WE ARE COMPASS

We provide great food and support services to millions of people around the world every day. Our Group strategy continues to deliver shareholder value and we remain positive about the structural growth potential in food and support services globally.

Positive performance in key sustainability indices is of increasing interest to clients and investors, and we are proud to have performed well in these this year, including our achievement in the Carbon Disclosure Project of a ‘Leadership’ score of A-.

We will continue to engage with our teams and stakeholders around the world to understand the issues which matter most and to identify opportunities to build stronger partnerships which address global and local sustainability priorities so as to continue to reduce risk and drive growth.

OUR VALUES
• OPENNESS, TRUST AND INTEGRITY
• PASSION FOR QUALITY
• WIN THROUGH TEAMWORK
• RESPONSIBILITY
• CAN DO SAFELY

IN THIS REPORT
1 | About our business
2 | Introduction from the Group Health, Safety and Environment Director
3 | Our progress in 2016
4 | Our business model and strategy
6 | Stakeholder engagement
8 | Our CR strategy
10 | Strengthening partnerships
12 | Safety first
14 | Our people
16 | Responsible sourcing
18 | Health and wellbeing
20 | Environmental reporting
22 | Governance
24 | Our performance and targets

For more information, contact us at GlobalHSE@compass-group.com
www.compass-group.com

ABOUT OUR BUSINESS

WE ARE FOCUSED ON FOOD
Food is our core competence and we pride ourselves on our ability to provide clients with a wide range of innovative dining solutions.

WE OPERATE IN OVER 50 COUNTRIES
WE WORK IN OVER 50,000 CLIENT LOCATIONS
WE EMPLOY OVER 500,000 GREAT PEOPLE
WE SERVE OVER 5 BILLION MEALS A YEAR

WE HAVE GLOBAL REACH

NORTH AMERICA
UNDERLYING REVENUE
£11,198m
(2015: £9,361m)
56% of Group total

EUROPE
UNDERLYING REVENUE
£5,458m
(2015: £5,192m)
28% of Group total

REST OF WORLD
UNDERLYING REVENUE
£3,215m
(2015: £3,290m)
16% of Group total

AND A SECTORISED APPROACH

We differentiate ourselves by sectorising and sub-sectorising our business. This enables us to get closer to our clients and consumers to create innovative, bespoke offers that best meet their needs and requirements.

BUSINESS & INDUSTRY
We provide a choice of quality, nutritious and well balanced food for employees during their working day. In addition, where clients seek broader service offerings, we can deliver a range of support services to the highest standard, and at the best value.

HEALTHCARE & SENIORS
We are specialists in helping hospitals in the public and private sectors on their journey of managing efficiency and enhancing quality across a range of food and support services. We have an increasing presence in the growing senior living market.

EDUCATION
From kindergarten to college, we provide fun, nutritious dining solutions that help support academic achievement at the highest levels. We educate young people on how to have a happy, safe and healthy lifestyle while contributing to a sustainable world.

SPORTS & LEISURE
Operating at some of the world’s most prestigious sporting and leisure venues, exhibition centres, visitor attractions and major events, we have an enviable reputation for providing outstanding hospitality and true service excellence.

DEFENCE, OFFSHORE & REMOTE
Through our established health and safety culture, we are a market leader in providing food and support services to major companies in the oil and gas and mining and construction industries. For our defence sector clients, we are a partner that runs efficient operations outside areas of conflict.

Compass Group PLC Corporate Responsibility Report 2016
Thank you to all our partners and stakeholders for your continued support.

Corporate responsibility underpins our business, enabling us to achieve our strategic goals in a more responsible and sustainable way. Each year, we do more to incorporate broader social, ethical and sustainable practices as ‘business as usual’ across our global business.

We continue to focus on the areas where we believe we can make the most positive social impact, including developing our people, the health and wellbeing of our colleagues and consumers, the responsible use of resources and the integrity of our supply chain, all underpinned by Safety First in everything we do.

My colleagues across the Group work hard to enhance the positive contribution that we make to local communities and, as keen supporters of the United Nations’ Sustainable Development Goals (SDGs), we recognise that we have a key role to play in supporting the delivery of these goals at a global and local level. We have set out our commitments in support of the SDGs on pages 10 and 11. We continue to be signatories of the UNGC and you can view our latest Communication on Progress here.

Overall, we’ve made good progress against our CR commitments in 2016 and you can find out more about our performance against key metrics on pages 24 to 31.

Looking ahead, we recognise that our stakeholders are looking for greater visibility and transparency with regard to the policies and operating practices that we deploy in our own business and across our supply chain. We continue to invest time and resources to improve our performance reporting in these areas and will report on progress in our 2017 CR Report.

Finally, I would encourage you to take a look at the great CR reports provided by my colleagues in our US and UK businesses, which reflect their passion for the positive impact that they have on their local communities and how they contribute to the Compass global commitments.

USA – Our 2016 CSR Study
UK & Ireland – 2016 CR Report

Thank you to all our partners and stakeholders for your continued support.

Nicki Crayfoul
Group Health, Safety and Environment Director

DEAR STAKEHOLDERS

I am delighted to bring you this review of our Corporate Responsibility (CR) activities and progress against published commitments.

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OUR BUSINESS MODEL, STRATEGY AND THE VALUE WE CREATE

OUR STRATEGY

A DISCIPLINED APPROACH TO GROWTH

1. FOCUS ON FOOD
2. INCREMENTAL APPROACH TO SUPPORT SERVICES
3. PRIORITISE ORGANIC GROWTH
4. BOLT-ON ACQUISITIONS
5. BEST-IN-CLASS EXECUTION

Our business model is our focus and our core competence. We take a pragmatic and incremental approach to support services, with strategies developed on a country by country basis.

We focus on operational execution and generate efficiencies by optimising our supply chain and managing our food and labour costs. These efficiencies enable us to reinvest in the significant growth opportunities around the Group and improve margins.

At the centre of it all are our people. They win new business, manage our units efficiently and effectively and bring innovative and high quality food and services to our clients.

Food is our focus and our core competence. We take a pragmatic and incremental approach to support services, with strategies developed on a country by country basis.

Our priority is to capture the organic growth opportunities, as these yield the best returns. We will also invest in small to medium sized acquisitions, but only if they are attractive targets that have the right cultural fit and will enhance our portfolio.

We are committed to providing the best quality and value to our clients with best-in-class execution. We have increased our focus on innovation in our core food business to bring more variety and excitement to our offer as well as to improve our operations.

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STAKEHOLDER ENGAGEMENT

COLLABORATING TO CREATE A POSITIVE IMPACT

We have a wide range of stakeholders who influence or are affected by our day-to-day business, with varying needs and expectations. We recognize the importance of listening to their feedback and, as such, we adopt a partnership approach to share best practice and develop our policies and practices to address our key CR impacts.

Our stakeholders include employees, investors, clients and consumers, suppliers, NGOs and government agencies. We approach stakeholder engagement at a global, country and local level. Globally, we engage employees, investors, clients, suppliers and NGOs with particular focus on our key sustainability themes:

- Being a responsible employer
- Promoting nutrition and wellbeing
- Reducing our environmental impact
- Responsible sourcing and supply chain

Below is an example of how we work to engage our various stakeholders from a global perspective.

