



Compass Group

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Compass Group provides catering services to a wide range of institutions, including large companies, hospitals, schools, universities and sports arenas. It operates in more than 55,000 locations in over 50 countries and serves over five billion meals a year.

Background

Several high-profile fraud incidents have struck the food sector in recent years. According to the Food Fraud Initiative MSU, food fraud costs the global food industry \$40 billion each year.

In 2013, a number of retailers, major manufacturers and foodservice operators found that some of their products inadvertently contained horsemeat. Although not directly affected, Compass did retrospectively identify a mislabelling incident in relation to a supplied product that it had previously withdrawn from its Irish supply chain.

Our engagement

We commenced engagement with the company in 2015. One of our objectives was to ensure that the company could demonstrate effective food safety policies and control processes to avoid the recurrence of a similar scandal. We had conversations on a number of occasions with the company's director of health, safety and environment and with the head of supply chain integrity. We also met the former chair of the corporate responsibility committee to request that the company report on the progress it has made.

Changes at the company

Following the horse meat scandal, the company made significant improvements to the management of its food supply chain, such as the inclusion of a food safety incident rate measure in its executive bonus scheme.

In 2015, it launched a new version of its global supply chain integrity standards to make it more resilient to food fraud. This included an increased focus on horizon-scanning for new and emerging risks, supplier mapping and the routine testing of products. In 2017, the company conducted a gap analysis on the implementation of these standards with action plans to address any shortfalls in its operations in individual countries. In 2018, following discussions with us regarding the importance for the company to ensure awareness of the speak-up channel in its supply chain, Compass reviewed its supplier code.

Food fraud involves sophisticated criminal activity, which is why, in addition to strong company actions, cross-industry collaboration is required. As reported in its 2017 CSR report, Compass has demonstrated leadership on food fraud by being a founding member of

an initiative on food integrity – the Food Industry Intelligence Network – through which UK food businesses share intelligence by submitting anonymous data on product testing.

The EU Food Fraud Network reported 775 cases of suspected fraud in 2017, a significant jump from 243 in 2016. Therefore, we will continue to engage with the company on the level of control and visibility over its supply chain. Potential solutions include more sophisticated supplier mapping, supply chain assurance, as well as food tracking and detection systems, including the use of blockchain technology.