COMPASS
GROUP

MODERN SLAVERY AND HUMAN TRAFFICKING
STATEMENT 2019

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 2019.

Compass is committed to tackling slavery and human trafficking and embraces the principles of transparency and continuous improvement that underpin the Act. We fully support the aims of the Act and the UN Declaration of Human Rights and associated standards, such as the UN Guiding Principles, which seek to protect and respect fundamental human rights and remedy any human rights abuse and we are committed to conducting our business ethically and responsibly.

Every year, we take steps to improve our understanding of the risks of modern slavery and human trafficking facing our business and supply chain.

This statement sets out what we have done during the past year to help us to meet our commitments to eradicate the risk of all forms of modern slavery and human trafficking taking place in our business and supply chain and how we have used what we have learned to evolve our approach and to drive positive change both inside and outside our organisation.



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OUR VALUES



OPENNESS, TRUST AND INTEGRITY

We set the highest ethical and professional standards at all times. We want all our relationships to be based on honesty, respect, fairness and a commitment to open dialogue and transparency.

PASSION FOR QUALITY

We are passionate about delivering superior food and service and take pride in achieving this. We look to replicate success, learn from mistakes and develop the ideas, innovation and practices that will help us improve and lead our market.

WIN THROUGH TEAMWORK

We encourage individual ownership, but work as a team. We value the expertise, individuality and contribution of all colleagues, working in support of each other and readily sharing good practice in pursuit of shared goals.

RESPONSIBILITY

We take responsibility for our actions, individually and as a Group. Every day, everywhere, we look to make a positive contribution to the health and wellbeing of our customers, the communities we work in and the world we live in.

CAN-DO SAFELY

We take a positive and commercially aware 'can-do' approach to the opportunities and challenges we face; we always put safety first in everything we do.

OUR COMMITMENT

With around 600,000 colleagues and more than 30,000 suppliers we have a vested interest in protecting the welfare of those who work for and with us. We are committed to being a force for good and will use our influence as an industry leader to help eradicate modern slavery and human trafficking in all its forms. We aim to achieve this through constant improvement and vigilance and by requiring our business partners and suppliers to share our values and undertake similar commitments.

Our reputation has been built on our commitment to maintain the highest ethical and professional standards and our continued focus and improvements in de-risking and managing our operations and supply chains.

Day to day our values guide our actions and behaviours. Together with our Codes of Business Conduct (CBC) and Ethics, our values set the tone for the responsible business practice and behaviours that we expect all our people and partners to follow.

Our ambition to have a "Zero Harm" culture goes beyond safety compliance to the heart of our social purpose to be a responsible corporate citizen. Ensuring that modern slavery and human trafficking are not taking place in our businesses or supply chain is important in helping us to achieve our social purpose. To support our ambitions we continue to develop our existing policies and practices to help our colleagues and suppliers understand the risks associated with modern slavery and have the confidence to always speak up and report if something doesn't feel right. Our independently operated helpline (Speak Up) is available in 34 languages globally online and by telephone.

We recognise that we need to get better at communicating our approach, policies and procedures, what we have found when we review our operations over the course of the year and what we are doing to improve our overall performance. We hope that this renewed approach is reflected in this statement.

OUR BUSINESS

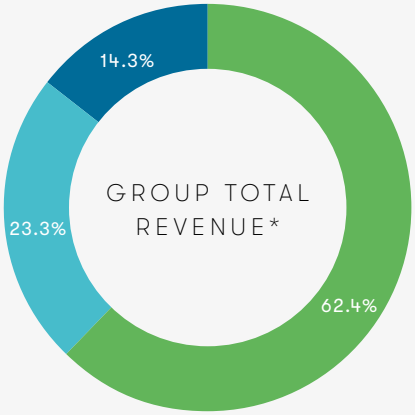
We are one of the largest food service companies in the world, providing outsourced food and support services to millions of people every day.

OUR APPROACH AROUND MODERN SLAVERY AND HUMAN TRAFFICKING

Compass employs and engages around 600,000 people globally. We have three key strategic priorities: Performance, People and Purpose. Together, these priorities help drive our approach to doing business with integrity. Our values guide our actions and behaviours and reflect how we work together and with partners to conduct business and deliver our food and support services to millions of people every day.

Our business is split into five sectors representing different types of clients. We deliver our services in a diverse range of locations including hospitals, nurseries and schools, offices and factories, leisure venues and remote locations. These client site locations take a variety of forms serving a wide variety of consumers. We see this flexibility and diversity as a strength that enables us to tailor our delivery to consistently meet the requirements of our clients no matter where they may be or how they operate.