<table>
<thead>
<tr>
<th>STAKEHOLDER GROUP</th>
<th>ACTIVITY</th>
</tr>
</thead>
</table>
| INVESTORS         | • Annual Reports  
|                   | • AGMs  
|                   | • Meetings between investors, senior leadership and our investor relations team  
|                   | • Conversations between investors and our corporate responsibility / investor relations teams  
|                   | • Online communications  
|                   | • Investor conferences  
|                   | • Investor road shows  
|                   | • Annual CDP disclosure  
|                   | • Sustainability indices |
| EMPLOYEES         | • “Speak Up” colleague helpline  
|                   | • Colleague engagement surveys  
|                   | • Global conferences / team meetings  
|                   | • Colleague intranets / newsletters  
|                   | • Sector and functional forums |
| CLIENTS           | • Client satisfaction surveys  
|                   | • “Top-to-Top” meetings between our senior leadership team members and clients |
| CONSUMERS         | • Consumer insights research  
|                   | • Corporate websites  
|                   | • Consumer engagement / satisfaction surveys |
| SUPPLIERS         | • One-to-one meetings and conversations  
|                   | • Foodbuy supplier conferences  
|                   | • Field and factory visits for key supply contracts  
|                   | • Third-party supplier audits |
| GOVERNMENT / REGULATORS | • Briefings and direct meetings |
| LOCAL COMMUNITY ORGANISATIONS AND NGOs | • One-to-one meetings and conversations  
|                   | • Attending / presenting at multi-stakeholder forums  
|                   | • Ongoing partnership activity |
| GENERAL           | • Responses to requests for information regarding our CR policies and practices |

CDP (previously Carbon Disclosure Project) is a global disclosure system for companies, cities, states and regions to manage their environmental impacts and for investors or purchasers to access environmental information for use in financial decisions. Compass has participated in CDP since 2009 and, each year, we have worked hard to improve the scope and detail of our annual disclosure. Working with our supply chain partners and the CDP support team, we have evolved our approach to become one of the few companies that disclose against all modules: climate change, water, forests and supply chain. We have presented at CDP workshops to share our experience of the CDP reporting journey and lessons learned along the way with other participating companies.

In 2016, we collaborated with 12 of our larger clients around the world as supply chain partners via the CDP reporting process. This created a helpful dialogue on targeted areas where we can work in partnership to reduce our collective environmental impact. We were delighted to have been ranked by CDP with a 2016 Supply Chain Climate Change score of A- against a CDP supply chain average score of D.

In 2016 we invited colleagues around the world to participate in our improved employee engagement survey. We are delighted to have achieved a 75% engagement score.

This year, we were proud to announce a significant expansion to our existing cage-free egg policy with a commitment to source 100% cage-free eggs (both shell and liquid) globally by 2025.

Philip Lymbery, CEO of Compassion in World Farming, said: “I am delighted that Compass has become one of the leading businesses in the cage-free movement. I hope that their commitment to go cage-free globally on all liquid and shell eggs by 2025 will be a catalyst for others to follow their example.”
Our CR Strategy

The Group’s strategy and approach to CR are well aligned as we improve the business model to reflect more sustainable practices. CR is a keystone of our commitment to provide the highest quality service to our customers. Across the business, the safety of our colleagues and consumers is our number one operational priority and supports our growth strategy. It increases trust and helps us attract the best talent.

Our CR Strategy

Each year, we review the issues which matter most to our business and stakeholders to help us better assess our key business risks and opportunities. Through this process we have identified seven issues we believe materially impact our business and our relationships with our stakeholders (see matrix below).

Our Pillars

<table>
<thead>
<tr>
<th>Pillars</th>
<th>People</th>
<th>Priorities</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace Health &amp; Safety</td>
<td>Transparency around the processes and controls in place to ensure the safety and well-being of our people.</td>
<td>Since 2013, we have achieved a 29% reduction in our Lost Time Incident Frequency Rate performance. However, this year we have seen our performance plateau. We are not complacent and continue to embed a strong safety leadership culture, as well as improved return to work programmes.</td>
<td></td>
</tr>
<tr>
<td>Employee Recruitment &amp; Retention</td>
<td>Provide our people with training and development opportunities. Recognise and reward their great work.</td>
<td>Sadly, we had one work related fatality as a result of a motor vehicle accident. As part of our commitment for continuous improvement, we have shared lessons learned.</td>
<td></td>
</tr>
<tr>
<td>Responsible Sourcing</td>
<td>Visibility around the ingredients that we source for our operations.</td>
<td>We have extended our third party audit programme to validate around the world that all our markets are complying with the requirements of our Global Food Safety Standards.</td>
<td></td>
</tr>
<tr>
<td>Supply Chain Integrity</td>
<td>Ensure our supply chain is acting responsibly and humbly towards its workforce.</td>
<td>Audit results identified that some of our developing markets, including India and Singapore, required further support to implement effective controls. We have responded by investing in additional resource to help local teams embed the required operational standards.</td>
<td></td>
</tr>
<tr>
<td>Cbc Compliance</td>
<td>Ensure the implementation of our Codes of Business Conduct and Ethics. Measure and report concerns via the Speak Up whistleblowing programme.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health &amp; Wellbeing</td>
<td>Promote simple product labelling and signposting to encourage our consumers to make healthy choices.</td>
<td>In our more developed markets including the UK and US, we have introduced apps such as MyFitnessPal, that enable consumers to track their calorie and nutritional intake, directly linked to our menus. These apps help our consumers to make healthier choices.</td>
<td></td>
</tr>
<tr>
<td>Workforce Health &amp; Safety</td>
<td>By pursuing our passion for wellbeing and nutrition, we can help our consumers and employees adopt a more balanced lifestyle.</td>
<td>In our more developed markets including the UK and US, we have introduced apps such as MyFitnessPal, that enable consumers to track their calorie and nutritional intake, directly linked to our menus. These apps help our consumers to make healthier choices.</td>
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<td>Employee Recruitment &amp; Retention</td>
<td>Ensure our employees are well trained, safe, motivated and productive is an essential component of our business model.</td>
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</table>

Our Material Impacts

<table>
<thead>
<tr>
<th>Impact</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

**Our Pillars**

- OUR PEOPLE: Our people are fundamental to our great service and reputation and we recognise their positive contribution to our performance.
- Ensuring our employees are well trained, safe, motivated and productive is an essential component of our business model.

**Our Priorities**

- Workplace Health & Safety: Transparency around the processes and controls in place to ensure the safety and well-being of our people.
- Employee Recruitment & Retention: Provide our people with training and development opportunities. Recognise and reward their great work.
- Responsible Sourcing: Visibility around the ingredients that we source for our operations.
- Supply Chain Integrity: Ensure our supply chain is acting responsibly and humbly towards its workforce.
- CBC Compliance: Ensure the implementation of our Codes of Business Conduct and Ethics. Measure and report concerns via the Speak Up whistleblowing programme.
- Health & Wellbeing: Promote simple product labelling and signposting to encourage our consumers to make healthy choices.

**Our Progress**

- Since 2013, we have achieved a 29% reduction in our Lost Time Incident Frequency Rate performance. However, this year we have seen our performance plateau. We are not complacent and continue to embed a strong safety leadership culture, as well as improved return to work programmes.
- Sadly, we had one work related fatality as a result of a motor vehicle accident. As part of our commitment for continuous improvement, we have shared lessons learned.
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- Audit results identified that some of our developing markets, including India and Singapore, required further support to implement effective controls. We have responded by investing in additional resource to help local teams embed the required operational standards.

