COMPASS GROUP

Cultivating Growth

Annual Report 2024

We are cultivating growth by increasing focus and investment in our core markets, and by further nurturing our talent to develop current and future business leaders.

Strategic Report

Corporate Governance and Directors' Report

Financial Statements

Shareholder Information

Forward-looking Statements

Compass Group PLC, the parent company of the Group, is a non-trading investment holding company which derives its distributable reserves from dividends paid by subsidiary companies.

Visit our website to find out more about our sustainability strategy, our approach to talent and investor resources: www.compass-group.com

Highlights of the year

Strong operational performance

2024 results were strong across all our key performance metrics.

The Group delivered double-digit organic growth and good margin progression, resulting in strong underlying operating profit growth.

Looking ahead, industry outsourcing trends remain favourable, providing Compass with an exciting pipeline of new business growth opportunities.

An even more focused business

During the year, we exited, or agreed to exit, nine countries, principally in our Rest of World region.

By divesting of a number of our non-core markets, we have further improved the quality of our portfolio.

This enables us to better focus on our core markets, where there remain significant opportunities for growth, particularly from first-time outsourcing.

We now operate in around 30 countries in North America, Europe, and Asia-Pacific, compared to around 50 countries in 2019.

Investing for future growth

We are investing in our portfolio, both through capital investment and M&A, to support our existing capabilities, increase operational flexibility and further strengthen our unique sectorised approach to the market.

The Group's net expenditure on M&A was $1 billion in 2024, mainly on HOFMANN[s] in Germany and CH&CO in the UK and Ireland. Subsequent to the year-end we also acquired Dupont Restauration in France and agreed to acquire 4Service AS in Norway.

Step change in Europe

The step change in the performance of our European businesses is continuing as they benefit from additional investment, growth initiatives and the transfer of best practice.

We are continuing to expand our brand portfolio in Europe and are developing more flexible operating models with compelling financial returns. These initiatives are driving higher organic growth compared to our pre-pandemic levels.

Underlying operating profit growth[1] APM

16%

Statutory operating profit growth 12%

Organic revenue growth KPI

11%

Statutory revenue growth 11%

Underlying operating margin KPI

7.1%

Statutory operating margin 6.2%

Scale in procurement

During the year Compass highlighted its competitive advantage in procurement in a virtual deep dive for investors. We leverage our significant purchasing scale in food and beverages to source the best-quality products at the best prices.

APM Alternative Performance Measure (APM) (see pages 207 to 214). KPI APM which is also a Key Performance Indicator (see page 7).

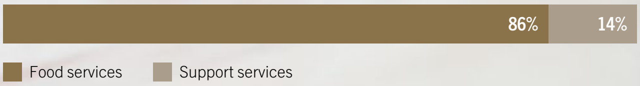
The Group's APMs are defined in note 34 (non-GAAP measures) and reconciled to GAAP measures in notes 2 (segmental analysis) and 34 to the consolidated financial statements.

1. Measured on a constant-currency basis.

Compass is a global leader
in food services operating in around 30 countries

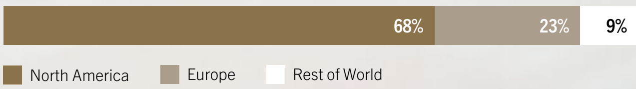
APM Underlying revenue

$42.2 billion



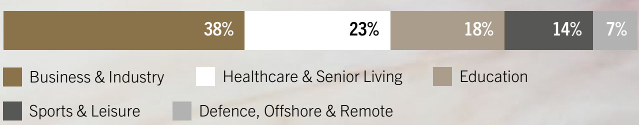
APM Underlying revenue by region

3 regions



APM Underlying revenue by sector

5 sectors



Our core focus is the provision of outsourced food services and targeted support services to five key market sectors.

We create bespoke, innovative and cost effective solutions through our unique sectorised approach to the market. By understanding what is important to our clients we address their unique needs and create long-lasting partnerships.

Business & Industry
We work with a diverse range of clients including the financial, legal, technology and manufacturing sectors. Our scale, flexible operating models and digital capabilities help us tailor our dining solutions to each client.

Healthcare & Senior Living
We work directly with healthcare providers to prepare food that improves patient and senior living experiences – from restaurant-style cafés to in-room patient dining and specialist feeding.

Education
We provide healthy, balanced meals right through the learning journey, from nurseries to universities. Our catering solutions come in multiple formats, from traditional onsite dining to vending and delivery or takeaway options.

Sports & Leisure
We provide outstanding customer experiences, providing food, beverages and hospitality across large stadiums, conference venues, museums and galleries.

Defence, Offshore & Remote
We provide food and support services to many major oil, gas, mining and construction companies. Our clients rely on us to provide uninterrupted support, however challenging the operating conditions.

APM Alternative Performance Measure (APM) (see pages 207 to 214).

Underlying revenue is defined as revenue plus share of revenue of joint ventures. Statutory revenue in 2024 is $42.0 billion.

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.

Strategic framework

Our vision

To be a world-class provider of contract food services and support services, renowned for our great people, our great service, and our great results.

Our goals

Representative of the communities we serve

Industry-leading services

A sustainable future for all

Our strategic focus

People

Create lifetime opportunities

People are at the heart of who we are and what we do. Compass is uniquely positioned to create lifetime opportunities and to positively impact and represent the communities in which its businesses operate.

See page 30

Performance

Deliver long-term valued relationships

We use the Management and Performance (MAP) framework to drive performance across the Group. This discipline ensures businesses are managed efficiently while continuing to delight clients and consumers with innovative, healthy and exciting food service solutions.

See page 15

Purpose

Maintain a positive social and environmental impact

Compass continually seeks ways to be more socially and environmentally responsible. Our purpose continues to drive innovation and collaboration across the Group as partnerships with clients, business partners and local communities are strengthened.

See page 34

Our enablers

Diversity

Compass is committed to inclusion for all and endeavours to harness the talents of its diverse workforce across every level of the business.

Digitisation

Digital is a right to entry in almost every client proposal and a clear growth enabler. It also unlocks cost savings and enhances our sustainability proposition.

Decarbonisation

The Group was the first in its industry to set a global climate net zero target and aims to be carbon neutral in its own operations by 2030.

Our values

Can-do safely

Openness, trust and integrity

Responsibility

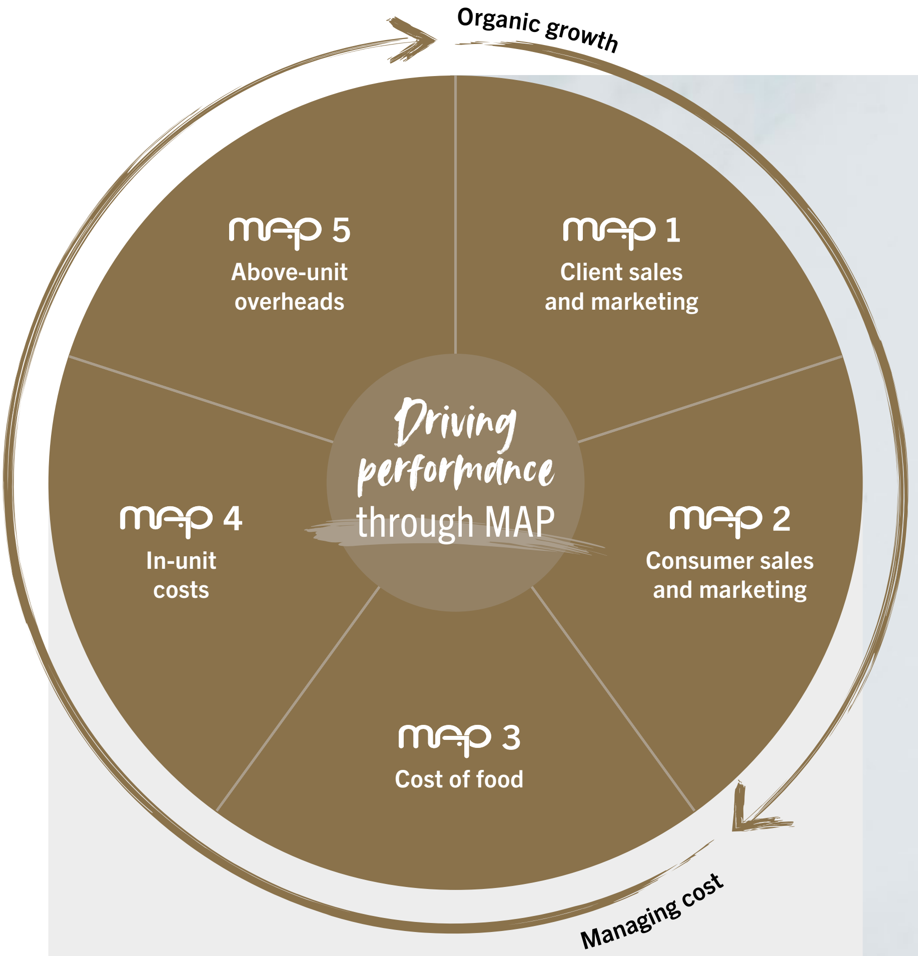
Passion for quality

Win through teamwork

Underpinned by our robust health and safety programmes, and doing what is right

See pages 12 to 14

Delivering for our stakeholders



We use our Management and Performance (MAP) framework to drive performance across the business. It is a simple framework embedded in our culture, which ensures employees are focused on meeting our key performance drivers.

MAP 1 • Winning new business and retaining our existing clients. We invest in sales and retention and are increasingly sectorising and sub-sectorising the business around the world to allow us to get closer to our clients.

MAP 2 • Like-for-like revenue consists of both volume and price. We are focused on attracting and satisfying our client base with strong consumer propositions.

MAP 3 • Food makes up around one-third of our costs. In addition to the benefits of our scale in food procurement, we are able to manage food costs through careful menu planning and by rationalising the number of products we buy.

MAP 4 • In-unit costs are predominantly made up of labour. By using labour scheduling techniques and improving productivity, we are able to deliver the optimum level of service in the most efficient way.

MAP 5 • We have a simple organisational model with few layers of management and little bureaucracy, which enables us to keep overheads low whilst we continue to grow revenue.

Enabled by our *competitive advantages*

People and culture

Our people are at the heart of our business. Energetic, ambitious and entrepreneurial, they deliver amazing food and hospitality to millions of consumers worldwide.

Our sectors and portfolio of brands

Our sectorised approach is a key differentiator. Our businesses create bespoke solutions using extensive knowledge of their clients' requirements.

Culinary and digital innovation

We provide clients and consumers with greater choice, award-winning innovation and market-leading contemporary food offers.

Procurement

Our scale enables our businesses to pass on purchasing benefits to clients and consumers by offering better quality products at more attractive prices. Spending with local and diverse suppliers and social enterprises enables greater reinvestment into local communities.

Decentralised structure

The Group operates on a decentralised basis, enabling an entrepreneurial approach by local management teams. This is supported by our MAP framework, which standardises business processes and increases efficiency.

Financial strength

A strong financial foundation with a low level of leverage means we can invest in growth, enabling our businesses to innovate their offer, and evolve their operating model. Our financial strength also attracts new clients seeking stability and long-term outsourcing solutions.

Compass is a strong cash-generating business with a clear capital allocation model.

We invest both organically and through acquisitions to drive future growth.

Our policy is to pay around 50% of underlying earnings through an ordinary dividend.

We maintain a resilient balance sheet, targeting net debt to EBITDA in the range of 1x-1.5x, with any surplus capital returned to shareholders.

Total dividend per ordinary share

Increased by

13.7% to 59.8c

Shareholder returns in the year

$1.5 billion

Capital investment

3.7%

of underlying revenue[1]

Net M&A expenditure

$1 billion

to drive future growth

Leverage

Strong balance sheet with

1.3x

net debt to EBITDA[1]

1. Alternative Performance Measure (APM) (see pages 207 to 214). 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.

Creating shareholder *value*

Our businesses are growing and creating value through their operations + This generates cash which enables us to reinvest in our businesses + Whilst also focusing on people and our purpose = Which creates greater value for all our stakeholders

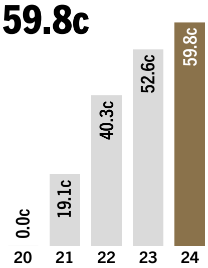
Generating attractive long-term compounding shareholder returns

Value created through operations (MAP)	Value created through capital allocation
Higher revenue growth	Capex to support organic growth
Cost efficiencies	Bolt-on M&A
Scale benefits	Progressive ordinary dividend
Margin opportunity	Surplus cash returned to shareholders

Delivered through

Dividend per share

59.8c



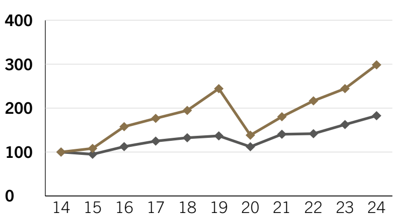
Share buybacks

$2.2 billion

Since 2022 the Group has returned $2.2 billion in surplus capital to shareholders through a number of share buybacks

Total shareholder return since 2014

198%



Measuring *progress*

We track our progress against a mix of financial and non-financial measures, which we believe best reflects the delivery of our strategy. We measure growth, efficiency and shareholder returns, which are all underpinned by our focus on safety and our impact on the environment.