WE MANAGE OUR BUSINESS IN THREE GEOGRAPHIC REGIONS



NORTH AMERICA
EUROPE
REST OF WORLD

*as at 30 September 2019

OUR FIVE SECTORS

- Business & Industry
- Healthcare & Seniors
- Education
- Sports & Leisure
- Defence, Offshore & Remote

45
COUNTRIES

55,000
CLIENT LOCATIONS

600,000
COLLEAGUES

5.5
BILLION MEALS

OUR SUPPLY CHAIN

Serving safe and nutritious meals for our clients and consumers requires a robust supply chain to deliver both the food and non-food items that enable us to provide the quality and consistency that our customers expect. We recognise that working to ensure modern slavery and human trafficking are absent from our supply chain helps to protect our reputation as a trusted employer, partner and ethical business. Over the last 12 months we have been categorising our supply chain to identify areas of higher risk, in specific countries and with specific commodities, as part of our Human Rights Impact Assessment and we will report on the outcome in next year's statement.



GOVERNANCE

Within our business the rights of our employees are protected and respected by the implementation of our CBC, Human Rights Policy, Supply Chain Integrity Policy and Code of Ethics. Our compliance programmes and policy frameworks provide internal governance for us as a business and for our suppliers and other business partners. The way we operate, which is reflected in our policies and Code of Ethics, is built on a foundation of several important internationally recognised declarations, standards and codes 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

The UN Guiding Principles on Business and Human Rights

The UN Global Compact ten principles

We recognise the UN Guiding Principles on Business and Human Rights (UNGPs) (a framework of guiding principles which seek to protect and respect human rights and eradicate human rights abuses) as fundamental to our approach to human rights both in our direct operations and supply chains, and we are committed to upholding these principles.

As part of our commitment to human rights and worker welfare, we require our suppliers to treat their workers in the same way that we treat our own, and to this end, it is our policy to ensure that our supply contracts specify a commitment to comply with our Code of Business Conduct, found on our website www.compass-group.com.

Our procurement teams and suppliers are required 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 principles and the values we expect our suppliers to uphold.

Our ethical 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

RESPONSIBILITY

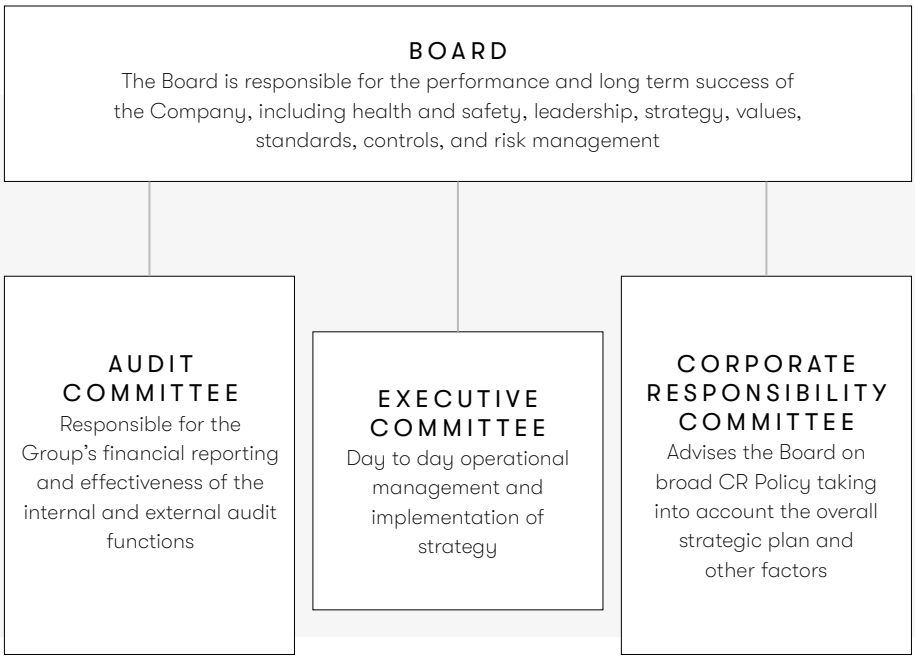
The Group Chief People Officer, who is a member of the Corporate Responsibility Committee and the Executive Committee (the key management committee of the Group) has ultimate responsibility for human rights in Compass including human rights strategy and policy.