**Global CR Strategy**

- Global Lost Time Incident Frequency Rate Down 29% Relative to 2013
- Global Food Safety Incidence Rate Down 19% Relative to 2013
- Number of Sites Offering Healthy Eating Programmes Up 21% Relative to 2013
- Ghg Intensity Ratio Down 16% Relative to 2013

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**Un Sustainable Development Goals**

Through our strategic review, stakeholders and international clients have indicated their growing interest in supporting the United Nations’ Sustainable Development Goals (SDGs) as agreed by world leaders in September 2015. In response to this feedback, we have focused our attention on how our business activities can help us to deliver towards the SDGs at a global and local level. See pages 10 and 11 for a more detailed narrative on those specific SDGs where we believe we can make the most positive social impact.
STRENGTHENING PARTNERSHIPS

WORKING TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

2015 marked a defining moment in the global quest for a sustainable future. In Paris, 195 countries adopted the first ever universal, legally binding global climate deal. At the UN, governments defined their vision for a post-2015 development agenda by agreeing upon a set of global Sustainable Development Goals. We recognise that businesses like ours will play a key role in supporting the delivery of these goals.

We believe that the SDGs provide a useful platform, and common language, upon which we can build new, and strengthen existing, global and local partnerships to progress our sustainability activities.

Of the 17 goals designed to help deliver the 2030 vision for a more sustainable planet, we have identified seven where we believe we can make the most positive social impact. In addition to those issue specific goals, we recognise the critical importance of working in partnership, supported by SDG 17 (Partnerships for the Goals).

<table>
<thead>
<tr>
<th>UNITED NATIONS’ SUSTAINABLE DEVELOPMENT GOALS</th>
<th>THE GLOBAL CHALLENGE</th>
<th>COMPASS’ ROLE</th>
<th>FOR EXAMPLE</th>
</tr>
</thead>
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<tr>
<td><strong>GOAL 1</strong> Environmental sustainability</td>
<td>Globally, we are a member of the Roundtables on Responsible Soy and Responsible Palm Oil, whilst 17 of our 20 countries have already established sustainable and ethical sourcing programmes.</td>
<td>We have partnered with the MSC in the UK to develop the Good Fish Guide app, which encourages everyone from chefs to consumers to make more sustainable choices easily and quickly.</td>
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<td><strong>GOAL 2</strong> End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
<td>By 2050, the world’s population is expected to increase by two billion. At present almost 800 million of the world’s population are malnourished and starving. This means that the need to improve sustainable agriculture will become increasingly critical as the demand on natural resources intensifies.</td>
<td>Every year, we spend around £5 billion on food. Collaborating with our supply chain to design and deliver scalable and practical solutions for food security and sustainable agriculture is therefore vitally important to safeguard the future of our business.</td>
<td>Since 2014, our Imperfectly Delicious Produce programme run by our US business has used over 200,000 kgs of imperfect fruit and vegetables that would otherwise have rotted in fields, been sent to composting or landfill for simply not meeting an artificial standard of attractiveness.</td>
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<td><strong>GOAL 3</strong> Ensure healthy lives and promote wellbeing for all at all ages</td>
<td>Nutrition is essential for sustainable development. Every year, poor nutrition kills over three million children under five, whilst around the world over two billion people are overweight or obese.</td>
<td>Each year, we serve over five billion meals. By pursuing our passion for wellbeing and nutrition, we are committed to helping our consumers and employees adopt a more balanced lifestyle.</td>
<td>Since 2010, we have worked towards a target that 100% of our units will provide Balanced Choices or similar healthy eating programmes by 2016. This year, we have seen a further improvement in our performance (67% vs 66% in 2015). We have not met our stated target of 100% of units by 2016 and will continue to work towards achieving this through 2017.</td>
</tr>
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<td><strong>GOAL 4</strong> Quality education for all</td>
<td>The availability of decent work is a must for lasting, inclusive and economic growth, yet while the global labour force continues to grow, there are not enough jobs available, particularly amongst young people and indigenous communities.</td>
<td>Our 500,000+ employees are fundamental to our great service and reputation. Around the world we are working with local communities to offer fair employment and great career opportunities.</td>
<td>In 2016, our UK business launched the Women in Food programme. To tackle the shortage of female chefs, by 2020, we expect that 50% of the chefs in our UK workplace will be female.</td>
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<td><strong>GOAL 5</strong> Achieve gender equality and empower all women and girls</td>
<td>Women make up 57% of our global workforce and 26% of our global leadership team. We are resolved to empower all our female employees as we know this leads to increases in productivity, organisational effectiveness and consumer satisfaction.</td>
<td>In Australia, we launched Project 1050 to support the recruitment of an additional 1,050 indigenous jobseekers into the Compass workforce by 2029.</td>
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<td><strong>GOAL 6</strong> Combat climate change and its impacts</td>
<td>Climate change presents the single biggest threat to development, and its widespread unprecedented impacts disproportionately burden the poorest and most vulnerable. Urgent action to combat climate change and minimize its disruptions is integral to the successful implementation of all the Sustainable Development Goals.</td>
<td>As a leading food service company, we recognise that addressing climate change is important for food security and sustainable agricultural systems. We are committed to reducing our carbon footprint directly through energy efficiency and reducing food waste in our operations. We continue to partner with our clients, ensuring the use of innovative solutions to optimise resource efficiency.</td>
<td>Since 2008, we have measured our greenhouse gas (GHG) emissions. During this period, we have reduced our GHG intensity by 32% (tCO2e/£m revenue). We have set the target of a 20% reduction in GHG emissions by 2017.</td>
</tr>
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<td><strong>GOAL 7</strong> Ensure availability of clean and affordable energy</td>
<td>Three words encapsulate our approach to sustainable seafood: (1) Avoid: by not serving seafood on the Marine Stewardship Council’s (MSC) ‘fish to avoid’ list; (2) Improve: by buying more certified sustainable seafood each year; (3) Promote: the availability of responsibly sourced fish to our consumers.</td>
<td>Since 2014, our Imperfectly Delicious Produce programme run by our US business has used over 200,000 kgs of imperfect fruit and vegetables that would otherwise have rotted in fields, been sent to composting or landfill for simply not meeting an artificial standard of attractiveness.</td>
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<td><strong>GOAL 8</strong> Ensure inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
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<td><strong>GOAL 9</strong> Build resilient infrastructure, promote sustainable industrialization and foster innovation</td>
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<td>Climate change presents the single biggest threat to development, and its widespread unprecedented impacts disproportionately burden the poorest and most vulnerable. Urgent action to combat climate change and minimize its disruptions is integral to the successful implementation of all the Sustainable Development Goals.</td>
<td>As a leading food service company, we recognise that addressing climate change is important for food security and sustainable agricultural systems. We are committed to reducing our carbon footprint directly through energy efficiency and reducing food waste in our operations. We continue to partner with our clients, ensuring the use of innovative solutions to optimise resource efficiency.</td>
<td>Since 2008, we have measured our greenhouse gas (GHG) emissions. During this period, we have reduced our GHG intensity by 32% (tCO2e/£m revenue). We have set the target of a 20% reduction in GHG emissions by 2017.</td>
</tr>
<tr>
<td><strong>GOAL 11</strong> Make cities and human settlements inclusive, safe, resilient and sustainable</td>
<td>The availability of decent work is a must for lasting, inclusive and economic growth, yet while the global labour force continues to grow, there are not enough jobs available, particularly amongst young people and indigenous communities.</td>
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<td><strong>GOAL 12</strong> Ensure responsible consumption and production</td>
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<td><strong>GOAL 13</strong> Take urgent action to combat climate change and its impacts</td>
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<td><strong>GOAL 15</strong> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</td>
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</table>
SAFETY FIRST

Health and safety is our number one operational priority. A strong safety culture is important to our clients and is critical to protecting the wellbeing of our colleagues and consumers. Reducing the number of incidents we have results in a safer workplace and effective cost management through improved incident and absentee rates.

