

Particulars

About Your Organisation

1.1 Name of your organisation

Compass Group PLC

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

3-0033-10-000-00

1.4 Membership category

Retailers

1.5 Membership sector

Ordinary

Retailers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain

- Retail - with own brand products
 Retail - without own brand products
 Food service providers
 Retail wholesalers
 Other

Other

Compass Group is a world leading food and support services company. It is important to note that we do not manufacture any products or have any own label products, and do not purchase palm oil directly. This means that whilst we can help to influence the product specifications that we purchase from suppliers, we do not have direct control of their composition/ingredients sourcing. That said, we recognize that we have a responsibility to work with our suppliers to ensure that the palm oil used in our kitchens and in the manufacturing of the products we buy is Certified Sustainable Palm Oil (CSPO). Palm oil used back of house in our kitchens: The main products that we use containing palm oil (cooking (frying) oil and margarine/vegetable oil based spreads) are used to prepare food in our kitchens. Although not Compass Group 'own brand', for the purposes of our palm oil strategy, all palm oil, and palm oil based products used back of house (i.e. in our kitchens to prepare food) will be captured and reported under our 'own brand' commitments. Palm oil in other manufacturers' brands that we source: Many of the products that Compass Group source from other manufacturers either directly contain palm oil, or palm oil products were used in the manufacturing process. These products will be captured and reported under our commitments for 'third party brands'.

2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOF. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOF reports without reported volume data will be considered incomplete and will not be accepted.

2.1 Please list down all operations and subsidiaries using palm oil that are owned and/or managed by the member, including those under Group Membership

We use palm oil across our entire business. Compass provides food and support services to millions of people every day. We have a global footprint, with some 600,000 colleagues working in around 45 countries across 55,000 client locations. We manage the business in three geographic regions: North America, Europe and Rest of World.

2.1.1 In which markets does your company retail goods with palm oil and oil palm products?

Applies globally

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	3468.0
Total volume of crude/refined palm kernel oil (tonnes)	0.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	0.0
Total	3468.0

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question RT.2.2.4) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	80.0
Palm kernel oil-based derivatives and fractions	20.0

2.3 Volume of RSPO-certified palm oil and oil palm products (palm-content only) used in your company's own brand products in the year (tonnes):

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	1625.0	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	565.0	0.0	0.0	0.0
Mass Balance (MB)	767.0	0.0	0.0	0.0
Segregated (SG)	479.0	0.0	0.0	0.0
Identity Preserved (IP)	32.0	0.0	0.0	0.0
Total	3468.0	0.0	0.0	0.0

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question RT.2.3) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	80.0
Certified Palm kernel oil-based derivatives and fractions	20.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

100.00%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

Yes

2.5 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question RT.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	75.0
North America	1.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	1.0
Africa	1.0
Rest of World	22.0

3. TimeBound Plan

3.1 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2017

3.1.1 If the previous target year for RT.3.1 has not been met, please explain why.

Not applicable - response as per previous ACOP submission

3.2 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2017

3.2.1 If the previous target year for RT.3.2 has not been met, please explain why.

In 2018, we took the landmark step of purchasing PalmTrace credits to cover the uncertified volume of palm oil (within cooking (frying) oil and margarine/vegetable oil based spreads) being used back of house (i.e. in our kitchens). We did the same last year and expect to do the same later this year, and each subsequent year until we achieve our 100% CSPO commitment by the end of 2022.

3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2022

3.3.1 If the previous target year for RT.3.3 has not been met, please explain why.

Not applicable - target year is 2022

3.4 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

Applies globally

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

Compass Group does not source any 'own brand' products.