The Group Director of Safety and Sustainability, who reports directly to the Group Chief Executive Officer, acts as the global functional lead for the Group with respect to the human rights policy and has reporting responsibility for human rights across direct operations and within the supply chain. The Group Director of Safety and Sustainability is also a member of the Executive Committee and attends all meetings of the Corporate Responsibility Committee. The operational responsibility for execution of our policies sits with our regional and in-country managing directors.

We recognise that we have more work to do across our business in the area of human rights and have formed a cross functional, multi-national Human Rights Working Group. This working group is responsible for overseeing our human rights strategy, including reviewing and updating the human rights policy and implementing initiatives and projects as well as overseeing areas of assessment of human rights across the Group.

The Group Head of Ethics and Compliance reports to the Group General Counsel and Company Secretary who is a member of the Executive Committee. The Group Head of Ethics and Compliance attends Corporate Responsibility Committee meetings and has responsibility for overseeing key ethics and compliance risks in the business, and strengthening our policy, controls, reporting and training frameworks.

We see a strong culture of ethics and compliance as a strategic enabler of our human rights and worker welfare programmes and the Group Head of Ethics and Compliance works closely with the Group People and Group Internal Audit functions to continuously enhance our initiatives, including improving internal monitoring of our own operations' adherence to labour standards.



DUE DILIGENCE AND RISK ASSESSMENT

EMPLOYEES

With around 600,000 people globally, we have a responsibility to protect the human rights of our people and ensure fair working practices across all our operations. Although the majority of our people are employed directly, we do use the services of agency staff. In common with all of our other suppliers, we expect the agencies to comply with our standards in relation to human rights, modern slavery and human trafficking. We are in the process of enhancing our policy framework to provide us with greater visibility of this area of risk.

In 2018, we conducted employee interviews and focus groups representing over 90% of our operations. The purpose of the exercise was to understand what our people thought about working for us. We used their insight to develop our people strategy and evolve how we work with and engage our people. Subsequently, we have launched a set of commitments that define in clear, simple terms what we want to offer everyone who works for us:

- **Respect** - we treat each other fairly and with respect
- **Growth** - we have opportunities to develop and progress
- **Teamwork** - we work as part of a positive and caring team

During the year, we initiated a Human Rights Risk Assessment across the Group. To help us with the assessment, we engaged the help of independent external human rights specialists who are working in conjunction with the Human Rights Working Group to complete the review. The process of the human rights impact assessment is as follows:

1. Identify risk through collection of internal and external data and engagement of global colleagues through the Human Rights Working Group and within countries;
2. Identify mitigation through analysis of data, working with internal ambassadors, champions and change makers;
3. Implement mitigation across highlighted areas; and
4. Communicate, reinforce and review.

We will communicate the results of the assessment in our next statement.

SUPPLY CHAIN

To successfully identify actual or potential modern slavery, human trafficking or other human rights abuse risks and tackle them effectively, companies need to understand what those risks are. We are working to increase the transparency of our supply chains with the aim of increasing visibility of potential risks, to further embed the controls set out in our Global Supply Chain Integrity standards and to ensure that the standards are put into practice and have a positive impact.

We conduct comprehensive risk assessments of the current and emerging vulnerabilities within the higher risk segments of our supply chain. This is underpinned by expert risk analysis and rigorously researched quantitative political, human rights and environmental risk indices provided by an independent specialist in human rights. The outcomes of these risk assessments and horizon scanning activities help us to identify our priorities as we look to mitigate or eliminate identified risks. We are also developing a Group blueprint to evolve and develop our approach to purchasing and in order to ensure we have stronger policies, standards and controls.

Our policy is to expect suppliers to comply with our CBC. We also have an on-boarding procedure for suppliers which includes a risk-based assessment of their policies and practices. However, our suppliers often have their own complex supply chains, which makes it more challenging for us to directly monitor or control the working conditions of each individual entity within a supply chain. We recognise that this lack of visibility could lead to potential vulnerabilities in our supply chain and we are working to improve supply chain transparency across our business through the education and training of our procurement teams.

For example, our UK business has rolled out the use of the Supplier Ethical Data Exchange (SEDEX) to 66% (2018: 50%) of suppliers within those categories we consider carry a higher risk. SEDEX is a database used to assess, track and share information on suppliers including human rights topics. We intend rolling out SEDEX across several other countries.