Alignment with our strategic focus areas

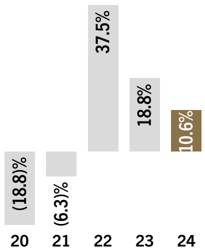
People | Performance | Purpose

KPI type

F Financial KPI | NF Non-financial KPI

Organic revenue change[1]

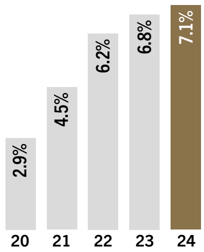
10.6%



Organic revenue growth was strong at 10.6%, reflecting net new business growth of 4.2%, pricing of around 4% and volume growth of around 2%.

Underlying operating margin[1]

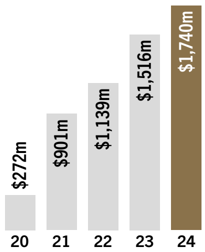
7.1%



Underlying operating margin improved by 30bps to 7.1%, with strong margin progression achieved across all the Group's regions.

Underlying free cash flow[1]

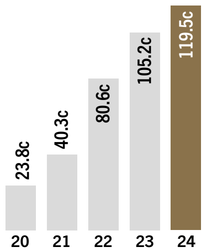
$1,740m



Underlying free cash flow increased to $1,740 million representing a conversion rate of 85.0% of underlying profit after tax.

Underlying basic earnings per share[1]

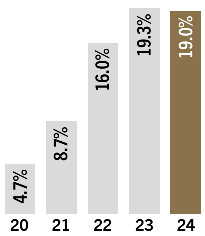
119.5c



Earnings per share growth of 14.6% on a constant-currency basis reflects the Group's strong organic revenue growth and the improvement in underlying operating margin.

Return on capital employed (ROCE)[1]

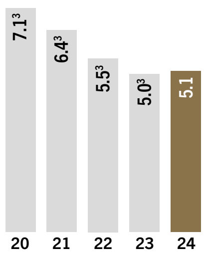
19.0%



The reduction in ROCE in 2024 reflects a higher underlying effective tax rate, as the impact of recent business acquisitions on capital employed was offset by the Group's strong trading performance.

Greenhouse gas intensity ratio (GHG)[2]

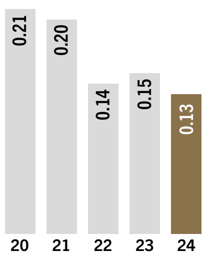
5.1 $tCO_2e/\$m$



Our greenhouse gas intensity ratio has increased in the past year due to new business wins and acquisitions. This ratio is based on Scope 1 and 2 emissions which represent 2% of Compass Group's total emissions. Including Scope 3 emissions our intensity ratio reduced by 4% compared to 2023.

Global Food Safety Incident Rate[2]

0.13



Our focus on global food safety has led to a reduced rate of incidents on a five-year basis (down 38%), despite our business having grown significantly since 2020.

Measuring progress looking ahead

We are updating how we measure our safety progress to reflect a broader approach to safety and food standards across Compass. As reported in last year's Annual Report, starting next year, the Total Recorded Incident Frequency Rate (TRIFR) will be included to provide a more comprehensive view of safety performance, with 2024 as its baseline year (see page 12).

Additionally, we will transition to featuring leading food safety indicators that align with industry and regulatory standards allowing us to emphasise qualitative insights. The Global Food Safety Incident Rate remains important to us and will continue to be tracked by management.

1. Our financial KPIs represent underlying and other Alternative Performance Measures (APMs) which are not defined by generally accepted accounting principles (GAAP). 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.
2. Our non-financial KPIs are further explained on pages 12 and 36.
3. Restated (see footnote 3 on page 36).

Delivering compounding *shareholder returns*

Ian Meakins
Chair of the Board

Dear Shareholder

I am delighted to report another strong year for Compass with double-digit organic revenue growth and good margin progress. The strength of our balance sheet and continued strong cash generation have enabled us to invest in future growth whilst returning capital to shareholders through dividends and share buybacks.

Strategy

We have a clear strategy which is focused on providing outsourced food services, together with targeted support services. The outsourcing market remains very attractive, driven by increasingly complex consumer demands, the desire for cost savings, and macroeconomic pressures. Our addressable market is estimated to be worth c.$320 billion, with a significant opportunity available from first-time outsourcing.

We have continued to refine our portfolio to become an even more focused business, going deeper into our core markets, where there remain significant growth opportunities.

People

With around 580,000 colleagues across the world, people are at the heart of our business and integral to our continued success. We are focused on attracting, developing and retaining the best talent. We provide opportunities to diverse people from the communities we serve, underpinned by our principles of respect, teamwork and growth.

I would like to thank all our people for their continued hard work and commitment to the business. Without their dedication, Compass would not be able to achieve its goals.

1. Alternative Performance Measure (APM) (see pages 207 to 214). 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.

Financial results

The Group delivered strong organic revenue growth of 10.6%[1] and underlying operating margin increased by 30bps to 7.1%[1]. This resulted in underlying operating profit increasing by 16.4%[1] on a constant-currency basis to $2,998 million[1]. On a statutory basis, revenue increased by 10.8% to $42,002 million and operating profit was up 11.7% to $2,584 million.

Shareholder returns

The Board recognises the importance of returning capital to shareholders through dividends and share buybacks. In line with our policy of paying out 50% of underlying earnings, the Board has declared a final dividend of 39.1 cents per share, which, when added to the interim dividend, provides a total dividend for the year of 59.8 cents per share. We also provided additional returns in the form of a $500 million share buyback.

Sustainability

Our Planet Promise is the Group's global commitment to a sustainable future for all. It encompasses our values as an ethical, sustainable, and inclusive business, together with our ambition to positively impact the world. As well as being the right thing to do, this mission is also key to our growth aspirations as sustainability is also a priority for many of our clients.

Governance and Board changes

Several changes were made to the Board during the year, including the retirement of some familiar faces, the arrival of new colleagues, and changes to roles and responsibilities.

In the first half of the year, Gary Green and Carol Arrowsmith retired from the Board. Palmer Brown took over from Gary in the US, and Petros Parras succeeded Palmer as the Group CFO. In the second-half we appointed two new directors, Liat Ben-Zur and Juliana Chugg who, together with their non-executive colleagues, bring balance and a wealth of skills and experience to our organisation which complement the talents of our strong executive team. I thank them all for their valuable contributions and also wish good luck to Ireena Vittal and Nelson Silva who, after nine years, will retire from the Board at the conclusion of the 2025 AGM. Liat Ben-Zur succeeded Ireena as Designated Non-Executive Director for Workforce Engagement in October, and Arlene Isaacs-Lowe will succeed Nelson as Chair of the Corporate Responsibility Committee when he retires from the Board in February. More details of the above are in the Nomination Committee report on page 82.

Summary

2024 was another strong year for Compass. We delivered good top-line growth with margin progression, whilst further improving the quality of our portfolio and increasing investment in core markets.

We are continuing to take advantage of opportunities for growth, particularly in first-time outsourcing, by leveraging our significant scale, culinary expertise and sectorised approach to the market through the Group's unique brand portfolio.

We look forward to continued success based on our focused strategy, and to generating sustainable compounding shareholder returns over the long-term.

Ian Meakins
Chair of the Board

26 November 2024

Statement on section 172 of the Companies Act 2006

Section 172 of the Companies Act 2006 requires the directors to promote the success of the Company for the benefit of the members as a whole, having regard to the interests of stakeholders in their decision making. The Company's section 172 statement is set out on page 68 and is incorporated into this Strategic Report by reference.

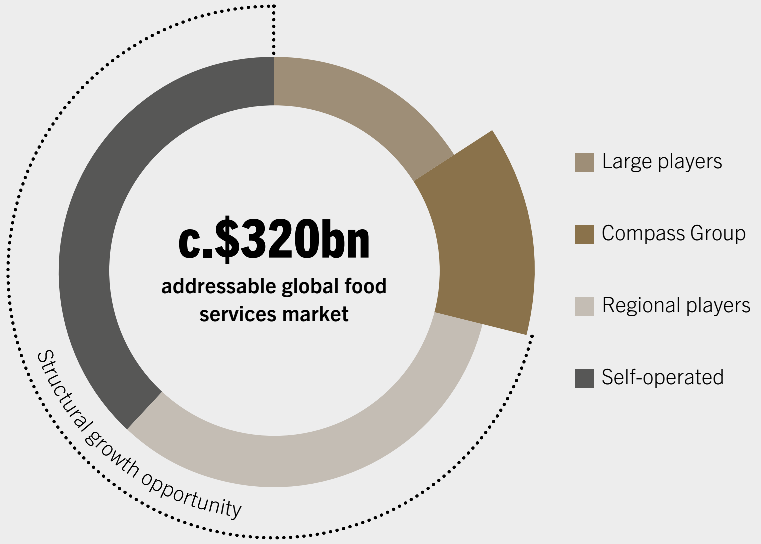
Significant market opportunity
with a runway for growth

We estimate the global food services market for Compass to be worth c.$320 billion, of which we have less than 15% market share.

This provides us a significant runway for growth, with nearly three-quarters of the market still self-operated or in the hands of regional players.

For North America and Europe, our food services market estimate now includes vending.

In addition, there are further growth opportunities for Compass in targeted support services which are not included in this estimate.



Increased operational complexities are driving outsourcing...

Cost reduction

- procurement savings
- back-office synergies
- labour utilisation
- menu management

Risk and regulation

- health and safety
- business continuity
- allergen labelling
- calorie labelling

People

- health and wellbeing
- talent attraction and retention
- encourage return to office
- improve productivity and morale

Environment

- organic and locally sourced
- net zero targets
- plant-forward
- carbon labelling

Macro challenges

- labour shortages
- food and labour inflation
- supply chain disruption
- higher energy costs

Tech and innovation

- culinary
- digital
- use of data
- flexible food models

Sustaining growth in our core markets

Dominic Blakemore
Group Chief Executive Officer

2024 has been a year of strong operational and financial performance, with net new business growth accelerating in the second half as expected. The business continues to successfully capitalise on the dynamic market trends, using its proven competitive advantages to drive higher revenue and profit growth.

We have exited, or agreed to exit, nine non-core countries, further improving the quality of our portfolio and enabling us to better focus on our core markets with the greatest growth opportunities. To support this growth, we're investing in capex to drive net new business and are currently prioritising strategic acquisitions to further enhance our unique sectorised approach to clients.

We have a proven track record of successful M&A in North America and are using that blueprint to unlock growth in other regions. The integration of recent high-quality acquisitions in Europe is progressing well, and we're excited by the capabilities they bring to the Group.

Performance

Compass has delivered another strong year, with organic revenue growth of 10.6%[1] and underlying operating margin improving by 30bps to 7.1%[1]. As a result, underlying operating profit grew by 16.4%[1] on a constant-currency basis to $2,998 million[1] (2023: $2,576 million).

Statutory revenue increased by 10.8% reflecting the strong trading performance. Statutory operating profit increased by 11.7% to $2,584 million.

Cash flow generation remains robust, with underlying operating cash flow of $2,642 million[1] (2023: $2,228 million) and underlying free cash flow of $1,740 million[1] (2023: $1,516 million). Leverage (net debt to underlying EBITDA) remains well within the Group's guided range at 1.3x[1] as at 30 September 2024.

Our strong balance sheet provides us with flexibility to invest in future growth, both through M&A and capital expenditure, which was 3.7% of underlying revenue[1]. This was slightly higher than our guidance of 3.5% due to catch-up from the prior year.

Net M&A expenditure was $1,040 million, the main outflows being HOFMANN[s] (Germany) and CH&CO (UK and Ireland), offset by an inflow from the disposal of Brazil. Subsequent to the year-end, the Group also completed the acquisition of Dupont Restauration, a food services business in France, and agreed to acquire 4Service AS, a catering and facility management services business in Norway.

The Group has refined its portfolio and has exited five countries during the year, those being Argentina, Angola, Brazil, mainland China and the United Arab Emirates. In addition, we have also agreed to exit Chile, Colombia, Mexico and Kazakhstan, subject to regulatory approval and completion procedures.

