



New and emerging risks

The Board has established processes for identifying emerging risks, and horizon scanning for risks that may arise over the medium to long term. Emerging and potential changes to the Group's risk profile are identified through the Group's risk management framework and through direct feedback from management, including in regard to changing operating conditions, and market and consumer trends.

The democratisation of generative artificial intelligence (AI) has given widespread access to powerful online AI services for content creation. This opportunity presents several risks including breach of data confidentiality and data privacy. In response, to mitigate these risks, Compass has implemented principle-based rules that apply globally, and we are currently developing a framework for the responsible use of AI in all our markets.

The escalating tensions in the Middle East and the ongoing Russia-Ukraine conflict have elevated geopolitical risks and while we do not operate directly in those countries currently affected, we do have interests elsewhere in Europe and the Middle East. We continue to monitor these situations closely with the safety and security of the Group's employees front of mind.

Our principal risks

The principal risks and uncertainties facing the business at the date of this Report, and any changes to the status of these risks since last year, are set out on pages 26 to 30. These have been subject to robust assessment and review.

They do not, however, comprise all the risks that the Group may face and are not listed in any order of priority. Additional risks and uncertainties not presently known to management, or which are considered to be remote or are deemed to be less material at the date of this Report, may also have an adverse effect on the Group.

Other principal risks

The Group faces a number of operational risks on an ongoing basis, such as litigation and financial risks, as well as some wider risks, for example, environmental, information security, cyber and reputational.

All risks disclosed in previous years can be found in the annual reports available on our website, www.compass-group.com.

These risks remain important to the business and are kept under regular review. However, the disclosures on pages 26 to 30 focus on risks currently considered to be more significant to the Group.

Risk management continued

Principal risks

Link to  See page 5

- 1

MAP 1: Client sales and marketing
- 2

MAP 2: Consumer sales and marketing
- 3

MAP 3: Cost of food
- 4

MAP 4: In-unit costs
- 5










MAP 5: Above-unit overheads
- ↑

Increased risk
- Static risk
- ↓

Decreasing risk
- NEW





New risk

Risk and description		Mitigation
Climate change and sustainability		
<div><div>Climate change</div><div>12345</div><div>2023: → 2022: →</div><div>Strategic pillar link: People/Performance/Purpose</div><div>The impact of climate change on the environment may lead to issues around food sourcing and supply chain continuity in some of the Group's markets. Issues in these areas could affect the availability of some food products, and potentially may lead to food cost inflation.</div></div>		The Group continues to focus on evaluating its exposure to climate change and seeks to identify potential future issues early so that sourcing and operations can be adjusted, and menus adapted appropriately. Work continues with clients and suppliers to propose, execute and measure solutions to support their efforts and those of Compass in reducing greenhouse gas (GHG) emissions. Compass has targeted climate net zero GHG emissions by 2050 alongside validated science-based targets to reduce emissions by 2030 (from a 2019 base year) in line with the 2015 Paris Agreement.
<div><div>Social and ethical standards</div><div>12345</div><div>2023: → 2022: ↑</div><div>Strategic pillar link: People/Performance/Purpose</div><div>Compass relies on its people to deliver great service to its clients and consumers and recognises that the welfare of employees is the foundation of its culture and business. Compass remains vigilant in upholding high standards of business ethics with regard to human rights and social equality.</div></div>		To enhance its ability to counter risks to its businesses and supply chains from modern slavery, Compass has focused on the areas where its human rights strategy can have the greatest impact. This has been done through the Human Rights Working Group, the engagement of external specialist advisers, the Group's modern slavery e-learning tools and ongoing work to strengthen and improve the Group's human rights due diligence through supplier evaluation and labour agency reviews.
Health and safety		
<div><div>Health and safety</div><div>12345</div><div>2023: → 2022: →</div><div>Strategic pillar link: People/Performance/Purpose</div><div>Compass feeds millions of consumers every day and its companies employ hundreds of thousands of people around the world. For that reason, setting the highest standards for food hygiene and safety is paramount.</div><div>Health and safety breaches could cause serious business interruption and could result in criminal and civil prosecution, increased costs and potential damage to the Company's reputation.</div></div>		<div>Management meetings throughout the Group feature a health and safety update as one of their first substantive agenda items.</div> <div>Health and safety improvement KPIs are included in the annual bonus plans for each of the businesses' management teams. The Group has policies, procedures and standards in place to ensure compliance with legal obligations and industry standards.</div> <div>The safety and quality of the Group's global supply chain are assured through compliance with a robust set of standards which are regularly reviewed, audited and upgraded as necessary to improve supply chain visibility and product integrity.</div> <div>Further mitigations in place include our Global Operational Safety Standards, Global Supply Chain Integrity Standards and a Global Allergen Management Plan.</div>

Risk and description	Mitigation
Health and safety continued	
<p>Pandemic  2023:  2022:  Strategic pillar link: People/Performance/Purpose</p> <p>The Group's operations were significantly disrupted due to the global COVID-19 pandemic and associated containment measures. Compass has recovered well and learned from the pandemic, and as a result this risk has declined. Further outbreaks of the virus, or another pandemic, could cause further business risk.</p>	<p>Operations and working practices have been adjusted to retain the skills and experience of colleagues and provide flexibility in the event of another pandemic which leads to a resumption of containment measures.</p> <p>To protect the Group's employees, clients and consumers, enhanced health and safety protocols and personal protective equipment requirements and guidelines, hygiene requirements and site layout solutions developed in consultation with expert advisers and with our clients, have been adopted.</p> <p>Careful management of the Group's cost base and robust measures to protect the Group's liquidity position have ensured that we remain resilient and well placed to take advantage of appropriate opportunities as they arise.</p> <p>Robust incident management and business continuity plans are in place and are monitored for effectiveness and regularly reviewed to ensure they reflect evolving best practice.</p>
People	
<p>Recruitment  2023:  2022:  Strategic pillar link: People/Performance</p> <p>Failure to attract and recruit people with the right skills at all levels could limit the success of the Group.</p> <p>The Group faces resourcing challenges in some of its businesses in some key positions due to labour shortages and a lack of industry experience amongst candidates, appropriately qualified people, and the seasonal nature of some of Compass' businesses.</p>	<p>The Group aims to mitigate this risk by efficient and time-critical resource management, mobilisation of existing experienced employees within the organisation, improved use of technology such as apps and social media, targeted recruitment, and training and development programmes.</p>
<p>Retention and motivation  2023:  2022:  Strategic pillar link: People/Performance</p> <p>Retaining and motivating the best people with the right skills, at all levels of the organisation, is key to the long-term success of the Group.</p> <p>Changes to economic conditions may increase the risk of attrition at all levels of the organisation.</p> <p>Potential business closures resulting from further COVID-19 or other pandemic-related lockdowns or other social distancing controls could significantly impact the Group's workforce in affected regions.</p>	<p>The Group has established tools, training, development, performance management and reward programmes to help retain, develop, motivate and support its people.</p> <p>The Group has a number of well-established initiatives which help to monitor levels of engagement and to respond to the needs of employees. Specifically, Compass has increased its local focus and employee support on mental health awareness, stress management and resilience to better equip its people in times of uncertainty and change.</p> <p>To protect its workforce, Compass applies measures available to it to retain as many of its skilled workforce as possible, including redeployment.</p>

Risk management continued

Risk and description	Mitigation
Clients and consumers	
<p>Sales and retention</p> <p>① ②</p> <p>2023: → 2022: →</p> <p>Strategic pillar link: People/Performance</p> <p>The Group's businesses rely on securing and retaining a diverse range of clients.</p> <p>The potential loss of material client contracts in an increasingly competitive market is a risk to Compass' businesses.</p>	<p>Compass has strategies based on quality, value and innovation that strengthen its long-term relationships with its clients and consumers.</p> <p>The Group's business model is structured so that it is not reliant on one particular sector or group of clients.</p> <p>Technology is used to support the delivery of efficiencies and to contribute to growth through, for example, cashierless and cashless payment systems and the use of artificial intelligence. This is beneficial to clients and consumers and positively impacts retention and new business wins.</p> <p>Compass continues to focus on financial security and safety. In today's environment, these are key strengths for clients.</p> <p>Contracts may be renegotiated. There is continued focus on retention and new sales and the use of technology and innovative client solutions.</p>
<p>Service delivery, contractual compliance and retention</p> <p>① ②</p> <p>2023: → 2022: →</p> <p>Strategic pillar link: People/Performance</p> <p>The Group's operating companies contract with a large number of clients. Failure to comply with the terms of these contracts, including proper delivery of services, could lead to the loss of business and/or claims.</p>	<p>Processes are in place to ensure that the services delivered to clients are of an appropriate standard and comply with the required contract terms and conditions.</p>
<p>Competition and disruption</p> <p>① ② ③ ④ ⑤</p> <p>2023: → 2022: →</p> <p>Strategic pillar link: Performance</p> <p>The Group operates in a highly competitive marketplace. The levels of concentration and outsource penetration vary by country and by sector. Some markets are relatively concentrated with two or three key players. Others are highly fragmented and offer significant opportunities for consolidation and penetration of the self-operated market.</p> <p>Ongoing structural changes in working and education environments may reduce the number of people in offices and educational establishments.</p> <p>The emergence of new industry participants and traditional competition using disruptive technology could adversely affect the Group's businesses.</p>	<p>Compass aims to minimise this risk and to respond to new market and consumer food services trends by continuing to promote its differentiated propositions and by focusing on its strengths, such as flexibility in its cost base, quality, value of service and innovation.</p> <p>Harnessing knowledge and experience and continuing to invest in technology helps to counter any potential risk and to capitalise on the opportunities created.</p> <p>Compass continues to evolve its offer to increase participation rates and service sites of different sizes.</p> <p>The businesses are able to adapt to changes in the service provision environment and where possible take advantage of changes in the market. By leveraging its expertise and technology Compass is able to differentiate its food services offer. For example, investments in SmartQ and EAT Club have given Compass platforms that allow it to pivot food operations according to changing client and consumer demands.</p>
Economic and political environment	
<p>Geopolitical</p> <p>① ② ③ ④ ⑤</p> <p>2023: ↑ 2022: ↑</p> <p>Strategic pillar link: People/Performance/Purpose</p> <p>The escalating tensions in the Middle East and the ongoing Russia-Ukraine conflict have elevated geopolitical risks, heightened national security threats to countries in those regions and disrupted the global energy market, which have contributed to cost inflation, and economic and cyber-security risks.</p>	<p>As a Group, Compass is monitoring the situation closely with the safety and security of the Group's employees front of mind.</p> <p>Whilst we do not operate in Israel or the Palestinian territories, we do have interests elsewhere in the Middle East. Last year, Compass permanently exited the Russian market and moved away from all known Russian suppliers.</p> <p>The Group continues to manage inflation risks by sharing best practice across the Group to drive greater efficiencies through menu management, supplier rationalisation, labour scheduling, and productivity through the increased use of technology. Cost indexation in our contracts also gives Compass the contractual right to review pricing with clients.</p>

Risk and description	Mitigation
Economic and political environment continued	
<p>Economy  2023: → 2022: ↑ Strategic pillar link: People/Performance/Purpose</p> <p>Sectors of Compass' business could be susceptible to adverse changes in economic conditions and employment levels.</p> <p>Continued worsening of economic conditions has increased the risk to the businesses in some jurisdictions.</p>	<p>As part of Compass' strategy, the Group is focused on productivity and purchasing initiatives which help to manage the cost base. During adverse conditions, if necessary actions can be taken to reduce labour costs and action plans have been implemented to protect profitability and liquidity.</p>
<p>Cost inflation  2023: ↓ 2022: → Strategic pillar link: People/Performance</p> <p>At Compass, our objective is always to deliver the right level of service in the most efficient way. An increase in the cost of labour, for example, minimum wages in the US and UK, or the cost of food, could constitute a risk to our ability to do this.</p>	<p>As part of the MAP framework, and by sharing best practice across the Group, Compass seeks to manage inflation by continuing to drive greater efficiencies through menu management, supplier rationalisation, labour scheduling and productivity, and through the increased use of technology. Cost indexation in our contracts also gives Compass the contractual right to review pricing with clients.</p> <p>Cost action programmes and the continued oversight of supply chain costs are also mitigating the risks in this area.</p>
<p>Political instability  2023: → 2022: → Strategic pillar link: People/Performance/Purpose</p> <p>Compass is a global business operating in countries and regions with diverse economic and political conditions. Operations and earnings may be adversely affected by political or economic instability.</p>	<p>The Group remains alert to future changes presented by emerging markets or fledgling administrations and tries to anticipate and contribute to important changes in public policy.</p> <p>Where possible, Compass seeks to absorb price increases through operational efficiencies. Cost indexation in our contracts also gives Compass the contractual right to review pricing with clients.</p> <p>Recruitment and retention strategies are also in place to mitigate any impact on labour supply.</p> <p>Compass remains vigilant to changes in political stability in local jurisdictions and retains the flexibility to take appropriate mitigating action as necessary.</p>
Compliance and fraud	
<p>Compliance and fraud  2023: → 2022: → Strategic pillar link: People/Performance/Purpose</p> <p>Ineffective compliance management with increasingly complex laws and regulations, or evidence of fraud, bribery and corruption, anti-competitive behaviour or other serious misconduct, could have an adverse effect on the Group's reputation or on its performance and/or lead to a reduction in the Company's share price and/or a loss of business. It could also lead to criminal proceedings, sanctions or other litigation being brought against the Company, its directors or executive management.</p> <p>Companies face increased risk of fraud, bribery and corruption, anti-competitive behaviour and other serious misconduct both internally and externally, due to financial and/or performance pressures and significant changes to ways of working.</p>	<p>The Group's zero-tolerance-based Code of Business Conduct (CBC) and Business Integrity Policy (BIP), govern all aspects of its relationships with its stakeholders. Compass operates a continuous improvement process as part of the Group's Ethics and Integrity programme to enhance and strengthen its culture of integrity, sharing insights and emerging trends between regional and country management teams.</p> <p>The Group undertakes a robust risk management assessment that helps identify major risks and ensures the internal control framework remains effective through regular monitoring, testing and review. Regulatory and compliance risks are included in this process to enable visibility and planning to address them.</p> <p>A strong culture of integrity is promoted through Compass' Ethics and Integrity programme and its independently operated Speak Up, We're Listening helpline and web platform. All alleged breaches of the CBC and the BIP, including any allegations of fraud, bribery and corruption, anti-competitive behaviour and other serious misconduct, are followed up, investigated and dealt with appropriately.</p> <p>Regulation and compliance risk is also considered as part of the annual business planning process.</p> <p>Our Ethics and Integrity e-learning platform provides increased engagement on key regulatory and ethics and integrity topics for Group employees and clear communication of standards and expectations. Internal Audit regularly reviews internal controls and analyses financial transactions to mitigate the risk of error or fraud.</p>

Risk management continued

Risk and description

Mitigation

Compliance and fraud continued

International tax

3 5

2023: → 2022: →

Strategic pillar link: Performance

The international corporate tax environment remains complex and the sustained increase in audit activity from tax authorities means that the potential for tax uncertainties and disputes remains high. The need to raise public finances is likely to cause governments to consider increases in tax rates and other potentially adverse changes in tax legislation, and to renew focus on compliance for large corporates.

Compass seeks to plan and manage its tax affairs efficiently in the jurisdictions in which the Group's businesses operate. Compass acts in compliance with relevant laws and disclosure requirements.

Compass manages and controls these risks in a proactive manner and in doing so exercises judgement and seeks appropriate advice from reputable professional firms. Tax risks are assessed as part of the Group's formal governance process and are reviewed by the Board and the Audit Committee on a regular basis.

The Group proactively manages its tax arrangements in accordance with various government-led initiatives and ensures compliance is achieved by putting robust processes and controls in place, including third-party support and review.

Information systems, technology and cyber

1 2 3 4 5

2023: ↑ 2022: ↑

Strategic pillar link: People/Performance

The digital world creates increasing risk for global businesses including, but not limited to, technology failures, loss of confidential data, data privacy breaches and damage to brand reputation through, for example, the increased threat of cyber-attacks, and use and instantaneous nature of social media.

Disruption caused by the failure of key software applications, security controls, or underlying infrastructure, or disruption caused by cyber-attacks could impact day-to-day operations and management decision-making, or result in a regulatory fine or other sanction and/or third party claims.

The incidence of sophisticated phishing and malware attacks (including ransomware) on businesses is rising with an increase in the number of companies suffering operational disruption, unauthorised access to and/or loss of data, including confidential, commercial, and personal identifiable data.

A combination of increased geopolitical, economic instability and accessibility of sophisticated artificial intelligence (AI) enabled tools and techniques have contributed to a significant increase in the risk of phishing and malware attacks including ransomware across all industries. The democratisation of generative AI has given widespread access to powerful online AI services for content creation. This opportunity presents several risks including to data privacy and confidentiality.

Compass continually assesses its cyber risk, and monitors and manages the maturity of its enterprise infrastructure, platforms and security controls to ensure that it can effectively prevent, detect and respond to current or future cyber-attacks.

Appropriate crisis management procedures are in place to manage issues in the event of a cyber incident occurring. Our response protocols are supported by using industry-standard tooling, experienced IT and security professionals, and external partners to mitigate potential impacts. Assurance is provided by regular compliance monitoring of our key information technology control framework, which is designed to prevent and defend against cyber threats and other risks.

The Group relies on a variety of digital and technology platforms to manage and deliver services and communicate with its people, clients, consumers and suppliers. Compass' decentralised model and infrastructure help to mitigate propagation of attacks across the Group's technology estate.

Compass continues to be focused on the need to maximise the effectiveness of its information systems and technology as a business enabler. As such, the Group continues to invest in technology and specialist resources in order to further strengthen its platforms, cyber-security defences and controls to prevent and detect cyber threats and respond to attacks in order to mitigate the risk of operational disruption, technology failure, unauthorised access to and/or loss of data.

The Group has implemented configuration changes designed to block phishing emails, increased awareness campaigns, and provided cyber training to help employees identify these kind of attacks.

In response to the potential risks posed by AI, Compass has implemented principle-based rules that apply globally, and we are currently developing a framework for the responsible use of AI in all our markets.

Information systems, technology and cyber-security controls and risks are assessed as part of the Group's formal governance processes and are reviewed by the Audit Committee on a regular basis.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the directors have assessed the Group's viability, considering its current trading performance, financial position, financing, strategic plan and principal risks.

Business prospects

The Board has considered the long-term prospects of the Group based on its business model, strategy and markets as set out on pages 2 to 11. Compass is a global leader in food services and the geographical and sector diversification of the Group's operations helps to minimise the risk of serious business interruption or catastrophic damage to its reputation. The Group's business model is structured so that it is not reliant on one group of clients or sector. The Group's largest client constitutes 2% of underlying revenue, with the top 10 clients accounting for 9%.

Assessment

The directors have determined that a three-year period to 30 September 2026 is an appropriate period over which to provide the Group's viability statement on the basis that it is the period reviewed by the Board in its strategic planning process and is aligned to the typical length of the Group's contracts (three to five years). The directors believe that this presents the Board and readers of the Annual Report with a reasonable degree of confidence over this longer-term outlook.

The Board's assessment of the Group's viability comprises the following business processes:

- **Risk management process:** The Group operates a formal risk management process under which the Group's principal risks are assessed and prioritised biannually. Risks and corresponding controls and mitigations are reviewed by country and regional leadership teams on an ongoing basis. The findings of the risk reviews, including the principal risks and any developing trends, are reported to the Board twice a year. In making its viability assessment, the Board carried out a robust evaluation of the emerging and principal risks facing the Group (see pages 26 to 30), including those that would threaten its business model, future performance, solvency or liquidity.
- **Strategic planning process:** The Board considers annually a three-year, bottom-up strategic plan and a more detailed budget which is prepared for the following year. Current-year business performance is reforecast during the year. The plan is reviewed and approved by the Board, with involvement throughout from the Group CEO, Group CFO and the Executive team. The Board's role is to consider the appropriateness of key assumptions, taking into account the external environment and business strategy. The most recent three-year plan was approved by the Board in November 2023.
- **Headroom and covenant analysis:** At 30 September 2023, the Group had £2.0 billion of undrawn committed bank facilities, which mature in August 2026, and £0.7 billion of cash net of overdrafts. Term debt maturities in the three-year period total £1.8 billion, of which £0.3 billion was pre-financed with bond issues in September 2022. Based on the forecast cash flows in the strategic plan, the remainder of the maturing debt is expected to be refinanced during the three-year period to 30 September 2026 to maintain the desired level of headroom. The £2.0 billion of committed bank facilities are expected to be refinanced during 2025.

The Group's long-term (A/A2) and short-term (A-1/P-1) credit ratings and well-established presence in the debt capital markets provide the directors with confidence that the Group could refinance the maturing debt and facilities as required.

A reverse stress test has been undertaken to identify the circumstances that would cause the Group to breach the headroom against its committed facilities or the financial covenants on its USPP debt. The reverse stress test, which removes discretionary M&A expenditure and share buybacks as mitigating actions, shows that underlying operating profit¹ would have to reduce by more than 80% of the strategic plan level throughout the three-year assessment period before the leverage covenant is reached. The refinancing requirement is not accelerated in the reverse stress test as a mitigating action given the strong liquidity position of the Group.

The principal risks that would have the most significant impact on the Group's business model, future performance, solvency or liquidity are further outbreaks of COVID-19 or another pandemic and associated containment measures, geopolitical tensions, economic conditions and food and labour cost inflation and these, together with the other principal risks identified on pages 26 to 30, have been considered as part of the viability assessment. Specific scenarios based on the principal risks have not been modelled on the basis that the level of headroom to absorb the occurrence of such risks is substantial and there is a range of other actions available that could be implemented to mitigate the potential impact.