AREAS OF HEIGHTENED RISK

Modern slavery can occur anywhere in the world and we recognise that certain countries of operation, and specific categories of procured products and services, such as garments and seafood, potentially carry a higher risk of child or slave labour being used in operations or in the supply chain. We conduct internal and independent audits within countries to verify compliance with local employment law, and so as to identify any instances of non-compliance within our operations or poor practice in the product supply chains, in particular across regions which we consider present the greatest risk. For Compass, this regional risk is higher across Asia and the Middle East.

Using external analysis, as part of our Human Rights Impact Assessment, we identified the highest risk procured-item categories within our supply chain as seafood, hot beverages, fresh produce, agency labour, garments and disposables. Any supplier breaches of our CBC that are uncovered via audit or any other means are fully investigated and, where possible, remedied. Repeat breaches or those that cannot be remedied will result in the immediate termination of the relevant supplier.



CASE STUDY

FRESH PRODUCE SUPPLY CHAIN

We commissioned a programme of independent ethical audits for 2019 within our UK fresh produce supply chain. These audits were performed to the SEDEX Members Ethical Trade Audit (SMETA) standard. Our approach was to trace products back down through our supply chain to fully understand the intermediaries involved. The audits evaluated health, safety and labour standards and were conducted at the farm level through the Compass supplier and intermediaries right back to the grower in the field. The results to date have not discovered any modern slavery and human trafficking violations. However, they did provide valuable insight on some areas for improvement in and around labour standards, including previously unidentified issues such as the use of seasonal and intermittent contracts. They also had value in bringing SMETA to organisations previously unfamiliar with it, to the extent that they are now more positively engaged, highlighting the importance of supply chain cooperation and collaboration. We are working with the affected supply chain to identify remedial actions. Such audits will continue throughout our business into the next financial year to highlight areas for improvement, inform our process and serve to strengthen our relationships with suppliers.

CASE STUDY

NATIONAL FARMWORKER AWARENESS WEEK

In March 2019, Compass USA participated in the "National Farmworker Awareness Week" alongside the Fair Food programme to bring to attention farm worker issues in our communities such as fighting poverty and exploitation. As part of the Awareness Week programme, we held a series of workshops and sessions with clients and consumers aimed at raising awareness of human rights abuse and exploring ways in which to avoid the risk of human rights abuse taking place and what to do if it was discovered.

As part of our own drive to improve human rights in our supply chain, through our partnership with the Coalition of Immokelee Workers, we continue to promote the Fair Food programme for worker-driven social responsibility that ensures fairer wages and working conditions for workers in fresh produce supply chains.

EFFECTIVENESS

We know that policies, codes and strategies without action or verification are ineffectual. 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. Our Human Rights Working Group aims to ensure policies are up to date, relevant and implemented. By way of example, in relation to the Group's offshore sector, we have retained a global labour supplier to supplement our own offshore workforce flexibly to fulfil our clients' requirements. This supplier meets our supply chain standards and has committed to act within the principles of our policies and procedures (including in respect of slavery, human trafficking and our CBC and Code of Ethics) and in accordance with applicable laws and regulations.

As we reported in our last statement, 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 those countries where our employment contracts require that we provide accommodation. This helped us to identify areas for improvement. For example, we have implemented changes in on-site accommodation for employees in labour villages in the UAE, by providing improved Wi-Fi facilities and mobile phones to call home, as well as regular training on our Speak Up helpline. Over the coming year we will continue to monitor the effectiveness of these actions.