Strategy

Compass is focused on the provision of food services, with targeted support services where appropriate. By divesting of non-core markets we have further improved the quality of our portfolio. This also enables us to better focus on our core markets, where there remain significant opportunities for growth. We now operate in around 30 countries in North America, Europe, and Asia-Pacific.

Our addressable market in food services is worth c.$320 billion, a significant proportion of which remains self-operated. More demanding consumer expectations and increased macroeconomic pressures have contributed to the acceleration of first-time outsourcing, and we have clear competitive advantages built over the last 30 years to capture these opportunities.

Our sector and sub-sector portfolio enables us to better differentiate our offer compared to our competitors and create bespoke solutions for our clients. We also leverage our scale, particularly in food procurement, and are increasing the flexibility of our offer, ranging from different food models to digital or sustainability initiatives.

Our thought leadership and solutions in these areas are also often cited by clients as one of the reasons they outsource to Compass.

People

Our team of about 580,000 colleagues delivers exceptional experiences to clients and consumers worldwide every day. These dedicated professionals are the core of our business, and our people strategy is designed to identify, attract, develop, support, and retain the high-calibre talent essential for achieving our objectives.

Our goal is to provide lifelong opportunities for diverse individuals from the communities we serve, ensuring they work in a positive and secure environment. This approach is bolstered by empowered teams and proactive leaders, grounded in respect, teamwork, and growth.

When sourcing new talent, we assess the specific requirements of each sector and organisational level, adjusting our recruiting strategies accordingly. For example, our North America business employs targeted campaigns, process automation, AI, and other tools to locate suitable candidates and facilitate their engagement with the selection process in their preferred language and at convenient times.

We aspire to cultivate a diverse and inclusive workforce at all levels. Our focus is on treating everyone with fairness and respect, providing opportunities for growth and development, and fostering a positive, supportive workplace throughout their careers.

1. Alternative Performance Measure (APM) (see pages 207 to 214). 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.

Recognising the challenges of daily life, we offer a variety of support measures to ensure our employees' wellbeing, encompassing physical, financial, and mental health.

Purpose

We are dedicated to building a sustainable future for everyone. We harness our passion for food, advocate for responsible sourcing, and reduce food waste on a large scale to drive global change and improve lives.

Through culinary innovation, collaboration, and partnerships, we are committed to achieving climate net zero across our global operations by 2050 as part of our Planet Promise. This isn't achievable through a single solution; instead, we continually review and enhance our practices across the Group to amplify our impact and expedite our progress towards sustainability goals.

One significant initiative demonstrating our commitment to reducing food waste is linking a food waste-related KPI to the annual bonus plan of our executive directors and senior management.

Our culinary teams and front-line staff understand the importance of minimising food waste and are utilising various waste-reduction technologies. For example, Waste Not 2.0 is our proprietary tablet-based online tracking tool for chefs, and has been deployed in 12 countries, helping kitchen teams to identify opportunities to reduce food waste and giving our unit managers tools to report on their carbon footprint.

Whilst the Group's absolute Scope 1, 2 and 3 emissions increased year on year due to new business wins, our overall greenhouse gas intensity ratio (normalised for revenue growth) reduced by 4% compared to 2023.

Part of our core identity is being an ethical, sustainable, and inclusive business. By integrating these principles into our culture, we aim to make a meaningful difference and positively influence the world. Our customers and partners increasingly align with these values, which are crucial for our growth goals and long-term success.

Summary

Our 2024 results were strong across all our key performance metrics. We delivered double-digit organic revenue growth and good margin progress, driving strong underlying operating profit growth. The Group remains very cash generative, enabling us to invest in future opportunities for growth and return capital to shareholders, whilst maintaining a strong balance sheet.

We have further improved the quality of our portfolio, having exited, or agreed to exit, nine countries. The Group is also increasing investment in its core markets, particularly in Europe, where there are significant first-time outsourcing opportunities. We are consistently delivering net new business growth in our target 4 to 5% range, with excellent client retention.

The Group is continuing to develop its sub-sector portfolio, particularly in Europe, where we have acquired, or agreed to acquire, four great businesses. These also provide us with additional resources and talent to help drive growth. We are also increasing investment in more flexible operating models and innovating our offer to meet more sophisticated consumer demands.

We remain excited about the significant global structural opportunities and continue to anticipate profit growth ahead of revenue growth. We expect our established value creation model to continue to deliver strong earnings momentum, rewarding shareholders with compounding returns over the long term.

Dominic Blakemore
Group Chief Executive Officer

26 November 2024

Our safety journey

At Compass, a culture of care, respect and safety is paramount in everything we do. Whether it's inside or outside the kitchen, keeping everyone safe is always our top priority. We strive to operate a safe, injury-free and healthy workplace. Our safety journey, continuously evolving with the growth of the business, reflects the shared commitment across all levels of our businesses' operations.

Food safety

Throughout every step of the food journey, from our supply chain to final service, preventing potential health risks that can arise from the handling, preparation and storage of food is a priority. The varying complexities require every colleague, at every site and for every meal to deliver the highest standards of food safety.

Adhering to industry frameworks like Hazard Analysis and Critical Control Point (HACCP) and Good Catering Practices (GCPs), our Global Safety Standards help us to achieve this. Recognising the differing business climates and customs from country to country and region to region, these standards allow our individual businesses to adopt local regulatory requirements, as well as client-specific protocols where appropriate.

In 2024, we achieved a Food Safety Incident Rate (FSIR) rate of 0.13, below our limit of 0.17, representing a 13% year-on-year rate improvement. Our focus on global food safety has led to significant long-term reductions in incidents, despite continued business growth.

Safety audits

As well as ensuring we have industry-leading policies and procedures, our standards provide the framework for leadership and oversight, communication, awareness and training, risk assessments, issues management and investigations, as well as reporting, monitoring and review.

Our Global Safety Standards are reinforced through regular safety self-assessments, Group internal audits and third-party external audits – ensuring multiple layers of assurance both internally and externally.

Personal safety

Training our people to manage safety in operations is crucial for maintaining a safe and efficient work environment. Comprehensive training equips our teams with the knowledge and skills needed to identify and mitigate risks, ensuring they can effectively respond to potential hazards.

This training fosters a sense of ownership and responsibility, encouraging proactive behaviour and prompt intervention. It promotes a strong focus on safety, where everyone is actively encouraged to engage in protecting their own wellbeing and that of their colleagues.

As indicated in last year's Annual Report, the businesses have looked to capture a more holistic view of personal injuries by transitioning to a Total Recordable Injury Frequency Rate (TRIFR) performance measure which reflects all work-related injury types. In 2024, we achieved a TRIFR rate of 10.7, representing a 12% improvement compared to our limit of 12.10.

Safety governance and advancing food safety

Safety learnings are shared across our businesses with a safety moment at the start of management meetings, whilst Board and Executive Committee meetings regularly feature health and safety updates. In 2024, we supported the globally recognised World Food Safety Day, engaging our chefs, operators and colleagues globally and further educating them on our approach to food safety.

We believe it is critical to partner with leading industry food safety groups and actively collaborate on global food safety initiatives that support learnings which continuously evolve our strategy and approach. We are active board members of SSAFE, a global non-profit that works to strengthen food safety across the supply chain, and we participate in advisory committees across the following industry groups: Food Industry Intelligence Network, International Association of Food Protection, Conference for Food Protection and the National Restaurant Association.

Evolving our processes

In 2024, we evolved our Global Safety Standards to reflect current risk trends that are impacting our operational environment, and the actions required of our businesses to achieve further excellence through consistency of approach. We have built a globally connected community for our safety professionals and senior leaders, uniting people in a shared understanding of our safety journey through the use of a market-leading employee engagement mobile application.

Priorities for the year ahead

The businesses will continue to prioritise initiatives that further the maturity of our safety programmes. As we looked to capture a more holistic view of personal injuries by transitioning to TRIFR in 2024, we will prioritise the forthcoming EU Corporate Sustainability Reporting Directive (CSRD), emphasising the qualitative aspects that add depth and context to our strategies and opportunities for managing the evolving risks throughout our business. As part of this, we will transition to measuring our food safety progress through leading food safety indicators that align with industry and regulatory standards. Our Global Food Safety Incident Rate remains important to us and will continue to be tracked by management.

Doing what *is right*

Business ethics and integrity

At Compass we are committed to upholding high standards of ethics and integrity (E&I), a commitment which has earned us our position as a global leader and trusted partner. We believe in responsible leadership and aim to set the standard and act as a role model for ethical behaviour. Through an inclusive culture, we promote a workplace where our people and partners can speak up and be heard. Our values, commitments, Code of Business Conduct (CBC) and Business Integrity Policy (BIP) guide the decisions, actions and behaviours of our people and serve as a foundation for the way our businesses conduct themselves in an ethical, fair and responsible way.

Our E&I programme

Our risk-based programme and policy framework provide the minimum standards, ethical principles, expectations and guidance for Compass' employees and those we work with or who act on our behalf.

Global initiatives

We are committed to continuous improvement, and this year we have prioritised:

- the launch of country-specific BIPs in local languages, with locally approved disclosure thresholds for gifts and hospitality, conflicts of interest, donations, sponsorships and community investments
- our annual E&I awareness week, which focused on embedding E&I principles within our countries
- the phased implementation of our Third-Party Integrity Due Diligence (TPIDD) process
- further embedding key E&I controls through piloting our Programme Implementation Playbook (PIP) which sets out expected compliance standards and provides guidance to countries and regions
- continuing to collaborate across Group functions to strengthen governance activities relating to supply chain risk management and M&A due diligence
- undertaking a fraud risk assessment and an effectiveness review of our SpeakUp, We're Listening programme, both carried out by an independent external adviser

Training and awareness

Through communication, awareness and training, we empower, encourage and equip our people to spot red flags and make well-informed integrity-driven decisions. Our training population includes all Legal, Sales, Finance, People, Internal Audit, Procurement, Growth and Retention teams in addition to our Board of Directors and executive management, leadership and above-unit manager roles at Group, region and country-level.

Our global E&I awareness week involved all our countries, targeting an audience of over 100,000 employees across the Group's businesses and resulting in a total of 8,600 employees globally electing to become E&I ambassadors. To set clear expectations of our ethical behaviours and values, we have initiated new starter training covering E&I principles for unit managers and above, in all of our countries.

Pledge and declaration

To confirm understanding of and compliance with the CBC and BIP, our annual self-certification process requires all our target training population of nearly 19,000 employees globally to provide a pledge and declaration covering key business integrity risk areas and conflict of interest disclosures.

Priorities for the year ahead

In partnership with the businesses and our community of E&I leaders, we will prioritise initiatives in accordance with our strategic plan. These priorities include: continuing to further embed key controls through the PIP and TPIDD; strengthening monitoring, oversight and assurance of key programme elements including external reviews; Data Privacy Policy compliance; and optimising E&I's suite of tools and technologies, including a new learning management system.

SPEAKUP!
We're listening

SpeakUp, We're Listening (SpeakUp) is our confidential reporting programme that is accessible to anyone through use of QR codes, via the web or by phone, and is available 24/7, 365 days a year. SpeakUp is managed by Group E&I, a team independent of any other lines of business.

In 2024, SpeakUp received a total of 4,974 reports (2023: 4,130), from employees in the Group, contractors and external parties. Positive engagement with the programme is observed through increased reporting and engagement, which was especially notable following our annual E&I awareness week, including a leader-led campaign to further promote the programme and celebrate our 'speak and listen up' ethos.

Of the 4,974 reports made to SpeakUp, 1,460 were non-ethics-related matters and were typically referred to country teams for follow-up rather than requiring an ethics investigation. The remaining 3,514 were ethics-related matters assessed as potential breaches of our CBC.

Whilst 60% (2,105) of reporters elected to remain anonymous (2023: 1,735), the overall substantiation rate for 2024 was 34% (2023: 38%). Notwithstanding the rise in total reports received in 2024, we maintained a stable substantiation rate, which reflects consistency in investigation processes including continued engagement with reporters to develop a better understanding of concerns raised. At Compass, we take all matters raised through SpeakUp very seriously: we ensure our reporters receive a response and that appropriate actions are taken with respect to concerns raised.

Compass Group and all of its Group companies strongly encourage raising concerns about improper behaviour or possible violations of our CBC, BIP, other policies or laws. Compass prohibits and does not tolerate retaliation or detrimental conduct in response to anyone raising a concern, irrespective of the outcome.