Substantial mitigating actions were identified and implemented as part of the Group's COVID-19 pandemic response in 2020, including reducing capital expenditure, resizing the cost base, renegotiating client contracts, pausing M&A activity and shareholder returns, raising equity, negotiating covenant waivers and securing additional committed funding. These actions illustrate the flexibility the Group has to mitigate the impact of adverse events.

In the event that the financial covenants were to come under pressure, mitigating actions include repaying the loan notes from available liquidity, or refinancing, in advance of their maturity or negotiating covenant waivers.

Conclusion

Based on the results of this analysis, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 30 September 2026.



Palmer Brown
Group Chief Financial Officer

20 November 2023

1. Alternative Performance Measure (APM) (see pages 206 to 213). The Group's APMs are defined in note 34 (non-GAAP measures) and reconciled to GAAP measures in notes 2 (segmental analysis) and 34 to the consolidated financial statements.

People



Social Promise, Compass Group UK & Ireland

Compass Group UK&I's Social Promise sets out its aspiration to positively impact one million lives by 2030 through job creation, education, training and community and charitable engagement. Underpinning its Social Promise is a commitment to addressing barriers to progression, particularly in relation to gender, race and among those from less-advantaged or under-represented backgrounds.

During the year, Compass Group UK&I worked with Social Value Portal to quantify the social value created by its business, which was measured at over £590 million. It also launched a socio-economic survey to provide a workforce data baseline for measuring the impact of its social mobility programmes.

In March, the business published its first combined Gender and Ethnic Minority Pay Gap Report, which revealed a median ethnicity pay gap of -7.9%³, indicating greater representation for ethnic minority employees in higher-paid roles and locations, and a median gender pay gap of 12.6%³ (lower than the UK national average of 14.9%).

Most recently, Compass Group UK&I was recognised as a Living Wage Champion at the Living Wage Foundation annual awards for its work advocating with over 300 clients to pay the Real Living Wage (RLW), with an extra 20,000 colleagues being paid the RLW or above since October 2021.

1. Compass Group UK&I People and Communities Report 2021-2022.

2. Measured by Social Value Portal.

3. Compass Group UK&I Gender and Ethnic Minority Pay Gap Report 2023.

Over
£590m

Social and Local
Economic Value
(SLEV) created^{1,2}

-7.9%

ethnic minority
median pay gap³

12.6%

gender pay gap,
lower than national
average³

Putting our people first

At Compass, we know that our success is largely down to the skills and ingenuity of our chefs and front line teams. They lead the way in providing sustainable and safe food at scale, promoting healthier choices and creating great experiences for the people we serve. We feel uniquely positioned to create lifetime opportunities for our people and positively impact the communities in which we operate.

Culture

Our caring, winning culture makes us a better business. Openness, trust and accountability are fundamental to the way we work, and we are committed to ensuring that our people are treated fairly and with respect, have opportunities to grow and develop, and work in positive, supportive teams.

Providing opportunities for all means we value having a diverse and inclusive workforce at all levels and we are determined to support our people to break through traditional gender, ethnicity and socio-economic barriers that might exist in society.

Our businesses support people throughout their careers, both in the good times and when life experiences can be challenging. Tailored support at local level aims to help people struggling with issues around mental health, wellbeing and the cost of living.

Advancement

Our businesses work to ensure that people who want to pursue a career in the food and hospitality industry can succeed with Compass.

Compass encourages new joiners to make use of innovative tools such as digital onboarding applications and training programmes. A more accessible and flexible learning portfolio makes it easier for our people to pursue their longer-term ambitions.

This year, more than 1,500 colleagues have signed up for the UK&I's landmark training and development scheme, Compass Career Pathways, with over 50% of those who have completed the programme having moved or been promoted into a new role.

Reaching disadvantaged groups

Examples of how Compass is reaching disadvantaged groups are as follows.

Compass Group UK&I launched a Social Partner career hub as part of its Mission to a Million Social Promise. The hub supports candidates who face barriers to entering the job market, including ex-offenders, people leaving care, the long-term unemployed and people with disabilities. In a new tailored recruitment process, the hub works with partner organisations to match candidates with job opportunities and internships within the business. Training in relation to autism has been provided to unit managers to understand the challenges candidates face and deliver a supportive, inclusive and personalised hiring process.

Ex-military personnel bring unique skill sets and insights to the business. Compass Group UK&I has an estimated 1,000 employees who are part of the Armed Forces community and has reiterated its support for the Armed Forces by re-signing the Armed Forces Covenant. The business holds the Gold Employer Recognition Scheme award and has expanded the pledges to include a policy supporting the redeployment of spouses of serving military personnel. In the US, Compass has a well-developed careers programme for military veterans, working with Hiring our Heroes and supported by VetNet, the company's veteran employee network. In 2022, Compass Australia became a part of the Australian Prime Minister's Veteran Employment Program, and provides military veterans and those transitioning from defence with extra support into new career pathways by providing a structured support and mentoring programme as well as training for leaders and managers. It also supports families of serving military personnel into sustainable and ongoing employment that fits in with deployment needs.



Deborah Lee
Group Chief People Officer

The Compass Group Foundation

The Compass Group Foundation (the Foundation)¹ is an independent charity, launched in January 2023 and provides grants to non-profit organisations in the communities in which Compass' businesses operate.

Funding is provided to increase access to job opportunities for disadvantaged groups, through training and experience in the food service and hospitality sector, to support equitable market access for smallholder farmers and entrepreneurs in the food supply chain, and by way of emergency response for urgent humanitarian support.

The Foundation leverages the Group networks and employee volunteering, to make a difference for the community. In the last year, the Foundation supported 14 initiatives across eight countries.

One such organisation supported is Sai Swayam Society in India. Funding from the Foundation has enabled 240 young people from the speech and hearing-impaired community to attend training, delivered through sign language, and focused on hospitality, IT, life and soft skills, and helping to secure jobs.

In Spain, the Foundation provided funding to Fundación Integra, supporting women who have been victims of domestic violence, to work towards a Kitchen Assistant certification through Compass Spain's Woman's Academy, with Compass volunteers providing training and tutoring to the women as they progress with the qualification.

In the UK, the Foundation has supported Compass' key charity partner, FoodCycle, to train volunteers who help to tackle food poverty, loneliness and food waste. Employees from Compass UK&I volunteered to support the training and upskilling of the FoodCycle volunteer teams.

In February 2023, the Foundation made a donation to support people affected by the earthquakes in Türkiye and Syria.



For more on the Foundation go to
www.compassgroupfoundation.org

1. Registered charity number 1187218 (England and Wales).

People continued

Compass Group US is a long-time partner of Navigate, working with young people from underrepresented communities to become the future of the hospitality and food service workforce. This year, over 50 Navigate internship programme graduates worked with the business. In addition, the business created partnerships with Historically Black Colleges & Universities to educate students on careers. The US team is active at members’ careers fairs for talent recruitment and has created a scholarship fund for black students at Johnson C. Smith University in Charlotte, North Carolina.

As one of the country’s largest employers of Aboriginal and Torres Strait Islander people, Compass Australia has an important role to play in reconciliation and closing the considerable opportunity gap between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. The business provides sustained career development through its accredited training and cultural awareness programmes and is a proud partner of the Clontarf Foundation, providing support, life skills and graduate employment prospects to young Aboriginal men.

Compass Norway, in cooperation with the Norwegian Labour and Welfare Administration, has worked to support individuals struggling to find employment, by offering the opportunity to achieve a certificate of apprenticeship and Norwegian language skills.

Growing careers

From entry level to leadership, Compass invests in its people to help them achieve their career ambitions and shape the expertise and passion that drives the businesses.

Around the world, Compass businesses run programmes that identify and nurture a diverse cohort of leaders from within their existing teams.

In Asia, the Compass Japan Academy introduced a six-month long programme for 300 future managers and Compass Group India launched a new immersive Leadership Lab to support the career growth of new leaders. The Indian business also provided 40,000 employees with additional training through a new digital app to support learning journeys and opened two new skills centres to enable in-person tuition and the development of key capabilities.

As part of their career development, employees in the US completed more than one million training sessions in the business’s Learning Management System.

Our aim is for Compass to reflect the communities in which we operate and to give all employees equal opportunities to progress their careers. Diversity, equity and inclusion (DE&I) is a living imperative within the businesses, and everyone, from front line workers to the Group’s leadership, has a role to play in creating a supportive and caring environment for all.

Leadership and career development



Apprenticeships are a hugely popular route to a successful career in Compass, alongside the more traditional graduate routes. The UK&I's unique Forward with Marcus Wareing programme runs alongside a Level 4 Senior Culinary Chef or Level 5 Operations Departmental Manager apprenticeship standard, and partners with the Michelin-starred chef, focusing on sustainability, diversity and leadership.

Respect

Our aim is for Compass to reflect the communities in which we operate and to give all employees equal opportunities to progress their careers. Diversity, equity and inclusion (DE&I) is a living imperative within our businesses, and everyone, from front line workers to the Group's leadership, has a role to play in creating a supportive and caring environment for all.

In the UK&I, Compass has added Ability, an employee network supporting people with disabilities, to its four established networks: Women in Food, Within (promoting ethnic, religious and cultural diversity), Pride in Food (for members of the LGBTQ+ community and allies) and You Matter (supporting mental health and wellbeing). Activities recognising and celebrating awareness events such as Pride Month, Mental Health Awareness Week, Learning Disability Week and International Women's Day run throughout the year.

Strength in diversity

Our Diversity, Equity & Inclusion Policy sets out our approach to diversity, equity and inclusion. It applies to all Compass employees, including directors and officers and all our majority-owned businesses, including subsidiaries and joint ventures. Our aim is to ensure that all employees and job applicants are given equal opportunity and that our organisation is representative of the communities in which we operate; that each employee is respected and valued and able to give their best as a result.

Having people from diverse backgrounds in Compass is a huge strength for our businesses. For example, Black History Month was re-imagined as Black Future Month focusing on black inclusion and was celebrated with a series of events across the UK business including support from Non-Executive Director Arlene Isaacs-Lowe, who held roundtables with colleagues from the UK, US, Türkiye and UAE businesses.

At Compass Group USA, over 17,000 people completed DE&I training, and their Be the Difference conference in July 2023 was attended by more than 2,000 colleagues where they discussed empowering front line talent, exploring neurodiversity and the importance of allyship.

In Belgium, Compass was awarded a diversity accreditation from the Brussels Employment Minister, as an employer which recognises, respects and values differences in the workplace.

In Australia, Compass was ranked number one in the Indigenous Employment Index in 2022 and has introduced an Indigenous training programme leading to an accredited Cert III in hospitality, with a 97% success rate for completion and employment.

With its embedded commitment to DE&I, Compass Canada has launched Stronger Together Compass, focusing on mental health and wellness through its Diversity and Inclusion Action Councils, to provide colleagues with a safe space for conversation, where they can access resources and support one another.

In India, the business launched a new digital training module in the fight against sexual harassment with over 6,000 employees completing the training.

Reinforcing its commitment to inclusivity in all talent areas, in February 2023, Compass UK&I became a patron of the Multicultural Apprenticeship Alliance, which partnered with Chartwells to launch the first Junior Chef Academy in Wales.

Human rights activity

As a Group, we are committed to upholding human rights, always treating people fairly, with dignity and respect, and we expect our businesses' suppliers to uphold these same high standards throughout the value chain.

We recognise the importance and responsibility of respecting the human rights of all our employees within our own operations, those workers throughout our businesses' supply chains and the communities in which our businesses operate.

We approach human rights in the same way as we conduct our business activities: ethically and with integrity, as set out in our Code of Business Conduct (CBC) and Global Supplier Code of Conduct (SCOC), demonstrating our commitments and Compass' Values in our actions and behaviours.

We are also guided by our Human Rights Policy (reviewed in September 2023), in which we set out our belief that everyone is entitled to basic rights and freedoms, whoever they are, and wherever they live.

In the past year, we have continued to make progress to increase awareness and deepen the knowledge and understanding of the principal human rights risks across the diverse and complex environments our businesses operate in. We have also taken the opportunity to improve and enhance the associated processes, procedures, systems, training and policies aimed at improving our performance in this area.

From reinforcing and further expanding existing successful practices and tools (such as, the award-winning Ethical Recruitment process in our business in the Middle East, the Supply Chain Risk Management (SCRM) framework and Supplier Ethical Data Exchange (Sedex) implementation), to developing new bespoke Human Rights training such as Striving For a More Equitable World and launching our Third-Party Integrity Due Diligence process, our businesses have focused on those activities where they can make the greatest positive impact.

In the coming year, we will continue to build on our progress to date, concentrating our efforts and investment where we can make the biggest difference, and continuing to promote best practice across the Group's businesses and their supply chains.



For more on our approach to human rights, including our Human Rights Policy and Modern Slavery Act Statement go to: www.compass-group.com/en/sustainability/people/human-rights-and-ethical-trade



Celebrating women chefs

For the last four years, Compass Group USA’s Women in Culinary (WiC) programme has addressed inequalities and opportunity gaps within the hospitality industry by supporting women chefs with dedicated training, leadership development programmes and advancement opportunities. WiC is driving cultural change as well as career growth, igniting executive allyship and fostering kind kitchens. This year’s WiC showcase event was held in Dallas and encompassed International Women’s Day. The event gave a platform to exceptional female chefs from across Compass Group US businesses, displaying and celebrating their amazing talents.

2023 female representation

	2023 ¹	2022
Board	38%	33%
Executive Committee	40%	40%
Senior leaders	34%	37%
All management	46%	46%
Total workforce	56%	57%

1. Figures stated as at 30 September 2023.
2. The gender breakdown disclosures required in the Strategic Report pursuant to section 414C(8)(c) of the Companies Act 2006 are made on page 129 and are incorporated by reference into the Strategic Report.

Engagement

Nurturing our people throughout their career is important to us. We support the health and wellbeing of our people with programmes and initiatives designed to help them stay healthy, happy and secure because we care about the physical and mental wellbeing of our colleagues.

For the last four years, Compass Group USA’s Women in Culinary programme has addressed inequalities and opportunity gaps within the hospitality industry by supporting women chefs for dedicated training, leadership development programmes and advancement opportunities.

Compass Group USA has launched Health is Wealth, a programme focused on mental, physical, financial and nutritional health. More information on the Health is Wealth programme can be found on page 106. In the UK&I, Compass provides free, easily accessible digital healthcare services to employees, including an annual health check, digital GP, second medical opinion, mental health therapists and nutritional consultations.

In the UAE, Compass has established the People Happiness Forum, giving everyone in the business a right to have their voice heard, with a platform to share their opinions. The ideas from the forum helped the business to win Gold for best company to work with, best recruitment strategy and best career development programme in the Plan3Media, Employee Happiness Summit Awards for UAE-based companies.

We recognise that household pressures can impact the wellbeing of our people. Compass Group USA and Compass UK&I help their people take better control of their financial commitments by enabling them to access their pay in advance of their normal payday, when they need it, as well as supporting healthy savings habits. Compass UK&I provides around 200,000 free meals for colleagues every week and enhanced its Helping Hands hardship fund, providing emergency support grants to employees. Whilst Compass India’s We Care fund also provides an emergency backstop for employees when they need help.

Compass in the community

As well as supporting our people directly, our businesses create positive social impact by investing in, and contributing to, the local communities in which they operate.

In the US, Compass' Foodworks business has launched its IGNITE programme, offering grants to minority and women-owned business enterprises throughout the country. Foodworks helps these businesses purchase new equipment, expand operations and achieve necessary certifications.

Chartwells Higher Education in the US has launched an innovative Teaching Kitchens platform, with onsite culinary experts and registered dietitians to promote culinary and nutritional literacy. These events seek to foster culinary curiosity and encourage a sense of adventure. The Teaching Kitchens initiative helps improve productivity, creativity, morale and engagement with client wellness initiatives.

Compass' businesses advocate at local, national, and international level to promote diversity, equity and inclusion across their operations, as well as through their business partners and suppliers. Compass Australia, is recognised as a leader in Aboriginal and Torres Strait Islander engagement through positive impact partnerships, respect and recognition through advocacy of The Voice to Parliament, and co-designing training and employment pathways for Aboriginal and Torres Strait Islander people.

Priorities for the year ahead

Talent development and career opportunities remain key and are important to those who work in our businesses. We will continue to build out the Compass Academy concept and enhance career pathways in our businesses, with a particular focus on culinary and leadership skills.

Employee engagement remains important and local strategies will seek to enhance the employee experience whilst also extending care programmes for employees during challenging times.

Funding of local initiatives by The Compass Group Foundation will enable greater community impact across our businesses and increase our reach and impact on the social agenda.

Global employee engagement survey results

Listening to colleagues through employee engagement surveys, townhalls, community meetings, social platforms and maintaining close relationships with formal employee representative groups and unions, are some of the ways employees can have their say on topics that matter most to them and helps them contribute to our strategy and success.

This year's global engagement survey heard the voices of 140,000 colleagues across 19 countries, with a 63% response rate (up from 54% last year) indicating enhanced engagement overall.

Overall engagement scores held steady at 4.0 despite significantly higher participation levels from countries which have traditionally seen lower engagement. Eight out of 10 respondents agreed that they were treated fairly and with respect, felt part of a caring and positive team and were confident in the leadership of the business.

Whilst there remains work to do on personal growth, we were pleased to see an overall improvement of 5% (to 70%) in respect of career prospects and opportunities.

We were also pleased that overall engagement levels remained consistent despite the continued disruptive impact of external factors on our people's lives and a decline in life satisfaction in general. We know that what matters most to our people is to feel valued and to be able to give their best. To ensure all our people feel part of our caring, winning culture, we must deliver on our commitments of Respect, Teamwork and Growth for everyone and continue in our mission to provide opportunities for all.

Our Designated Non-Executive Director for Workforce Engagement, Ireena Vittal, hosted six roundtable sessions in the year with employees from 12 countries. These sessions provided insight into employee sentiment on topics ranging from culture and diversity to artificial intelligence, inflation, wellbeing and reward.

Further details can be found on page 75.

2022/23 Awards



**HEALTHIEST
EMPLOYERS®**

**Healthiest Employers®:
Hall of Fame 2023**
Compass Group USA



**MULTICULTURAL
APPRENTICESHIP
AWARDS**
a Pathway Group initiative

**Multicultural Apprenticeship
Awards: Retail, Hospitality &
Tourism Employer 2023**
Compass Group UK&I



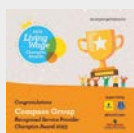
**International Association for
Food Protection,**

**International Association for
Food Protection (IAFP):
Black Pearl Award 2023**
Compass Group USA



**Pour plus d'inclusion à l'emploi
Voor meer inclusie op het werk**

**Brussels Economy and
Employment Ministry:
Diversity Accreditation 2022**
Compass Group Belgium



**Living Wage Foundation:
Recognised Service Provider
Champion Awards 2023**
Compass Group UK&I



**Newsweek: America's Greatest
Workplaces for Diversity 2023**
Compass Group USA



**Fortune: World's Most Admired
Companies 2023**
Compass Group PLC



**Forbes: America's Best Large
Employers 2023**
Compass Group USA

Purpose



Progress on our journey to address Scope 3 emissions

We have taken the next step on our journey to reach climate net zero by 2050 by partnering with leading climate management platform Planet FWD. It was a big step, enabling us to improve our methodology for measuring emissions and enhancing the quality of our data for the supply chain (Scope 3) which generates most of our greenhouse gas (GHG) emissions.

Our total Scope 3 emissions for 2022 were calculated using data from our top four markets – the US, UK, France and Australia representing 78% of our global revenues – using a hybrid volume and spend approach, and extrapolated to our smaller markets. We particularly focused on increasing data quality for purchased goods, the most significant source of emissions. The project to transition from spend to volume took six months to complete which has necessitated the use of 2022 data for reporting this year. This improvement in data quality has resulted in more granular estimates of food-related emissions and lower emissions estimates for 2022.

There is more to do, but we are making great progress and tackling Scope 3 emissions will remain one of our top sustainability priorities.

Purpose

Our Planet Promise

Our Planet Promise encompasses our values as an ethical, sustainable and inclusive business, together with our ambition to have a positive impact on the world. As well as being the right thing to do, this mission is also key to our growth aspirations and our long-term success.

Our ability to demonstrate progress in reducing our carbon impact and food waste is helping us attract new clients, who rely on us as a trusted partner to help them achieve their sustainability goals. Together with Compass, clients and consumers in every market can navigate towards a less wasteful, healthier, plant-forward lifestyle.

In September, we hosted our inaugural Sustainability Deep Dive; a virtual event providing institutional investors, analysts and other key stakeholders with an opportunity to enhance their understanding of the Group's sustainability strategy, climate net zero progress, and operational innovations towards a more sustainable future for all.

Our actions are guided by the United Nations Sustainable Development Goals (UN SDGs), especially those where we can have the greatest impact: carbon reduction, food waste, animal welfare, a reduction in high-emission products, and care for the health and wellbeing of our people and consumers.

In a global market, it is inevitable that some regions and countries will move faster than others towards our pledge of climate net zero by 2050. Compass UK&I is leading the industry and has committed to achieving climate net zero by 2030. The UK&I are working with external partners to support their strategy, such as leading University of Oxford expert, Professor Sir Charles Godfray FRS, who is supporting them to shape and deliver their climate ambitions.

Data transparency is embedded in our philosophy and our Task Force on Climate-Related Financial Disclosures (TCFD) report (see pages 45 to 54) includes disclosure of our climate-related risks and opportunities for 2023.