TRAINING AND AWARENESS

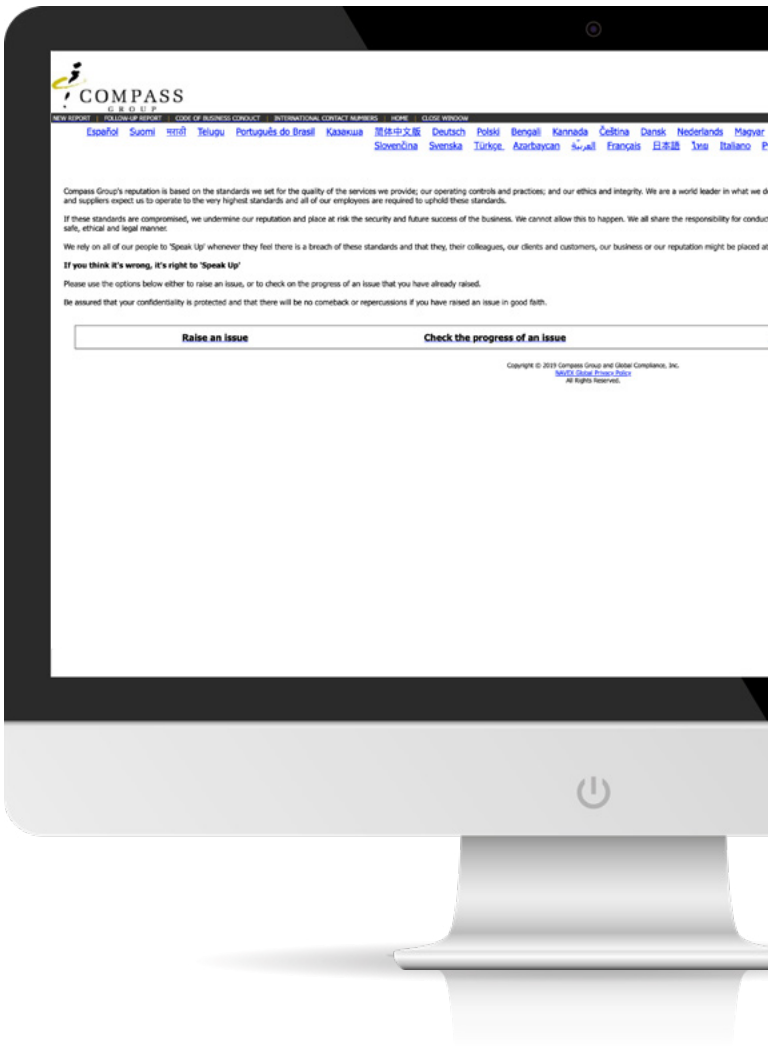
Our e-learning programme for the Group's procurement teams was developed in house. It is designed to raise awareness of the issues of slavery and human trafficking and to help identify and mitigate potential risks from our global supply chain. Our procurement business, Foodbuy, which has operations in the USA, UK, Canada and Australia and purchases food and non-food for our operations in those countries, has rolled out the e-learning programme across several countries. In the UK and North America (which account for around 70% of global procurement spend), 200 procurement colleagues have completed the programme.

By 2020, we are committed to extending further e-learning programmes to our top twenty countries which account for over 80% of our global procurement spend. In addition to this initiative, key members of the Foodbuy UK team and UK Employee Relations team have attended role-specific modern slavery and human rights training sessions.

REPORTING CONCERNS AND ACCESS TO REMEDY

Compass provides multiple channels for stakeholders to raise their concerns. Globally, the Group Internal Audit function manage an independently operated helpline and website (Speak Up) where our people, suppliers and members of the community can report concerns in confidence if they so choose, and without repercussions, when they feel something isn't right. If reporters choose to remain anonymous, the service and process will ensure that their confidentiality and anonymity are maintained. The helpline can be accessed via local telephone numbers and online at www.compass-speakup.com. We have translated details of the independent service into 34 languages to allow our employees around the globe to understand it. In the 12 months to September 2018, there were 3,812 reports raised and in the 12 months to September 2019 there were 3,736 reports. None of these reports related to concerns regarding slavery and human trafficking. We are reviewing the operational process and categorisation of the Speak Up reports to improve the effectiveness of its operation.

When a case is raised, appropriate investigations and remedial actions are undertaken. If such a case related to a supplier, action could include remediation or the potential termination of the relevant supply contract. The Group Director of Internal Audit and the Group Head of Ethics and Compliance report on Speak Up cases to the Audit and Corporate Responsibility Committees of the Compass Board respectively and to our Regional Governance Committees quarterly.



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 of continuous improvement and we aim to demonstrate the progress that we are making each financial year.

LOOKING AHEAD

We are committed to making ongoing improvements in human rights around both our people and supply chain. This includes raising awareness within the business of the risks of human trafficking, modern slavery and human rights abuse as well as educating our people further. Our newly formed Human Rights Working Group will report progress to the Corporate Responsibility Committee of the Compass Board, including progress on our continuing Human Rights Impact Assessment, subsequent identification of ongoing issues and remediation.

CONCLUSION

The Board of Compass has concluded that our policies, procedures and supply chain risk mapping activity provide reasonable, but not absolute assurance that the Group has reduced the risk that slavery and human trafficking could be found in our business or in our supply chains. We are committed to continuous improvement in this area and look forward to communicating further in due course.



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

Approved by the Board of Compass Group PLC on
21 November 2019 for release on 16 December 2019

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