OUR APPROACH

We’ve worked hard to create a culture that takes safety very seriously, and to train our people to adopt behaviours that focus on keeping them free from harm. All management and board meetings throughout the Group feature a health and safety update as one of their top agenda items. The CR Committee reviews the Group’s Health, Safety, Environment and Quality (HSEQ) policies annually to ensure that they continue to reflect our aims and aspirations, and meet with current legislation.

OUR KEY FOCUS AREAS

GLOBAL HSEQ POLICY AND STANDARDS

To ensure best practice and drive continuous improvement, we operate global policies and minimum operating standards and behaviours that have been steadily embedded across our business. Our standards are based on the strictest regulatory requirements and industry best practice. We assess each country on its progress against the Group’s Safety First programme.

GLOBAL BEST PRACTICE SHARING

Supporting the Executive Board and CR Committee is our global HSEQ Leadership Forum, made up of technical specialists from around the business. The Forum is responsible for defining policies, setting standards, measuring compliance and sharing best practice across the Group. We also use this body to share lessons learned from incidents globally to determine if any improvements to policies and standards are required.

PERFORMANCE IMPROVEMENT

All countries report their health and safety and food safety performance on a monthly basis, and their performance is directly linked to the global leadership team bonus criteria. This year, we have worked hard with our internal stakeholders to review root cause analysis data related to our LTIFR and FSIR performance. Targeted prevention campaigns have been introduced, for example we have focused on Slips, Trips & Falls and Cuts.

This year we introduced an additional global safety key performance indicator: Total Recordable Incident Frequency Rate (TRIFR), to provide us with greater visibility and understanding of the types of injuries occurring in our business. We are using this data to engage with colleagues to identify ways in which we can reduce the likelihood of such incidents occurring in the future. We have measured the TRIFR metric in specific sectors since 2013; however, this year was the first time we reported our performance against this metric in all sectors, globally.

THE GLOBAL CHALLENGE

Every day, 6,300 people die because of occupational accidents or work-related diseases – more than 2.3 million deaths per year. The human cost is vast and the economic burden of poor occupational safety and health practices is estimated at 4% of global GDP.1

WHY IT MATTERS TO COMPASS

Safeguarding the health, safety and welfare of our people and our consumers is not only a legal and moral responsibility – it’s essential to the success of our business. Our aim is to set industry leading standards on health and safety across our working environments. In short, we are committed to Safety First in everything we do.

WHAT THIS LOOKS LIKE IN PRACTICE

Over the past two years, our HSEQ team in Spain have been rolling out a new preventative Health and Safety toolkit. The system is based on a model of continual learning and improvement across accident reporting, investigation and remediation. All accidents are reported through a call centre, where each call is initially answered by a medical service team to ensure that injured colleagues receive appropriate care as quickly as possible. If there is not a clear link between the injury and activity, the incident is transferred to the HSEQ team. Their task is to investigate the relationship between the accident and the activity, to understand how it occurred, and to put preventative measures in place wherever possible. This system was initially launched at our sites in the Basque Country and Madrid, and has subsequently been implemented nationwide.

By using this tool, we have been able to identify more easily the circumstances in which accidents happen. As a result, we have been able to develop more efficient action plans, helping our teams to decrease the accident rate by more than 25%, and decrease our Lost Time Incident Frequency Rate by more than 30%.

We are proud to announce that, in February, our team in Spain were finalists in the Awards Asepeyo for best preventative practices with over 100 companies involved. Our team also received a special mention in the National H&S Best Practices Awards in the category of H&S management. Our HSEQ system and team in Spain were also recognised by Repsol, one of the biggest oil companies in Europe, in their 2016 review of contractor H&S best practice.

OUR PEOPLE

Ensuring our employees are well trained, motivated and productive is an essential part of our business model. Our people are ambassadors of our business and reputation and we recognise their positive contribution to our performance.

We value the diversity of our people and strongly believe that the more our people reflect the diversity of our clients and consumers, the better equipped we are to service their needs.

OUR PEOPLE MAP

- Attract — recruit the right people, in the right way and reflect the diversity of the communities in which we work
- Retain — having the right rewards and benefits and work environment for people to want to stay with us
- Develop — ensuring that people have the right skills to do their job and develop careers with us
- Engage — connecting all our people to our goals, motivating them to achieve them and recognising their achievements
- Perform — having the processes in place to measure and continually improve individual performance

HUMAN RIGHTS

As a global employer, issues such as human rights, labour practices and responsible business practices are very important to us. We have been a signatory of the United Nations Global Compact (UNGC) since 2004 and each year, we publish a Communication on Progress (COP) and provide an update on our progress against the 10 UNGC principles in the areas of human rights, labour, environment and anti-corruption. See our latest COP here.

DIVERSITY AND INCLUSION

We value the diversity of our people and strongly believe that the more our people reflect the diversity of our clients and consumers, the better equipped we are to service their needs. We base our relationship with employees on respect for the dignity of the individual and seek to create a positive, open working environment wherever we operate.

REWARD AND RECOGNITION

Since 2012 we have included non-financial key performance indicators in the global leadership performance bonus scheme, such as health and safety and food safety metrics. In many of our markets, we operate a Be a Star employee recognition scheme which recognises and rewards outstanding performance in such areas as health and safety, teamwork, responsibility and passion for their role.

EMPLOYEE FEEDBACK

We have conducted a global Your Voice employee survey every two years. In 2015, we reviewed the format of this survey in response to feedback received from participating countries and as a result, in 2016, we launched an improved and more engaging survey, simplifying the questions and optimising mobile technology to make the survey more easily accessible to colleagues around the world.

We are delighted that the 2016 Your Voice colleague survey achieved a 75% engagement rate (2013: 43% and 57%).

THE GLOBAL CHALLENGE

Decent work is a must for inclusive and sustainable growth. Yet while the global labour force grows, employment is not keeping up. This is a challenge for all, but particularly among young people and traditionally under-represented groups, including minority and indigenous communities.

WHY IT MATTERS TO COMPASS

Our 500,000 employees are fundamental to our business and reputation. Around the world we are working with local communities to offer fair employment and great career opportunities. This includes our long term commitment to provide opportunities for young and traditionally under-represented or disadvantaged groups.

WHAT THIS LOOKS LIKE IN PRACTICE

For the past 15 years, our team in Australia has worked to achieve positive, sustainable and capacity building outcomes for Aboriginal and Torres Strait Islander people. Through this activity, we now employ more than 500 indigenous Australians. Our goal is to increase this to 1,550 indigenous employees, or 10% of our employee base by 2018. This year, we were delighted to welcome a further 29 indigenous Australians into our team.