Investing in innovation

We are investing in technology to ensure decision making is supported by data-driven insights across all areas of our sustainability strategy. Our businesses are providing clients with dashboards to visualise progress across the ESG metrics that are important to them with data provided by tools such as Waste Not 2.0, our proprietary food waste tracking technology, and via Planet FWD, a leading climate management platform. We continue to make investments to support our own ambitious goals, including enhancing our management of supply chain risks using the Supplier Ethical Data Exchange (Sedex) platform.

In September 2022, the Group issued fixed-rate sustainable bonds of €500m (£434m) and £250m maturing in 2030 and 2032, respectively. The proceeds of the bonds have to be allocated to expenditure on Eligible Sustainable Projects in line with the Compass Group Sustainable Financing Framework during the three years before, and two years after, the date of issue.



See more at www.compass-group.com/en/media/news/2022/compass-group-issues-first-sustainable-bonds.html



Shelley Roberts

Group Chief Commercial Officer with responsibility for Health, Safety and Sustainability

Environmental leadership

Food waste

Reducing food waste is one of the greatest environmental challenges facing our sector and therefore one where we have the greatest potential to make a significant difference. Our culinary teams and front line staff are instrumental in tackling this challenge, employing a range of diverse food waste reduction technologies across their businesses. This year, we made food waste reduction our top priority. Our target was to adopt food waste tracking technology in 6,000 locations and, with every region united in support, we achieved 7,943 locations, proudly surpassing our 2023 target – which is linked to an element of the annual bonus plan of executive directors and senior management.

In 2022, we launched Waste Not 2.0 – our proprietary, tablet-based, online tracking tool for chefs – and have since rolled it out across 12 countries in nine languages. Waste Not 2.0 enables kitchen teams to identify opportunities to minimise food waste beyond the usual trim, bones, core and peel waste. Using the tool's analytics, managers can evaluate data, quantify, and report on the carbon footprint of kitchen waste, leveraging this information to reduce or avoid future wastage.

Our ability to demonstrate progress in reducing our carbon impact and food waste is helping us attract new clients, who rely on us as a trusted partner to help them achieve their sustainability goals.

Purpose continued

Food waste reduction highlights

Stop Food Waste Day, our global day of action received over

93 million

impressions on social media

Investment in proprietary

food waste measurement technology

Waste Not 2.0 which has been deployed in 12 countries and is available in nine languages

Food waste measured at almost

8,000 sites

supported by a performance measure within the executive director and senior management annual bonus plan

Strong progress on our contribution to goal 12 of the UN SDGs with our commitment to

reduce food waste by 50% by 2030

supported by our investment and deployment of food waste tracking technology

A new training experience focused on food waste reductions named

Chefs Creating Change

was built and delivered by our Global Culinary Forum, inspiring onsite actions that can be taken by our chefs back to their units

Working alongside ReFED in the US, a non-profit partner dedicated to ending food loss and waste, our US business has integrated

enhanced analytics data

to enable Waste Not 2.0 to report the water and carbon impact of the food waste being generated at site level



As a global leader in food service, Compass is uniquely positioned to raise awareness and make a positive impact on the reduction of food waste throughout the sector. Compass USA launched Stop Food Waste Day (SFWD) in 2017, and the event is now the largest annual global day of action in the fight against food waste. SFWD not only draws attention to the problem but also engages and educates colleagues in the sector by sharing practical, creative and impactful ways to change behaviour and stop food waste. It also brings together consumers, businesses, not-for-profit organisations and government entities and encourages them to tackle the problem on a global scale.

This year, SFWD reached people in over 70 different countries, as well as being celebrated by units in all of our operating markets. It included themed menus, consumer pledges, recipe videos, and the launch of the second Stop Food Waste Day online cookbook, which received impressive engagement, as evidenced by more than 16,000 reads and 68,000 impressions. The campaign resonated widely, reaching over 93 million people through a variety of media, and achieved 26 million views on X (formerly known as Twitter) alone; whilst Compass Group USA generated further engagement by hosting a SFWD live session featuring renowned food waste experts and leaders.

Chefs across the Group are leading transformative sustainability efforts within the food industry from the bottom-up, and this year we held our first Global Culinary Forum, named Chefs Creating Change, which tackled the pivotal issue of food waste, and provided a platform for front line teams to come together, deepen their understanding of food waste reduction, and exchange expertise in areas such as procurement, inventory management, menu creation and the application of technology. This ground-breaking event, conducted across four time zones, engaged approximately 3,000 chefs in the largest ever gathering of Compass culinary experts worldwide.

Menu reformulation

Creating climate-friendly and healthy menus that appeal to consumers is key to driving forward our sustainability agenda. Our culinary experts, registered dietitians, operators and marketing teams across the Group work together to ensure they deliver what their clients and consumers desire. Drawing upon our exceptional culinary expertise, we stand at the forefront of the industry, capable of delivering delicious meals that harmoniously blend flavour and health benefits. As the regulatory landscape evolves, we continue to provide food that encourages healthier eating for our clients.

Our recent Global Eating at Work survey revealed that 49% of our younger consumers are expressing a heightened demand for plant-based options. Our approach replaces high-impact proteins such as beef and lamb with chicken and sustainable fish. We incorporate minimally processed plant-based foods without compromising on flavour, use less red meat, and blend animal protein with vegetables. Additionally, we position climate-friendly dishes prominently on menus to normalise their consumption without explicitly labelling them as vegetarian or vegan.

We are proud to be a member of the World Business Council for Sustainable Development (WBCSD) and by co-chairing the Positive Consumption action area we are donating our time to develop a behaviour change toolkit for the participating food service members. The project is driving food systems transformation by developing solutions that support healthy people on a healthy planet.

Our chefs are leveraging behavioural change strategies using nudging techniques to steer consumers towards healthier options. This gives us an invaluable opportunity to foster a broader acceptance of nutritious, sustainably-sourced and plant-forward, nutritious dishes.

Our behavioural change strategies include:

- **Choice architecture:** strategically positioning health-focused menu options in prominent locations, ensuring they catch the eye of consumers first

- **Information:** providing comprehensive ingredient and nutritional information, coupled with practical advice for making better dietary decisions. Our goal is to empower guests with the knowledge they need to make choices that align with their health objectives
- **Incentives:** motivating consumers towards healthier choices, and offering incentives such as extra loyalty reward points for selecting menu items that promote wellbeing
- **Emotional appeals:** reinforcing positive choices by communicating monthly updates on the increased consumption of plant-based proteins or reduced red meat. This helps foster a collective goal of healthier eating
- **Social influence:** leveraging the impact of social behaviour, tracking and communicating instances where consumers appreciate and choose new health-conscious options. This showcases their popularity and desirability, influencing individual selections

Our culinary experts strategically blend various levers for enhanced impact. For example, by combining choice architecture with financial incentives in a US manufacturing plant, the business was able to shift total purchases of healthy options from less than 30% to more than 45%, and nudged beverage selection to 92% 'better for you' options.

Supplier initiatives

Close collaboration with suppliers is essential on our journey to climate net zero, because we know this goal cannot be achieved in isolation. We are actively leveraging our scale as a significant buyer of food in our ongoing drive towards decarbonisation, and see great potential for progress in working towards this shared goal with our partners.

For example, since January 2023, Compass UK&I has mandated that all new contracts require suppliers to set Science-Based Targets (SBTs) within 12 months of a contractual start date. This is supplemented with relevant KPIs related to sourcing, packaging and water consumption. By integrating multiple aspects of sustainability into their tendering process, our UK&I business has emphasised its dedication to sustainable procurement while meeting rapidly evolving industry requirements.

In May, the first Future Forward meeting was held in the US by our US businesses' procurement arm, Foodbuy. This enabled Compass Group USA and their Foodbuy leaders to collaborate with some of their supplier partners on the future of sustainability within the food supply chain. Presentations were made by major suppliers setting out strategies to reduce GHG emissions from the farm level right through to the packaging and distribution of the finished product. Several Foodbuy member representatives attended, offering valuable insights from an operational standpoint.

During the year, over 450 suppliers, clients and colleagues attended the Foodbuy Conference 2023 at ExCeL London, a full-day event with a strong focus on sustainability, culminating in a gala awards dinner. The conference offered attendees an exclusive insight into the journey Foodbuy UK is on as a business, and what it has planned for the year ahead.

In the US, 300 people attended the Foodbuy US summit in Nashville, Tennessee, including the Compass US and Foodbuy leadership team and many of their major suppliers. There was a strong emphasis on sustainability throughout the presentations, which included an address from our Global Director of Sustainability.

Carbon reduction

Most of Compass Group's GHG emissions are Scope 3, for which we are indirectly responsible. Our work with Planet FWD, a leading carbon management consultancy specialising in the food and agriculture industry, on measuring our Scope 3 emissions for 2022 (see page 38) is giving us valuable information which better enables us to work with suppliers to reduce the emissions of the Group's products and services.

Purpose continued

Our purchased goods emissions (Scope 3, category 1) decreased significantly against our 2019 baseline, as we evolved our approach from spend-based assessments to volume-based assessments. This is an important step which allows us to identify and take action on emissions reductions with greater accuracy than with a spend-based approach. Improving data accuracy to report Scope 3 emissions was a six month process, resulting in 2022 emissions reported in this year. However, our 2019 assessment had underestimated energy usage in client kitchens, which have subsequently increased in 2022, offsetting emissions reductions achieved in purchased goods, resulting in an overall emissions decrease of 12%.

The Group has targeted a 28% reduction in our absolute Scope 3 GHG emissions from all purchased food and drink by 2030, from a base year of 2019 - a goal approved by the SBTi. We will deliver this by focusing on food waste reduction, training our teams, reformulating our menus and working closely with our suppliers to explore new sustainable business practices. Moving to a volume-based approach and further developing our understanding of granular estimates of food-related emissions will help us achieve our target, with a reduction in emissions coming from product mix and sourcing opportunities. We are also working to align with the new Forest, Land and Agriculture (FLAG) guidance under the SBTi in 2024.

The next phase of our journey with Planet FWD is to utilise its industry-leading technology to manage our data when reporting emissions across our largest markets, to enable greater collaboration with clients in support of carbon-reduction initiatives. We are also investing in technology to influence consumer behaviour at the point of purchase, through carbon labelling with market-leading providers such as Foodsteps and HowGood. Carbon labelling scores food on whether it has a higher or lower environmental impact, based on the total GHG emissions generated from the extraction of raw materials to end of life.

Methodology

Compass Group PLC is required to report its global and UK energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data reported in these tables represent emissions and energy use for which Compass Group PLC is responsible and is incorporated by reference in the Directors' report on pages 56 to 130. To calculate our Group emissions, we have used the main requirements of the GHG Protocol Corporate Standard along with the UK Government GHG Conversion Factors for Company Reporting 2023.

We monitor the energy usage and GHG emissions of our owned and operated sites across 28 countries (2022: 29), which represent 98% of the Group's underlying revenue (2022: 98%). tCO₂e per £ million

turnover is calculated by dividing our total gross emissions (location based) by underlying revenue² for the countries monitored.

Our Scope 1, 2 and 3 emissions have been externally verified by a third-party, and we will continue to verify this data in the coming years.



See more at www.compass-group.com/en/sustainability/performance-and-reports.html

Our absolute emissions have increased year-on-year as Compass continued to successfully win new business across all regions, and, by the end of the year, revenues grew significantly. However, we are still making good progress in delivering our commitments and have already reduced our Scope 1 and 2 emissions by 10% compared with a 2019 baseline. When normalised by revenue we have seen a 12% year-on-year reduction in our GHG emissions ratio. Our UK emissions have fallen as a result of a robust set of actions to deliver carbon reduction initiatives, including the implementation of renewable electricity and energy efficiency solutions across our direct operations.

Energy efficiency

Across Europe, we continue to make good progress, led by Compass UK&I, which is continuing to implement its 100% electric vehicle policy. This year, Compass Spain has initiated projects including the installation of solar panels at their head office site and is also transitioning its fleet to electric vehicles.

In the US, SCS Global Services have certified Canteen's largest Californian branch as carbon neutral for Scope 1 and 2 emissions, marking a major step towards Canteen's commitment to achieving climate net zero by 2030. The branch team achieved this goal by completing a comprehensive GHG inventory of their operations, identifying emission hotspots and reduction targets, introducing electric delivery trucks to reduce emissions, improving energy efficiency, reducing overall waste, and investing in credible carbon mitigation projects to offset the remainder of its emissions.

Reusable solutions

Compass is contributing towards building a more circular economy, in which materials can be reused or recirculated to keep them in use as long as possible and to minimise waste. In Europe, for example, our businesses are reducing the use of unnecessary single-use plastic to a level below that required by the EU Single-Use Plastics Directive. Reducing unnecessary single-use plastics at scale can help drive behavioural change in employees and clients, which we hope they will carry into other areas of their work and home lives.

Global energy consumption and greenhouse gas (GHG) emissions for the period 1 October 2022 to 30 September 2023

	For the year ended 30 Sept 2023		For the year ended 30 Sept 2022	
	UK and offshore ¹	Global	UK and offshore ¹	Global (certain data restated)
Scope 1 – Emissions from the combustion of fuel or the operation of any facility, including fugitive emissions from refrigerants use tCO ₂ e	1,934	147,282	3,881	137,985 ³
Scope 2 – Emissions resulting from the purchase of electricity, heat, steam or cooling (location-based) tCO ₂ e	2,497	49,714	2,385	46,807
Scope 2 – Emissions resulting from the purchase of electricity, heat, steam or cooling (market-based) tCO ₂ e	268	50,104	1,047	47,071
Total gross emissions (location-based) tCO ₂ e	4,431	196,996	6,266	184,792 ³
tCO ₂ e (location based) per million £ turnover	1.9	6.4	3.2	7.3 ³
Energy consumption used to calculate above emissions/kWh	21,194,715	786,600,491	31,837,141	737,653,482 ³

1. UK and offshore emissions are a subset of the global emissions disclosed.

2. Alternative Performance Measure (APM). The Group's APMs are defined in note 34 (non-GAAP measures) and reconciled to GAAP measures in notes 2 (segmental analysis) and 34 to the consolidated financial statements.

3. 2022 restated to correct an error in the calculation of Scope 1 emissions in the US. The restatement increases global Scope 1 emissions and total gross emissions by 37,985 tCO₂e, energy consumption by 161,858,604 kWh and tCO₂e per million £ turnover (GHG intensity ratio) by 1.5. The GHG intensity ratio presented on page 7 for 2020 and 2021 has also been restated to increase tCO₂e/£m by 2.0 and 1.8 to 9.5 and 9.0, respectively.

Reducing single-use materials, specifically unnecessary plastic, is an industry-wide challenge that requires collaboration across the value chain. In response to this challenge, Compass USA co-founded the Single-Use Materials Decelerator (SUM'd), a non-profit, cross-sector group of NGOs and technical experts working to reduce reliance on single-use materials in the food industry. Together, they built the Understanding Packaging Scorecard, a simple, free tool to assess the sustainability impact of common food-service packages.



To learn more, read the SUM'd case study at www.upscorecard.org/compass-case-study/

Current sustainable plastics initiatives include:

- the launch of Google's Single-Use Plastics Challenge in partnership with Canteen in the US. The challenge invites food companies which offer packaging that is free of single-use plastic to test their solutions in Google's US cafes and micro kitchens. Challenge finalists will have the opportunity to pitch to Google and Canteen to scale across Google's US offices
- the deployment of reusable cutlery within Compass Saudi Arabia's healthcare business has successfully eliminated approximately 460,000 packets of single-use cutlery annually
- the installation of 180 water fountains in more than 80 business units across Compass Spain, offering a sustainable alternative to single-use plastic bottles of water. This is already saving 3.9 million containers a year and avoiding 87.7 tonnes CO₂e
- operating a zero-waste soccer stadium in partnership with Levy Restaurants in the US, eliminating single-use consumer plastics
- the introduction of a returnable, reusable solution to disposable packaging, CauliBox, which launched with a Compass UK&I Restaurant Associate site. Since October 2021, more than 33,000 CauliBoxes have been used, and the total emissions saved is now approaching 8,000kg CO₂e. Customers manage their CauliBox via an app, which monitors when they borrow and return a container and allows them to build up CauliCoin rewards with bespoke promotional codes. The initiative has helped the restaurant switch the salad bar to reusables only, further driving positive behavioural change
- a sustainable cup solution for events, introduced by Levy in the UK. A 10 pence micro deposit is linked to a charity partner for donations. The cup retention rate during the 2022-2023 sports season was a remarkable 95.6%, resulting in a CO₂e reduction of 7,400kg
- switching to Ozzi 100% reusable Tupperware across Chartwells in the US, a major step in Compass USA's initiative to significantly increase the adoption of reusable containers. Since the last financial year they have so far changed 97% of their containers, marking an almost complete switch to reusables

Positive procurement

Procurement teams are focused on several initiatives to make a positive impact on the planet and the communities that our businesses are part of. Sourcing local products, building an inclusive and diverse supplier base, supporting regenerative agriculture, demanding high animal welfare standards, protecting human rights and promoting ethical trade, are key strategic imperatives which drive the bottom line whilst enhancing our brands. These initiatives together with our animal welfare and palm oil commitments also drive impact beyond our business.



The next phase of our journey with Planet FWD is to utilise its industry-leading technology to manage our data when reporting emissions across our largest markets, to enable greater collaboration with clients in support of carbon reduction initiatives.

Purpose continued

Animal welfare

We are committed to upholding the Five Freedoms of animal welfare: freedom from hunger and thirst; from pain, injury and disease; from fear and distress; from discomfort; and freedom to express normal behaviour. Our businesses track animal welfare in every country we operate in, and work with their supply partners to make progress and address challenges. As a founding member of the Global Coalition for Animal Welfare (GCAW), we are working pre-competitively with other leading international food companies. Together, we collectively address systemic barriers to change, share best practices and make progress on key animal welfare issues at a faster pace than would otherwise be possible. In 2023, GCAW's focus has been on improving welfare for laying hens, broiler chickens and pigs. Compass' global footprint means our businesses face unique regional and local challenges. To better understand and overcome these we engage closely with several global, regional, and country-focused NGOs. These partnerships have proved valuable in helping drive welfare standards.

Diverse, equitable and inclusive supplier base

We are working collaboratively with clients, suppliers and other third parties to continue building a more diverse, equitable and inclusive supplier base. In the year under review, we started to collect more data from our operating companies to help us identify opportunities to increase our impact. We have partnered with: Minority Supplier Development UK, which champion ethnic-minority-owned businesses in the UK; WeConnect, which amplifies the presence of female business owners and helps them compete in the global marketplace, and; in the US, with Disability:In, the leading non-profit resource for business disability inclusion. All three organisations are helping us to further identify and support diverse suppliers. In the US the Foodbuy Diverse Supplier Accelerator Program, now in its third year, was created to offer a broad range of services and resources to assist the growth of diverse suppliers. This initiative focuses on 10 new women and minority-owned businesses each year, providing them with mentors, education sessions, and industry connection opportunities.

Sustainable and ethical supply chain

Led by the Supply Chain Risk Management (SCRM) Committee, over the past year we have continued to strengthen our approach to identifying and mitigating business integrity, human rights, and environmental risks in our supply chains. Given the size and complexity of the Group's businesses and their supply chains, a risk-based approach is taken and we continue to invest in education, awareness, technology, partnerships, and training to ensure due diligence processes continue to evolve.

The Group's Global Supplier Code of Conduct (SCOC), launched in 2022, is an essential part of the contractual requirements for all suppliers. It sets out the principles, expectations and behaviours we require our supply chain partners to adhere to in areas of business integrity and ethical principles, human rights and labour standards, health and safety, and sustainability.

Sedex has now been adopted by 14 countries (including all top 10 markets by revenue), providing data on ethical practices for supplier sites in 54 countries. We have also introduced a new Third-Party Integrity Due Diligence process, piloted in 10 countries. We have continued our partnerships with Earthworm Foundation and Slave-Free Alliance, whilst our US business continues to support the Coalition of Immokalee Workers' Fair Food Program. Learnings gained through these partnerships have been shared internally and with suppliers to expand understanding and increase our impact. Our Human Rights Working Group has been a powerful forum for sharing best practice throughout our regions. See page 35 for more information.

Community impact

We want to take care of the communities where our businesses are based in ways that make a real difference to each individual community. Locally-made investments have substantially benefited many local food producers and small-scale ventures that have partnered with Compass because they share our values. Our businesses use their skills and resources to provide donations of food where it is most needed, support charity projects that can change lives, and advocate for social enterprises that seek to make lasting change for the better.

Food donations

Donating good-quality food, that would otherwise go to waste to those in need is not only sustainable, it is the right thing to do. Compass businesses work with food recovery partners in all our markets to make sure good food reaches people in food poverty. They donate where they can have the greatest impact, from supporting local community food banks and food pantries to participating in child meal programmes. During the year, Compass businesses donated over 1.6 million meals to their local communities.

Food Fleet is a dynamic mobile food provider and management company in our North America business, in Hawaii. During the year, Food Fleet worked closely with the Wave Foundation and We Do Better Relief alongside suppliers, vendors and chefs to deliver essential assistance to the Maui community, which was severely affected by wildfires on the island.

Social enterprises

One of our US businesses, Wolfgang Puck Catering, actively collaborates with a range of small-scale ventures and food producers that work to foster positive social change. One such enterprise is Scott Family Farms, a third-generation family business, which aims to mentor black farmers and reshape farming for black communities. Wolfgang Puck Catering also collaborates with Homeboy Industries in East Los Angeles, the world's largest gang intervention and rehabilitation programme, providing resources to help rebuild the lives of former gang members.

Another US community venture, Foodworks, has introduced its IGNITE programme; a community initiative, which provides grants to minority and women-owned businesses across the US. Foodworks offers small business coaching, quality assurance training, marketing assistance and extensive exposure to partners nationwide to facilitate the rapid expansion of local restaurants.