SpeakUp, We're Listening 2024 overview[1]

5 most frequently reported ethics issues:

1. Harassment/bullying.
2. Workplace conflict.
3. Issues with management.
4. Retaliation.
5. Discrimination.

E&I pulse survey responses*

90%

of our employees stated that they speak up when things do not feel right (2023: 89%)

98%

of our employees are aware of SpeakUp, We're Listening (2023: 96%)

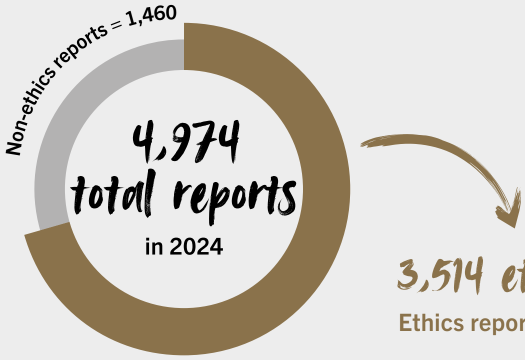
88%

observed integrity-driven decisions being made where they work (2023: 85%)

96%

agreed that training raised their awareness of E&I principles (2023: 91%)

* Based on responses as part of the 2024 training (all regions ex. UK&I)

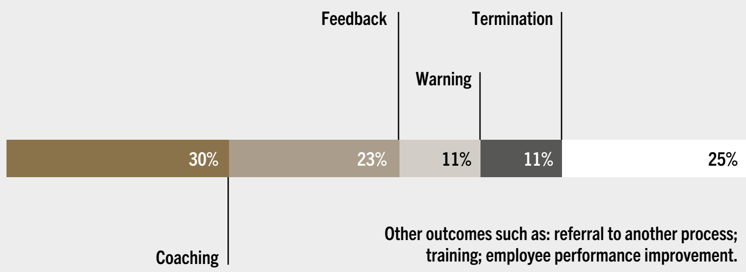


3,514 ethics reports

Ethics report categories

34% substantiation rate

Ethics case outcomes



1. Data as at 30 September 2024.

Performance

Another year of strong performance

Petros Parras
Group Chief Financial Officer

Change in reporting currency

With effect from 1 October 2023, the reporting currency of the Group was changed from sterling to US dollars. The change in presentation currency provides investors and other stakeholders with greater transparency in relation to the Group's performance and reduces foreign exchange volatility on earnings given that approximately three-quarters of the Group's underlying operating profit originates in US dollars. The amounts for prior periods have been translated into US dollars at average exchange rates for the relevant periods for income statements and cash flows, with spot rates used for significant transactions, and at the exchange rates on the relevant balance sheet dates for assets and liabilities.

Group performance

We manage and assess the performance of the Group using various underlying and other Alternative Performance Measures (APMs). These measures are not defined by International Financial Reporting Standards (IFRS) or other generally accepted accounting principles (GAAP) and may not be directly comparable with APMs used by other companies. Underlying measures reflect ongoing trading and, therefore, facilitate meaningful year-on-year comparison. The Group's APMs, together with the results prepared in accordance with IFRS, provide comprehensive analysis of the Group's results. Accordingly, the relevant statutory measures are also presented where appropriate. Certain of the Group's APMs are financial Key Performance Indicators (KPIs) which measure progress against our strategy. 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.

	2024 $m	Restated[1] 2023 $m	Change
Revenue			
APM Underlying	**42,176**	38,216	10.4%
APM Underlying (constant currency)	**42,176**	38,147	10.6%
KPI Organic	**41,021**	37,075	10.6%
Statutory	**42,002**	37,907	10.8%
Operating profit			
APM Underlying	**2,998**	2,592	15.7%
APM Underlying (constant currency)	**2,998**	2,576	16.4%
Statutory	**2,584**	2,313	11.7%
Operating margin			
KPI Underlying	**7.1%**	6.8%	30bps
Statutory	**6.2%**	6.1%	10bps
Return on capital employed (ROCE)			
KPI ROCE	**19.0%**	19.3%	(30)bps
Basic earnings per share			
KPI Underlying	**119.5c**	105.2c	13.6%
APM Underlying (constant currency)	**119.5c**	104.3c	14.6%
Statutory	**82.3c**	92.2c	(10.7)%
Cash flow			
KPI Underlying – free cash flow	**1,740**	1,516	14.8%
Statutory – net cash flow from operating activities	**3,135**	2,536	23.6%
Dividend			
Full-year dividend per ordinary share	**59.8c**	52.6c	13.7%

1. With effect from 1 October 2023, the reporting currency of the Group was changed from sterling to US dollars. The results for the year ended 30 September 2023 have been restated in US dollars.

APM Alternative Performance Measure (APM) (see pages 207 to 214)

KPI APM which is also a Key Performance Indicator (see page 7)

Income statement

For the year ended 30 September	2024 Statutory $m	2024 Adjustments $m	2024 Underlying (APM) $m	Restated[1] 2023 Statutory $m	Restated[1] 2023 Adjustments $m	Restated[1] 2023 Underlying (APM) $m
Revenue	**42,002**	**174**	**42,176**	37,907	309	38,216
Operating profit	**2,584**	**414**	**2,998**	2,313	279	2,592
Net (loss)/gain on sale and closure of businesses	**(203)**	**203**	–	24	(24)	–
Finance costs	**(325)**	**76**	**(249)**	(200)	34	(166)
Profit before tax	**2,056**	**693**	**2,749**	2,137	289	2,426
Tax expense	**(642)**	**(60)**	**(702)**	(525)	(63)	(588)
Profit for the year	**1,414**	**633**	**2,047**	1,612	226	1,838
Non-controlling interests	**(10)**	–	**(10)**	(5)	–	(5)
Attributable profit	**1,404**	**633**	**2,037**	1,607	226	1,833
Average number of shares	**1,705m**	–	**1,705m**	1,743m	–	1,743m
(KPI) Basic earnings per share	**82.3c**	**37.2c**	**119.5c**	92.2c	13.0c	105.2c
EBITDA			**$4,145m**			$3,620m

1. With effect from 1 October 2023, the reporting currency of the Group was changed from sterling to US dollars. The results for the year ended 30 September 2023 have been restated in US dollars.

APM Alternative Performance Measure (APM) (see pages 207 to 214)

KPI APM which is also a Key Performance Indicator (see page 7)

Statutory income statement

On a statutory basis, revenue increased by 10.8% to $42,002 million (2023: $37,907 million).

Statutory operating profit was $2,584 million (2023: $2,313 million), an increase of 11.7%, with statutory operating margin of 6.2% (2023: 6.1%).

Statutory operating profit includes non-underlying item charges of $414 million (2023: $279 million), including acquisition-related charges of $235 million (2023: $153 million) and $170 million (2023: $118 million) of charges related to the strategic portfolio review.

As part of our strategic portfolio review, and considering country exits, ongoing advancement of technologies and the increased decentralisation of our business, we have reviewed our European regional business transformation ERP programme that commenced a number of years ago. We have decided to discontinue the implementation and roll out of our cross-market ERP programme and, accordingly, have recognised a charge of $160 million as a specific adjusting item, which includes $146 million for the non-cash impairment of work-in-progress head office (non-client-related) computer software assets. An impairment charge of $10 million has been recognised in respect of our business in Qatar. In 2023, the net charge included the impact of site closures and contract renegotiations and terminations in the UK.

A full list of non-underlying items is included in note 34 (non-GAAP measures).

The Group has recognised a net loss of $203 million (2023: net gain of $24 million) on the sale and closure of businesses, including exit costs of $92 million (2023: $14 million) and a charge of $250 million (2023: credit of $1 million) in respect of the reclassification of cumulative currency translation differences. As part of our strategic portfolio review, we exited five countries during the year and, in July, the Group agreed the sale of its businesses in Chile, Colombia and Mexico, subject to regulatory approval and completion procedures. Subsequent to the year-end, we agreed the sale of our business in Kazakhstan, subject to regulatory approval.

Finance costs increased to $325 million (2023: $200 million) mainly reflecting both higher net debt and interest rates during the year, together with a partial reversal of the fair value gains on derivatives held to minimise volatility in short-term underlying finance costs in previous years.

Profit before tax was $2,056 million (2023: $2,137 million) giving rise to an income tax expense of $642 million (2023: $525 million), equivalent to an effective tax rate of 31.2% (2023: 24.6%). The increase in rate primarily reflects the increase in the UK corporate tax rate from 19% to 25% from 1 April 2023 and the impact of non-taxable non-underlying items.

Basic earnings per share was 82.3 cents (2023: 92.2 cents), a decrease of 10.7%, as the higher operating profit is more than offset by the impact of the reclassification of cumulative currency translation differences on sale of businesses, higher finance costs and higher effective tax rate.

Underlying income statement

Organic revenue growth was strong at 10.6%, including net new business growth of 4.2%, which remains above our historical level of approximately 3%, pricing of around 4% and like-for-like volume growth of around 2%. As expected, volume growth moderated during the year as we lapped strong prior year comparatives.

Growth in underlying revenue was broad-based reflecting double-digit organic revenue growth, especially in North America and Europe, and also the contributions from significant acquisitions during the year. This was partly offset by the impact of exits from non-core countries as part of the Group's strategy to focus on our larger developed markets and de-risk our portfolio. Client retention rates remained strong at 96.0%.

Underlying operating profit increased by 16.4% on a constant-currency basis, to $2,998 million, with underlying operating margin at 7.1% (2023: 6.8%). Strong margin progression was achieved across all regions, underpinned by our operational scale, efficiencies and appropriate levels of pricing to mitigate inflation.

Underlying finance costs increased to $249 million (2023: $166 million) mainly reflecting both higher net debt and interest rates during the year.

On an underlying basis, the tax charge was $702 million (2023: $588 million), equivalent to an effective tax rate of 25.5% (2023: 24.2%). The increase in rate primarily reflects the increase in the UK corporate tax rate from 19% to 25% from 1 April 2023. The tax environment continues to be uncertain, with more challenging tax authority audits and enquiries globally.

On a constant-currency basis, underlying basic earnings per share increased by 14.6% to 119.5 cents (2023: 104.3 cents) reflecting the higher profit for the year.

Balance sheet

At 30 September	2024 $m	Restated[1] 2023 $m
Goodwill	6,899	6,105
Other non-current assets	8,757	7,301
Working capital	(1,805)	(1,514)
Provisions	(714)	(633)
Net post-employment benefit obligations	(732)	(458)
Current tax	(94)	(152)
Deferred tax	(108)	105
APM Net debt	(5,391)	(4,459)
Net assets held for sale	94	5
Net assets	**6,906**	6,300
Borrowings	(4,596)	(4,114)
Lease liabilities	(1,315)	(1,153)
Derivatives	(103)	(221)
Cash and cash equivalents	623	1,029
APM Net debt	**(5,391)**	(4,459)

1. With effect from 1 October 2023, the reporting currency of the Group was changed from sterling to US dollars. The results for the year ended 30 September 2023 have been restated in US dollars.

APM Alternative Performance Measure (APM) (see pages 207 to 214)

Liquidity

The Group finances its operations through cash generated by the business and borrowings from a number of sources, including banking institutions, the public and the private placement markets. The Group has developed long-term relationships with a number of financial counterparties with the balance sheet strength and credit quality to provide credit facilities as required.

The Group seeks to avoid a concentration of debt maturities in any one period to spread its refinancing risk. A $352 million US Private Placement (USPP) note matured and was repaid in October 2023. In February 2024, the Group issued a €750 million ($806 million) fixed-rate sustainable bond maturing in February 2031. The new bond effectively pre-financed a €750 million ($809 million) bond which matured and was repaid in July 2024. In September 2024, the Group issued a €500 million ($557 million) fixed-rate sustainable bond maturing in September 2033. The maturity profile of the Group's principal borrowings at 30 September 2024 shows that the average period to maturity is 4.6 years (2023: 3.3 years).

The Group's USPP notes contain leverage and interest cover covenants which are tested semi-annually at 31 March and 30 September. The leverage covenant test stipulates that consolidated net debt must be less than or equal to 3.5 times consolidated EBITDA. The interest cover covenant test stipulates that consolidated EBITDA must be more than or equal to 3 times consolidated net finance costs. Consolidated EBITDA and net finance costs are based on the preceding 12 months. The leverage and interest cover ratios were 1.1 times and 19.6 times, respectively, at 30 September 2024. Net debt, consolidated EBITDA and net finance costs are subject to certain accounting adjustments for the purposes of the covenant tests.

At 30 September 2024, the Group had access to $3,236 million (2023: $3,271 million) of liquidity, including $2,683 million (2023: $2,441 million) of undrawn bank facilities committed to August 2026 and $553 million (2023: $830 million) of cash, net of overdrafts. Our credit ratings remain strong investment grade: Standard & Poor's A/A-1 long-term/short-term (outlook Stable); and Moody's A2/P-1 long-term/short-term (outlook Stable).