As part of our wider Indigenous Engagement Strategy, our team in Australia is proud to partner with the Clontarf Foundation, an organisation dedicated to improving the education and life skills of young Aboriginal and Torres Strait Islander men.

Our involvement includes:
- Hosting and supporting the Year 12 school camp in Sydney
- Providing traineeships and chef apprenticeships
- Providing complementary training, such as barista courses

In recognition of our work we were delighted to be awarded the first ever Prime Minister’s Corporate Leaders for Indigenous Employment Award in 2002. This year our supply team in Australia was awarded The Supply Nation ‘Corporate Member of the Year’, recognising our commitment to engaging and supporting Supply Nation certified suppliers or registered indigenous businesses.

OUR PRIORITIES

- Increasing the number of women holding senior leadership team positions each year.
- Developing a graduate toolkit to support countries in offering graduate schemes and increasing the number of graduates we employ globally each year.
- Improving sight of our talent in the Group to help us increase the number of internal hires across our global business each year.

PROVIDING EMPLOYMENT OPPORTUNITIES TO ALL IN AUSTRALIA

Attract

- recruit the right people, in the right way and reflect the diversity of the communities in which we work

Retain

- having the right rewards and benefits and work environment for people to want to stay with us

Develop

- ensuring that people have the right skills to do their job and develop careers with us

Engage

- connecting all our people to our goals, motivating them to achieve them and recognising their achievements

Perform

- having the processes in place to measure and continually improve individual performance

OUR APPROACH

We employ over 500,000 people in around 50 countries. In a business such as ours, people are at the heart of delivering excellent service to clients and consumers. We operate a specific People MAP implemented across our business globally to ensure consistency in operating practices. It provides a simple framework of objectives, measures and actions.

OUR KEY FOCUS AREAS

PEOPLE MAP

- Attract — recruit the right people, in the right way and reflect the diversity of the communities in which we work
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GLOBAL WORKFORCE metabolic

1. Male: 49% 2. Female: 51% (2015: 43% and 57%)

SONIOR MANAGERS metabolic

1. Male: 76% 2. Female: 24% (2015: 79% and 21%)

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RESPONSIBLE SOURCING

Having a safe and sustainable supply chain is important for us to deliver the quality of food service that is a key business driver for Compass. As a result of our actions, we are able to build the confidence of our clients and consumers, reduce potential risks and develop enduring relationships.

OUR APPROACH

The provenance and quality of the food we purchase is a key consideration for us. We require that food is purchased only from authorised suppliers and we work closely with our supply partners to ensure that they continue to meet the standards that we require.

OUR KEY FOCUS AREAS

GLOBAL SUPPLY CHAIN INTEGRITY

Our aim is to have industry leading standards that set the benchmark on performance regarding purchasing and supply chain practices. Our global Supply Chain Integrity Standards set the minimum sourcing requirements for the mitigation of key risks to the integrity of our supply chain. The standards are regularly reviewed and updated, providing our customers with the assurance that we will provide them with food that is safe, wholesome and responsibly sourced.

In 2016, we updated our Standards to reflect an increased focus on:

• Supplier mapping to aid visibility of the end-to-end supply chain
• Routine product testing, including the validation of species (meat/fish) and country of origin
• Ethical and sustainable supply chain practices that will help us to demonstrate alignment with the requirements of the Modern Slavery Act 2015
• Ensuring that our global sourcing practices do not contribute to deforestation

COMPLIANCE

We regularly review country performance against our global Supply Chain Integrity Standards to promote consistency in operating practices across the Group. In 2017, we are introducing a risk assessment tool for countries to measure their progress in the implementation of the updated Standards. We will use the output from the risk assessment to identify those countries that require additional support to comply with the required standards. We will report on progress in our 2017 CR report.

BUILDING SUSTAINABLE AND RESPONSIBLE SUPPLY CHAINS IN THE USA

THE GLOBAL CHALLENGE

By 2050, the world’s population is expected to increase by 2 billion, whilst 795 million people around the world are suffering from chronic malnutrition. The need for sustainable agricultural systems is becoming critical as demands on global food systems intensify.

WHY IT MATTERS TO COMPASS

Each year, we spend around £5 billion on food products. This means that collaborating with our supply chain to design and deliver scalable and practical solutions for food security and sustainable agriculture is vital to the future of our business. As part of this work, our sourcing teams are continually working with our supply chain partners around the world to buy responsibly sourced products.

WHAT THIS LOOKS LIKE IN PRACTICE

Improving the welfare of farm animals is a key focus for our business. For instance, our team in the USA led our first cage-free shell egg policy in 2007. This has improved the welfare of hundreds of thousands of farm animals; removing hens from battery cages and putting them into cage-free settings. Since 2008, we have purchased almost 300,000,000 cage-free shell eggs.

In 2015, we announced a major expansion to our existing cage-free shell egg policy by committing to also purchase liquid eggs from cage-free sources by the end of 2019. In 2016, we made this a global commitment in that we will source 100% of our eggs (both shell and liquid) from cage-free sources by 2025. Reflecting our industry leading work on responsible sourcing, we were pleased to receive the Henry Spira Humane Corporate Progress Award this year for our cage-free commitments and the Compassion in World Farming’s Good Egg Award.

We would like to thank Compassion in World Farming, the Humane Society International and the Humane League who have been central to our journey over the past decade. We remain committed to improving our performance against the Business Benchmark on Farm Animal welfare (BBFAW) in 2017, by establishing a common framework designed to deliver enhanced and harmonised animal welfare standards throughout our global supply chains.

ANIMAL WELFARE

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DEFORESTATION

We are focused on achieving zero deforestation through the use of sustainable palm oil, soy, beef and paper materials in the products that we source globally.

SLAVERY AND HUMAN TRAFFICKING

We will publish an annual Slavery & Human Trafficking statement to update stakeholders on risks identified and any remedial actions taken.

HEALTH AND WELLBEING

Obesity is reported to be one of the biggest threats to the health of the global population, as well as financial cost and societal impact. A poor diet has a detrimental impact on a person’s wellbeing and can lead to a wide range of health problems.

OUR APPROACH
As a global food service company, we recognise that we have an enormous impact on what our 20+ million consumers choose to eat and drink. We make a positive contribution to their diet and nutrition and we are proud of the role we play in promoting the benefits of good nutrition and a healthy lifestyle, particularly, as in some of the markets where we operate, the food we provide may be the only nutritious meal eaten by our consumers that day.

By pursuing a passion for wellbeing and nutrition, we help our consumers and employees adopt a more balanced lifestyle. We help our clients to deliver improved employee performance and satisfaction, encouraging client retention in our business.

OUR KEY FOCUS AREAS
STAKEHOLDER ENGAGEMENT
We are working closely with our clients (and through them with our consumers), suppliers, governments and regulators across the world to respond to public health issues such as those associated with obesity and diet.

INNOVATION SUPPORTS POSITIVE LIFESTYLE CHANGES
Our consumers are becoming increasingly sophisticated about the nutritional content of their food choices and, during 2016, we continued to roll out our healthy eating frameworks, such as Balanced Choices, Whole-30 and Webtrition, to help consumers make informed menu choices.

Mobile phone technology and the use of apps are changing the way we live our daily lives, including how we manage our health. At Compass, we are embracing this technology and use apps such as MyFitnessPal to help our consumers motivate themselves to eat and exercise to stay healthy.