The Compass Group Foundation

In the UK, The Compass Group Foundation supports the charity FoodCycle, which runs a network of community kitchens, using surplus produce which would otherwise go to waste.

In Australia, Compass Group has partnered with Foodbuy Australia as well as Bridging the Gap Foundation (founded by Menzies School of Health and Science Research), which has been granted seed funding by the Foundation to pilot a Nutritional Hunger Program (NHP).

The NHP aims to end nutritional hunger in remote Indigenous communities by co-designing a programme with local Indigenous community leaders to find solutions to get high-quality, nutritious food to Indigenous communities at reasonable prices. Training and education will also be provided to various community groups and members, including store owners, in areas of food production, sanitation, cooking, inventory management and healthy choices for better health outcomes. See page 33 for more information about the Foundation.

Task Force on Climate-related Financial Disclosures (TCFD)

We set out below our climate-related financial disclosures, which are consistent with the four pillars and 11 recommended disclosures of the Task Force on Climate-related Financial Disclosures, including the TCFD all-sector guidance, and in compliance with the requirements of LR 9.8.6R.(8) (UK Listing Rules).

This disclosure also complies with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Executive summary

Without coordinated action, climate change poses a significant risk to our planet, people and economies. For the global food system, on which we all rely, rising global temperatures, water stress and extreme weather events can disrupt supply chains, reduce crop yields and damage community livelihoods. However, for those who drive innovation and take a leadership position on sustainability, there are also significant opportunities.

As a Group, we are proud of the work we are doing in partnership with our clients to support our shared climate goals. Sustainability is intrinsic to the way we conduct business and our long-term success, while also being deeply ingrained in our culture, from our chefs to our executive leadership.

We have many tried-and-tested operational levers at our disposal to help mitigate supply chain disruptions resulting from climate change, through our procurement scale, sourcing flexibility, menu management and culinary and digital innovation. There is no single solution to this global challenge, and we are making many incremental changes across thousands of our units and throughout our businesses' supply chains.

To tackle climate change, it is vital that we measure, track and understand how climate change impacts our operations, our clients and our strategy. The purpose of this TCFD statement is to provide investors and wider stakeholders with a better understanding of our exposure and strategic resilience to climate-related risks, and to enable us to identify climate-related opportunities that are material to the Group. We consider all risks and opportunities evaluated in this statement to be industry-wide, applying to each of our sectors, our competitors and other key stakeholders.

Our analysis comprises three climate scenarios (1.5°C, 2.5°C and 4°C) for which we have considered physical risks, transition risks and related opportunities. This year, our third year of disclosure, we have materially expanded the scope of our scenario analysis in four key areas:

- in addition to risks, climate-related opportunities have also been examined this year
- the Geographic Scope has increased from the US in 2022 to now cover four of our largest markets (the US, UK, Australia and France), which together represent over three-quarters of the Group's underlying revenue
- the Product Scope has expanded from six in 2022 to seven of our most significant product categories (adding beverages this year), which together represent over 60% of our total MAP 3 food spend in the four in-scope markets



Sustainability is intrinsic to the way we conduct business and our long-term success, while also being deeply ingrained in our culture, from our chefs to our executive leadership.

Task Force on Climate-related Financial Disclosures continued

- we have considered three time horizons in our scenario analysis this year (short, medium and long-term), enabling greater depth of analysis compared to 2022 where only the medium-term was considered

We also included a broader range of internal and external stakeholders in our scenario analysis, including external climate resilience experts. This enhanced engagement identified four specific risks as the most relevant physical climate-related risks, and these were the focus of our quantitative scenario analysis.

Based on our modelling this year, the most significant financial impact, whilst still moderate, arises from chronic water stress in the US and Australia in 2050, with beef and dairy production likely to be most impacted by climate change. These findings are consistent with our strategy to build competitive sourcing programmes in alternative food categories such as meatless proteins, and to nudge consumers towards diets that are more planet-friendly. Consequently, we are confident in our ability to mitigate the impact of this risk.

Last year we modelled transition risks, which identified carbon taxation in the US (in a low-carbon scenario) as the most significant potential impact. We believe this conclusion continues to be relevant this year and we remain confident in our ability to manage the financial risk under this scenario, with the net impact expected to be immaterial.

We are dedicating significant resources to acquiring and implementing cutting-edge technologies to enhance our sustainability services for clients and to maximise the opportunities that we anticipate will arise from the climate transition. This includes strategic investment in our monitoring and measurement capabilities, which enable our businesses to offer in-depth and tailored roadmaps for their clients, while positioning the Group as a trusted partner in helping them achieve their own sustainability goals.

Furthermore, we recognise the important role we can play – through direct engagement and close collaboration with our businesses' supply chain partners – in creating a low-carbon supply chain that is fit for the future. In 2023, this was a focus area during the Future Forward day that we hosted with key suppliers to our businesses in the US. In the UK, it is now a requirement for all suppliers to set their own science-based targets, in line with Compass' own commitments. This is also extensively discussed in the supplier conferences that our various markets host each year.

Despite significantly expanding our analysis this year, we recognise that scenario analysis is limited by the availability of data on the long-term impacts of climate change, and our disclosures will need to evolve as data availability improves. We are committed to working with experts to continue to review the scope of our analysis and evolve our process in future years.

The analysis shown in this disclosure was completed in 2023, with the exception of the quantitative scenario analysis on carbon taxation, which was completed in 2022. The qualitative and quantitative scenario analysis will be repeated at a minimum every three years in line with the relevant regulations.

Governance

Oversight of climate-related risks and opportunities

Compass has well-established governance structures designed to effectively oversee the management of its principal risks, including climate change risks and opportunities. Principal risks are reviewed biannually by the Board. Climate change is a principal risk and it was embedded into our risk management processes in 2021 (see page 26).

Climate-related risks and opportunities are overseen and managed at the highest levels of the Company through the following governance structures and processes:

- The Board has overall responsibility for oversight of the management of climate-related risks and opportunities, which it exercises through the Corporate Responsibility (CR) Committee and the Audit Committee
- The Corporate Responsibility Committee meets at least three times a year and comprises all the Non-Executive Directors of the Board, together with the Chair of the Board, Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO). It receives reports at every meeting from the Group Chief Commercial Officer (CCO), the Global Director of Sustainability and other senior managers to ensure that progress is being made towards meeting the Group's specific CR KPIs and ongoing CR commitments, including greenhouse gas (GHG) emissions and food waste reduction targets
- The Audit Committee meets at least three times a year and comprises all the independent Non-Executive Directors of the Board. In line with the governance process used for financial management, it considers the potential impact of climate change on the financial statements, including the output of the Group's scenario analysis, the costs to achieve the Group's climate net zero commitments, and their impact on the financial statements and related disclosures
- Executive sponsorship is shared jointly between the Group CEO and Group CCO, who have the highest management-level responsibility to form, review and communicate the Company's climate-related global strategy, policies and standards. This includes setting and reviewing progress towards targeted KPIs, assessing climate-related risks and managing and monitoring associated opportunities
- They are supported at an operational level by the Global Director of Sustainability, who leads the Group Sustainability function. This function provides support to the Group's regions and countries to ensure sustainability strategies are implemented and climate-related risks and corresponding controls and mitigations are reviewed on an ongoing basis
- At Executive Committee level, the Regional Managing Directors (RMDs) are responsible for managing climate-related risks and opportunities for their respective regions. At a country level, the country Managing Directors are responsible for managing climate-related risks and opportunities in their respective countries



Strategy

Climate-related risks and opportunities and their impact on the operations of the Group

Our specialist internal teams partnered with external climate resilience experts to conduct qualitative and quantitative risk assessments and scenario analysis to identify climate-related risks and opportunities.

In 2022, we published the results of our scenario analysis, which showed that Compass is well placed to respond to transition risks and market pressures through our dynamic operational and strategic levers. This year, we expanded our assessment to align with the latest guidance from the 2021 TCFD Annex. We also conducted a deeper analysis to understand our exposure to physical climate-related risks and opportunities across four key geographies (details of which can be found in the Scope section on page 48).

At Compass, we are aware that some of our markets are already experiencing the physical impacts of climate change. We want to ensure that our strategy is resilient and set up to deliver on our Planet Promise of a sustainable future for all. This commitment encompasses the Company's values as an ethical, sustainable and inclusive business, and is key to our growth aspirations.

We are committed to reaching climate net zero by 2050, supported by our Sustainable Financing Framework, and we have plans in place to mitigate and adapt to climate-related risks and a future climate transition. We are also making strategic investments which will enable the Group and its businesses to capitalise on climate-related opportunities, including investing in state-of-the-art technology to help our clients realise their sustainability goals effectively and efficiently.

Scenario analysis

In 2022, we analysed two low-emission scenarios and one high-emission scenario to understand the physical and transition risks and opportunities of climate change. This year, to understand the physical risks and opportunities in greater depth, we have chosen 2.5°C and 4°C scenarios to model chronic and acute physical risks and opportunities. A separate 1.5°C scenario allows us to focus on the impact of transition risks and opportunities.

These three climate scenarios, which are explained in more detail in the table below, were chosen by our specialist internal team, which includes representatives from the Sustainability, Finance, Commercial and Procurement functions, in consultation with our expert external partners.

Scenario	Key attributes	Rationale for inclusion	Pathway to cost increase
Scenario A – 1.5°C by 2100 (SSP 1/ RCP 2.6 combination)	The world takes rapid and drastic action to limit global warming and meet the ambition of the 2015 Paris Agreement: <ul style="list-style-type: none"> – coordinated action across public and private sectors – low-carbon technologies take over from fossil fuels – shift in consumer demand and preferences towards low-carbon products and services 	A < 2°C scenario is required by TCFD. This scenario allows Compass to explore transition risks in key markets, consider changes in consumer and client preferences and understand competitor and stakeholder pressures.	Increase in sourcing costs due to carbon pricing on agricultural (farm to farm gate) and freight emissions.
Scenario B – 2.5°C by 2100 (SSP 2/ RCP 4.5 combination)	The world follows a path in which social, economic and technological trends do not shift markedly from historical patterns: <ul style="list-style-type: none"> – development and income growth proceeds unevenly – middle-of-the-road emissions with inconsistent technological process – global and national institutions work towards, but make slow progress in, achieving the UN Sustainable Development Goals 	This scenario allows Compass to prepare for a disorderly transition away from fossil fuels. Under this 2.5°C scenario, Compass examines both physical and transition risks and opportunities.	Increase in sourcing costs due to carbon pricing on agricultural (farm to farm gate) and freight emissions, and production losses leading to higher procurement costs.
Scenario C – 4°C by 2100 (SSP 5/ RCP 8.5 combination)	The world continues to use fossil fuels as the engine of economic growth, resulting in worst-case levels of global warming: <ul style="list-style-type: none"> – severe and frequent extreme weather, with chronic changes to seasonal weather patterns – extensive business disruption, severely damaging economic growth – protectionist government policies to build resilience to climate change 	This scenario allows Compass to assess the impact of acute and chronic physical climate-related risks and opportunities on the business, supply chain, supplier network, and stakeholders.	Loss in production leads to higher procurement costs due to the costs involved in switching sourcing. No carbon, plastic or food tax is assumed.

Task Force on Climate-related Financial Disclosures continued

Scope and assumptions

Time horizon

We consider three time horizons – three years (short-term), four to 10 years (medium-term) and greater than 10 years (long-term) – to be the relevant time horizons for our scenario analysis, with the assumption that climate-related issues often manifest themselves over the medium to long-term.

- **Short-term** – three years is the period reviewed by the Board in its annual strategic planning process and is aligned to the typical length of the contracts in the Group's businesses (three to five years). It is also consistent with the time period of the Group's viability statement (see page 31).
- **Medium-term** – this time horizon allows for the outcomes of scenario analysis to influence the development of our strategic objectives.
- **Long-term** – analysis over this time horizon is more uncertain due to the limited availability of data on the long-term impacts of climate change, the severity of which will be contingent on the actions taken over the short and medium-term.

Geographic and Product Scopes

To understand the impacts of physical and transition risks and opportunities in greater depth, the scope of the scenario analysis was expanded this year to include consideration of four countries (2022: 1) and seven product categories (2022: 6). Our business model in all sectors is very similar, hence we do not believe there would be any material differences in the outcomes if we considered different sectors in this exercise.

The Geographic Scope of the expanded scenario analysis was determined on the basis of both materiality (with the US, UK, Australia and France representing 78% of the Group's underlying revenue in 2023) and reach (with each of our reporting regions – North America, Europe and Rest of World – represented in the analysis). The balance of our underlying revenue comprises multiple countries, with no individual country representing more than 4% of the Group's total underlying revenue in the year.

The product focus for the scenario analysis was protein (beef, pork, poultry and dairy), produce (fruit and vegetables) and in addition, this year, beverages. Together, these products represent more than 60% of the total MAP 3 food spend in the four in-scope countries.

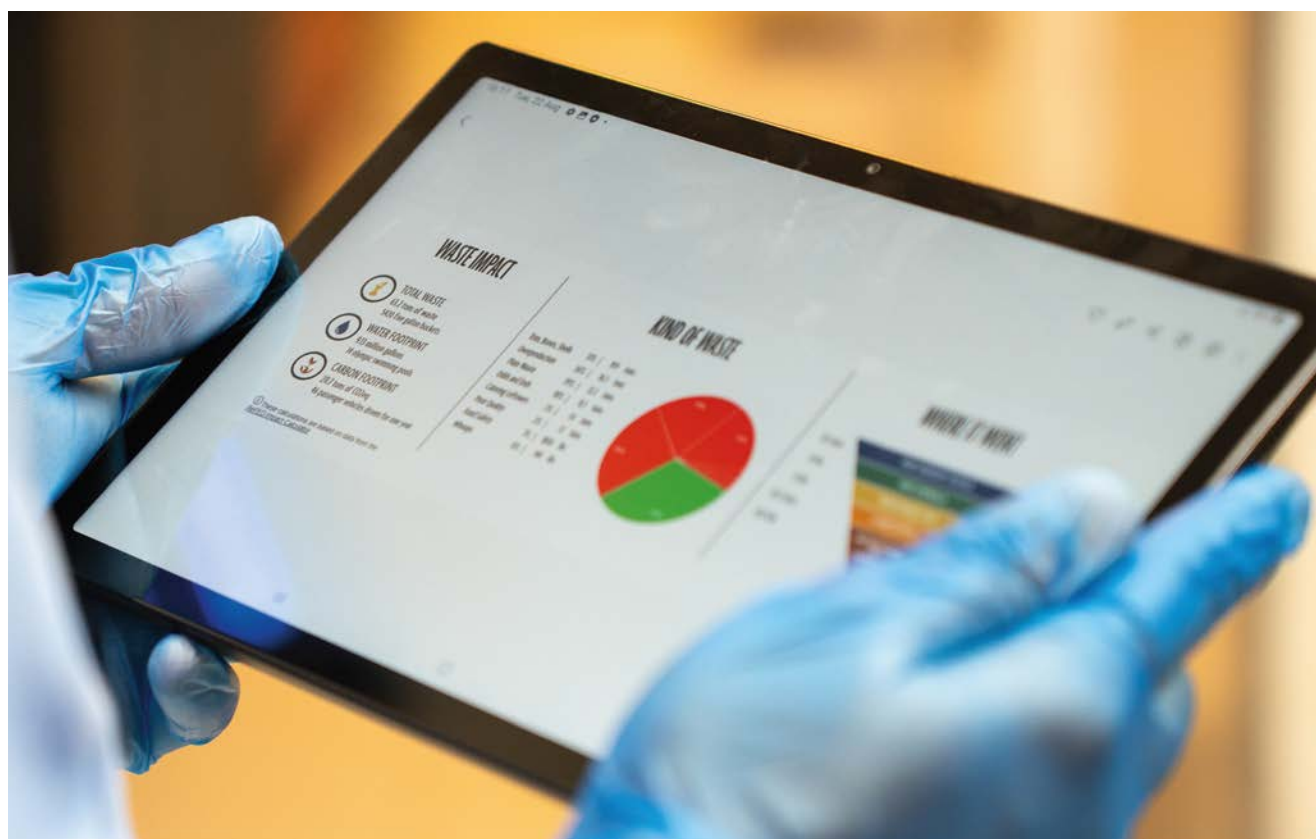
Qualitative scenario analysis

Building on the work conducted in 2022, a long-list of climate-related risks and opportunities was identified using the climate scenarios mentioned above. Their impacts on the business were discussed with business leaders and management across the markets in scope for the assessment. Workshops with our specialist internal teams, market representatives, Group senior management and external climate resilience experts were held to qualitatively assess each climate-related risk and opportunity to determine the possible operational and financial impacts. Participants included representatives from the Sustainability, Finance, Commercial and Procurement functions. The likelihood and impact of the risks were ranked to determine a list of relevant transition and physical climate-related risks and opportunities.

The process of understanding our risk exposure and impact has been incremental. This year's in-depth analysis of physical risks has provided Compass with granular insight into how the impact of climate-related risks and opportunities varies across specific geographies in each time horizon.

The table on pages 49 and 50 summarises the climate-related risks and opportunities identified during the qualitative scenario analysis and, for each one, shows the potential impact, geographical exposure and time horizon during which the impact is expected to materialise. Climate-related risks and opportunities are continuously reviewed together with other business risks as part of our biannual Major Risk Assessment (MRA) process. Climate-related risks and opportunities are assessed based on their potential impact on profit before interest and tax (PBIT) in accordance with the criteria set out in the Board-approved Risk Management Policy (see page 26).

The table also highlights for each risk the combination of strategic business model levers and operational measures available to the Group to mitigate the impact of the risks and to seize the opportunities identified. Many of these levers and operational measures are ones we regularly deploy and, based on our experience, will allow us to mitigate the impacts to levels deemed minor or negligible.



Multiple material levers we can use to mitigate these risks

The table below shows the relevant physical and transition risks and opportunities identified for Compass, including an assessment of potential impact, likely time horizon and geographic exposure.

Risk/opportunity and time horizon	Description and impact	Exposure	Mitigation
Acute physical risks			
Extreme heat and drought (S) Increased extreme heat and drought events 1 2	Transportation disruptions, crop stress leading to reduced yields and/or catastrophic crop failure, raw material shortages and increased operating costs. Transportation routes in the Australian market are vulnerable to disruption from wildfires.	US, UK, Australia and France	<ul style="list-style-type: none"> flexible menu planning arrangements that allow our businesses to select local, seasonal and readily available ingredients minimising food waste to maximise value of limited resources strategic diversification of suppliers and sourcing regions to reduce reliance on single-source ingredients increased use of alternative farming methods (e.g. indoor vertical farming)
Extreme weather events (L) Increased flooding, hurricanes and cyclones	Increased crop stress, reducing yields and/or catastrophic crop failure from flooding, and distribution-network failures from weather damage (due to flooding, hurricanes and cyclones) to public infrastructure, disrupting operations and sourcing while increasing operating costs.	US, UK, Australia and France	<ul style="list-style-type: none"> flexible menu planning minimising food waste strategic diversification of suppliers and sourcing regions flexible contractual terms with suppliers to manage and mitigate short-term disruption contingency planning and rapid response to emergency situations (e.g. the Emergency Preparedness team in the US)
Chronic physical risks			
Extreme heat (L) Increased global temperatures leading to climate-related health impacts, diseases and pests 3	Increased range, spread and distribution of weeds, disease, pests and fungi, reducing crop yields. Extreme heat and disease leading to cow weight loss and lower milk production. Increased exposure of agricultural workers to extreme heat in Australia and US, limiting operational hours and increasing operating and key input costs for farmers.	Global	<ul style="list-style-type: none"> market-based initiatives to support farmers (e.g. Compass US supporting the Carolina Farm Stewardship Association to provide advice and support to small farmers), focusing on sustainable farming practices and climate resilience strategic diversification of suppliers and sourcing regions increased use of alternative farming methods (e.g. indoor vertical farming) reducing food waste
Water stress (L) Increased water stress and scarcity 4	Increased water stress in Australia and the US leading to reduced water availability for cattle feed, reducing dairy and beef herd sizes and production, and increasing costs of key inputs. Reduced water availability for beverage suppliers, disrupting production and increasing costs of key inputs.	US and Australia	<ul style="list-style-type: none"> using analytical tools (e.g. carbon footprinting) to allow operators to improve energy, water and waste performance through menu and equipment management strategically building competitive sourcing programmes in alternative categories (e.g. meatless proteins and dairy alternatives) reducing food waste
Transition risks			
Taxation (S/M) Taxation on animal protein (beef and dairy) and transportation	Higher compliance costs or increased insurance premiums on carbon use. Increasing costs and/or decreasing revenue due to taxation on the production and sale of beef and dairy. Increased carbon taxation on GHG emissions associated with the transport and distribution of products and services, increasing operating costs.	Global	<ul style="list-style-type: none"> continued menu reformulation and accelerated plant-forward strategy reducing food waste continued close collaboration with key suppliers on GHG emissions reduction building local sourcing options to reduce food miles mature pricing practices and processes

S Short **M** Medium **L** Long-term

1 2 3 4 The four specific risks identified by the Group as the most relevant physical climate-related risks, which were the focus of the quantitative scenario analysis (see table on page 47).

