange 'SEDEX', a not for profit organisation dedicated to driving improvements in responsible and ethical business practices across global supply chains. It enables sharing of ethical supply chain data which allows members to access information about their suppliers in four key areas – labour standards, health and safety, the environment and business ethics.

We recognise that certain categories of procured products and services potentially carry a higher risk of child or slave labour being used in the supply chain. As such, we continue to conduct independent audits to verify labour standards and identify any poor practice. Any supplier breaches that are uncovered via audit or any other means will be fully investigated and, where possible, remedied. Repeat breaches or those that cannot be remedied will result in the immediate termination of the relevant supplier. Within our UK business, we have rolled out SEDEX to 30% of suppliers within those categories viewed to carry a higher risk.

In some of our business sectors and in certain geographic regions where we operate, the risk of human trafficking, slavery or child labour being used is higher. For example, in relation to the Group's offshore sector, we have retained a global labour supplier to supplement our own offshore workforce flexibly to meet our clients' requirements. This supplier meets our businesses' supply chain standards and has committed to act within the principles of our policies and procedures (including in respect of slavery, human trafficking and the Codes of Business Conduct and Ethics) and in accordance with applicable laws and regulations. Any breaches by the supplier entitles us to terminate their contract.

Our businesses in the UAE, Qatar and Saudi Arabia source the majority of labour from India, Nepal, Bangladesh and the Philippines. Strict vetting procedures are in place for all overseas labour agencies and we only contract with those registered and approved by local government agencies. All labour agencies are required to adhere to our Code of Business Conduct and would be terminated for any breach. Additional checks and controls are in place from recruitment through to commencement of employment to confirm that our standards and procedures are adhered to.

In 2016-2017, our Group HR team commissioned a third party to conduct a detailed due diligence assessment of adherence to Company policies for those countries viewed to be of a higher risk of slave labour and human trafficking. The review comprised seven countries and we found that there was a high level of compliance with our policies and procedures.

Awareness Training
We have developed an e-learning programme for the Group's procurement teams which is designed to raise awareness of the issue of slavery and human trafficking and to help identify and mitigate potential risks from our global supply chain. In 2016-2017, 200 colleagues from our Foodbuy procurement teams in the UK and North America (accounting for around c.70% of global procurement spend) completed the programme.

By 2020, we are committed to extending the e-learning programme to our top twenty countries which account for over 80% of our global procurement spend.

Communication of Concerns

Concerns about slavery and human trafficking may be raised by employees, suppliers and others through our existing Speak Up helpline at www.compass-speakup.com. During the last 12 months there have been no reports to the Speak Up helpline regarding allegations of slavery or human trafficking.

Had there been any such reports, appropriate investigation and remedial action would have been undertaken, including termination of the relevant supply contract if deemed necessary.

Reporting on our Progress

In this statement, we have set out the steps that we are taking to prevent modern slavery and human trafficking in our business and supply chains. We realise that this will be an ongoing process and we aim to demonstrate the progress that we are making each financial year through the following key performance indicators:

- % of newly contracted approved suppliers who have signed the Compass Code of Business Conduct (2017: 100%)
- Number of concerns relating to slavery and human trafficking reported by employees globally, via Speak Up (2017: Nil)
- Number of concerns relating to slavery and human trafficking reported by suppliers globally, via Speak Up (2017: Nil)
- Number of buyers in our Foodbuy procurement teams who have successfully completed our slavery and human trafficking e-learning programme (2017: 200)
- % of contracted approved suppliers to our UK business who have shared information with us via the SEDEX ethical sourcing platform (2017: 30%)

The Board has concluded that our policies, procedures and supply chain risk mapping activity provide reasonable, but not absolute assurance that the Company has reduced the risk that slavery and human trafficking could be found in our business or in our supply chains.



Nelson Silva
Chairman
Corporate Responsibility Committee
Approved by the Board of Compass Group PLC on 13 July 2017
for release on 2 October 2017