HEALTHIER FOOD AND LIVES
Where good nutrition is concerned, little changes can make a big difference. Working with our country teams, including expert chefs and nutritionists, we analyse recipes, ingredients and cooking styles to see how we can help people eat better. Using toolkits such as Know Your Food, we provide people with clear, easy to understand information about how to stay healthy and eat well. We believe there are four areas where we can support our consumers to make healthier choices and live well:

1. Access to information on nutrition and exercise
2. Reduce sugar, fat and salt in our menus
3. Reduce red meat consumption
4. Promote a plant-based diet

HELPING CONSUMERS MAKE HEALTHY CHOICES IN TURKEY

THE GLOBAL CHALLENGE
Nutrition is essential to sustainable development. Every year, poor nutrition kills 3.1 million children under five. At the same time, over 2 billion people are overweight or obese globally.1 The global economic impact of obesity is estimated to be £1.6 trillion, or 2.8% of global GDP.

WHY IT MATTERS TO COMPASS:
Each year, we are proud to serve over five billion meals. By pursuing our passion for wellbeing and nutrition, we are dedicated to helping our consumers and employees adopt a more balanced lifestyle. As part of our commitment, we have set a target for 2017, that 100% of our restaurants will provide Balanced Choices or similar healthy eating programmes.

WHAT THIS LOOKS LIKE IN PRACTICE:
This year, our team in Turkey has been working with our clients to launch a new project to calculate and label the nutritional value of each meal served. This programme, which was initially piloted in 2015, uses software to analyse the nutritional profile of all the ingredients in our recipes. This information is then calculated for each meal, and labels are printed to indicate to consumers the energy, carbohydrate, protein, fat, calcium and salt content of each meal.

As part of raising awareness, our team in Turkey have also redesigned their menu formats to display nutritional information and explain how each meal contributes towards our consumers’ daily requirements. We display these labels on the food counter and our clients can use this information on their websites or company intranet. By sharing this information in a clear and easy-to-follow format, we aim to build greater awareness and knowledge on the importance of making healthy and balanced nutritional choices. This is particularly important in countries such as Turkey, which has seen the rate of obesity rise from 18.8% to over 36% in the past 20 years.2

To date, 650 of our restaurants across Turkey use these labels and we have been delighted with the feedback from our consumers and clients. Moving forward, we intend to refine the label, by adding allergen and additional nutritional information. In addition, our team in Turkey will be rolling out this project to other client sites as well as providing training for our employees on how they can help consumers make balanced nutritional choices.

OUR PRIORITIES

HEALTHY EATING PROGRAMMES
To increase the number of units providing healthy eating programmes to their consumers.

PROMOTE MEAT ALTERNATIVES
To develop recipes and concepts where meat plays a supporting role (not a primary role), with reduced portion sizes of red meat and more vegetable proteins and seasonal produce.

DIGITAL HEALTH
To provide innovative solutions, such as mobile apps more widely across the global business, and make it easier for our consumers to access nutritional information about the food that we serve.

ENVIRONMENTAL REPORTING

As a leading food service company, we have a clear responsibility to protect our environment. We are reducing our impact on the environment, including energy use and food waste. Our programmes focus on the improved use of resources, which helps us to manage our costs, and those of our clients effectively.

OUR APPROACH

In the majority of our locations where we are not directly responsible for the procurement of utilities, equipment, fuel etc., we are working closely with our clients to consider how best to improve the environmental performance of our operations. We use a web based reporting system which provides a ‘one stop shop’ for countries to report progress against their non-financial KPIs, including environmental performance. The benefits to our business of deploying such a system include improving accuracy of data, and the ability to track our progress against targets.

OUR KEY FOCUS AREAS

We have had targets for reducing GHG emissions since 2010. Our current targets expire in 2017. We are currently working to establish new targets at an organisation and country level. There are a number of methods available for setting reduction targets. Science Based Targets (SBTs) align with current climate science and the accepted level of decarbonisation that is required to limit global temperature increase to 2°C. They include mid and long term targets reaching to 2030 and 2050. Our work to develop SBTs has begun. We have researched and evaluated available target setting methods, using various company growth scenarios. Once the targets have been agreed we plan to seek external validation of our approach and once validated, we will publish our approach and targets.

OUR PRIORITIES

REDUCE FOOD WASTE

To introduce more food waste reduction programmes globally, including technology solutions that make it quick and easy for our chefs to monitor and reduce the amount of food waste generated.

RECYCLE WASTE COOKING OIL

Continue to improve our recycling of used cooking oil to reach our target of 100% of all units by 2020.

REDUCE OUR EMISSIONS INTENSITY

To complete our work on developing SBTs appropriate to our business and communicate our plans in the 2017 CR Report.

REDDENING FOOD WASTE IN THE UK

Food worth £800 billion is lost or wasted globally each year. Therefore, reducing food waste across supply chains is a major opportunity to sustainably feed the planet. From an environmental perspective, food loss and waste also represents an extremely inefficient use of resources such as energy, water and land, and accounts for 3.3 gigatonnes of GHG emissions.

WHY IT MATTERS TO COMPASS

Food waste is a particularly significant issue for the food industry. For instance, in the UK, it is estimated that 2.5 billion of food is wasted each year. As part of our commitment to source, use and dispose of our food and non-food products in a sustainable manner, we are continually looking to reduce waste throughout our businesses. This includes our ambition to reduce food waste by 10% and to eliminate food waste going to landfill by 2020.

WHAT THIS LOOKS LIKE IN PRACTICE

Since 2013, our team in the UK has been working with Winnow, a specialist food waste measurement company, to reduce the amount of food going to waste. Winnow have developed a unique smart metering bin, which measures the type, volume and value of waste food. Our kitchen team use a touchscreen tablet to identify what they are throwing away, and then an electronic scale records the weight. Every morning our chefs and managers receive a report detailing where food waste occurred and the estimated cost. This information helps ensure we make better purchasing decisions, produce the correct amount of food and reduce potential waste.

In 2015, we began piloting this technology at 70 sites in the UK and the results have been impressive:

- By using the Winnow smart bin system our sites typically reduce waste by 40-70%.
- In the last year, we avoided 650 tonnes of food being wasted (approximately 1.6 million meals).
- The system has helped cut our on-site food purchasing costs by 2.5 – 4%.
- By reducing food waste, we have also prevented over 2,800 tonnes of CO2 being emitted.

We are now rolling the Winnow system out to a further 360 sites across the UK by June 2017 and have developed pilot sites in other European countries, as well as Asia.

THE GLOBAL CHALLENGE

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WE THINK ENVIRONMENT

make the difference

2017

2016

2015

2014

2013

2012

2011

2010

2009

2008

ORIGINAL SCOPE

Emissions Intensity

Emissions intensity has been calculated based upon the emissions associated with office operations and excludes emissions production and laundry emissions.
GOVERNANCE

RESPONSIBILITY MATTERS

Being a responsible partner matters to us. We have made good progress in our efforts to create a more sustainable business, by responding proactively to opportunities that arise and through pragmatic investment.

We are proud to report that our sustainability activities have been recognised with our inclusion in Fortune Magazine’s Change the World list of 50 companies that have had a positive social impact through activities that are part of their core business strategy.

I would like to thank my colleagues for their hard work and enthusiasm on the journey so far.

Susan Murray
Chairman of the Corporate Responsibility Committee.