Task Force on Climate-related Financial Disclosures continued

Risk/opportunity and time horizon	Description and impact	Exposure	Mitigation
Transition risks continued			
Market (M) Changing consumer preferences and behaviours away from animal proteins (meat and dairy)	Reduced demand for certain products, services and menus, and impact on competitive market position due to shifts in consumer preferences.	US and UK	<ul style="list-style-type: none"> – continued menu reformulation to reduce animal protein on the plate – reducing food waste – industry-leading plant-forward training for our chefs – expanding use of technology and consumer apps to display carbon labelling – working with suppliers on new plant-forward options and reduced-carbon ingredients – strategically building competitive sourcing programmes in alternative protein categories
Policy and legal (S/M) Regulation on plastic and food waste	Increased cost of use (through increased taxation or ban on use) and disposal of plastics leading to loss of revenue and increased regulatory disciplinary action. Fines due to inefficient food waste management, increasing operating costs.	Global	<ul style="list-style-type: none"> – application of technology to measure our food waste footprint (on track to halve food waste across our global operations by 2030) – exploring and implementing solutions to move away from single-use and fossil-fuel based plastics (e.g. in Australia, Compass has already made the transition ahead of federal and state legislation)
Opportunities			
Resource efficiency (M) Reduction in food waste across all operations	Cost reductions and reputational benefits resulting in increased demand for goods/ services and increasing revenue.	Global	<ul style="list-style-type: none"> – continued rollout of and investment in proprietary technology to measure our food waste footprint (e.g. Waste Not 2.0) – food waste KPI added to executive annual bonus plan – food reclamation partnerships to repurpose food waste into meals for community support
Market (S) Shift in consumer preferences towards plant-based menus and products	Opportunity to become a market leader in plant-based meals, resulting in increased demand and increasing revenues.	Global	<ul style="list-style-type: none"> – continue to expand our offer of healthy, lower-carbon, plant-based menu items, reformulating menus in line with our plant-forward strategy – increase share of seasonal and locally-sourced products – use of eco-labels to accelerate the transition and position Compass as a market leader
Resilience (M) Use of operational and strategic levers such as procurement scale, menu management, and culinary and digital innovation to mitigate climate-related supply chain disruptions	Higher availability of products compared to competitors, and increasing consequent revenues.	Global	<ul style="list-style-type: none"> – expand use of existing operational and strategic levers globally – leverage global procurement strategy to reduce exposure to fluctuations in raw material costs – flexible menu planning and pricing
Energy sourcing (M) Use of lower emission sources of energy, switch to renewable electricity across all operations and transitioning of all fleet vehicles to 100% plug-in electric	Reduced exposure to fossil fuel prices, and lower operating costs.	Global	<ul style="list-style-type: none"> – continue seeking to improve operational efficiency and use new technologies that emerge as the sector transitions to a low-carbon economy – increasing adoption of 100% plug-in electric vehicles by our businesses – our businesses in the UK and France have already adopted 100% renewable energy, while other markets have begun the transition
Physical opportunity (L) Crop diversification and increasing local sourcing (especially in higher latitudes)	Increased growth viability resulting in reduced logistical emissions and costs.	Global	<ul style="list-style-type: none"> – allocation of funding towards new production techniques such as regenerative agriculture, vertical farming and hydroponics; transitioning farmers from traditional farming – Compass Netherlands has partnered with Local2Local, a platform that enables farmers and producers to sell their products locally

Quantitative scenario analysis

Each of the risks and opportunities identified during the qualitative scenario analysis was considered for quantification based on the level of risk identified, its likelihood and the additional insight that would be gained from quantification.

We continue to enhance our risk management and climate change decision-making processes and, consistent with the qualitative scenario analysis, have extended our modelling to short, medium and long-term timeframes (2025, 2030 and 2050) and four countries (US, UK, Australia and France). Last year, only one timeframe (2030) and one country (US) were considered.

This year, we have focused our analysis on the four most relevant physical climate risks identified during the qualitative scenario analysis: acute drought and heat events, and chronic water stress and temperature increases. These have been modelled under the three climate scenarios, A, B and C, explained on page 47, across the relevant markets and each of the short, medium and long-term timeframes.

The chronic risks were only modelled for the US and Australia on the basis that only these countries are expected to experience temperature increases at levels that will impact livestock and milk production.

Last year, in addition to physical risks, we also modelled transition risks relating to taxation. As we consider that the conclusions of that analysis remain relevant this year, they have not been re-modelled.

The food products selected for the quantitative scenario analysis remain consistent with last year, with protein (beef, dairy, poultry and pork) and produce (fruit and vegetables) continuing to be the focus of our modelling.

The table below shows the results of this year's quantitative scenario analysis in respect of physical risks, together with last year's low-carbon transition scenario. We are confident that our strategic business model levers and operational measures will allow us to mitigate the impacts to levels deemed minor or negligible.

Quantification of potential cost impacts by climate scenario

Risk	Type	Description	Impact	Country	Focus area	Cost impact ¹ – 2025/2030			Cost impact ¹ – 2050		
						A (1.5° C)	B (2.5° C)	C (4° C)	A (1.5° C)	B (2.5° C)	C (4° C)
Drought 1	Acute	Prolonged period of abnormally low rainfall leading to a shortage of water	Crop stress leading to reduced yields	US, UK, Australia and France	Poultry, pork, produce	●	●	●	●	●	●
Extreme heat 2	Acute	Prolonged period of abnormally high surface temperatures	Crop stress leading to crop failure	US, UK, Australia and France	Poultry, pork, produce	●	●	●	●	●	●
Extreme heat 3	Chronic	Sustained abnormally high surface temperatures	Heat leading to cow weight loss and lower milk production	US and Australia	Beef, dairy	●	●	●	●	●	●
Water stress 4	Chronic	Sustained higher temperatures and reduced precipitation	Reduced water availability for cattle feed, thus reducing herd size	US and Australia	Beef, dairy	●	●	●	●	●	●
Taxation ²	Transition	Carbon tax on agricultural and freight (Scope 3) emissions	Higher compliance costs or increased insurance premiums	US	Beef, dairy, poultry, pork, produce	●	●	N/A	N/A	N/A	N/A

Potential unmitigated annual food cost increase¹

● < 2.5% ● 2.5-5.0% ● 5.0-7.5%

1. The cost impact columns indicate the potential unmitigated gross annual percentage increase in the cost of food products in scope for each risk scenario.

2. Scenario analysis on taxation in 2022 considered the low-carbon (1.5°C and 2°C) transition scenarios and calculated the cost impact for a 2030 time horizon only.

S Short **M** Medium **L** Long-term

1 2 3 4 The four specific risks identified by the Group as the most relevant physical climate-related risks.

Key assumptions

- it is assumed that the price elasticity of food products is 100%, i.e. when the yield decreases by 1, the price increases by 1
- it is assumed that the price elasticity of poultry and pork feed is 50%, i.e. when the price of feed increases by 1, the price of poultry and pork increases by 0.5

- the output of the analysis is an estimated cost increase assuming no volume changes from 2022 levels and no changes in business activities. The results refer to this scope only and, as such, cannot be extrapolated
- the analysis does not include the mitigation or adaptation measures that would be undertaken by the Group's businesses and their suppliers to offset the estimated cost increases

Task Force on Climate-related Financial Disclosures continued

Consistent with last year, no potential financial impacts in 2030 of 2.5% or more of total spend on in-scope food categories before business levers were identified in respect of the physical climate risks modelled.

This year's modelling of physical risks shows that the most significant potential impact is from chronic water stress in the US and Australia in 2050 under all three climate scenarios, with an estimated annual cost increase in the range of 2.5% to 5.0% of the total spend on in-scope food categories across the US, UK, Australia and France. The analysis shows that beef and dairy production is likely to be most impacted by climate change, with costs increasing in the long-term. However, our existing strategy, informed by a focus on potential climate impacts, is building competitive sourcing programmes in alternative food categories including meatless proteins and dairy alternatives, such that the impact of this risk can be successfully mitigated by the Group.

The most significant potential impact identified during our quantitative scenario analysis last year was from the transition risk of carbon taxes on animal protein in the US in 2030 under low-carbon climate Scenario A, with an estimated annual cost increase in a range of 5.0% to 7.5%. Whilst we concluded that the application of the business levers at hand in our operational model would substantially reduce the financial impact, the analysis showed that carbon tax on our Scope 3 GHG emissions is a key risk to mitigate and, therefore, it is the focus of our current efforts, which are highlighted in the Metrics and targets section below.

Future roadmap on scenario analysis

We will continue to evolve our scenario analysis for future TCFD disclosures. In 2024, we expect to quantify an opportunity while continuing to expand our analysis into more geographies and product categories.

The resilience of the Group strategy

Compass Group's sustainability leadership, climate net zero roadmap and well-established plant-forward strategy make us more resilient and adaptable than many of our peers to the impacts of climate change, most notably evolving client and consumer demands and the projected climate impacts on animal protein production costs and availability.

The Group benefits from a wide range of strategic and operational processes already in place that can be flexed to address changing market dynamics, supply disruption and other impacts of climate change. These processes include a combination of operational mitigation measures and strategic business model levers, captured in the table on page 49 and 50. The main levers available to Compass are flexible menu arrangements with clients, food waste management to optimise resource efficiency, and continued strategic diversification of suppliers and sourcing regions. Compass already widely deploys these levers as part of our normal business practices, and we are confident they will continue to provide a competitive advantage during any climate transition.

Beyond these business levers, we are also evolving our approach to carbon. Most of Compass Group's GHG emissions are Scope 3. Collaboration with our suppliers is essential as we recognise that we cannot impact those emissions on our own. We are working with partners like Planet FWD (see page 38), and we are moving to a volume-based data approach, to build a more granular understanding of food-related emissions.

Working with our suppliers on reducing their carbon emissions, combined with menu engineering and reducing food waste, form the three key levers to our carbon reduction strategy.

We believe our business model will be resilient in all three climate change scenarios that were considered during the process.

Risk management

Processes for identifying and assessing climate-related risks

Climate change has been assessed as a principal risk by the Board since 2021, recognising the potential impacts it can have on our businesses in the medium and long-term. Climate change risks and opportunities are considered as part of our MRA process: a structured biannual bottom-up and top-down risk review completed by all countries, which is the cornerstone of our risk management framework.

The process for identifying climate-related risks and opportunities is consistent with last year and continues to involve both country leadership teams and central functions, including Finance, Risk Management, Legal and Sustainability. Risks are identified and assessed within each country and region, and the Group risks are assessed biannually by the Board.

In accordance with our risk management framework, we assess the materiality of key risks and opportunities, including climate-related risks and opportunities, and deem them to have a substantive financial or strategic impact if there is a one-off or recurring annual profit impact of more than 4% of our PBIT. More information about our risk management framework can be found on pages 24 and 25.

Processes for managing climate-related risks

As noted on pages 26 to 30, the Group's principal risks (which include climate-related risks) are all considered as part of the Group's strategic planning process and viability statement assessment. In addition, we note on page 151 how climate risk has been considered in the basis of preparation of the Group's consolidated financial statements.

Climate risks and mitigations are monitored throughout the year by the Executive Committee, as part of the biannual MRA process, and separately by a cross-functional steering group. RMDs are responsible for managing climate change risks and opportunities for their respective regions while responsibility at the country level sits with the country Managing Directors.

The development of action plans to manage the climate-related risks and maximise the opportunities, and the continual monitoring of progress against agreed KPIs, are integral parts of both business process and core activities throughout the Group. These KPIs consist mainly of the metrics described in the Metrics and targets section below, and are in line with our strategy and the conclusions of our scenario analysis.

Metrics and targets

Focus on food waste and GHG emissions in line with strategy and results of quantitative scenario analysis

In line with our commitment to the Paris Agreement and our sustainability strategy, which includes climate action, we have established climate-related metrics and targets for the short, medium and long-term, at both a Group and operating country level. We have committed to:

- reaching climate net zero GHG emissions across our global operations and value chain by 2050. The climate net zero goal includes interim 2030 targets validated by the Science Based Targets initiative (SBTi)
- reducing absolute Scope 1 and Scope 2 GHG emissions by 46% by 2030 from a 2019 base year, in line with an ambition to limit future warming to 1.5°C above pre-industrial levels
- reducing our absolute Scope 3 GHG emissions from all purchased food and drink by 28% by 2030 from a 2019 base year, aligned with a trajectory to limit global warming to well below 2°C compared to pre-industrial levels



This year, we have more than doubled our food waste measurement capability by deploying our range of food waste management systems in nearly 8,000 sites across all regions, with data assurance provided by an independent third party. Our investment in technology helped deliver a 28% reduction in food waste in 2022¹.

We have also committed to achieving carbon neutrality worldwide in our Group operations by 2030 (Scopes 1 and 2). To achieve this, we will compensate and later neutralise remaining Scope 1 and 2 direct GHG emissions through high-quality carbon removal projects. As a critical step towards lower GHG emissions, we have also committed to reducing food waste by 50% by 2030. To support the business to meet these targets the Group launched a Sustainable Financing Framework in July 2022 to issue sustainable debt. Under this framework, in September 2022 we successfully issued two sustainable bonds, raising proceeds of €500 million and £250 million respectively, which will be used to progress the Group's sustainability initiatives and the delivery of its global climate net zero target. As of September 2023, we have allocated 50% of the proceeds raised on sustainable initiatives, including operating expenditures on certified ethically traded coffee and tea and certified sustainable fish and seafood.



Further details can be found in the latest Sustainable Bond Allocation Report on the Group's website www.compass-group.com/en/investors/debt-investors/sustainable-financing

Food waste

With a third of all food produced globally wasted every year, reducing food waste – both within our own operations and by working with suppliers to reduce food waste at source – is a core strategic priority for the Group and our businesses. By sending less food waste to landfill and ensuring good food is not wasted, we are helping to mitigate climate change, relieving pressure on natural resources. This strategy will also continue to enhance purchasing and product management efficiencies throughout our operations globally, supporting the mitigation of the physical and transition risks identified in our scenario analysis.

We are on track to achieve a 50% reduction in food waste by 2030, which we see as our most immediate contribution to reducing GHG emissions. This year, we have more than doubled our food waste measurement capability by deploying our range of food waste management systems in nearly 8,000 sites across all regions, with data assurance provided by an independent third party. Our investment in technology helped deliver a 28% reduction in food waste in 2022¹. The continued global rollout will see food waste technology made available in relevant sites across all Compass markets, improving tracking and accountability of kitchen waste worldwide while also delivering significant reductions in the Group's Scope 3 GHG emissions and clients' carbon footprints. See page 39 for further details on our progress on food waste this year.

Scope 1 and Scope 2 GHG emissions

We report our energy usage and Scope 1 and 2 GHG emissions annually (see page 42). In 2023, we monitored the energy usage and GHG emissions of our owned and operated sites across 28 countries (2022: 29) which represent 98% of the Group's underlying revenue² (2022: 98%). This year, we have again calculated our Scope 2 GHG emissions using market-based methodology to recognise the purchasing of low-carbon energy. Our Scope 1 and 2 GHG emissions normalised by revenue are disclosed on page 42.

Scope 3 GHG emissions

Of our emissions, 98% sit under Scope 3 and are related to the products we purchase. Although these emissions are not entirely within our control, we can influence changes through menu choices, reducing food waste or by working with suppliers to contribute to reductions. We have improved our methodology and we now measure emissions on a volume basis rather than by spend, which is a more accurate reflection of our Scope 3 GHG emissions. Our most recent data show an approximate 30% reduction in our Scope 3 purchased goods emissions compared to our 2019 baseline.

1. Reported reduction based on information available at the date of publication. Progress on food waste reduction in 2023 will be disclosed in the Group's annual Sustainability Report in January 2024.

2. Alternative Performance Measure (APM) (see pages 206 to 213). The Group's APMs are defined in note 34 (non-GAAP measures) and reconciled to GAAP measures in notes 2 (segmental analysis) and 34 to the consolidated financial statements.

Task Force on Climate-related Financial Disclosures continued

GHG Scope 3 – Category	Comment on data
Purchased goods and services	Calculated with average data methodology using activity data for 94% of food spend in the USA, 95% in Australia, and a significant portion in the UK. All other purchased goods and services were calculated using spend data and environmentally extended input-output (EEIO) emissions factors. These emissions factors include upstream transportation for purchased goods and services, unless upstream transportation is separately purchased by Compass Group.
Capital goods	Spend-based method was used on capital goods to calculate the emissions using EEIO emissions factors.
Fuel and energy-related activities	Primary data for Scope 1 and 2 emissions was used to calculate the upstream portion of these activities (US Life Cycle Inventory (LCI) data for most countries). France was calculated using energy usage per meal and fuel usage for transportation emissions.
Upstream transportation and distribution	Upstream transportation emissions are included in emissions for category 3.1 (Purchased goods and services) unless purchased separately. Transportation represented in category 3.4 was calculated using spend data and EEIO emissions factors. France was extrapolated based on data from freight providers.
Waste generated in operations	Waste studies for each country were used to approximate food waste based on purchased food. France was calculated based on estimated waste per meal.
Business travel	Air travel was calculated based on total miles travelled, taking into account country-specific domestic versus international flights, to determine average emissions load. In countries with primary data available, ground travel was also calculated based on total miles travelled by mode of transportation, using each country's government-published emissions factors. In other countries, ground travel emissions were estimated based on total spend for travel.
Employee commuting	Employee commuting was calculated using total number of employees commuting, commuting days in a year, assumed commute distances, assumed vehicle types, and emissions factors from each country's government-published emissions factors.
Upstream leased assets	Compass Group does not lease upstream assets. Energy usage in client kitchens was previously included in this category but is now included in category 3.11 (Use of sold products).
Use of sold products	Compass Group's use of sold products primarily comprises energy usage in client kitchens. Energy use calculations were estimated using factors based on electrical and natural gas usage in commercial kitchens by revenue. Differences in food costs and consumer prices across countries were normalised using food indices from FAOSTAT. Energy usage in client kitchens was previously represented in category 3.8 (Upstream leased assets).
End-of-life treatment of sold products	Estimates were made for both end-of-life food waste and packaging waste. Food waste rates are country-specific. All packaging is assumed to end up as waste, and the quantity of packaging is estimated according to average packaging mass:product ratios based on submitted food weights. These emissions were previously treated as category 3.5 (Waste generated in operations).
Investments	Calculations were based on revenue data and EEIO emissions factors for relevant sectors. For partially-owned investments, revenue is allocated to Compass by percentage of ownership or period of ownership, and only this portion is used for emissions estimates. This category was previously not relevant.

Building a low-carbon supply chain can only be achieved through close collaboration with our supply chain partners. In the UK&I this year, we have mandated that all suppliers establish science-based targets, while in the US we hosted roundtable discussions with our key suppliers to explore their carbon reduction strategies.

Calculations of Scope 3 emissions going forward

In order to monitor our progress in reaching our 2030 science-based targets, we will continue to measure and disclose our relevant Scope 3 emissions annually.

Internal carbon pricing

We recognise the importance of having an effective internal carbon pricing system in place, as well as the effects of a possible increase in the price of carbon offsets going forward. We therefore continue to assess how to introduce an internal carbon pricing method as a matter of priority whilst we evolve our data reporting systems to be able to capture data at a product level, which would be a critical enabler.

Remuneration

To further strengthen our targets and commitments, the Remuneration Committee introduced a new ESG KPI for the 2023 annual bonus plan for executive directors and senior management, to support our sustainability priorities (see pages 116 to 117). This focuses on reducing food waste across our operations, targeting an annual increase in the number of sites recording food waste using industry-leading technology. This has been effective in focusing our leadership to accelerate the deployment of food waste management

technology which will allow us to further reduce food waste, more accurately refine our menu and production planning, and enhance procurement efficiency. The target for this KPI was met in 2023, with the 2024 annual bonus KPI focusing on driving usage of the technology (see page 120).

Work on other metric categories

We recognise the importance of measurement and follow-up to drive change and have considered the seven metric categories in the TCFD recommendations. In addition to the metrics mentioned above, we will continue to explore how to measure transition risks, physical risks, climate-related opportunities and capital deployment to the extent relevant.

Conclusion

We are encouraged by the findings of the expanded scenario analysis this year, which support and reaffirm our sustainability strategy and the mitigating actions we are already taking across our global operations. Though additional climate-related risks have been identified, we are confident in our ability to manage these risks whilst maximising the available opportunities. Consequently, we expect the net impact to be immaterial to the Group.

We remain steadfast in our commitment to collaborate with partners in our ecosystem to decarbonise while continuing to work with external experts to broaden the scope of our efforts in this area and further improve our TCFD disclosures year-on-year.

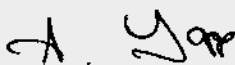
Non-financial and sustainability information statement

The table below sets out where stakeholders can find information in our Strategic report that relates to non-financial matters detailed under section 414CB of the Companies Act 2006.

Reporting requirement	Some of our relevant policies ¹	Where to read more in this Report about our impact, including the principal risks relating to these matters	Page
Environmental matters	<ul style="list-style-type: none"> – Sustainability Strategy – Environmental Policy Statement 	Purpose	38-44
		GHG Emissions	42
		TCFD reporting	45-54
		Principal Risks – Climate change and sustainability	26
Employees	<ul style="list-style-type: none"> – Code of Business Conduct – Business Integrity Policy – Workplace Health and Safety Policy Statement – DE&I Policy 	Chief Executive's review – People	10
		People	32-37
		Principal Risks – Health and Safety, People	26-27
		Safety culture	12
		Ethics and integrity	13-14
Human rights	<ul style="list-style-type: none"> – Code of Business Conduct – Business Integrity Policy – Modern Slavery Act Statement – Human Rights Policy Statement 	Whistleblowing, anti-bribery and fraud	84
		Human Rights	35
		Employee diversity	33-35
Social matters	<ul style="list-style-type: none"> – Social Purpose 	Chief Executive's review – Purpose	11
		Stakeholder engagement	74-79 and 103-104
		Purpose Report	38-44
Anti-bribery and corruption	<ul style="list-style-type: none"> – Code of Business Conduct – Business Integrity Policy – Speak and Listen Up Policy – Sourcing Responsibly 	Ethics and integrity	13-14
		Principal Risks – Compliance and fraud	29-30
		Whistleblowing, anti-bribery and fraud	84
Business model		Strategy and business model	4-6
Non-financial KPIs		Global Lost Time Incident Frequency Rate	7
		Global Food Safety Incident Rate	7
		Global Total Recordable Injury Frequency Rate	12, 56, 89, 120
		Greenhouse gas intensity ratio	7
Principal risks		Risk management	24-30

1. The Company's policies, statements and codes are available on the Company's website, www.compass-group.com.

The Strategic report, as set out on pages 1 to 55, has been approved by the Board and signed on its behalf by



Alison Yapp
Group General Counsel and Company Secretary

20 November 2023

Governance and leadership

Ian Meakins

Chair of the Board



Dear Shareholder

On behalf of the Board, I am pleased to present Compass Group PLC's annual Corporate Governance and Directors' Report for the financial year ended 30 September 2023. Throughout this and other parts of the Annual Report, we have sought to provide shareholders and other stakeholders with an insight into how our governance framework has supported our performance during the year.