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

For the last few years, we have used a data capture system to measure the volume of palm oil used across markets that contribute in excess of 93% of our annual revenue. The system also captures the volume that comes from RSPO member companies, that is RSPO certified. In 2020 this system will be implemented in the remaining markets to provide more accurate globally representative values. We recognize that some of the products we source (margarine/vegetable oil based spreads, for example) may contain a smaller volume of other palm oil derivatives such as palm kernel oil. Although our data capture system does not currently capture this separately to the crude and refined palm oil, we are continuing to explore options in terms of how we might split this volume out in the near future. Compass Group will continue to promote the use of certified sustainable palm oil in other manufacturer's brands. Compass Group has several KPIs in place to promote CSPO use along its supply chain and continues to make steady progress towards achieving our commitments surrounding the sustainable procurement of palm oil. - In 2020 we will roll out an upgraded Compass Palm Oil Supplier Questionnaire across our key suppliers, however our complex supply chain structure continues to make this process challenging. We commit to having full transparency of products with palm oil, its quantities, and the identification of the split of sustainable and non-sustainable palm oil including the supply chain method in place. We are passionate about increasing visibility, and in 2016 successfully implemented data capture systems in the UK to record the classification of palm oil contained in purchased products and the specific RSPO supply chain method used to certify. These data capture systems will be rolled out across our other major markets, commencing with Europe and North America in the near future. - Based on the data collected, Compass Group will look to set incremental targets towards CSPO in other manufacturers' products. - Compass Group will continue to raise awareness among suppliers and work with them towards the sustainable sourcing of palm oil.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

6.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

6.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

6.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

Ethical Conduct & Human Rights

6.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

6.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

Land Use

6.3 Does your company have a publicly-available Policy covering Land Use?

Yes

6.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

6.3.2 Has your company previously uploaded or linked its Land Use policy in previous ACOP reporting cycles?

Yes

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

Yes

6.4.1 Has your company previously uploaded or linked its Occupational Health & Safety policy in previous ACOP reporting cycles?

No

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

6.5.1 Does the policy cover:

- Identification and assessment of GHG
- Public reporting of GHG footprint
- Monitored implementation plan to reduce or minimise GHG emissions

6.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?

Yes

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

6.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>

Yes

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**

Yes

6.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

6.7.2 How is your company supporting them?

Last year, over 25% of the PalmTrace credits we purchased were from Independent Smallholders. We will look to increase this percentage year on year until we achieve our 100% CSPO commitment by the end of 2022.

7. Challenges

7.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

Compass Group operates at around 55,000 client locations and has a complex multi-tiered supply chain through which it sources the ingredients required to service our clients. Within our supply chain we procure a wide range of commodities from raw ingredients to processed food and drink, but not palm oil directly. Due to such complexities and our widespread support of SME suppliers, we are on a 'journey' of improving the visibility of those products identified with a material level of palm oil content. We have developed data capture systems to gather information on the sustainability standards applied to the palm oil contained in purchased products, this has been successfully implemented in the UK. We plan to roll such systems out to other global markets - initially Europe and North America. As use of palm oil is limited within Compass Group, our ability to roll out such systems is dependent on other drivers. We continue to develop and roll out expansive IT systems in wider geographies although the rate of deployment has been a challenge. We have developed a range of sustainable procurement standards, along with training materials on the issues around palm oil. The process of implementation includes a requirement for each country to identify suppliers where risks may exist and to begin to challenge those suppliers to provide products containing sustainably sourced commodities. We actively support the more proactive of our suppliers who are opting for CSPO such as Unilever, and our European French fries suppliers (100% of the contracted volume we purchase is from RSPO members, with 100% of the constituent palm oil being RSPO certified). The need for increased resources is another major hurdle in the use and/or promotion of CSPO. Especially in relation to our complex supply chains, increased administration burden could lead to a significant rise in costs. Although we are happy to devote more resources to promote and use CSPO, it should be noted that although palm oil containing products play a role in the Compass Group value chain, they do not constitute a significant proportion of revenue.

7.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

Compass Group has responded to the CDP Forests program and the WWF Palm Oil buyers scorecard for a number of years and will continue to do so in 2020.

7.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

https://www.compass-group.com/content/dam/compass-group/corporate/Acting-responsibly/CompassGroup_Sustainability_report_2019_high_res.pdf