OUR APPROACH

As a Group, we are fully engaged in delivering a holistic approach to corporate responsibility. This is a complex area given the scale of the Group, its geographic spread, diversity of local cultures and differences in country and business development; however, each year, we have continued to build steadily on our progress.

RESPONSIBLE BUSINESS PRACTICES

Our management structure is underpinned by the highest levels of corporate governance. We empower our local management teams to manage their businesses to be competitive in their marketplace, whilst operating within a strict corporate framework with clearly defined parameters.

CR COMMITTEE

Our overall commitment to good corporate governance is overseen by the Corporate Responsibility Committee of the Board. Established in 2007, the CR Committee continues to provide direction and guidance on all aspects of business practice and responsibility, ensuring consistent application wherever we operate.

The Committee’s primary responsibilities include: endorsement of CR policies; overseeing occupational health and food safety performance; supply chain integrity; environmental practices; business conduct and the positive promotion of employee engagement, diversity and human rights. In addition to supporting the development of our longer term CR vision, the Committee has driven an improvement in the scope of our CR commitments and the number of countries reporting against them.

CODE OF BUSINESS CONDUCT (CBC)

Our Code of Business Conduct incorporates our Code of Ethics and sets out the clear standards of behaviour that we expect all of our people to follow in dealing with colleagues and those outside the Group such as customers, suppliers and other stakeholders. The Code underpins our social, ethical and environmental commitments and demonstrates our commitment to the responsible business practices and principles of the United Nations (UN) Global Compact, to which we are a signatory. This UN initiative encourages companies to commit to making human rights, labour, environmental responsibility and anti-corruption part of the business agenda.

MEASURING OUR COMPLIANCE

We have a global whistleblowing programme, Speak Up, which is managed by an independent company; so that our employees can raise, in confidence, any concerns they may have about how we conduct our business, or if they are witness to, or subjected to, any abuse of human rights. In 2015/16, we received 3,579 reports via the Speak Up line. Each case is investigated and followed up by an assigned case manager.

This year, we further developed the Speak Up programme to give us greater visibility of the types of reports we receive. The CR Committee and Executive Board receive regular updates on our performance regarding the nature of the reports we receive and agree specific actions as required.

We analyse the content of the Speak Up reports, to ensure we focus on and direct resources to, potential areas of vulnerability.
## OUR PERFORMANCE AND TARGETS

<table>
<thead>
<tr>
<th>OUR PEOPLE</th>
<th>OUR PILLARS</th>
<th>KEY PERFORMANCE INDICATOR</th>
<th>2015/16 TARGET</th>
<th>2015/16 PERFORMANCE</th>
<th>2015/16 REVIEW</th>
<th>KPI TARGET</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>REPORT % IMPROVEMENT (AGAINST 2008 BASELINE)</td>
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<tr>
<td></td>
<td></td>
<td>GLOBAL LOST TIME INCIDENT FREQUENCY RATE (LTIFR)</td>
<td>56%</td>
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<td></td>
<td></td>
<td>% OF EMPLOYEES SURVEYED IN OUR GLOBAL YOUR VOICE EMPLOYEE SURVEY WHO BELIEVE THE COMPANY PLACES A HIGH PRIORITY ON HEALTH AND SAFETY</td>
<td>11%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>EMPLOYEE RETENTION RATE FOR ALL EMPLOYEES: TOTAL EMPLOYEES MANAGEMENT UNIT MANAGEMENT</td>
<td>87% 96% 90%</td>
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<tr>
<td></td>
<td></td>
<td>% OF WOMEN HOLDING GLOBAL LEADERSHIP TEAM POSITIONS</td>
<td>26%</td>
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<tr>
<td></td>
<td></td>
<td>% OF FEMALE REPRESENTATION IN THE GLOBAL WORKFORCE</td>
<td>57%</td>
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<tr>
<td></td>
<td></td>
<td>NUMBER OF LEADERSHIP AND ABOVE UNIT MANAGEMENT POSITIONS HELD BY WOMEN</td>
<td>N/A</td>
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<td></td>
<td>GLOBAL YOUR VOICE SURVEY: ENAGEMENT SCORE</td>
<td>75%</td>
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<td></td>
<td>TOTAL NUMBER OF CONCERNS REPORTED BY EMPLOYEES GLOBALLY, VIA SPEAK UP whistleblowing programme</td>
<td>3,579 cases</td>
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</table>
Our performance and targets continued

<table>
<thead>
<tr>
<th>OUR PILLARS</th>
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<th>2015/16 PERFORMANCE</th>
<th>2015/16 REVIEW</th>
<th>KPI TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESPONSIBLE SOURCING</td>
<td>Global Food Safety Incident Rate (FSIR)</td>
<td>Report % improvement (against 2008 baseline)</td>
<td>52%</td>
<td>Compared to the 2008 baseline, we have improved our FRIR performance on a global basis by 52%, through strong unit compliance with our global Food Safety Standards. However, this year, we have seen our performance plateau. We are not complacent and continue to look for ways to make what we do safer, and work with colleagues and clients to drive improvement. We have extended our third party audit programme to validate around the world that all our countries are complying with the requirements of our global Food Safety Standards.</td>
<td>Report % improvement (against 2008 baseline)</td>
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<tr>
<td></td>
<td>% of countries adopting our global Supply Chain Integrity Standards</td>
<td>100% implementation of the new global Supply Chain Integrity Standards by 2017</td>
<td>80%</td>
<td>During the year, we have further evolved our global Supply Chain Integrity Standards to provide greater emphasis on supply chain mapping and responsible sourcing. The new global Supply Chain Integrity Standards will be progressively rolled out across all countries during 2017. The Standards now include more detailed sustainable sourcing requirements around human rights, animal welfare and deforestation risks that our procurement teams will be adopting in their countries.</td>
<td>100% implementation of the new global Supply Chain Integrity Standards by 2017</td>
</tr>
<tr>
<td></td>
<td>% of countries with programmes in place to support:</td>
<td>Report % of countries with programmes in place to support:</td>
<td>90%</td>
<td>Increasingly, our consumers are seeking assurances that the products they purchase are sourced ethically and sustainably. 2014 was the first year in which we collated data against this KPI and, this year, 18 countries (2015: 17 countries) from our top 20 markets confirmed that they had sustainable and ethical sourcing programmes in place. During 2017, more progress needs to be made in improving the availability of data for the remaining top 20 countries.</td>
<td>Report % of countries</td>
</tr>
<tr>
<td></td>
<td>• sustainable fish/seafood</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fairtrade and ethically sourced products</td>
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<tr>
<td></td>
<td>• locally sourced products</td>
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<tr>
<td></td>
<td>% of expenditure on tea, coffee, sugar and bananas from ethical or Fairtrade sources</td>
<td>Report % of expenditure on tea, coffee, sugar and bananas from ethical or Fairtrade sources</td>
<td></td>
<td></td>
<td>Report % of expenditure</td>
</tr>
<tr>
<td></td>
<td>% of contracted approved suppliers who have signed the Compass Code of Business Conduct</td>
<td>100% of suppliers approved in 2016 will sign up to the Compass Code of Business Conduct</td>
<td>100%</td>
<td>We continue to ensure that all approved suppliers sign up to the Compass Code of Business Conduct. Such a requirement supports our alignment with the Modern Slavery Act 2015.</td>
<td>100% of suppliers approved in 2017 will sign up to the Compass Code of Business Conduct</td>
</tr>
<tr>
<td>HEALTH &amp; WELLBEING</td>
<td>The number of units providing Balanced Choices (or equivalent healthy eating programmes) to their consumers</td>
<td>100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2016</td>
<td>67%</td>
<td>The health and wellbeing of our consumers is important to us. We are committed to educating and informing people about food - empowering them to make informed choices about how to achieve a healthier lifestyle. For example, our programmes, such as Know Your Food in our UK business, provide educational material around key health topics, seasonal produces and sustainable and ethical sourcing initiatives. In 2015, we expanded the scope of this KPI to include the top 30 countries and our analysis demonstrates that 67% of units (2015: 66%) currently operate healthy eating programmes. We have not met our 2016 target of 100% of units and will continue to work towards achieving this through 2017.</td>
<td>100% of units providing Balanced Choices or similar healthy eating programmes to their consumers by 2017</td>
</tr>
<tr>
<td></td>
<td>% of units offering nutritional advice to consumers</td>
<td>Report % of units</td>
<td>67%</td>
<td>Our UK business is a signatory to all seven of the food service pledges of the UK Government’s Responsibility Deal, and we continue to take an active role in the Responsibility Deal Plenary Group. Increasingly, we are providing our consumers with access to fitness apps that enable them to track their calorie and nutritional intake, directly linked to our menus.</td>
<td>Report % of units</td>
</tr>
<tr>
<td></td>
<td>% of countries operating a sugar, salt and fat reduction programme</td>
<td>Report % of countries</td>
<td>95%</td>
<td></td>
<td>Report % of countries</td>
</tr>
</tbody>
</table>
Our performance and targets continued