Board changes, succession planning and talent pipeline

This year, as part of the ongoing succession planning process, the Nomination Committee undertook a comprehensive review of the composition of the Board, together with the succession plans for the Board and the Executive Committee and key roles in the Group's North America business. The review considered the tenure of the Board's non-executive directors and the skills and experience that will be needed in the future as directors retire, having served their term in office, and as the food services industry continues to evolve.

In May, the Nomination Committee recommended the appointment of Leanne Wood as a non-executive director to the Board. Leanne will stand for election at the forthcoming AGM in February 2024. More details of the appointment process and Leanne's induction are on page 94. The Committee also considered changes to the roles and responsibilities of some non-executive directors, and recommended these to the Board.

Following Gary Green's decision to retire and step down from the Board, as announced in September 2023, the Committee considered the appointment of his successor and also the appointment of a new Group Chief Financial Officer (CFO). I am pleased to report that our detailed succession planning processes ensured there was an exceptional pipeline of internal talent available, and this has enabled us to fill these two key Board positions with internal candidates. Carol Arrowsmith will retire from the Board at the conclusion of the 2024 AGM having served more than nine years on the Board. More details of all of these changes can be found in the Nomination Committee report on pages 94 and 95.

In the coming year, the Committee will continue to focus on succession planning for the Board and Executive Committee, ensuring there is a strong and diverse pipeline of future senior leaders.

Diversity, equity and inclusion

Across the Group, we continue to ensure the workforce is representative of the communities that Compass serves, and we are making promising headway. Information on the initiatives being implemented to drive positive change can be found in People on pages 32 to 37 and also on our website, www.compass-group.com.

At Board level, changes made in recent years reflect our aim for better gender balance and diversity in its broadest sense, and we will continue to advance this agenda. As set out on page 65, we have made good progress. At the date of this Report, 38% of directors are women versus 33% last year. In July, Anne-Françoise Nesmes succeeded John Bryant as Senior Independent Director, and three members of the Board are from a minority ethnic background. In the coming year, we hope to meet the target of having at least 40% of Board membership represented by women.

Audit tender process

This year was KPMG's 10th year as the Company's external auditor and, during the year, the Audit Committee conducted a competitive tender process for the role of external statutory auditor. Following the conclusion of the tender process, the Audit Committee recommended to the Board that the incumbent, KPMG LLP, be reappointed as the Company's external auditor. More detail about the audit tender process can be found in the Audit Committee report on pages 87 and 88.

Environmental, social and governance (ESG) matters

Throughout the year, the Board was kept up to date on the progress and effectiveness of the Group's ESG strategies. With regard to environmental matters, the Board and the Corporate Responsibility Committee have reviewed the Group's progress toward its climate net zero commitment, and closely monitored the developing sustainability disclosure landscape and reporting frameworks. On social matters, we reviewed plans to create lifetime career opportunities and to further improve the experience of employees in the Group, including initiatives designed to give back to and create value for the communities in which Compass operates. As part of the Group's continuing drive to improve its safety culture, the Corporate Responsibility Committee approved a move from the Lost Time Injury Frequency Rate (LTIFR) workplace health and safety performance measure, to the Total Recordable Injury Frequency Rate (TRIFR) performance measure for 2024, reflecting the continuing maturity of Compass' safety culture.

More detail on these matters can be found on in the Strategic report on pages 1 to 55 and on our website, www.compass-group.com.

Governance reforms

The Board and its committees continue to monitor developments in governance, particularly the proposed changes to the UK Corporate Governance Code 2018 and the proposed audit reforms.

Change in presentation currency

The Board approved a change in the Group's presentation currency from sterling to US dollars to take effect from 1 October 2023. More information can be found on pages 81 and 84.

Stakeholders

The Board values engagement with stakeholders. As set out on page 74, for practical reasons, most stakeholder engagement takes place between the Company's subsidiaries and their stakeholders at an operational level. Direct engagement between members of the Board and stakeholders is principally with employees and investors. However, the Board ensures that there are effective mechanisms in place to support the continuous flow of information between the Board, senior management and the wider organisation to enable the Board to understand the views of all our stakeholders.

Details of how the Board has oversight of stakeholders' interests, together with examples of how decisions taken by the Board have impacted stakeholders during the year, can be found on pages 74 to 79 and 81.

Board effectiveness

This year, we conducted an internal evaluation of the Board and its committees. The results of the evaluation concluded that the Board and its committees continue to operate effectively, and I am confident that we have an appropriate balance of capability, skills, experience and diversity on the Board to continue to do so. However, we are not complacent, and we have identified a number of priorities for the Board and its committees for the year ahead to help us continue to build on the progress we have made to date, and to contribute to the ongoing success of the Group.



Ian Meakins
Chair of the Board

20 November 2023

Compliance with the UK Corporate Governance Code 2018

Compliance statement

It is the Board's view that for the financial year ended 30 September 2023, the Company was compliant with the principles and provisions set out in the UK Corporate Governance Code 2018 (the Code) with the following exception. During the first three months of the financial year, the Company did not comply with provision 38 (alignment of executive director pension contribution rates with those available to the workforce). The Company has been compliant with provision 38 since 31 December 2022, when existing pension benefits for executive directors were aligned to the maximum rate available to the majority of the wider UK workforce.

For more information, please refer to page 115 of the Directors' Remuneration report.

The Company's auditor, KPMG LLP, is required to review whether the above statement reflects the Company's compliance with the provisions of the Code specified for its review by the Financial Conduct Authority's (FCA) Listing Rules and to report if it does not reflect such compliance. No such report has been made.

Our commitment to corporate governance

The Board is committed to the high standards of corporate governance set out in the Code. The Code can be found on the FRC's website, www.frc.org.uk.

This Corporate Governance report, together with the Directors' Remuneration report set out on pages 97 to 126, describes how the Board has applied the principles and complied with the provisions set out in the Code for the year under review. The Directors' Report also contains information required to be disclosed under the FCA's Listing Rules and Disclosure Guidance and Transparency Rules. To the extent necessary, certain information is incorporated into this Report by reference.

This Corporate Governance report on pages 56 to 126 and the Other Statutory Disclosures on pages 127 to 130, together with the Directors' responsibilities statement on page 131 and the Strategic report on pages 1 to 55, which make up the Directors' report have been incorporated by reference.

Board leadership and company purpose

Compass is led by an effective and balanced Board dedicated to promoting the long-term sustainable success of the Company, generating value for shareholders, and contributing to wider society. The Board has established the Company's purpose, values and strategy, which are aligned with its culture. Read more on pages 56 to 81.

Division of responsibilities

The roles of the Chair of the Board and the Group Chief Executive Officer (CEO) are separate, and there is an appropriate combination of executive and independent non-executive directors. The responsibilities of the Chair, Group CEO and Senior Independent Director (SID) are set out in writing. Read more on pages 66 to 68.

Composition, succession and evaluation

Appointments are subject to a formal, rigorous and transparent procedure. Succession plans, designed to promote diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths, are in place for the Board and senior management. The Board and its committees are evaluated annually, in accordance with the Code. Read more on pages 93 to 96.

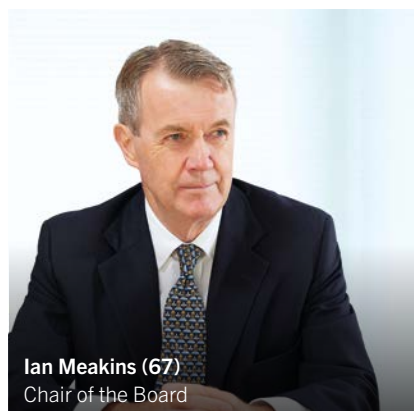
Audit, risk management and internal control

Formal, transparent policies and procedures are in place to ensure the independence and effectiveness of the internal and external audit functions, the integrity of financial and narrative statements, and to manage and mitigate risks. Read more on pages 82 to 88.

Remuneration

Compass has remuneration policies designed to support its strategy and promote long-term sustainable success. Executive remuneration is aligned to the Company's purpose and values and is clearly linked to the delivery of long-term strategy. Read more on pages 97 to 126.

Board of Directors



Ian Meakins (67)
Chair of the Board

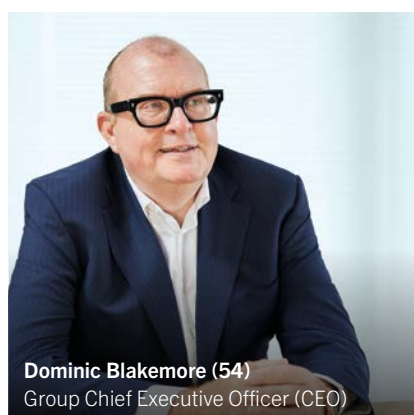


Appointment: Appointed to the Board in September 2020. Became Chair of the Board in December 2020.

Key skills and competencies: Ian is an experienced Chair and former CEO with a strong background in B2B and B2C businesses across a variety of sectors in global organisations.

Current external appointments: Ian is a non-executive director and Chair Designate of Unilever PLC.

Previous experience: Ian is a former non-executive Chair of Rexel SA and a former Chief Executive of Wolseley plc (now Ferguson plc), Travelex Holdings Ltd and Alliance Unichem plc (until its merger with Boots). Prior to that, he held positions at Diageo plc, Bain & Company and Procter & Gamble, and was a founding partner at Kalchas Group management consultants. Ian was previously a non-executive director of O2 plc and SID at Centrica plc. He was formerly non-executive Chair of The Learning Network B.V.



Dominic Blakemore (54)
Group Chief Executive Officer (CEO)



Appointment: Joined the Board in February 2012. Previously held the roles of Group CFO, Group Chief Operating Officer (COO), Europe, and Deputy Group CEO. Assumed the role of Group CEO in January 2018.

Key skills and competencies: Dominic has extensive financial management experience in a number of international businesses, together with general operational management experience. He is a chartered accountant.

Current external appointments: Dominic is a non-executive director of London Stock Exchange Group plc and a member of the Council of University College London.

Previous experience: Dominic is a former non-executive director of Shire plc, CFO of Iglo Foods Group Limited, and European Finance & Strategy Director at Cadbury Plc, having previously held senior finance roles at that company. Before that, Dominic was a director at PricewaterhouseCoopers LLP.



Palmer Brown (52)
Group Chief Financial Officer (CFO)

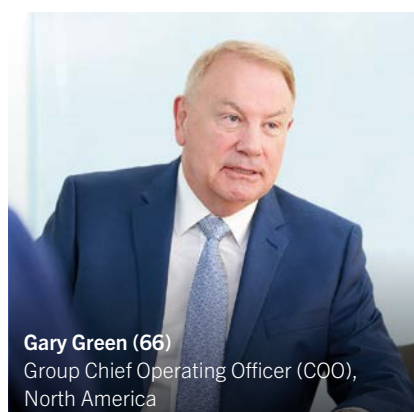


Appointment: Appointed to the Board in October 2021, having joined the Group in 2001. Assumed the role of Group CFO in November 2021.

Key skills and competencies: During his tenure, Palmer has held a variety of senior finance, strategy and legal positions and played a central role as a member of the Executive team in North America. He also coordinated many of the acquisitions and disposals for the Group. Palmer has degrees in business and law and is a certified public accountant.

Current external appointments: None.

Previous experience: Palmer is a former Group Commercial Director and Chief Strategy Officer, Compass Group North America. Prior to that, he served as General Counsel and Executive Vice President of Corporate & Legal Affairs for the Group's US business.



Gary Green (66)
Group Chief Operating Officer (COO), North America



Appointment: Joined the Board in January 2007. Appointed Group COO, North America, in April 2012.

Key skills and competencies: Gary brings strong business and operational leadership, business development, and wide-ranging sales experience. Gary is a chartered accountant and has an honorary doctorate from Johnson & Wales University in the US.

Current external appointments: None.

Previous experience: Gary joined the Group in 1986 in a senior finance role in the UK and became a UK director in 1992. He relocated to the US in 1994 as CFO of the Group's North America business and, in 1999, became its CEO.

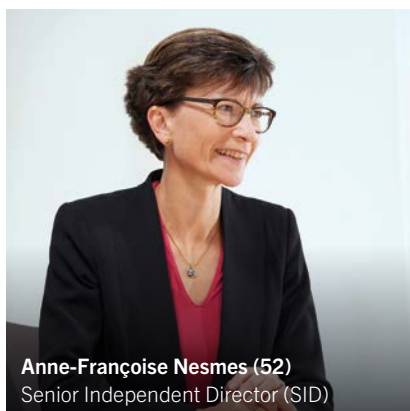
Committee membership key

A Audit Committee
C Corporate Responsibility Committee

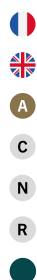
N Nomination Committee
R Remuneration Committee

Chair
Senior Independent Director

Designated Non-Executive Director for Workforce Engagement
Secretary



Anne-Françoise Nesmes (52)
Senior Independent Director (SID)

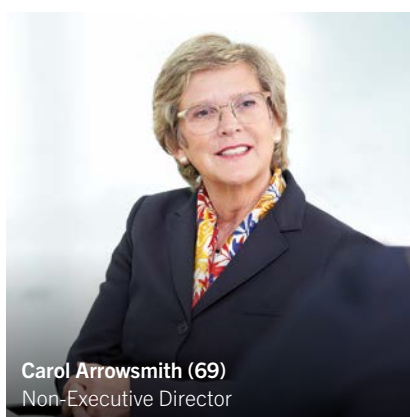


Appointment: Appointed to the Board in July 2018. Appointed Chair of the Audit Committee in February 2021. Appointed SID in July 2023.

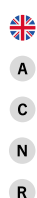
Key skills and competencies: Anne-Françoise has a wealth of experience in finance and accounting in international organisations with a strong focus on strategy, M&A and governance. She is a chartered management accountant.

Current external appointments: CFO of Smith+Nephew PLC.

Previous experience: Anne-Françoise is a former CFO of Merlin Entertainments PLC and Dechra Pharmaceuticals PLC, and also held a number of senior finance roles during her 16-year tenure at GlaxoSmithKline.



Carol Arrowsmith (69)
Non-Executive Director

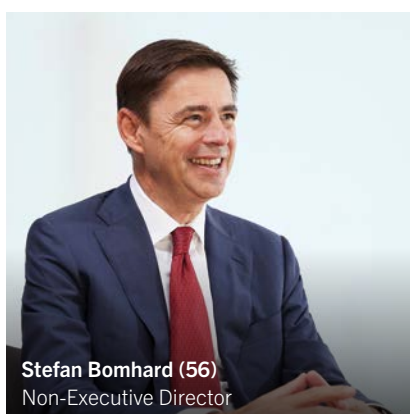


Appointment: Appointed to the Board in June 2014.

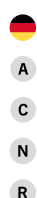
Key skills and competencies: Carol brings extensive advisory experience, especially in advising boards on executive remuneration across a range of sectors. She is a Fellow of the Chartered Institute of Personnel and Development.

Current external appointments: Non-executive director of Centrica plc and a director and trustee of Northern Ballet Limited.

Previous experience: Carol is a former partner and adviser of Deloitte LLP and Vice Chair of their UK business, a director of the Remuneration Consultants Group, a director of Arrowsmith Advisory, a non-executive director of Vivo Energy PLC and TMF Group Limited, and a member of the Advisory Group for Spencer Stuart.



Stefan Bomhard (56)
Non-Executive Director

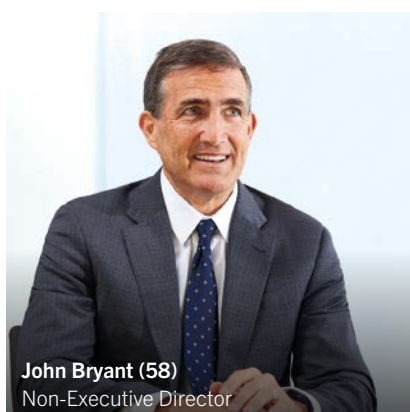


Appointment: Appointed to the Board in May 2016.

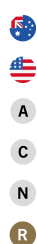
Key skills and competencies: Stefan brings extensive experience of working in international environments, particularly in the operation, sales and marketing of well-known consumer food and drink brands.

Current external appointments: CEO of Imperial Brands PLC.

Previous experience: Stefan is a former CEO of Inchcape plc. Before joining Inchcape, he was President of Bacardi Limited's European region and was also responsible for its global commercial organisation and global travel retail. Previous roles have included a number of worldwide senior positions at Cadbury Plc, Unilever PLC, Diageo plc, Burger King and Procter & Gamble.



John Bryant (58)
Non-Executive Director



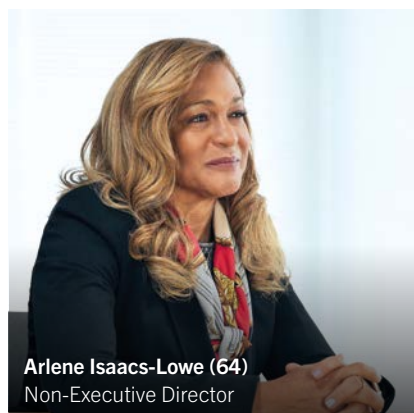
Appointment: Appointed to the Board in September 2018. Appointed Chair of the Remuneration Committee in February 2023.

Key skills and competencies: John brings over 30 years' experience to the Board with a particular focus on finance, operations, M&A, strategy and portfolio transformation.

Current external appointments: Non-executive Chair of Flutter Entertainment plc and non-executive director of Coca-Cola Europacific Partners plc and Ball Corporation.

Previous experience: John is a former Executive Chair and CEO of global consumer goods company Kellogg. Prior to joining Kellogg in 1998, John held strategic and operational roles in several companies, worldwide. John is also a former non-executive director of Macy's Inc.

Board of Directors continued

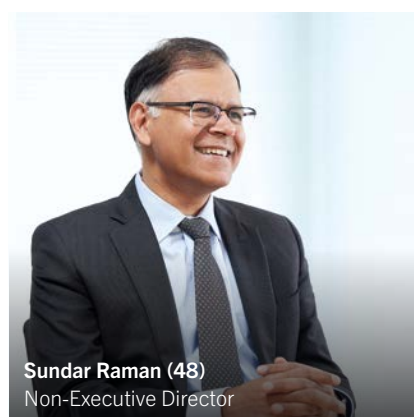


Appointment: Appointed to the Board in November 2021.

Key skills and competencies: Arlene brings over 20 years' executive experience in corporate social responsibility (CSR), finance, strategy and sales across the US, Europe, the Middle East and Africa.

Current external appointments: Non-executive director of Equitable Holdings, Inc. and Xenia Hotels & Resorts, Inc., Financial Secretary of The Links Foundation, Incorporated and a member of the advisory board of Howard University School of Business.

Previous experience: Arlene is a former Global Head of CSR of Moody's Corporation, where she developed and implemented their global CSR strategy. She joined Moody's Corporation in 1998, where she held various senior leadership, analytical, commercial and relationship management roles. Prior to joining Moody's, Arlene was CFO of Equinox Realty Advisors LLC, and before that, she was a portfolio manager with MetLife Realty Group, Inc. Arlene is a former member of the advisory board of Agbanga Karite LLC.

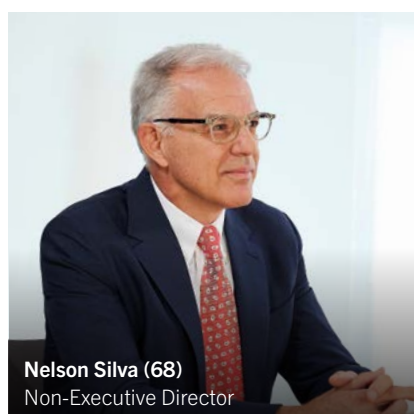


Appointment: Appointed to the Board in January 2022.

Key skills and competencies: Sundar brings over 20 years' experience as an executive in the US, operating in highly competitive markets and successfully growing global consumer brands.

Current external appointments: Global CEO of Procter & Gamble's Fabric and Home Care business.

Previous experience: Sundar is a former President, Home Care and P&G Professional with Procter & Gamble. Sundar started his career with Procter & Gamble in 1998 as a market analyst and has held a number of senior leadership roles in business intelligence, marketing and innovation across a variety of product lines and market segments. Sundar is a former Chair of the American Cleaning Institute, and a former member of the Board of the National Underground Railroad Freedom Center.



