



Compass Group USA and Farm Animal Welfare July 2017

*Pork Update December 2017

In August 2005, Compass Group USA, the Environmental Defense Fund and Smithfield announced an agreement to reduce the use of antibiotics in mainstream pork production. Since then, Compass Group has taken a leadership role within the foodservice industry regarding farm animal welfare.

In November 2016, Compass Group became the first foodservice company to commit to 100% healthier, slower growing chicken by 2024 through a landmark Global Animal Partnership (GAP) agreement. This is GAP's first-ever partnership with a foodservice company and will result in improving the lives of approximately 60 million broiler chickens per year.

Compass has also demonstrated leadership in developing menus and offerings that respect those who choose diets based upon consumption of more fruits, vegetables, and grains rather than animal protein. For instance:

- Compass subsidiary, Bon Appétit Management Company offers vegetarian and vegan options in their locations every meal.
- In 2009, Compass Group launched the Be a Flexitarian Campaign that promotes substituting plant based protein for animal protein one day a week.
- In 2015 Compass Group announced the adoption of four new, key initiatives based on the Menus of Change Principles of healthy, sustainable menus. Menus of Change is a national, multi-year project developed by the Culinary Institute of America and Harvard School of Public Health. The principles encourage an increased availability and use of grains, fruits and vegetables, as well as a reduction in red meat portion sizes and offerings.
- In 2015, Compass Group announced an exclusive agreement with Hampton Creek Foods, makers of Just Mayo and a line of products including cookies, salad dressings, and mixes that replace eggs with a plant based protein. The impact of that partnership within six months resulted in eliminating 1.2 million eggs, and has alleviated pressure on the market caused by Avian Flu.
- Compass Group was recognized by Compassion in World Farming with a 2016 Good Egg Award; and by the Humane Society of the United States with a Henry Spira Award for Humane Corporate Progress in 2016 for our commitment to cage free eggs, and again in 2017 for our commitment to broiler welfare standards.
- This year Compass Group will pilot a robust plant-forward station within its Education and B&I companies.

Compass Group USA Commitments

Compass Group USA Commitments are based upon the Five Freedoms of Animal Welfare developed by the Farm Animal Welfare Committee of the United Kingdom. They are:

1. Freedom from thirst, hunger and malnutrition
2. Freedom from discomfort

3. Freedom from pain, injury and disease
4. Freedom to express normal behavior
5. Freedom from fear and distress

Gary Snyder, Chief People Officer, oversees sustainability and animal welfare policy for Compass Group USA.

Broilers

Compass Group USA and the animal welfare certification program Global Animal Partnership (GAP) announced a historic and unique partnership to transform the welfare of chickens within Compass' supply chain. With the announcement, Compass agreed to ensure certification under GAP's 5-Step Animal Welfare Rating program for all broiler chickens as a buying requirement across 100 percent of our business by 2024. Key areas of the standard include:

- a. using approved genetic strains and meeting criteria for any new strains to be assessed
- b. enrichments including hay bales, perches, and natural light,
- c. and minimum space requirements (6lbs/square foot).

By 2024 we will also require that all broilers in our supply chain be rendered unconscious prior to shackling using a method of Controlled Atmosphere Killing. We will annually benchmark our progress, and publically report performance.

Poultry

In 2003, Bon Appétit announced a policy to reduce antibiotics use in chickens. They added turkeys to that policy in 2005. Their chickens and turkeys are raised without routine antibiotics in feed or water. Compass Group chicken and turkey products are raised without the routine use of antibiotics. The use of antibiotics is allowed for therapeutic use only. Further, we are working with poultry suppliers to use a class of antibiotics not for use in humans. In 2017, we transitioned our ground turkey to 'No Antibiotics Ever'. We also ban the use of animal bi-product in feed.

We are committed to working with our suppliers to address welfare issues around the fast growth rate and poor living condition of turkeys, and we will encourage the use of more humane practices for pre-slaughter stunning and humane handling. We are committed to working toward using third-party animal welfare auditing systems such as Global Animal Partnership, Humane Farm Animal Care, and Animal Welfare Approved.

Eggs

In 2007, Compass Group became the first of the major foodservice companies to announce a commitment to move 100% of their shell egg purchases to cage-free, and to do so within a five month window. Compass Group purchases cage-free shell eggs certified by third-party animal welfare auditing systems such as Humane Farm Animal Care, Animal Welfare Approved, and Food Alliance.

In 2015, we announced a commitment to move liquid egg purchases to cage-free by 2019. Bon Appétit Management Company moved shell egg purchases to cage-free and HFAC (Humane Farm Animal Care) in 2005 and moved to cage-free liquid eggs in 2015.

Cage-free Egg Purchase 7/1/16 - 6/30/17

Cage-free Shell Egg: 85% *

Cage-free Liquid: 19%

Deviation from our 100% commitment due to impact from avian flu and newer acquired businesses transitioning their supply chain to Compass Group requirements.

Dairy

In 2010, Compass Group announced a commitment regarding the elimination of the recombinant bovine growth hormone (rBGH) from all liquid dairy products and yogurt. Compass Group is committed to working with our dairy suppliers to continue to address issues related to dehorning of dairy cows and tail docking.

Pork

**** Change to the Group Housing Commitment - December 2017***

Compass Group began purchasing open sow housed pork in 2015 and through our strategic partnerships have led the industry and made meaningful change. Due to existing supply chain constraints, our ability to purchase pork from open sow housing has been limited. We are continuing to evaluate the market with our supply partners to increase our purchases of open sow housed pork going forward.

Geese

In 2012 Compass Group made a commitment to eliminate the use of foie gras on our menus across all our companies.

Beef

Since 2012 Bon Appétit only serves ground beef from animals fed a vegetarian diet, never given antibiotics or artificial hormones, and from a third-party certified humane source.

Compass Group is committed to working with our suppliers to address issues of pain management for castration and the elimination of disbudding.

Veal

Bon Appétit eliminated crated veal in 2011. Compass Group is committed to eliminating the use of veal calves confined in crates by 2017.

Compass Group USA Transparency Pledge

- We will report products from a third party animal welfare auditing system on our sustainability scorecard.
- We will report on the % of animals in our commitment (eggs, veal and sows) free from cages and crates on our sustainability scorecard.
- We will report products purchased free of eggs on our sustainability scorecard.
- We will provide an annual update on our industry discussion for supply chain improvement.
- We will report all products produced with minimal use or free of hormones and antibiotics on our sustainability scorecard by year end 2015.

Vision 2020 Commitments

- Double our volume of proteins that are from a third-party animal welfare auditing system compared to 2014 purchasing base line (1.3 million pounds).
- Reduce our purchases of red meat by 30% compared to our 2014 baseline.