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**ENVIRONMENTAL REPORTING**

**FOOD WASTE**
- **Implement Trim Trax (or equivalent food waste reduction programmes)**
  - 100% implementation across our top 30 countries by 2016
  - **2015/16 PERFORMANCE**: 85%
  - **2015/16 REVIEW**: Our ambition is that all of our countries operate a food waste reduction programme. We continue to implement food waste reduction programmes globally using technology solutions, such as Winnow, that make it quick and easy for our chefs to monitor and reduce the amount of food waste generated; sites in our UK business have seen a reduction in their food waste of between 40-70%. This year, 26 countries operated a food waste reduction programme and we are excited about the planned introduction of the Winnow solution in more European countries during 2017.
  - **KPI TARGET**: 100% implementation of food waste reduction programmes across our top 30 countries by 2017

**ENERGY EFFICIENCY**
- **Reduction in total GHG emissions**
  - 20% reduction in carbon emissions intensity by 2017 (against 2008 baseline)
  - **2015/16 PERFORMANCE**: 32%
  - **2015/16 REVIEW**: The trend across our operations is positive and we continue to show improvements in carbon intensity against the 2008 baseline of 7.8 tonnes CO₂e/£m revenue. We have calculated our Scope 1 & 2 GHG emissions since 2008 and continue to use a web-based platform to collate country data, which supports greater transparency and accuracy of data.
  - **KPI TARGET**: 20% reduction in carbon emissions intensity by 2017

**GHG EMISSIONS BY SCOPE UNIT**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Quantity 2015-16</th>
<th>Quantity 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>95,430</td>
<td>109,869</td>
</tr>
<tr>
<td>Scope 2</td>
<td>9,182</td>
<td>8,903</td>
</tr>
<tr>
<td>Scope 1,2</td>
<td>104,612</td>
<td>108,762</td>
</tr>
</tbody>
</table>

**Report total direct GHG emissions – metric tonnes**: 104,612

**GHG emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the location based Scope 2 calculation method, together with the latest emission factors from recognised public sources including, but not limited to, Defra/DECC, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change.**

Compass' disclosure in accordance with the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013 is stated in the table below:

**As a result of a 12% reduction in absolute emissions versus last year, and an increase in revenue, GHG intensity has decreased by 32% since our 2008 baseline.**

The reporting of GHG emissions covered 94% of consolidated Group revenue and we are seeking continuous improvement in data entry and completeness in future years.

**Targets 2017 onwards**

In order to reflect our ambitions to limit our environmental impact we will be applying Science Based Targets (SBT) for energy and carbon reduction. SBTs will bring our carbon reduction targets into line with climate science and the need to reduce emissions between now and 2050 in order to limit global temperature rise by 2°C above pre-industrial levels – the 2 degrees scenario.

We will be adopting the Sectoral Decarbonisation Approach (SDA) methodology which has been developed by the UN Global Compact, Carbon Disclosure Project, World Resource Institute and WWF. Using International Energy Agency projections, SDA allocates a carbon budget in line with a 2 degrees scenario for each sector, and therefore takes into account the differences in mitigation potential (for instance, the decarbonisation of the electricity grid) and activity growth across those sectors.

The SDA methodology will allow us to set shorter term carbon emissions targets whilst planning for longer term reductions out to 2050. We will communicate our revised carbon emissions targets in our 2017 CR Report.
Our performance and targets continued

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<tbody>
<tr>
<td>ENVIRONMENTAL REPORTING</td>
<td>WATER EFFICIENCY</td>
<td>Water consumption by our corporate offices</td>
<td>20% reduction by 2017 (against 2008 baseline)</td>
<td></td>
<td>In 2016, we continued to extend the scope of reporting to include additional locations where Compass has direct control, such as laundries and central production units. We have seen a significant increase of 82% (vs 2008) in our reported water consumption, as a direct result of having greater visibility of consumption data from our utilities providers and building landlords. We will continue to focus on improving the accuracy of data during 2017, to help us identify those sites with higher consumption where we need to focus efforts to reduce our impact.</td>
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<td></td>
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<td>% increase in spend on concentrated chemicals as a % of total chemical spend</td>
<td>25% increase in spend on concentrated chemicals as a % of total chemical spend by 2017</td>
<td>11%</td>
<td>Last year, we collated and analysed spend data from countries to form our baseline against this KPI (concentrated cleaning chemicals require less water consumption). Concentrated chemical spend this year increased by 11% (approx. £17 million) versus 2015 (approx. £15 million). Countries still have more work to do to accurately report their spend data, and we will report on our progress in 2017.</td>
</tr>
<tr>
<td></td>
<td>GENERAL WASTE REPORTING</td>
<td>% of waste generated by Compass offices diverted from landfill</td>
<td>25% improvement by 2017 (against 2011 baseline)</td>
<td></td>
<td>This year, we continued our focus on improving the accuracy of data reported by countries, including the composition of our waste, by collaborating with our waste contractors. This enables us to track progress on the proportion of waste being recycled and we are pleased with the progress we have made to date against our target.</td>
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<td>% of units where cooking oil is recovered/recycled</td>
<td>Report % of units where cooking oil is recovered/recycled</td>
<td>70%</td>
<td>Our analysis shows that 70% of units have their used cooking oil recycled, a proportion of which is converted into biodiesel. Countries still have more work to do to accurately report their data, and we will report on our progress in 2017.</td>
</tr>
</tbody>
</table>

BASIS FOR CONSOLIDATION
1. KPI relates to our global performance
2. KPI relates to our top 20 countries representing 94% of total Group revenue
3. KPI relates to our top 30 countries representing 98% of total Group revenue

All targets relate to data capture ending 30 September for the year stated.