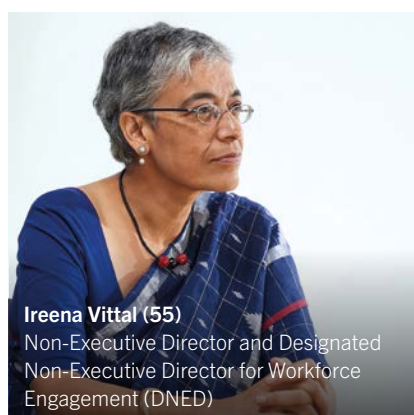
Appointment: Appointed to the Board in July 2015. Appointed Chair of the Corporate Responsibility Committee in February 2017.

Key skills and competencies: Nelson has considerable executive management experience in a variety of senior leadership roles within major international companies, with a particular focus on Brazil.

Current external appointments: Non-executive director of Nutrien Ltd, Alterra Infrastructure L.P. (private company)

and an adviser to Appian Capital Advisory LLP and HSB Solomon Associates LLC.

Previous experience: Nelson is a former executive director of Petróleo Brasileiro S.A., CEO of BG Group in South America, non-executive director of Cosan Limited, Managing Director of Embraer for Europe and Africa, CEO of All Logística in Argentina and President of BHP Billiton's Aluminium business unit. Prior to joining BHP Billiton, Nelson held a number of senior positions at Vale S.A., including Sales and Marketing Director.



Appointment: Appointed to the Board in July 2015. Appointed Designated Non-Executive Director for Workforce Engagement in October 2019.

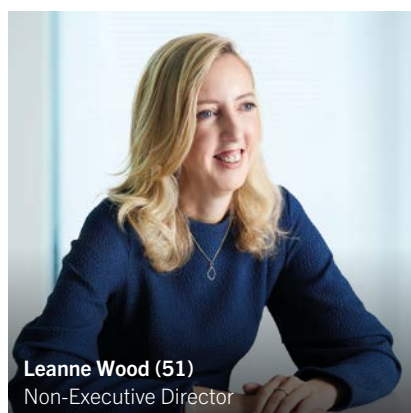
Key skills and competencies: Ireena brings strong advisory, business and operational experience across a variety of retail businesses, with a particular focus on India.

Current external appointments: Non-executive director of Asian Paints Limited, Diageo plc and Godrej Consumer Products Limited, and an independent director of UrbanClap Technologies India Private Limited.

Previous experience: Ireena is a former non-executive director of WIPRO Limited, Housing Development Finance Corporation Limited, Titan Company Ltd, The Indian Hotels Company Limited, Cipla Limited, Tata Global Beverages Limited, Tata Industries, Zomato Media Private Limited, GlaxoSmithKline Consumer Healthcare and Axis Bank Limited. She was also previously Head of Marketing and Sales at Hutchinson Max Telecom and a partner at McKinsey and Company.

Committee membership key

A Audit Committee	N Nomination Committee	Chair	Designated Non-Executive Director for Workforce Engagement
C Corporate Responsibility Committee	R Remuneration Committee	Senior Independent Director	Secretary



Leanne Wood (51)
Non-Executive Director



A
C
N
R

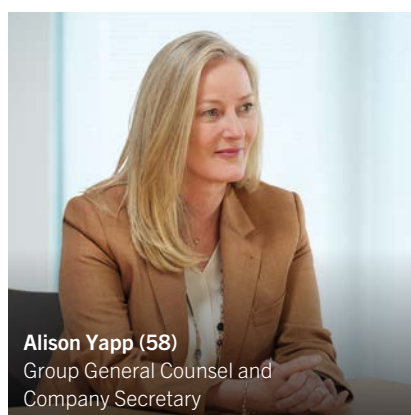
Appointment: Appointed to the Board in May 2023.

Key skills and competencies: Leanne has a wealth of experience in people and organisational strategy and also has wider strategic and operational experience in global organisations, including in the food and beverage, retail and technology sectors.

Current external appointments: Leanne is Chief Human Resources Officer of Vodafone Group Plc and is the lead Vodafone non-executive director for

Vodacom Group Limited, a publicly-listed company in South Africa.

Previous experience: Before joining Vodafone, Leanne was the Chief People, Strategy and Corporate Affairs Officer for Burberry Plc. Prior to that, she worked for Diageo plc for 15 years in a variety of roles, latterly as their Group HR Director. She has also worked in strategy and finance for Allied Domecq Plc, LEK Consulting and United Distillers. Leanne is a former non-executive director of The Go-Ahead Group Plc.



Alison Yapp (58)
Group General Counsel and Company Secretary



A
C
N
R

Appointment: Joined the Group in August 2018. Appointed Group General Counsel and Company Secretary in October 2018.

Key skills and competencies: Alison has more than 30 years' international experience in FTSE and NYSE listed companies across the services, industrial and engineering sectors. She has significant experience in strategic M&A, crisis and change management. Alison is a solicitor.

Current external appointments: None.

Previous experience: Alison is the former Chief General Counsel and Company Secretary of Amec Foster Wheeler plc, Company Secretary and General Legal Counsel of Hays plc and Company Secretary and Group Legal Adviser of Charter plc. Prior to joining Charter, Alison held a number of senior legal roles at Johnson Matthey plc and was a corporate and commercial lawyer at Turner Kenneth Brown.

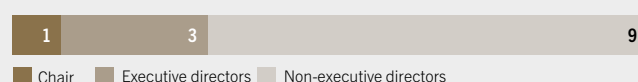
Directors' diversity of skills and experience

	CEO experience	Finance	Strategy and M&A	Remuneration	Health and safety	HR/people	Operations	Sales and marketing	Consumer goods and retail	Food and beverage	Art, culture and charity	Sustainability	Technology/cyber-security
Ian Meakins	●		●		●		●	●	●	●			
Dominic Blakemore	●	●	●		●		●	●	●	●	●		
Palmer Brown		●	●		●		●	●	●	●		●	
Gary Green	●	●	●		●		●	●	●	●			
Carol Arrowsmith				●		●					●		
Stefan Bomhard	●		●		●		●	●	●	●			
John Bryant	●	●	●	●	●		●	●	●	●			●
Arlene Isaacs-Lowe		●	●			●		●				●	
Anne-Françoise Nesmes		●	●		●				●	●			
Sundar Raman	●		●				●	●	●				
Nelson Silva	●		●		●		●	●			●	●	
Ireena Vittal			●	●		●			●	●	●		●
Leanne Wood			●	●		●	●		●	●			

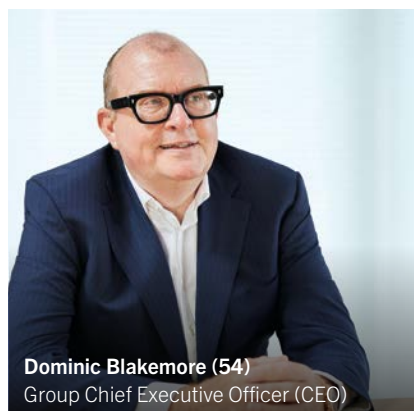
Board tenure



Board balance



Executive Committee



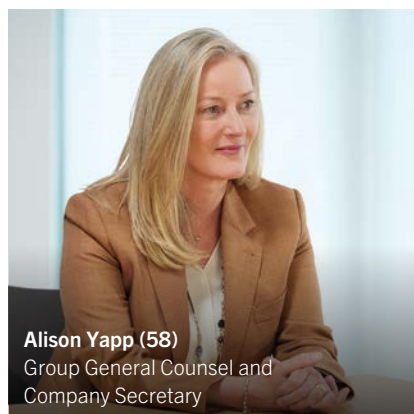
Dominic Blakemore (54)
Group Chief Executive Officer (CEO)



Appointment: Joined the Board in February 2012. Previously held the roles of Group CFO, Group COO, Europe, and Deputy Group CEO. Assumed the role of Group CEO in January 2018.

Key skills and competencies: Dominic has extensive financial management experience in a number of international businesses, together with general operational management experience. He is a chartered accountant.

Previous experience: Dominic is a former non-executive director of Shire plc, CFO of Iglo Foods Group Limited, and European Finance & Strategy Director at Cadbury Plc, having previously held senior finance roles at that company. Before that, Dominic was a director at PricewaterhouseCoopers LLP.



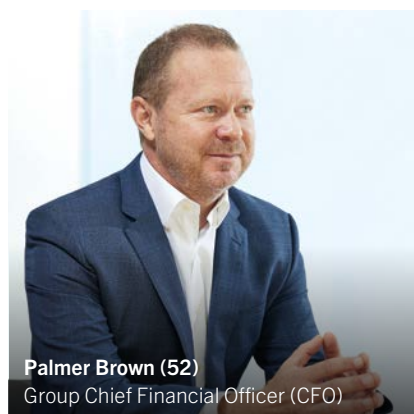
Alison Yapp (58)
Group General Counsel and
Company Secretary



Appointment: Joined the Group in August 2018. Appointed Group General Counsel and Company Secretary in October 2018.

Key skills and competencies: Alison has more than 30 years' international experience in FTSE and NYSE listed companies across the services, industrial and engineering sectors. She has significant experience in strategic M&A, crisis and change management. Alison is a solicitor and holds an LLB (Hons) from Bristol University.

Previous experience: Alison is the former Chief General Counsel and Company Secretary of Amec Foster Wheeler plc, Company Secretary and General Legal Counsel of Hays plc and Company Secretary and Group Legal Adviser of Charter plc. Prior to joining Charter, Alison held a number of senior legal roles at Johnson Matthey plc and was a corporate and commercial lawyer at Turner Kenneth Brown.



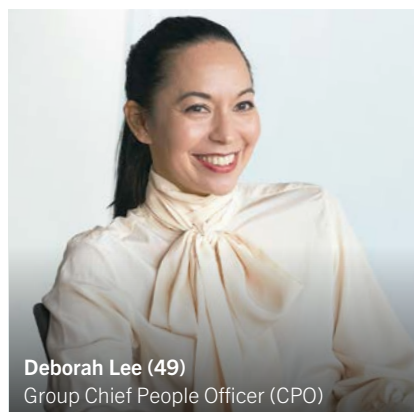
Palmer Brown (52)
Group Chief Financial Officer (CFO)



Appointment: Appointed to the Board in October 2021, having joined the Group in 2001. Assumed the role of Group CFO in November 2021.

Key skills and competencies: During his tenure, Palmer has held a variety of senior finance, strategy and legal positions and played a central role as a member of the Executive team in North America. He also coordinated many of the acquisitions and disposals for the Group. Palmer has degrees in business and law and is a certified public accountant.

Previous experience: Palmer is a former Group Commercial Director and Chief Strategy Officer, Compass Group North America. Prior to that, he served as General Counsel and Executive Vice President of Corporate & Legal Affairs for the Group's US business.



Deborah Lee (49)
Group Chief People Officer (CPO)



Appointment: Appointed to the Executive Committee as Group CPO in September 2021, having joined the Group in 2019.

Key skills and competencies: Deborah is highly experienced in strategic leadership, stakeholder engagement and people management in multinational environments. She is a chemistry graduate from Imperial College, London, holds a post-graduate qualification in Personnel Management, an HR MBA and is a Fellow of the Chartered Institute of Personnel and Development. Deborah possesses a wealth of global

experience, having studied and worked in the US, Europe and the UK.

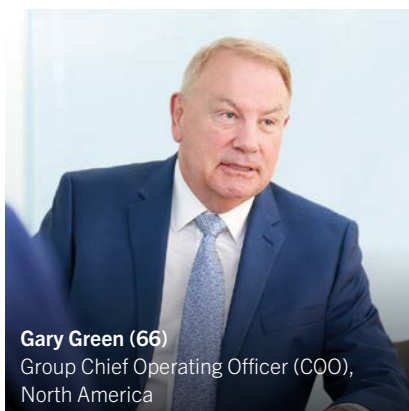
Previous experience: Deborah started her career at BT as a graduate in 1997, where she spent almost 20 years in various senior leadership roles across HR and learning and development. In 2016, she joined a luxury Italian online fashion retailer as Chief People Officer before joining Compass in 2019 as Group Engagement Director.

Committee membership key

D Disclosure Committee

T Treasury Management Committee

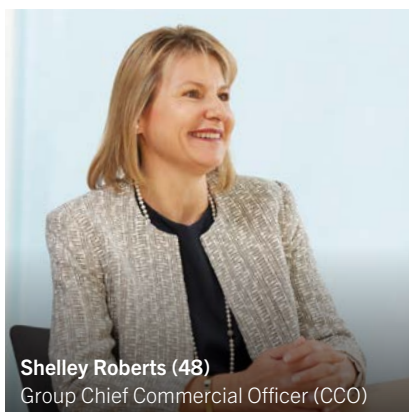
G General Business Committee



Appointment: Joined the Board in January 2007. Appointed Group COO, North America, in April 2012.

Key skills and competencies: Gary brings strong business and operational leadership, business development, and wide-ranging sales experience. Gary is a chartered accountant and has an honorary doctorate from Johnson & Wales University in the US.

Previous experience: Gary joined the Group in 1986 in a senior finance role in the UK and became a UK director in 1992. He relocated to the US in 1994 as CFO of the Group's North America business and, in 1999, became its CEO.



Appointment: Appointed to the Executive Committee as Group CCO in January 2022, having joined the Group in 2017.

Key skills and competencies: Shelley has extensive strategic, operational and commercial management experience, including M&A, gained in leadership positions with Australian and FTSE listed organisations in highly complex operating environments. She is a Chartered Accountant (ICAEW), a graduate of the Australian Institute of Company Directors, and holds a Bachelor of Business Science

and Finance (Hons) from the University of Cape Town.

Previous experience: Prior to joining Compass, Shelley was the Chief Operating Officer at Sydney Airport, Managing Director of Tiger Airways and also worked in investment banking at Macquarie Bank as a Division Director in Australia. Shelley qualified as a Chartered Accountant at KPMG in London, subsequently joining easyJet Plc, where she held various senior finance and strategy roles in the UK.



Appointment: Appointed to the Executive Committee in November 2015, having joined the Group in 2008. Appointed Managing Director of the Group's UK & Ireland (UK&I) business in November 2019.

Key skills and competencies: Robin holds a Bachelor's degree in history. He is a respected innovator with significant experience in people management and business operations.

Previous experience: Robin has held a variety of roles at Compass. Previously, Robin was Managing Director of Chartwells, UK and Group Chief People Officer. Prior to joining Compass, Robin's career included senior HR roles at Scottish and Newcastle Breweries, Diageo plc and Woolworth's (part of Kingfisher PLC).



Appointment: Appointed to the Executive Committee as Regional Managing Director Europe and the Middle East in February 2022, having joined the Group in 2012.

Key skills and competencies: Kathinka has extensive commercial and operational experience and significant experience in change management. Kathinka holds a BI Executive in Board Management from Oslo Norwegian Business School, and a Bachelor's degree in International Business from Oslo University.

Previous experience: Kathinka joined Compass in 2012 as Operations Director for the Group's Norwegian business. In 2016, Kathinka was appointed MD of Norway and during her time in this role, she led the integration of one of the Group's largest acquisitions.

Prior to joining Compass, Kathinka's career included a number of senior roles, including Operations Manager at a Nordic facilities management company.

Executive Committee continued

Committee membership key

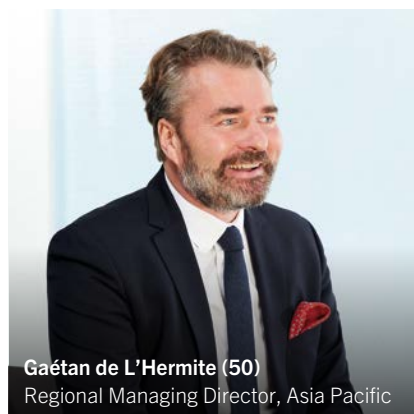
D Disclosure Committee **T** Treasury Management Committee **G** General Business Committee



Appointment: Joined the Group and Executive Committee, and appointed Regional Managing Director Latin America in November 2017.

Key skills and competencies: James is highly experienced in business development and leadership and holds a Bachelor's degree in economics from Notre Dame University, an MBA from Harvard, and has completed INSEAD's advanced management programme.

Previous experience: James has spent over 30 years in Latin America as an entrepreneur, executive and non-executive board member in several service-based organisations in the region, including Founder and President of Contax SA, COO at Oi SA and Board and Audit Committee member at Gol Linhas Aereas.

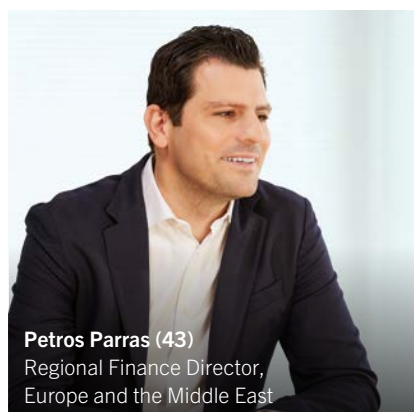


Appointment: Appointed to the Executive Committee and as Regional Managing Director Asia Pacific in October 2022, having joined the Group in 2002.

Key skills and competencies: Gaétan has 20 years' international experience working at Compass where he has held a number of Managing Director roles in Africa, Central Asia, Ireland and more recently France. During his time with the Group, Gaétan has acquired strong business development and operational leadership acumen and brings significant experience in market innovation and change management. Gaétan holds an MSc in Management from Emlyon Business School.

Previous experience: Gaétan started his career in audit with accounting firm Mazars before moving to management consulting at Deloitte where he specialised in large-scale outsourcing projects.

Group CFO with effect from 1 December 2023



Appointment: Petros will succeed Palmer Brown as Group CFO on 1 December 2023 and will become a member of the Board of Directors and Executive Committee on the same date. Petros joined the Group in January 2020 and is the current Regional Finance Director, Europe and the Middle East.

Key skills and competencies: Petros has extensive financial, operational and portfolio transformation experience in large multinational businesses. He holds a BSc in Physics from Ioannina University and a PhD in Chemistry from Reading University.

Previous experience: Petros has been Regional Finance Director for Europe and the Middle East for just under four years where he has played a key role in the turnaround of the region, focusing on growth strategies, the operating model and core processes as well as the use of data analytics to drive better commercial outcomes.

Prior to joining Compass, Petros worked in fast-moving consumer goods businesses including Procter & Gamble, Reckitt Benckiser and Coty in Europe and North America in senior finance, operational and strategic roles.

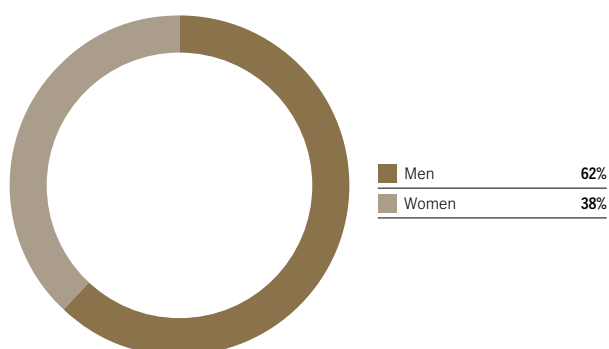
Diversity

Gender identity or sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, Chair and SID)	Number in executive management	Percentage of executive management
Men	8	62%	3	6	60%
Women	5	38%	1	4	40%

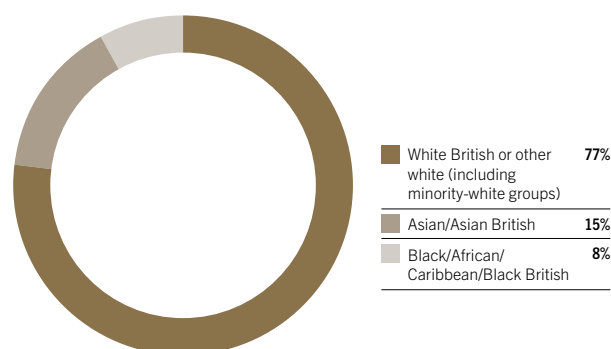
Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, Chair and SID)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	10	77%	4	9	90%
Mixed/Multiple ethnic groups	—	—	—	1	10%
Asian/Asian British	2	15%	—	—	—
Black/African/Caribbean/Black British	1	8%	—	—	—

Board

Gender identity or sex

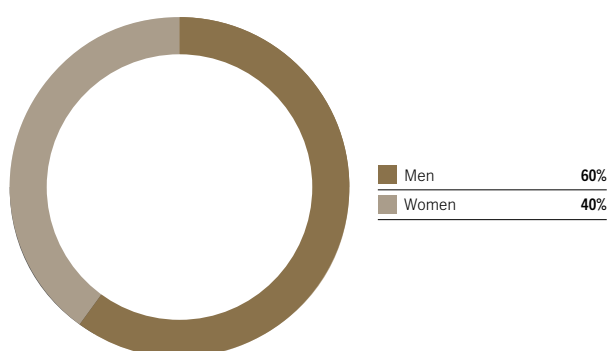


Ethnic background

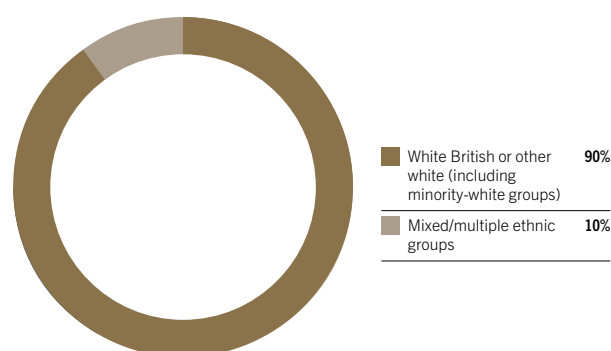


Executive Committee

Gender identity or sex



Ethnic background



Notes to table and graphics.

