

Supply Chain Integrity Guidelines

April 2017

We recognise that our commercial activities impact our clients, consumers, suppliers and those people working within our supply chains. By acting with both responsibility and professionalism throughout our purchasing and supply chain processes, we aim to provide safe, legal and good quality food for our customers whilst protecting and supporting our suppliers and their employees.

The integrity of our supply chain can be affected by many factors; the key elements that we have identified which affect both our suppliers and our customers are detailed within this policy. In addition, we have further supporting policies which are referenced in this document.

Our procurement processes are designed to select and retain suppliers through a nondiscriminatory bidding and tendering process. As a minimum, our procurement activity will comply with the relevant Food Safety and Health and Safety standards, Codes of Practice, Company regulations and standards in the countries in which we operate and will reflect our ongoing commitment to sustainable food procurement and Corporate Responsibility (CR).

Our aim is to establish mutually beneficial relationships with our suppliers. To help achieve this and to ensure our suppliers are clear on our requirements we use our Supplier Code. Agreement with this Code forms part of our purchasing terms and conditions for supply. We work to identify and share best practice and knowledge and are members of various trade associations, work with a range of partner organisations, and are engaged in a number of forums with government departments, agencies and non-government organisations (NGOs).

Our commitment to upholding integrity includes having a process to address where this may not be happening either in our own operations or our supply chain. 'Speak-Up' is a group-wide programme for Compass employees and suppliers to confidentially raise their concerns over actions or behaviour that they feel may be improper, unsafe, unethical or illegal.

Responsible sourcing

The scale of our business and our global supply chain means we are committed to maintaining a strong agenda on sourcing responsibly. We measure the success of our business not just in financial terms but also in terms of environmental and social goals; all elements add to the value of the company, its suppliers and employees.

Animal welfare

Compass recognises and understands concerns about the welfare of animals in our global supply chain. As a minimum, products derived from animals must comply with all applicable legislation relating to animal welfare in the country of production.

In addition, Compass endorses the Farm Animal Welfare Council (FAWC) Five Freedoms principles for animal welfare which are:

1. Freedom from hunger and thirst, *by ready access to water and a diet to maintain health and vigour*
2. Freedom from discomfort, *by providing an appropriate environment.*
3. Freedom from pain, injury or disease, *by prevention or rapid diagnosis and treatment.*
4. Freedom to express normal patterns of behaviour, *by providing sufficient space, proper facilities and appropriate company of the animal's own kind.*
5. Freedom from fear and distress, *by ensuring conditions and treatment, which avoid mental suffering.*

To facilitate compliance to this within our supply chains, our expectations and requirements are explained both in our Supplier Code and local Sourcing Standards. Our teams are trained in these and support our suppliers to manage this requirement back in their supply chains to farms.

Deforestation risks

We recognise that deforestation has an impact not only on the habitat of indigenous species and people, but also on the longevity of the natural environment and in turn the securities of our food supply chains. There are four key commodities associated with deforestation within our global supply chain:

Palm oil

Palm oil is used in a wide variety of foods. Oil palms are highly efficient producers of high quality, versatile oils but they only grow in the tropics, where their cultivation can have negative impacts on the environment. Compass Group fully supports the work of the Roundtable on Sustainable Palm Oil (RSPO) and actively encourages our key suppliers to do likewise.

We have set out a commitment to achieve transparency on the palm oil that we source and move to more sustainable sources by 2020.

Soy

The use of soy as an animal feed or direct food stuff has a similar impact on deforestation as palm oil, the areas most affected being in South America. Compass is a member of the Round Table for Responsible Soy (RTRS) initiative and we have recently embarked on a project to understand our global 'soy footprint'. This intention is included in our Supplier Code.

Timber and pulp

By working through the 'remove, replace, recycle' hierarchy we are reducing the amount of virgin paper and board and increasing the recycled content across the range of timber and pulp products we use. Where available, we have switched to FSC certified paper for our office stationery and are committed to increasing the recycled content of the disposable paperware that we source.

Beef

We know that sourcing food products from the Amazon biome can impact on deforestation and desertification of the region. We are committed to preventing this and actively seek to reduce our sourcing of products such as soy or beef from this region.

Environment

As part of our sustainability programme our Environmental Policy defines the principles and ambitions we must ensure both our operations and our suppliers are acting to reduce our impact on the environment.

Human rights

Compass is committed to ensuring that all our dealings with suppliers, from the point of search and selection through to supply and payment, are conducted in accordance with our guiding principles of responsible and ethical trading.

We recognize the importance of maintaining both visibility and transparency within our supply chain in order to protect those that work within it from potential abuse and exploitation. We embrace the Ethical Trading Initiative (ETI) Base Code principles, and reflect these within our Code of Business Conduct and Supplier Code.

The Base Code principles are:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining is respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhumane treatment is allowed.

We will ensure compliance with these principles through a programme of training and communication throughout 2017 and beyond which includes: training all our buying teams to understand and integrate the principles of responsible sourcing into their core roles and communicating our Supplier Code to all new suppliers across the business.

Marine Conservation

Our approach to responsible and sustainable sourcing naturally extends to our fish and seafood supply chains. We recognize there is a real need to ensure our sourcing practices promote a thriving fish and seafood industry so that we can offer our clients a wide range of products at competitive prices.

All fish and seafood served by us shall be from sustainable sources, with no products being sourced which are listed on the Marine Conservation Society (MCS) 'Fish to Avoid' list, or other equivalent lists.

We request our suppliers to demonstrate compliance with this through keeping records of Total Allowable Catch (TAC) data, certification scheme certificates or scheme membership.

We are focused on increasing the amount of certified sustainable fish we serve each year and recognize the Marine Stewardship Council, Aquaculture Stewardship Council, GAA Best Aquaculture Practice and Global GAP certification schemes. We remain committed to increasing our purchase of certified sustainable fish to 50% of total category spend across our global business by 2020.

Reporting and Review

We are committed to being transparent with how we perform against our commitments. We recognise that our businesses and suppliers around the world are at different stages of development, or have different priorities based on their legislative or customer needs. As such we reflect realistic targets and timescales for delivery on the elements within this policy. We will report on our progress against the commitments defined in this policy and other related policies and strategies regularly through our Annual Report, our CR Report and Corporate Responsibility Website.

We continually monitor our industry to inform and ensure our ambitions and thinking is current. As part of this process we encourage feedback and input from our clients, suppliers and industry partners. Where changes to our requirements are made, we will reflect this back into our supply chain through annual review of this policy and its associated documents.