Net debt

Net debt has increased by $932 million to $5,391 million (2023: $4,459 million). The Group generated $1,675 million of free cash flow and received $327 million in respect of the sale of its 19% effective interest in ASM Global Parent, Inc., which was more than offset by $999 million spent on the acquisition of subsidiaries, joint ventures and associates, net of disposal proceeds, dividends of $963 million and share buybacks of $577 million. Adverse exchange translation was $143 million. Cash net of lease liabilities of $34 million in Chile, Colombia and Mexico has been reclassified to held for sale in the Group's balance sheet at 30 September 2024.

At 30 September 2024, the ratio of net debt to underlying EBITDA was 1.3x (2023: 1.2x). Our leverage policy is to maintain strong investment-grade credit ratings and to target net debt to underlying EBITDA in the range of 1x-1.5x.

Post-employment benefits

The Group has continued to review and monitor its pension obligations throughout the year, working closely with the trustees and actuaries of all schemes across the Group to ensure appropriate assumptions are used and adequate provision and contributions are made.

The accounting surplus in the Compass Group Pension Plan is $542 million at 30 September 2024 (2023: $525 million). The deficit in the rest of the Group's defined benefit pension schemes has increased to $1,274 million (2023: $983 million). The net deficit in these schemes is $154 million (2023: $130 million) including investments of $1,120 million (2023: $853 million) held in respect of unfunded pension schemes and the US Rabbi Trust arrangements which do not meet the definition of pension assets under IAS 19 Employee Benefits.

The total pensions operating charge for defined contribution schemes in the year was $289 million (2023: $254 million) and $41 million (2023: $37 million) for defined benefit schemes.

Return on capital employed

Return on capital employed was 19.0% (2023: 19.3%) based on net underlying operating profit after tax. Excluding the effect of the higher underlying effective tax rate of 25.5% (2023: 24.2%), the impact of recent business acquisitions on capital employed was offset by the Group's strong trading performance.

Cash flow

For the year ended 30 September	2024 $m	Restated[1] 2023 $m
APM Free cash flow	**1,675**	1,425
Add back: Lease repayments	**227**	215
New lease liabilities and amendments	**(325)**	(323)
Acquisition and disposal of businesses	**(999)**	(350)
Sale of 19% effective interest in ASM Global Parent, Inc.	**327**	–
Dividends paid	**(963)**	(796)
Purchase of own shares	**(577)**	(1,167)
Foreign exchange translation	**(143)**	(91)
Other movements	**(120)**	(35)
Increase in net debt	**(898)**	(1,122)
Opening net debt	**(4,459)**	(3,337)
Net debt transferred to held for sale	**(34)**	–
APM Net debt	**(5,391)**	(4,459)
APM Free cash flow	**1,675**	1,425
Add back: Cash payments related to restructuring and strategic programmes and the one-off pension charge	**24**	70
Add back: Acquisition transaction costs	**41**	21
KPI Underlying free cash flow	**1,740**	1,516

1. With effect from 1 October 2023, the reporting currency of the Group was changed from sterling to US dollars. The results for the year ended 30 September 2023 have been restated in US dollars.

APM Alternative Performance Measure (APM) (see pages 207 to 214)

KPI APM which is also a Key Performance Indicator (see page 7)

Free cash flow

Free cash flow totalled $1,675 million (2023: $1,425 million). During the year, we made cash payments totalling $24 million (2023: $70 million) in relation to restructuring and strategic programmes and the one-off pension charge. Adjusting for this, and for acquisition transaction costs of $41 million (2023: $21 million) which are reported as part of operating cash flow, underlying free cash flow was $1,740 million (2023: $1,516 million), with underlying free cash flow conversion at 85.0% (2023: 82.5%). Underlying profit for the year has replaced underlying operating profit as the denominator in the calculation of underlying free cash flow conversion. Underlying free cash flow conversion would be 58.0% (2023: 58.5%) using underlying operating profit as the denominator.

Capital expenditure of $1,541 million (2023: $1,098 million) is equivalent to 3.7% (2023: 2.9%) of underlying revenue. The working capital inflow, excluding provisions and pensions, was $186 million (2023: outflow of $120 million). The net interest outflow increased to $228 million (2023: $147 million) consistent with the higher underlying finance costs in the year. The net tax paid was $693 million (2023: $539 million), which is equivalent to an underlying cash tax rate of 25.2% (2023: 22.2%).

Acquisition and disposal of businesses

The Group spent $1,224 million (2023: $408 million) on business acquisitions during the year, net of cash acquired, including $878 million on CH&CO in the UK and Ireland and HOFMANN[S] in Germany (including the repayment of acquired borrowings), $285 million on bolt-on acquisitions and interests in joint ventures and associates, and $61 million of deferred and contingent consideration and other payments relating to businesses acquired in previous years.

The Group received $225 million (2023: $58 million) in respect of disposal proceeds net of exit costs, which primarily comprises the sale of businesses in five countries during the year.

Including $41 million (2023: $21 million) of acquisition transaction costs included in net cash flow from operating activities, the total net cash spent on the acquisition and disposal of businesses is $1,040 million (2023: $371 million).

Sale of 19% effective interest in ASM Global Parent, Inc.

The Group received $327 million in respect of the sale of its 19% effective interest in ASM Global Parent, Inc. in August 2024.

Dividends paid

Dividends paid in 2024 of $963 million represents the 2023 final dividend ($606 million) and the 2024 interim dividend ($357 million).

Purchase of own shares

The cash outflow in respect of share buybacks totalled $577 million during the year, which comprises $185 million in respect of the completion of the share buyback announced in May 2023 and $392 million in respect of the $500 million share buyback announced in November 2023. The share buyback is scheduled to complete in December 2024.

Foreign exchange translation

The $143 million (2023: $91 million) loss on foreign exchange translation of net debt primarily arises in respect of the Group's sterling and euro debt.

Other movements

Other movements primarily comprises fair value movements on derivative financial instruments used to manage the Group's interest rate exposure and lease liabilities acquired through business acquisitions.

Capital allocation

Our capital allocation framework is clear and unchanged. Our priority is to invest in the business to fund growth opportunities, target a strong investment-grade credit rating with a leverage target of around 1x-1.5x net debt to EBITDA and pay an ordinary dividend, with any surplus capital being returned to shareholders.

Growth investment consists of: (i) capital expenditure to support organic growth in both new business wins and retention of existing contracts; and (ii) bolt-on M&A opportunities that strengthen our capabilities and broaden our exposure. We have a proven track record of strong returns from our investment strategy as evidenced by our historical returns on capital employed.

Shareholder returns

Our dividend policy is to pay out around 50% of underlying earnings through an interim and final dividend, with the interim dividend reflecting around one-third of the total annual dividend.

In determining the level of dividend in any year, the Board considers a number of factors, which include but are not limited to:

- the level of available distributable reserves in the Parent Company
- future cash commitments and investment requirements to sustain the long-term growth prospects of the business
- potential strategic opportunities
- the level of dividend cover

Further surpluses, after considering the matters set out above, may be distributed to shareholders over time by way of special dividend payments, share repurchases or a combination of both.

Compass Group PLC, the Parent Company of the Group, is a non-trading investment holding company which derives its distributable reserves from dividends paid by subsidiary companies. The level of distributable reserves in the Parent Company is reviewed annually and the Group aims to maintain distributable reserves that provide adequate cover for shareholder returns. The distributable reserves of the Parent Company include the distributable portion of retained earnings and the own shares reserve, which total £2,457 million at 30 September 2024 (2023: £2,379 million).

An interim dividend of 20.7 cents per share (2023: 17.9 cents per share), $357 million in aggregate, was paid in July 2024. It is proposed that a final dividend of 39.1 cents per share (2023: 34.7 cents per share), $664 million in aggregate, be paid on 27 February 2025 to shareholders on the register on 17 January 2025. This will result in a total dividend for the year of 59.8 cents per share (2023: 52.6 cents per share), $1,021 million in aggregate (2023: $940 million). The dividend is covered 2.0 times on an underlying earnings basis.

Shareholders appearing on the Register of Members or holding their shares through CREST will automatically receive their dividends in sterling, but have the option to elect to receive their dividends in US dollars. The closing date for the receipt of dividend currency elections is 3 February 2025. The sterling equivalent of the 2024 final dividend will be announced on 11 February 2025.

For shares held in certificated form on the register, US dollar elections can be made by contacting our share registrar, Link Group. Link's contact details can be found on page 230 or on our website under Dividend Information.

A Dividend Reinvestment Plan (DRIP) will be available. The last date for receipt of elections for the DRIP will be 6 February 2025.

The Group is in a strong position to fund its dividend, which is well covered by cash generated by the business. Details of the Group's going concern assessment can be found on page 145. The ability of the Board to maintain its future dividend policy will be influenced by a number of the principal risks identified on pages 24 to 28 that could adversely impact the performance of the Group, although we believe we have the ability to mitigate those risks as outlined on pages 24 to 28.

At the date of this Report, $476 million of the $500 million share buyback announced in November 2023 had been completed, with the remainder scheduled to complete in December 2024. We prioritise investment in the business through capex and M&A to support future growth, with any surplus capital being returned to shareholders as we maintain our strong track record of delivering long-term, compounding shareholder returns.

Treasury

The Group manages its liquidity, foreign currency exposure and interest rate risk in accordance with the policies set out below.

The Group's financial instruments comprise cash, borrowings, receivables and payables that are used to finance the Group's operations. The Group also uses derivatives, principally interest rate swaps, forward currency contracts and cross currency swaps, to manage interest rate and currency risks arising from the Group's operations. The Group does not trade in financial instruments. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates and to manage the Group's financial risks. The Board approves any changes to the policies.

Foreign currency risk

The Group's policy is to balance its principal projected cash flows by currency with actual or effective borrowings in the same currency. As currency cash flows are generated, they are used to service and repay debt in the same currency. Where necessary, to implement this policy, forward currency contracts and cross currency swaps are taken out which, when applied to the actual currency borrowings, convert these to the required currency.

The borrowings in each currency can give rise to foreign exchange differences on translation. Where the borrowings are less than, or equal to, the net investment in overseas operations, these exchange rate variances may be treated as movements on reserves and recorded in the consolidated statement of comprehensive income rather than in the consolidated income statement.

Non-dollar earnings streams are translated at the average rate of exchange for the year. Fluctuations in exchange rates have given, and will continue to give, rise to translation differences. The Group is only partially protected against the impact of such differences through the matching of cash flows to currency borrowings.

Interest rate risk

As set out above, the Group has effective borrowings in a number of currencies and its policy is to ensure that, in the short term, it is not materially exposed to fluctuations in interest rates in its principal currencies. The Group implements this policy either by borrowing fixed rate debt or by using interest rate swaps or options so that the interest rates on at least 80% of the Group's projected debt are fixed or capped for one year. For the second and third years, interest rates are fixed within ranges of 30% to 70% and 0% to 40% of projected debt, respectively.

Tax

As a Group, we are committed to creating long-term shareholder value through the responsible, sustainable and efficient delivery of our key business objectives. This will enable us to grow the business and make significant investments in the Group and its operations.

We adopt an approach to tax that supports this strategy and also balances the various interests of our stakeholders, including shareholders, governments, employees and the communities in which we operate. Our aim is to pursue a principled and sustainable tax strategy that has strong commercial merit and is aligned with our business strategy. We believe this will enhance shareholder value whilst protecting our reputation.

In doing so, we act in compliance with the relevant local and international laws and disclosure requirements, and we conduct an open and transparent relationship with the relevant tax authorities that fully complies with the Group's Code of Business Conduct and Business Integrity Policy.

After many years of operation, the Group has numerous legacy subsidiaries across the world. Whilst some of these entities are incorporated in low-tax territories, Compass does not seek to avoid tax through the use of tax havens. Details of the Group's related undertakings are listed in note 36 to the consolidated financial statements.

In an increasingly complex international corporate tax environment, a degree of tax risk and uncertainty is, however, inevitable. Tax risk can arise from unclear regulations and differences in interpretation but, most significantly, where tax authorities apply diverging standards in assessing intra-group cross-border transactions. This is the situation for many multinational organisations. We manage and control these risks in a proactive manner and, in doing so, exercise our judgement and seek appropriate advice from relevant 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.

Risks and uncertainties

The Board takes a proactive approach to risk management aimed at protecting the Group's employees, clients and consumers and safeguarding the interests of the Company and its shareholders in a constantly changing environment.

The principal risks and uncertainties facing the business, and the activities the Group undertakes to mitigate these, are set out on pages 24 to 28.