- The information above is stated as at 30 September 2023.
- The FCA's Listing Rules now set board diversity targets for listed companies that (i) at least 40% of the Board are women, (ii) at least one of the roles of CEO, CFO, Chair and SID is held by a woman and (iii) at least one director is from a minority ethnic background. Compass has met the targets for (ii) and (iii) but does not yet meet the target of 40% of the Board being women. During the year, the Company undertook a search for two new non-executive directors and took steps to ensure that a diverse pool of candidates was identified. As a result of the search, the Company offered roles to two female candidates but only one of those candidates accepted. The Company is continuing its search in the coming year and hopes to meet all the FCA's targets by the end of 2024.
- Gary Green will step down as an executive director on 30 November 2023. Petros Parras will be appointed as an executive director from 1 December 2023. These changes will not affect the Board's gender identity/sex or ethnic background percentages shown above.

Governance framework



Board

The Board comprises the Chair, executive directors and independent non-executive directors, and their biographies can be found on pages 58 to 61. It is responsible for establishing the Group's purpose, values, strategies and objectives to generate and preserve value over the long term for shareholders and to contribute to wider society. It is assisted by four principal committees (Audit, Corporate Responsibility, Nomination and Remuneration), each of which is responsible for the matters delegated by the Board and set out in its own terms of reference.

Audit Committee

Responsible for the oversight of the Group's financial reporting and the effectiveness of the Internal and External audit functions.

See pages 82 to 88.

Corporate Responsibility Committee

Responsible for the oversight of the Group's corporate responsibility, people, health, safety and sustainability, ethics and integrity and stakeholder engagement strategies.

See pages 89 to 92.

Nomination Committee

Ensures the Board and the Executive Committee have the necessary balance of skills, experience and diversity to oversee and deliver the Group's strategy.

See pages 93 to 96.

Remuneration Committee

Determines the reward strategy for executive directors and senior management in the context of the wider workforce and ensures reward is aligned with shareholders' interests.

See pages 97 to 126.

A number of executive management committees have also been established: Executive, General Business, Treasury Management and Disclosure. These consider various matters for recommendation to the Board and its principal committees, or deal with day-to-day matters within the authority delegated by the Board.

The Executive Committee, led by the Group CEO, is responsible for day-to-day operational management and implementation of strategy.

The General Business Committee deals with general administrative matters on behalf of the Company within clearly defined limits delegated by the Board.

The Treasury Management Committee oversees the implementation of the treasury policies approved by the Board, while the Disclosure Committee oversees the disclosure of market-sensitive information and other public announcements (as necessary).

Responsibilities of the Board

Leadership

The Board leads the Group's governance structure. It provides stewardship of the Company to safeguard its long-term sustainable success, creating value for shareholders and enabling the Company and its subsidiaries to contribute to the communities and wider societies in which they operate. The Board is responsible for setting the tone from the top by demonstrating leadership.

Purpose, values and culture

The Group's corporate culture is integral to its success. It defines Compass, what the Company stands for, and how it does business. Compass' reputation has been built on a solid foundation of ethical values, underpinned by a well-defined and effective system of governance. This culture has assisted in the creation and protection of the long-term value of the Company and supports its strategy to deliver sustainable growth.

The Board defines the purpose of the Company and the values that guide it. A common set of expected behaviours based on Compass' corporate values, and an effective system of governance, are described in the Code of Business Conduct (CBC). These have shaped and embedded a strong ethical and governance culture across the Group.

The Group CEO and other members of the executive management team actively promote ethical standards to ensure they are maintained, and good governance is put into practice.

Key functions such as Legal, Finance, People, Ethics and Integrity and Internal Audit also promote and embed high standards of ethical behaviour and corporate governance across the Group.

The Board, supported by its committees, monitors the alignment of the Group's culture with its purpose, values and strategy through a variety of mechanisms, cultural indicators and reporting lines, including those summarised below.

Cultural indicators

Health and safety

- Lost Time Incident Frequency Rate (LTIFR)
- Food Safety Incident Rate (FSIR)
- safety walks and results

People

- results of the global employee engagement survey and pulse surveys
- gender pay gap disclosures
- diversity, equity and inclusion (DE&I) statistics
- retention rates

Ethics and integrity

- Internal Audit reports
- annual confirmation of compliance and pledge in respect of compliance with the CBC by senior managers
- Speak Up, We're Listening statistics and trends

Clients and suppliers

- adherence to the Global Supply Chain Integrity Standards
- client retention rates
- supplier audits

Sustainability

- greenhouse gas emissions
- food waste reduction
- number of sites deploying food waste technology
- sustainable sourcing

Workforce engagement

The Designated Non-Executive Director for Workforce Engagement (DNED) provides a communication channel between the Group's workforce and the Board to ensure that the employee voice is represented in the boardroom. As part of a structured programme of engagement, the DNED, Ireena Vittal, held six roundtable meetings in the year with a diverse set of employees representing different sectors, countries and cultures. In addition, non-executive director, Arlene Isaacs-Lowe held two further employee roundtable meetings. The outcomes of the discussions were reported back to the Corporate Responsibility Committee. Read more about these workforce engagement sessions on pages 75 and 91.

Governance and risk

The Board is responsible for oversight of risk and for setting risk appetite. It ensures that the necessary resources are in place for the Company to meet its objectives to measure its performance. A robust governance and risk management framework is in place to ensure that each business is being operated and managed appropriately, and that prudent and effective controls are in place to identify emerging and principal risks and to manage and mitigate those risks. Read more about risk management on pages 24 to 30.

Group strategy

The Board's approval, effective oversight and monitoring of the implementation of strategy are vital to the long-term sustainable success of the Group. The Board considers and approves the Group's strategic aims over the short, medium and long-term. The implementation of strategy is monitored and evaluated on an ongoing basis. Food service remains at the core of Compass' strategy. The market for food service continues to provide significant structural growth opportunities. To ensure Compass remains well placed to capture future market opportunities, the business continues to create innovative, bespoke offerings tailored to the needs of clients and consumers. More details of Compass' business model and strategy can be found on pages 1 to 55.

Engagement with stakeholders

The Board ensures that the Company continues to operate in the best interests of its shareholders as a whole. In exercising its duty to promote the success of the Company, the Board also has regard to other stakeholders, the environment, the reputation of the Company and the need to act fairly between its members. How the Company engages with its stakeholders and how the Board has oversight of stakeholder engagement is described on pages 74 to 79. The Company's Section 172 Statement can be found on page 80.

Management delegation and oversight

The Board delegates the delivery of strategy and day-to-day operational management of the Group to the Executive Committee, which is led by the Group CEO.

Responsibilities of the Board continued

Roles in the boardroom

The Board comprises executive and non-executive directors, which ensures that no individual or small group of individuals dominates the Board's decision-making. All non-executive directors, except the Chair of the Board, are considered independent. The Chair was considered to be independent on appointment. The roles and responsibilities of Board members are detailed below and demonstrate a clear division between the roles and responsibilities of the Board and executive management. The role descriptions of the Chair of the Board, Group CEO and SID are reviewed annually by the Board and are updated as necessary to reflect changes in legislation or best practice. These documents were last reviewed in September 2023. It was concluded that the documents in their current form continue to be fit for purpose and no changes were made.

Copies of the documents can be found on our website, www.compass-group.com

Role	Description
Non-Executive Chair Leading the Board and ensuring its overall effectiveness in discharging its duties.	<ul style="list-style-type: none"> – shaping the culture in the boardroom and promoting openness, challenge and debate – setting the agenda for Board meetings, focusing on strategy, performance, value creation, risk management, culture, stakeholders and accountability – chairing meetings and ensuring there is timely information flow before meetings and adequate time for discussion and debate – fostering relationships based on trust, mutual respect and open communication inside and outside the boardroom – leading relations with major shareholders to understand their views on governance and performance against strategy
Independent Non-Executive Directors Independent non-executive directors meeting the independence criteria as set out in the UK Corporate Governance Code comprise more than half of Board membership.	<ul style="list-style-type: none"> – providing constructive challenge, giving strategic guidance, offering specialist advice and holding executive management to account – ensuring that no individual or small group of individuals can dominate the Board's decision-making
Designated Non-Executive Director for Workforce Engagement Providing an effective engagement mechanism for the Board to understand the views of the workforce.	<ul style="list-style-type: none"> – bringing the views and experiences of the workforce into the boardroom – enabling the Board to consider the views of the workforce in its discussions and decision-making
Senior Independent Director Providing a sounding board for the Chair of the Board and serving as an intermediary for other directors and shareholders.	<ul style="list-style-type: none"> – providing the Chair of the Board with support in the delivery of objectives, where necessary – working closely with the Nomination Committee, leading the process for the evaluation of the Chair of the Board and ensuring orderly succession to the Chair role – acting as an alternative contact for shareholders, providing a means of raising concerns other than with the Chair of the Board or senior management
Group CEO and Executive Directors Leading the implementation of the Group's strategy set by the Board.	<ul style="list-style-type: none"> – Group CEO: leading the Executive Committee and ensuring its effectiveness in managing the overall operations and resources of the Group; also leading the implementation of the Group's strategy – executive directors: providing information and presentations to the Board and participating in Board discussions regarding Group management, financial performance and operational matters
Group General Counsel and Company Secretary Supporting the Chair of the Board and ensuring directors have access to the information they need to carry out their roles.	<ul style="list-style-type: none"> – providing a channel for Board and committee communications and a link between the Board and management – advising the Board on legal and corporate governance matters and supporting the Board in applying the Code and complying with UK listing obligations, and other statutory and regulatory requirements

Board meetings

Board meetings are held through a combination of physical and virtual attendance. Each year, the Board aims to hold one or two meetings overseas. This year, the Board visited the Group's business in the US.

Overseas visits provide an opportunity to assess local management performance and potential, gain further insight into how the business works on a day-to-day basis and to speak face-to-face with local management to better understand the challenges they face and listen to their views.

By visiting operations, directors meet with a diverse group of colleagues including regional, country and senior management and high-potential employees on a more informal basis, which supports the succession planning process. The format of visits often comprises an overview of the country's macroeconomic environment and social trends, the challenges and opportunities facing the business combined with a review of the competitive landscape, and a detailed review of the relevant sectors in which the business operates, including its people and its three-year plan.

In addition to health and safety, and routine financial and operating reports and updates, the Board spends time reviewing Group strategy and performance against the strategic plan.

Meetings between the Chair of the Board and non-executive directors, both with and without the presence of the Group CEO, are scheduled in the Board's annual programme.

During the year, the non-executive directors held regular meetings without the presence of the executives, typically following each Board meeting. These meetings provide the non-executive directors with a forum in which to share experiences and discuss wider business topics. In addition, the non-executive directors attended a dinner without the executive directors present.

Board and committee meeting attendance table

	Board		Audit Committee		Corporate Responsibility Committee		Nomination Committee		Remuneration Committee	
	Eligible to attend ¹	Meetings attended	Eligible to attend ¹	Meetings attended	Eligible to attend ¹	Meetings attended	Eligible to attend ¹	Meetings attended	Eligible to attend ¹	Meetings attended
Carol Arrowsmith	6	6	3	3	3	3	4	4	4	4
Dominic Blakemore	6	6	—	—	3	3	—	—	—	—
Stefan Bomhard	6	6	3	3	3	3	4	4	4	4
Palmer Brown	6	6	—	—	3	3	—	—	—	—
John Bryant	6	6	3	3	3	3	4	4	4	4
Gary Green	6	6	—	—	—	—	—	—	—	—
Arlene Isaacs-Lowe	6	6	3	3	3	3	4	4	4	4
Ian Meakins	6	6	—	—	3	3	4	4	—	—
Anne-Françoise Nesmes	6	6	3	3	3	3	4	4	4	4
Sundar Raman ²	6	5	3	2	3	2	4	2	4	2
Nelson Silva	6	6	3	3	3	3	4	4	4	4
Ireena Vittal ³	6	5	3	3	3	3	4	4	4	2
Leanne Wood ⁴	2	2	1	1	1	1	2	2	2	2

1. Maximum number of meetings a member was eligible to attend.

2. Mr Raman was unable to attend due to unavoidable commitments that had been in place prior to his appointment, but provided his feedback on the papers to the Chair in advance of the meeting.

3. Mrs Vittal was unable to attend due to ill health, but provided her feedback on the papers to the Chair in advance of the meeting.

4. Appointed to the Board on 4 May 2023.

Board activities

Matters reserved for the Board

The Board has a formal schedule of matters reserved for its decision as follows:

- purpose, strategy and management
- values, culture and stakeholders
- Board membership and other appointments
- financial and other reporting and controls
- audit, risk and internal controls
- contracts and capital structure
- communication
- remuneration
- delegation of authority
- corporate governance and other matters

The matters reserved for the Board are reviewed annually to ensure that they continue to be fit for purpose. They were last reviewed in September 2023 when they were updated to align to the amended treasury policies and to update the financial approval requirements following the change in presentation currency which is effective from 1 October 2023.

Full details can be found on our website, www.compass-group.com.

The Board had a full agenda during the year as set out in the table below:

	November	February	March	May	July	September
Purpose, strategy and implementation						
Group CEO's review including a business update covering financial performance, health and safety performance, ESG, people and cultural indicators, initiatives and performance	●	●	●	●	●	●
Group CFO's report including performance results and outlook, finance, treasury and tax initiatives	●	●	●	●	●	●
M&A and disposals, contract approvals and other capital expenditure	●	●			●	●
Strategy review including Group, regional and sector/forum updates and post-investment review, budget and three-year plan	●	●	●	●	●	●
Stakeholder engagement and shareholder analysis		●		●		●
Approval of change in presentation currency from sterling to US dollars (effective 1 October 2023)				●		
Risks						
Formal biannual material risk assessment				●		●
Governance						
Review of full-year results including going concern, viability statement, and final dividend	●					
Review of half-year results and interim dividend				●		
Trading update		●			●	
Approval of outcome of audit tender process				●		
Review of AGM Notice of Meeting	●					
Approval of corporate governance documentation	●			●		●
Approval of Board appointments/changes to directors' roles/responsibilities	●			●	●	●
Review of Committee minutes	●	●	●	●	●	●
Review of post-AGM Remuneration Report resolution statement		●			●	
Effectiveness						
Annual Board evaluation process and outturn				●	●	
Annual review and approval, and ad-hoc review and approval of directors' conflicts of interest				●	●	

At every meeting, the Board is briefed on aspects of the Group's strategic pillars: People, Performance and Purpose.

People

People are Compass' greatest asset. During the year, the Board and the Nomination Committee continued their focus on developing the Board's blend of skills and experience. The Board also continued its employee engagement efforts through a variety of means including roundtable meetings and site visits.

In March, the Board visited the Group's US business. During the visit, the Board attended the annual Envision Summit at the University of Miami. The Envision Group provides expertise and functional support to all operating sectors in the US, with a focus on growth, innovation and performance underpinned by sustainability.

At the summit, the Board and other delegates listened to presentations from business leaders, and toured stands showcasing frictionless technologies and brands which are being deployed by Compass to deliver quality food and hospitality experiences and a positive impact for the food system. Afterwards, the Board met with the senior North America leadership team and other delegates on an informal basis and listened to their perspectives.

In May, Leanne Wood joined the Board, building on the work already undertaken to broaden the diversity and capabilities of the Board. Leanne is the current Chief Human Resources Officer of Vodafone Group Plc and has extensive HR, strategic and operational experience. The Board fully supports management's ambition to create a diverse workforce and to increase female representation at senior levels in the organisation.

The role of the DNED is to provide an effective communication channel between the Group's workforce and the Board to ensure that the employee voice is represented in the boardroom. Ireena Vittal has been the DNED since 2019. This year, the Board approved the Nomination Committee's recommendation that Ireena's tenure in this role be extended until the conclusion of her term in office as a non-executive director. Details of the employee roundtables held by Ireena during the year together with the meetings held by her Board colleague, Arlene Isaacs-Lowe, can be found on page 75.

During the year, a number of the non-executive directors separately visited some of the businesses' operations in Australia, Portugal, Switzerland and the US. During the visits, the directors met with local management and toured client sites in the Business & Industry and Education sectors. These visits gave the non-executive directors the opportunity to engage with clients to understand what is important to them and why they choose to work with Compass. Time was also spent talking to front line employees and consumers and listening to their feedback. One director took the opportunity to assist the local team with operational tasks and to join a safety moment before service commenced for the day. These visits provided the directors with a first-hand experience of the Group's businesses, the challenges and opportunities facing them, and the views of stakeholders.

Regular reports from management, feedback from activities undertaken by Ireena Vittal and her Board colleagues and other initiatives have helped inform the Board's discussions and decision-making during the year. More information on our People initiatives can be found on pages 32 to 37.

Performance

Throughout the year, the Board monitored the Group's performance against the strategic framework and priorities, including M&A, global trends, and risks and opportunities. To assist it, the Board received regular reports from the Group CEO and the Group CFO, and presentations from each of the Group's Regional Managing Directors on regional performance. It also received updates from key functional heads, e.g. Legal, Tax, Treasury, Information Systems and Technology, and People on matters that could have an impact on the Group's financial or operational performance.

In March, the Board reviewed the strategic plans for the Group. The Group's strategic priorities continued to be focused on organic growth across all sectors and geographies supplemented through disciplined M&A. The Board reviewed the addressable food services market analysed by region and sector together with the continued structural growth opportunities available to the Group, which were expected to deliver future revenue growth. The Board also reviewed the three strategic pillars underpinning the growth ambitions, namely People, Performance, and Purpose.

The Board receives reports from the Group CEO at every meeting on progress against the Group's strategy. In addition, the Board receives annual business updates from the regional management teams setting out progress against their regional strategic objectives.

At each meeting, the Board receives a report from the Group CFO setting out the financial performance of the regions and the Group in the latest period and for the year to date. The Board considers the key financial performance metrics, including revenue, organic revenue growth, operating profit and margin, operating cashflow and cashflow conversion. It also regularly reviews the financial outlook of the Group. Additionally, the Group CFO's report provides the Board with updates on tax and treasury matters, cyber-security arrangements and technology developments.

In September, the Board reviewed the Group's preliminary budget for the financial year ending 2024 and the three-year plan for 2024-2026. The Board reviewed the key financial metrics against the backdrop of an uncertain economic climate and elevated levels of inflation. The budget and the three-year plan were both approved in principle subject to final approval being given in November 2023.

Twice a year, the Board reviews the material financial and non-financial risks facing the Group's businesses, including new and emerging risks, and agrees the Group's principal risks at the half and full-year. It also considers the identification of risks and opportunities, the development of action plans to manage risks and maximise opportunities, and the continual monitoring of progress against agreed key performance indicators. The Board agreed that due to the escalating tensions in the Middle East and the ongoing Russia-Ukraine conflict, the trend for geopolitical risk should be elevated to reflect the year-on-year increase in risk. The Group's principal risks, and how these are managed, are set out on pages 24 to 30.

Board activities continued

The Board has also established processes for identifying emerging risks and horizon scanning for risks that may arise over the medium to long-term. The Board has identified artificial intelligence (AI) as an emerging risk as the democratisation of generative AI has given widespread access to powerful online AI services for content creation.

During the year, the Board conducted a post-investment review which sampled around 20 client contracts. The review considered the profiles of the contracts, including: annual revenues, capital expenditure and investment returns by sector and region, post-tax returns and contract ROCE, the performance of new and retained contracts versus the original business case, and proactive contract life cycle management designed to safeguard returns. The detailed post-investment review concluded that the Group's disciplined approach was creating shareholder value.

Following a recommendation from the Audit Committee, the Board approved a change in the Group's presentation currency from sterling to US dollars with effect from 1 October 2023. This will provide investors and other stakeholders with greater transparency over the Group's performance and will mitigate foreign exchange volatility on earnings, given that approximately three-quarters of the Group's underlying operating profit originates in US dollars.

The Board also received a presentation from chefs and culinary innovators from the Group's Global Culinary Forum. The Forum was created to bring together key culinary talent to collaborate and exchange ideas and share best practices by tapping into the rich seam of knowledge and unique insights from those at the forefront of the Group's businesses. The Board was keen to understand the progress being made by the Forum, which is helping to drive better commercial and sustainability outcomes. More information on our strategy and business model can be found on pages 1 to 55.

Purpose

At every meeting, the Board is briefed by the Group CEO on Purpose including up-to-date performance data on the Group's workplace health and safety and food safety metrics against the established limits set at the beginning of the year. It is also briefed on the progress being made on the Group's sustainability agenda, including the new food waste metric which was introduced at the beginning of the year, and social initiatives.

During the year, the Corporate Responsibility Committee monitored the adoption of food waste tracking technology in operations across the Group. Reducing food waste is one of the greatest environmental challenges facing our sector and therefore one where we have the greatest potential to make a significant difference. More information about our efforts to reduce food waste can be found on page 39.

In February, the Chair of the Board, together with the Group CEO, Group CFO, SID and Committee Chairs attended the 2023 AGM with the other directors participating online. The AGM is an important event in the Board's calendar where directors have the opportunity to listen to the perspective of shareholders, answer their questions and to meet with them on a more informal basis. At the 2023 AGM, shareholders asked questions about a wide range of topics including Compass' approach to the UK real living wage, job security, diversity, equity and inclusion, animal welfare and sustainability. In addition to the AGM, the Group CEO, Group CFO, other directors and senior managers also met regularly with investors as part of the Group's investor engagement programme, details of which can be found on page 76. The Remuneration Committee Chair also engaged extensively with investors during the year, and details of that engagement can be found on pages 97, 98, 103 and 104.

In November 2022, the Board considered and approved the Company's 2022 Modern Slavery Act (MSA) Statement which provides an update on the progress made in the last year to further develop Compass' approach to mitigating the risks of modern slavery in the Group's businesses and their supply chains.

The 2022 MSA Statement can be found on our website, www.compass-group.com.

The 2023 MSA Statement will be published on our website in December 2023. More information about the Group's Purpose can be found on pages 38 to 44.

