SLAVERY & HUMAN TRAFFICKING STATEMENT

Compass Group PLC (**Compass**) presents its annual statement pursuant to the provisions of section 54 of the Modern Slavery Act 2015 for the year ended 30 September 2018. Since publishing our first Slavery and Human Trafficking Statement in 2016, we have continued to develop our understanding of the risks to our business of modern slavery and human trafficking, and the measures available to protect our business and our supply chains. Both previous statements are available on our website: www.compass-group.com.

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 around 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 2017 annual report at www.compass-group.com. As a result, our supply chains are complex. We remain committed to eradicating slavery and human trafficking through a combination of risk assessment, collaborative programmes, policies and activities which help us identify, 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.

The size and scale of our organisation enables us to optimise our procurement functions into specialist teams of skilled professionals, who manage Compass' diverse and complex supply chains. This structure enables us to source products and services from a wide range of suppliers for each of the countries in which we operate. Our dedicated procurement resources provide Compass with a front-line defence against the risk of modern slavery and human trafficking within our supply chains. Their work is supported by training and awareness programmes designed to ensure they know how to recognise the warning signs of these types of practices, and what they should do if they suspect any wrongdoing.

Policies and contractual controls

We are committed to ensuring that our employees are subject to fair working practices and are treated with respect. Within our business the rights of our employees are respected by the implementation of our Human Rights Policy and Code of Ethics. Both are aligned to the principles of the United Nations Global Compact and the International Labour Organization core conventions. Furthermore, we

recognise the United Nations Guiding Principles on Business and Human Rights (UNGPs) as foundational to our approach to human rights in our direct operations and supply chains.

We expect our suppliers to treat their employees and contractors in the same way that we treat our own, and to this end, we ensure that our supply contracts specify a commitment to comply 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 2017 and on our website: www.compass-group.com.

Our procurement teams and their suppliers are required to comply with our Global Supply Chain Integrity Policy, a copy of which can be found at www.compass-group.com. This policy 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

Due Diligence and Risk Assessment

In order to identify and tackle issues effectively companies need to be aware of the risks. We continuously work to increase visibility of the various tiers of our supply chains and embed the respect for human rights that is a key element of our Global Supply Chain Integrity strategy. We conduct comprehensive risk assessments of the current and emerging vulnerabilities within our supply chains, supported by the expert risk analysis and rigorously researched quantitative political, human rights and environmental risk indices provided by an independent specialist in global risk analytics. The outcomes of this risk assessment and horizon scanning activity enables us to prioritise our social compliance assessment and auditing schedule with confidence as we look to mitigate or eliminate the identified risks as appropriate.

In addition to this, our suppliers are subject to a rigorous on-boarding procedure which incorporates a risk-based assessment of their policies and practices. We understand that our suppliers often have their own complex supply chains, which makes it difficult for us to directly monitor or control the working conditions of each individual entity within a supply chain. We make it clear to our suppliers that they have a responsibility to ensure that their own supply chains remain free from abuse. 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.

To support this, 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. Within our UK business, we have rolled out SEDEX to 50% (2017: 30%) of suppliers within those categories we consider to carry a higher risk. Following this successful pilot, we are engaging with our global procurement teams to introduce SEDEX across more countries.

We know that modern slavery can occur anywhere in the world but recognise that certain categories of procured products and services, such as garments and seafood, potentially carry a higher risk of child or slave labour being used in the supply chain. We conduct independent audits to verify labour standards and identify any instances of poor practice in the product supply chains and across regions which we consider to carry the greatest risk. For Compass, this regional risk is focussed across Asia and the Middle East.

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.

Effectiveness

We know that policies, codes and strategies without action or verification are useless. We take great care to assess the adherence and application of our policies, especially in the areas of our supply chain we have identified to be higher risk. 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.

In 2017-2018, working with a third party experienced in ethical labour practices, we developed an enhanced assessment checklist relating to employee welfare and accommodation standards, for implementation in countries where our employment contract includes the provision of accommodation for our employees. We are using this template to run pilot assessments prior to introducing the enhanced template as part of our routine auditing programme in 2018-2019.

Awareness Raising and 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.

In addition to this, key members of the Foodbuy UK team and UK Employee Relations team have attended role-specific modern slavery and human rights training.

Grievance Mechanisms and Access to Remedy

We know that effective grievance mechanisms should be accessible, clearly communicated and will function best when sufficient information about the mechanism's performance is provided to build confidence of its helpfulness. We see our grievance mechanisms as a source of continuous learning.

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 investigations and remedial action would have been undertaken, including the potential termination of the relevant supply contract if remediation proved to be unsuccessful.

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:

Key Performance Indicator	2016-17 Performance	2017-18 Performance	2017-18 Review
% of newly contracted suppliers who have signed the Compass Code of Business Conduct	100%		No change
Number of concerns relating to slavery and human trafficking reported by **employees** globally, via Speak Up	Nil		No change
Number of concerns relating to slavery and human trafficking reported by **suppliers globally**, via Speak Up	Nil		No change
Number of buyers in our Foodbuy procurement teams who have successfully completed our slavery and human trafficking e-learning	200		Improvement on 2016-17 performance - 50 additional buyers trained
% of contracted approved suppliers to our UK business who have shared information with us via the SEDEX ethical sourcing platform	30%		Improvement on 2016-17 performance to 50%

Performance Key

- Progress made in the last 12 months
- Performance maintained versus prior year
- Performance fallen versus prior year

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

Approved by the Board of Compass Group PLC on 11 July 2018
for release on 1 October 2018

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