Related party transactions

Details of transactions with related parties are set out in note 32 to the consolidated financial statements. These transactions have not had, and are not expected to have, a material effect on the financial performance or position of the Group.

Going concern

The factors considered by the directors in assessing the ability of the Group and Parent Company to continue as a going concern are discussed on page 145.

The Group has access to considerable financial resources, together with longer-term contracts with a number of clients and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

Based on the assessment discussed on page 145, the directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for at least the period to 31 March 2026. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Petros Parras
Group Chief Financial Officer

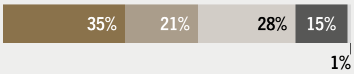
26 November 2024

Regional *performance*

APM **Underlying revenue**

$28.6bn

By sector



APM **Underlying operating profit**

$2,335m

2023: $2,019m[1]

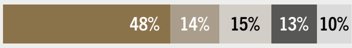
APM **Underlying operating profit growth**[2]

↑ 15.7%

APM **Underlying revenue**

$9.9bn

By sector



APM **Underlying operating profit**

$583m

2023: $479m[1]

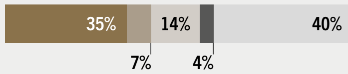
APM **Underlying operating profit growth**[2]

↑ 22.0%

APM **Underlying revenue**

$3.7bn

By sector



APM **Underlying operating profit**

$224m

2023: $214m[1]

APM **Underlying operating profit growth**[2]

↑ 10.3%

Sector Business & Industry · Education · Healthcare & Senior Living · Sports & Leisure · Defence, Offshore & Remote

Revenue	APM Underlying 2024	Underlying Restated[1] 2023	Change: Reported rates	Change: Constant currency	Change: Organic	Statutory 2024	Statutory Restated[1] 2023	Change
North America	**$28,581m**	$25,768m	10.9%	10.9%	10.5%	**$28,557m**	$25,745m	10.9%
Europe	**$9,887m**	$8,598m	15.0%	14.3%	11.9%	**$9,737m**	$8,312m	17.1%
Rest of World	**$3,708m**	$3,850m	(3.7)%	(0.8)%	8.5%	**$3,708m**	$3,850m	(3.7)%
Total	**$42,176m**	$38,216m	10.4%	10.6%	10.6%	**$42,002m**	$37,907m	10.8%
Operating profit								
North America	**$2,335m**	$2,019m	15.7%	15.7%	15.7%	**$2,251m**	$1,931m	16.6%
Europe	**$583m**	$479m	21.7%	22.0%	15.0%	**$380m**	$297m	27.9%
Rest of World	**$224m**	$214m	4.7%	10.3%	27.3%	**$224m**	$205m	9.3%
Unallocated costs	**$(144)m**	$(120)m				**$(271)m**	$(120)m	
Total	**$2,998m**	$2,592m	15.7%	16.4%	16.2%	**$2,584m**	$2,313m	11.7%

Operating margin	KPI Underlying 2024	Underlying 2023	Change	Statutory 2024	Statutory 2023	Change
North America	**8.2%**	7.8%	40bps	**7.9%**	7.5%	40bps
Europe	**5.9%**	5.6%	30bps	**3.9%**	3.5%	40bps
Rest of World	**6.0%**	5.6%	40bps	**6.0%**	5.3%	70bps
Total	**7.1%**	6.8%	30bps	**6.2%**	6.1%	10bps

APM Alternative Performance Measure (APM) (see pages 207 to 214)

KPI APM which is also a Key Performance Indicator (see page 7)

1. With effect from 1 October 2023, the reporting currency of the Group was changed from sterling to US dollars. The results for the year ended 30 September 2023 have been restated in US dollars.
2. Measured on a constant-currency basis.

North America

Underlying

Operating profit growth was 15.7% on a constant-currency basis, increasing to $2,335 million, driven by strong revenue growth and operating margin progression.

Organic revenue growth was 10.5%, driven by net new business growth, appropriate levels of pricing and like-for-like volume growth. Client retention rates remained strong at 96.4%.

Growth rates were high single-digit or greater across all sectors, and notably strong in Business & Industry driven by net new business growth and like-for-like volumes, which benefited from the continued 'return to office' trend and value proposition versus the high street. Across our other sectors, Sports & Leisure and Education continued to benefit from high attendance levels and per capita spend levels, while Healthcare & Senior Living business performance included strong retail sales and new business openings.

Operating margin increased by 40bps to 8.2% driven by management productivity initiatives, cost control and appropriate levels of pricing.

The region continues to acquire high-quality businesses and talent within our existing sectors, with a particular focus on vending.

Statutory

Statutory revenue increased by 10.9% to $28,557 million reflecting the strong organic revenue growth.

Statutory operating profit was $2,251 million (2023: $1,931 million), with the difference from underlying operating profit being acquisition-related charges of $84 million (2023: $88 million).

Europe

Underlying

The region continues to benefit from ongoing investments in its people, brands and processes. Operating profit was $583 million, representing growth of 22.0% on a constant-currency basis, driven by double-digit revenue growth, strong margin progression and the impact of acquisitions during the year.

Organic revenue growth of 11.9% comprised net new business growth, volume growth and pricing. Client retention rates at 95.5% remain significantly above historical levels. All sectors delivered high single-digit growth rates or above, with double-digit growth rates achieved in Business & Industry, Education and Defence, Offshore & Remote.

Operating margin increased by 30bps to 5.9%, reflecting management focus across the portfolio, ongoing operational efficiencies and appropriate levels of pricing.

We have increased our focus on M&A with significant acquisitions to deepen our sectorisation and sub-sectorisation strategy, unlock new capabilities and increase the flexibility of our operating model. During the year, we acquired HOFMANN^{S} in Germany and CH&CO in the UK and Ireland. Subsequent to the year-end, we also completed the acquisition of Dupont Restauration in France and agreed to acquire 4Service AS in Norway. Additionally, as part of our focus on core markets, we exited our joint venture in the United Arab Emirates.

Statutory

Statutory revenue increased by 17.1% to $9,737 million, with the difference from underlying revenue being the presentation of the share of results of our joint ventures operating in the Middle East.

Statutory operating profit was $380 million (2023: $297 million), with the difference from underlying operating profit mainly reflecting acquisition-related charges of $151 million (2023: $56 million) and charges related to the Group's strategic portfolio review of $43 million (2023: $118 million).

Rest of World

Underlying

Operating profit grew by 10.3% on a constant-currency basis, to $224 million, driven by strong organic revenue growth and margin progression. This growth was despite the impact of exits from our operations in four non-core countries during the year.

Organic revenue growth was 8.5% and strongest in our Business & Industry sector, particularly in India, driven by high levels of net new business growth and the 'return to office' trend. All other sectors delivered mid-to-high single-digit organic revenue growth underpinned by net new business growth, like-for-like volume growth and pricing. Client retention rates remained above historical levels at 94.3%.

Operating margin increased by a further 40bps to 6.0% reflecting the benefits from strong focus on our core markets, including Australia, Japan and India.

As part of the Group's strategy to increase focus on its core markets, we exited Argentina, Angola, mainland China and Brazil during the year and agreed to exit our businesses in Chile, Colombia and Mexico, subject to regulatory approval and completion procedures. Subsequent to the year-end, we agreed to exit our business in Kazakhstan, subject to regulatory approval.

Statutory

Statutory revenue decreased by 3.7% to $3,708 million reflecting the non-core business disposals. There is no difference between statutory and underlying revenue.

Statutory operating profit was $224 million (2023: $205 million), with the difference from underlying operating profit in 2023 being acquisition-related charges of $9 million.

Identifying and *managing risk*

The Board takes a proactive approach to risk management aimed at protecting the Group's employees, clients and consumers and safeguarding the interests of the Company and its shareholders in a constantly changing environment.

Risk management is an essential element of business governance. The Group has risk management policies, processes and procedures in place to ensure that risks are properly identified, evaluated and managed at the appropriate level.

The identification of risks and opportunities, the development of action plans to manage those risks and maximise the opportunities, and the continual monitoring of progress against agreed key performance indicators (KPIs) are integral parts of the business process and core activities throughout the Group.

In compliance with provision 28 of the UK Corporate Governance Code 2018 (the Code), the Board has conducted a robust assessment of the Company's emerging and principal risks. The following pages set out the Board's approach to assessing and mitigating risk, the principal risks of the Company, and the procedures in place to identify emerging risks.

Risk management framework

The Board has overall responsibility for risk management. This includes establishing policies and procedures to manage risk, overseeing the internal control framework, reviewing the nature and extent of the principal risks, setting risk appetite and embedding a mindset of risk management throughout the business.

The Board has approved a Risk Management Policy. The Group operates a formal risk management process in accordance with this policy, under which the Group's principal risks (set out on pages 24 to 28) are assessed and prioritised biannually. In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial Business Reporting 2014 and in the Code, this process has been in place for the financial year under review. These systems are designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives, safeguard the Group's assets against material loss, fairly report the Group's performance and position, and ensure compliance with relevant legislation, regulation and best practice including that related to social, environmental and ethical matters. These systems provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board delegates aspects of risk management, with the Executive Committee responsible for the day-to-day management of significant risk, and the Audit Committee responsible for the oversight of Compass' risk management systems and internal financial controls. The Group Director of Risk and Internal Audit maintains the risk management framework including the Risk Management Policy.

The Audit Committee annually reviews the effectiveness of the Group's approach to risk management and any changes to the Risk Management Policy and recommends the principal risks and uncertainties disclosures made in the Annual Report and Accounts to the Board for approval. The Audit Committee's report is on pages 73 to 78.

Risks and the corresponding controls and mitigations are reviewed by country and regional leadership teams on an ongoing basis. Risk updates are integral to periodic management reviews and are regularly reviewed by the Regional Governance Committees (RGCs) and the Executive Committee. A critical component of the risk review process is the dynamic identification of emerging and developing risks at a country, regional and Group-level. This bottom-up and top-down approach provides a comprehensive assessment of the key risks facing the Group. The findings of the risk reviews, including the principal risks and any developing trends, are reported to and considered by the Board twice a year.

Risks are considered at gross and net levels. This allows the impact of each risk and likelihood of its occurrence both before and after controls and mitigations to be assessed. Risk management plans are developed for all significant risks. They include a clear description of the nature of the risk, quantification of the potential impact and likelihood of occurrence, the owners for each risk, and details of the controls and mitigations in place, proportionate to the risk, and in line with the Company's business. The identification and assessment of climate-related risks and opportunities are incorporated within the risk management process. All country operating units are mandated to consider climate-related risks and opportunities. These are assessed in terms of percentage profit before interest and tax (PBIT) impact in accordance with the criteria set out in the Board-approved Risk Management Policy. All country and Group-level risks are assigned risk owners and, together with the mitigations, are recorded in the central risk reporting system.

Group companies also submit biannual risk and internal control assurance letters to the Group CFO on internal control and risk management issues, with comments on the control environment within their operations. The Chair of the Audit Committee reports to the Board on any matters arising from the Committee's review of how the risk management and internal control processes have been applied.

The Audit Committee keeps under review the adequacy and effectiveness of the Company's and Group's internal financial controls and risk management systems. These are discussed in further detail in the Audit Committee report on pages 73 to 78.

Risk appetite

The Board interprets risk appetite as the level of risk that the Company is willing to take to meet its strategic objectives. The Board's attitude to and appetite for risk are communicated to the Group's businesses through the strategy planning process and the internal risk governance and control frameworks. In determining its risk appetite, the Board recognises that a prudent and robust approach to risk mitigation must be carefully balanced with a degree of flexibility so that the entrepreneurial spirit that has greatly contributed to the Group's success is not inhibited.

In assessing risk appetite, the Board reviews the three-year business plan and associated strategic risks. Risk appetite for specific financial risks such as funding and liquidity, counterparty, foreign exchange and interest rate risk are set out in the Board approved treasury policies. Compliance with legal and regulatory requirements, such as those contained in the Companies Act, health and safety and other risk-specific legislation, is mandatory.

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, and other intellectual property- related risks. In response, to mitigate these risks, Compass has implemented principles-based rules that apply globally, and we have developed a framework for responsible use of AI to support all our markets.

The ongoing tensions in the Middle East and the 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

Over recent years, we have reviewed our global portfolio of operations and as part of this we have exited a number of countries deemed both higher-risk and non-core to our long-term business objectives. This has significantly reduced our risk exposure in certain areas including political instability, economic volatility, employee welfare (particularly foreign migrant labour risks) and international tax. Risks arising in the immediate aftermath of the COVID-19 pandemic have also reduced.

As a result, certain risks (Political instability and International tax as set out in Annual Report 2023) are no longer considered to be principal risks while others have been combined and streamlined.

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.

The principal risks and uncertainties facing the business at the date of this Report are set out on pages 24 to 28. These risks are not listed in any order of priority.

Other risks

The principal risks do not comprise all the risks that the Group may face. The Group faces a number of operational risks on an ongoing basis, such as litigation and financial risks. 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.

Principal risks

Risk and description	Mitigation
Climate change 1 2 3 4 5 2024: → 2023: → Strategic pillar link: The impact of climate change on the environment may lead to issues around food sourcing and security, 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.	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. The Task Force on Climate-related Financial Disclosures scenario analysis helps inform the materiality of these risks. 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.

Link to MAP See page 4

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

Alignment with our strategic focus areas People Performance Purpose

Risk and description	Mitigation
Food safety[1] 1 2 3 4 5 2024: → 2023: → Strategic pillar link: Compass Group companies feed millions of consumers every day. For that reason, setting the highest standards for food hygiene and safety is paramount. Safety breaches could cause serious business interruption and could result in criminal and/or civil prosecution, increased costs and potential damage to the Company's reputation.	Management meetings throughout the Group feature a health and safety update (food safety and/or occupational safety) as one of their first substantive agenda items. Food 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. 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. Further mitigations in place include our Global Safety Standards, Global Supply Chain Integrity Standards and a Global Allergen Management Plan.
Occupational safety[1] 1 2 3 4 5 2024: → 2023: → Strategic pillar link: Compass Group companies employ hundreds of thousands of people globally. Ensuring the safety of our employees, consumers, and suppliers is our top priority. Failure to comply with workplace safety standards can result in injuries to employees, clients and consumers, or other third parties, potentially causing operational disruptions and adverse financial, legal, and reputational consequences.	In addition to the priority focus in management meetings, occupational safety improvement KPIs are included in the annual bonus plans for each of the businesses' management teams. Our safety framework outlines the methods for executing and reporting safety measures, ensuring a secure environment for colleagues, contractors, and consumers. We regularly update and refine the health and safety framework to address any challenges that may emerge from operational changes. Group standards are supplemented in country with occupational safety standards that meet local regulatory conditions.
Pandemic 1 2 3 4 5 2024: ↓ 2023: ↓ Strategic pillar link: The Group's operations were significantly disrupted due to the global COVID-19 pandemic and associated containment measures. Compass recovered well and learned from the pandemic, and this risk has now diminished. However, outbreaks of another pandemic, could cause further business risk.	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. To protect the Group's employees, clients and consumers, in the event of another pandemic, 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, would be adopted. 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. 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.

1. Combined under Health and safety risk in Annual Report 2023.

Risk and description	Mitigation
Talent[1] 4 5 2024: Static risk 2023: Decreasing risk Strategic pillar link: People, Performance Attracting, 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. Changes to economic conditions may increase the risk of attrition at all levels of the organisation.	Leadership succession planning is performed at Board, regional and country-levels. The Group has established tools, training, development, performance management and reward programmes to help retain, develop, motivate and support its skilled workforce, including an increasing focus on global mobility and opportunities. 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 and the provision of financial advice and assistance to better equip its people in times of uncertainty and change.
Sales and retention[2] 1 2 2024: Static risk 2023: Static risk Strategic pillar link: People, Performance The Group's growth ambitions rely on sustainably driving positive net new business through securing and retaining a diverse range of clients. 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. The potential loss of material client contracts and the inability to secure additional new contracts in a competitive market is a risk to Compass' businesses. The emergence of new industry participants and traditional competition using disruptive technology could adversely affect the Group's businesses.	Compass has strategies based on quality, value, innovation and investment in new technologies that strengthen its long-term relationships with its clients and consumers. The Group's business model is structured so that it is not reliant on one particular sector or group of clients. 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 AI. This is beneficial to clients and consumers and positively impacts retention and new business wins. Compass continues to focus on financial security and safety. In today's environment, these are key strengths for clients. 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. Compass continues to evolve its offer to increase participation rates and service sites of different sizes.
Geopolitical 1 2 3 4 5 2024: Static risk 2023: Increased risk Strategic pillar link: People, Performance The conflict in the Middle East and the ongoing Russia-Ukraine war have increased geopolitical risks, heightened national security threats in those regions, and disrupted the global energy market. These factors contribute to risks such as economic volatility including cost inflation and cybersecurity threats.	As a Group, Compass is monitoring the situation closely with the safety and security of the Group's employees front of mind. Whilst we do not operate in Israel or the Palestinian territories, we do have interests elsewhere in the Middle East. Compass has permanently exited the Russian market and moved away from all known Russian suppliers. The Group has in place strategies to manage economic volatility including cost inflation and cybersecurity threats.

1. Combines and streamlines risks relating to Recruitment and Retention and motivation as set out in Annual Report 2023.
2. Incorporates and streamlines risks relating to Service delivery, contractual compliance and retention, and Competition and disruption as set out in Annual Report 2023.

Link to MAP See page 4

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

Alignment with our strategic focus areas People · Performance · Purpose

Risk and description	Mitigation
Economic volatility[1] 1 2 3 4 5 2024: ↓ 2023: → Strategic pillar link: Certain sectors of Compass' business could be susceptible to negative shifts in the economy and employment rates. Compass has strategically exited a number of countries with high economic volatility. This move, coupled with improved economic conditions in our primary markets, has reduced the risks affecting the Group.	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. 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. Our success in managing cost inflation also provides an opportunity, as the scale and maturity of our procurement operations allows us to manage supply chain price increases more effectively than some of our competitors and in-house operations. We believe this is a factor in increasing levels of first-time outsourcing.
Business ethics and integrity[2] 1 2 3 4 5 2024: → 2023: → Strategic pillar link: Ineffective compliance management systems, lack of an embedded business integrity culture or serious violation of our policies, relevant laws, or regulations (including but not limited to anti-bribery and corruption, anti-competitive behaviour, fraud, money laundering, tax evasion, trade and economic sanctions, human rights and modern slavery, and data protection), could result in civil and/or criminal proceedings leading to significant fines, sanctions, financial loss and reputational harm. Regulatory expectations and new laws in these areas are being introduced in certain countries and regions, with a heightened focus on corporate enforcement, accountability and supply chain resilience.	The Group's zero-tolerance-based Code of Business Conduct (CBC), Business Integrity Policy (BIP) and Human Rights Policy (HRP), 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 (EIP). The Group's risk management process helps identify major risks and informs the regular monitoring, effectiveness testing and review of key areas of our internal control framework. A strong culture of integrity is promoted through Compass' EIP (including training and awareness activities) and its independently operated SpeakUp, We're Listening helpline and web platform. All alleged breaches of the CBC, BIP and the HRP, and other serious misconduct, are followed up and investigated (as appropriate). 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 continued implementation of the HRP, the work of the Human Rights Working Group, the engagement of external specialist advisers, e-learning and continued efforts to improve the Group's human rights due diligence through supplier evaluation and labour agency reviews. The strategic exit of several countries has helped to lower the risk around employee welfare.

1. Incorporates risk relating to Cost inflation as set out in Annual Report 2023.
2. Combines and streamlines risks relating to Social and ethical standards, and Compliance and fraud as set out in Annual Report 2023.

Risk and description	Mitigation
Cybersecurity and data privacy 1 2 3 4 5 2024: Static risk 2023: Increased risk 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 geopolitical instability and accessibility of sophisticated AI enabled tools and techniques have contributed to an 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 kinds of attacks. In response to the potential risks posed by AI, Compass has implemented principles-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.

Link to MAP See page 4

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

Alignment with our strategic focus areas People · Performance · Purpose

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 2027 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 24 to 28), 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 2024.
- **Headroom and covenant analysis:** At 30 September 2024, the Group had $2.7 billion of undrawn committed bank facilities and $0.6 billion of cash net of overdrafts. Term debt maturities in the three-year period total $1.4 billion. Based on the forecast cash flows in the strategic plan, the maturing debt is expected to be refinanced during the three-year period to 30 September 2027 to maintain the desired level of headroom. The $2.7 billion of committed bank facilities mature in 2026, but 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 US Private Placement (USPP) debt. At 30 September 2024, the nominal value of USPP debt outstanding totalled $700 million (2023: $1,052 million). The reverse stress test, which removes discretionary M&A expenditure as a mitigating action, shows that underlying operating profit[1] would have to reduce by more than 55% of the strategic plan level throughout the three-year assessment period before the Group's committed facilities are 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 another pandemic and associated containment measures and geopolitical tensions, and these, together with the other principal risks identified on pages 24 to 28, 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, 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 2027.

Petros Parras
Group Chief Financial Officer

26 November 2024

1. Alternative Performance Measure (APM) (see pages 207 to 214). 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
A caring, winning culture

Deborah Lee
Group Chief People Officer

We have around 580,000 people in the Group, who provide positive experiences to our businesses' clients and consumers around the world, every day. These great people are the heartbeat of our business, and our people agenda is designed to identify, attract, develop, support and retain the strong talent that helps us deliver our goals. Our ambition is to give a lifetime of opportunities to diverse people from the communities we serve, working in a positive and safe environment, within a culture which is supported by empowered teams and connected leaders, and underpinned by respect, teamwork and growth.

Delivering on our people agenda means providing development and learning that enables employees to achieve their full potential. Training is available for our colleagues, and programmes are in place to maintain appropriate levels of recruitment for success and growth at all levels and sectors of the business. In seeking new talent, we consider the recruiting needs for each sector and level of the organisation and tailor our requirements accordingly. For example, our North America business uses a range of targeted campaigns, process automation, artificial intelligence and other tools to help them identify the right candidates and make it easier for them to engage with the selection process in their preferred language, and at a time that suits them.

By prioritising talent development and training, we support business growth and help our people thrive so that, whoever they are and whatever their background, they have the opportunity to achieve their full potential at Compass.

Culture, vision and values

Our vision is to be a world-class provider of contract food and support services, renowned for great people, great service and great results. To realise this, our people embrace the five Compass values that support our caring, winning culture:

- **Openness, Trust and Integrity**
- **Passion for Quality**
- **Win Through Teamwork**
- **Responsibility**
- **Can-do Safely**

Our aim is to build a diverse and inclusive workforce at all levels drawn from the communities we serve. We want to treat people fairly and with respect, and give them opportunities to grow, develop and work in a positive, supportive environment throughout their careers. We recognise that everyday life can be challenging, and that is why we offer a range of help and support to protect our people's wellbeing, including their physical, financial and mental health.

Engagement, inclusion and wellbeing

Compass is committed to actively engaging with the communities where it operates and creating an inclusive culture of diverse talent by empowering its people to 'be the difference'. At the 2024 Be the Difference conference in the USA, now in its fourth year, members of the US business discussed the importance of fostering a culture of belonging, making a difference through Diverse Talent and Inclusive Culture initiatives, and an evolved talent strategy, which enables the business to assess people's potential and remove barriers to progress.

Among other achievements, the Women in Food network in the UK&I business created a specially designed maternity uniform that provides proper support and comfort to help pregnant and post-partum women so they can thrive in the workplace. The Women in Food network also supported a review of the Menopause Policy in the UK&I business. This global community of female leaders and professionals, including both culinary and non-culinary members from within Compass, was formed to ensure we nurture our female talent.

We care about the physical and mental wellbeing of our colleagues. Our people perform at their best when they are feeling well, so we have a variety of programmes and initiatives which support their physical and mental health throughout their careers.

The UK&I's You Matter network has built greater awareness of mental health issues alongside wider training for mental health first aiders. The launch of our Global Health and Wellbeing Forum is an example of our commitment to bringing our unique expertise in health and nutrition to our employees.

Delivering on our people agenda means providing development and learning opportunities that enable every employee to achieve their full potential.

Supporting our people ambition

Engagement survey

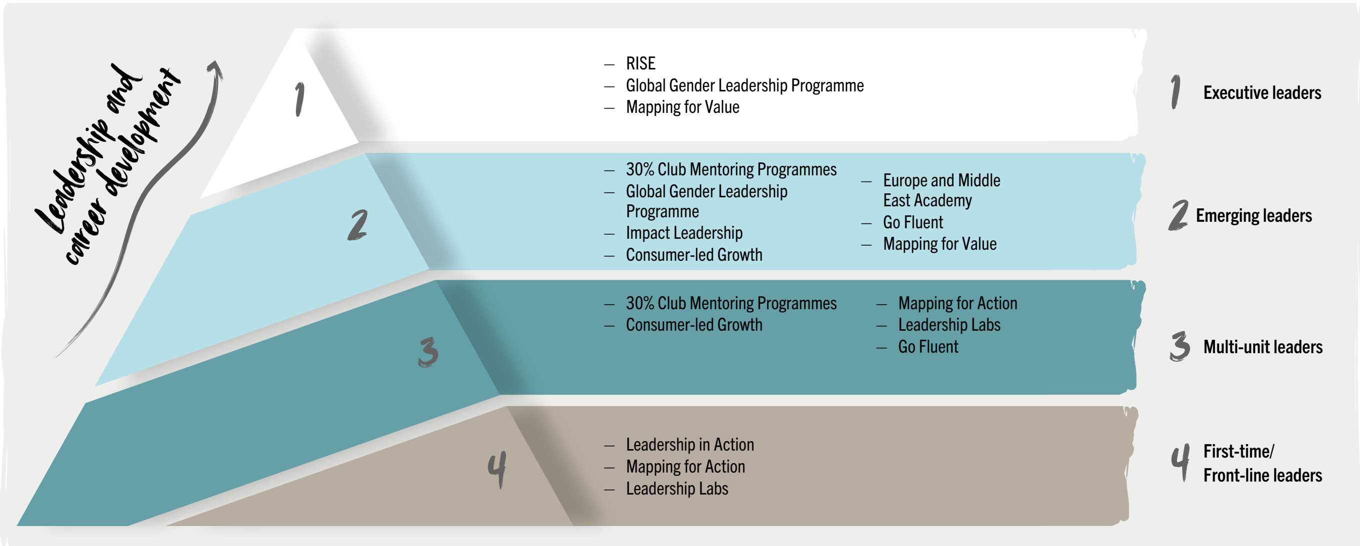
Listening to colleagues through employee engagement surveys, townhalls, community meetings, social platforms, and maintaining close relationships with formal employee representative groups and unions are just some of the ways employees can have their say on the topics that matter most to them, and contribute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

This year's global engagement survey heard the voices of colleagues across 31 countries. Overall engagement scores held steady despite significantly higher participation levels from countries where we have traditionally seen lower average engagement. We were also pleased to see positive progress in our employee net promoter score.

Our results pointed to the many positive aspects of our culture: a strong commitment to safety; customer-focused and teamwork-oriented; enjoyment of the work; and feeling respected. However, it also highlighted where we can further enrich the lives of our teams by improving their experience of working at Compass and by enabling them to access career opportunities.

Learning and development

From entry-level employees to leadership, Compass invests in its people to help them succeed. Around the world, Compass businesses run a wide range of programmes that identify and nurture a diverse cohort of leaders from within their existing teams, helping our people to find valuable training that meets their needs and that they can apply to their job.



Compass offers a suite of training programmes across all aspects of its front-line, support teams and administration functions. Our core global programmes are Mapping for Action, which embeds processes for unit managers, and Mapping for Value for management, which is about delivering value for the business. Over the years, a network of certified trainers have trained significant numbers of our people on these programmes to reinforce and keep focus on our distinct Management and Performance (MAP) framework.

By fostering a culture of continuous learning and growth, we can build the skills and capabilities we need to succeed while also equipping our people to adapt, innovate and excel in an ever-evolving landscape.

Pay equity

Equal work deserves equal pay and our aim is to make sure that employees with the same job functions receive the same compensation regardless of their gender, ethnicity or background. As reported in the 2024 Compass Group UK Gender and Ethnic Minority Pay Gap Report, the UK business has reduced its median gender pay gap to under 10% for the first time. The 2024 report also confirmed the business had a median ethnicity pay gap of zero. We are proud of this progress, but we know there is more to do. In line with the Social Promise launched in 2022, the business continues to look at where it can remove barriers to further reduce the gender pay gap and enhance the development of those from ethnic minority backgrounds.

Read Compass UK&I's Gender and Ethnicity Minority Pay Gap Report: https://www.compass-group.com/gender-ethnicity-pay-gap-report.pdf

2024 female representation

	2024[1]	2023
Board	**43%**	38%
Executive Committee[2]	**44%**	40%
Senior leaders	**35%**	34%
All management	**46%**	46%
Total workforce	**56%**	56%

1. Figures stated as at 30 September 2024.
2. Due to a change in Executive Committee membership between 30 September 2024 and the date of this Report, female representation on the Executive Committee has increased from 40% to 44%.
3. The gender breakdown disclosures required in the Strategic Report pursuant to section 414C(8)(c) of the Companies Act 2006 are made on page 121 and are incorporated by reference into the Strategic Report.

Human rights

Everyone has the right to be treated fairly, and with dignity and respect. Compass is committed to its businesses upholding human rights in their operations, their supply chains, and the communities in which they operate. Compass' businesses conduct their business activities ethically and with integrity, and our Code of Business Conduct and Global Supplier Code of Conduct reflect our commitment to respecting human rights and the values that guide our actions and behaviours. We are also guided by our Human Rights Policy, which was reviewed in September 2024, reinforcing our belief that everyone is entitled to basic rights and freedoms, whoever they are and wherever they live. For more information, see pages 39 and 40.

We remain firmly committed to playing our part in eradicating modern slavery in all its forms, which remains a serious global issue that affects vulnerable individuals and communities worldwide. As a Group, we continue to work hard to identify and address modern slavery risks across our businesses and their supply chains.

For more information, you can read our Modern Slavery Statement and Human Rights Policy here: www.compass-group.com/en/sustainability/people/human-rights-and-ethical-trade.html

The Compass Group Foundation

Our people contribute their time and expertise to support the Compass Group Foundation, an independent charity registered with the Charity Commission in England and Wales. The Foundation funds initiatives that expand job opportunities for disadvantaged groups through training and career development in the food service industry, while also supporting small suppliers within the food sector.

Since 2022, the Foundation has provided approximately $2 million in grant funding to support initiatives aligned to its priorities across various countries where Compass' businesses operate.

In 2024, the Foundation funded 21 initiatives across seven countries, supporting efforts to help individuals, including people with disabilities, women affected by domestic abuse, and survivors of human trafficking, overcome employment barriers. These initiatives also empower farmers and small businesses by improving access to information and training, enabling them to become more sustainable and enhance their economic opportunities in the food supply chain.

www.compass-group.com/en/compass-group-foundation.html

Purpose
Striving to be an ethical, sustainable and inclusive business

Shelley Roberts
Group Chief Commercial Officer

Our Planet Promise

At Compass, we are building a sustainable future for all. We channel our passion for food, champion responsible sourcing and reduce food waste at scale to drive global change and enrich lives. Through culinary innovation, collaboration and partnership, we are committed to reaching climate net zero across our global business by 2050. This is our Planet Promise.

There is no single solution – we work towards this objective by constantly reviewing and improving our practices across the Group to increase our impact and accelerate our journey towards our sustainability goals.

Being an ethical, sustainable and inclusive business is an essential part of our identity. By embedding these values, we can make a real difference and have a positive impact on the world. Our customers and partners increasingly share these values, which are key to our growth aspirations and long-term success.

One of the most important ways in which we have put these values into action is by demonstrating our expertise in reducing our carbon impact and food waste. These capabilities are helping to attract and retain a growing number of clients who rely on Compass to offer delicious, healthy, less wasteful plant-forward menus that help them achieve their sustainability goals.

Our actions are guided by the United Nations Sustainable Development Goals (UN SDGs), a shared blueprint for peace and prosperity for people and the planet. To take the most effective action, we have aligned our sustainability strategy with the nine UN SDGs where we can have the greatest impact, such as a reduction in food waste – an essential target for a food business of our reach and scale and which is covered in detail on page 38. Our sustainability strategy also prioritises care for the health and wellbeing of our people and consumers, animal welfare and carbon reduction, as we work towards climate net zero by 2050.

Compass UK&I has committed to achieving climate net zero by 2030. It has set out how it plans to achieve this by reporting its progress and results in its transition plan, which is aligned to the UK Government-backed Final Disclosure Framework final guidance. This makes Compass UK&I one of the first companies in its sector to share a detailed transition plan aligned to this framework.

We also demonstrated our commitment to putting our Planet Promise values into practice by carrying out a new materiality assessment in 2023. This helped us further understand how our actions impact the planet and society as well as understanding potential financial risks and opportunities related to a wide range of environmental, social and governance (ESG) topics. The process enabled us to recognise the impact we can have as an organisation, and the knowledge will be used to further refine our strategies and ensure we focus our efforts on the initiatives where we can have the greatest impact.

Data transparency is an integral part of our philosophy and our Task Force on Climate-related Financial Disclosures (TCFD) report (see pages 41 to 52) includes disclosure of our climate-related risks and opportunities for 2024.

Embedding sustainability through training

We help build sustainability into our processes by providing training for our people that makes sustainable behaviour part of everyday practice.

Compass UK&I has incorporated a bespoke climate net zero training module into its mandatory e-learning for front-line kitchen staff. The module shows how their teams can reduce energy consumption, waste and water usage, and prevent pollution. The training module has been completed over 29,000 times in 2024 as part of Compass UK&I's comprehensive Climate Net Zero Toolkit. The module is helping to integrate sustainability into day-to-day operational tasks at a site level.

Celebrating our Planet Promise Change-Makers

Because sustainability is an essential part of our identity, our teams are always working to drive improvements in sustainability across our operations. We want to celebrate the Compass employees making a real change for the better across the Group.

We call them our Planet Promise Change-Makers and we highlight their achievements, both to give them the recognition they deserve and to further develop sustainability across our organisation by engaging and inspiring others to drive change.

Their work is also brought to the attention of the executive leadership team in their region. Our Planet Promise Change-Makers are at the forefront of delivery in support of our sustainability priorities, leading on food waste reduction, creating delicious and innovative better-for-the-planet menus, collaborating with suppliers and influencing the behaviour of consumers.

Materiality assessment topics and actions

In 2023, we refreshed our view on materiality. In addition to helping us understand potential financial risks and opportunities related to a wide range of ESG topics, this assessment also helped us further understand how our actions impact the planet and society.

The process involved a wide range of internal and external stakeholders from across all of our operating regions. External stakeholders included consumers, suppliers, distributors, NGOs, investors, and topic-specific subject matter experts. The knowledge gained will be used to further refine our strategies and ensure we focus our efforts on the initiatives that matter the most.

Environment

Climate change adaptation and mitigation

Taking action to reduce the Group's direct and indirect greenhouse gas emissions (Scope 1, 2 & 3) and adapting the supply chain to be resilient to the effects of climate change.

Nature and biodiversity

Establishing policies, standards and programmes to minimise the impact of sourcing on natural ecosystems including preventing deforestation, overfishing and biodiversity loss.

Waste

Reducing food waste throughout our value chain, from source to kitchen, and reducing the amount of plastic packaging used in operations and, where possible, investing in sustainable alternatives.

Social

Inclusive talent attraction and retention

Creating an environment in which our people thrive and feel valued, building a diverse, equitable and inclusive workforce to reflect the communities in which our businesses operate. This includes ensuring fair working conditions and wages.

Health, safety and wellbeing

Fostering a culture of health, safety and wellbeing throughout the Group's operations.

Workers' rights

Committing to upholding human rights, and always treating people fairly, with dignity and respect, within the businesses' operations.

Food safety

Promoting a culture of food safety throughout Compass' businesses to guide the decisions, actions and behaviours of our people.

Workers in our value chain

Promoting ethical principles, human rights and labour standards in our businesses' supply chains.

Food transparency

Presenting consumers with accurate product information and ensuring that any product claims can be substantiated.

Sustainable and healthy diets

Offering sustainable and quality ingredients, and healthy recipes that appeal to consumers across our businesses.

Governance

Business ethics and integrity

Implementing the Code of Business Conduct and other Group policies (including the Business Integrity Policy (BIP)), reinforced by Compass' global Ethics and Integrity (E&I) programme.

Bribery and corruption

Upholding a strong culture of integrity, promoted through the E&I programme and its independently operated SpeakUp, We're Listening helpline and web platform. Focusing on preventing, detecting and responding to emerging risks and incidents, and mandatory training and awareness programmes.

Cyber security, privacy and data security

Assessing cyber risk and monitoring and managing the maturity of Compass' enterprise infrastructure, platforms and security controls. Ensuring appropriate crisis management procedures are in place and implementing principles-based rules for the use of AI.

Supporting sustainability through technology

We continue to invest in technology solutions that enable us to achieve our sustainability goals by ensuring data-driven insights support our decision-making.

One such investment that shows how we are progressing towards climate net zero by 2050 is our partnership with a leading carbon management consultancy specialising in the food and agriculture industry. The partnership has enabled us to improve our methodology for measuring emissions and enhance the quality of our supply chain (Scope 3) data. Most of the Group's greenhouse gas (GHG) emissions are Scope 3 (originating in the supply chain), for which we are indirectly responsible, and so gathering and acting on this data is vital as our businesses work with suppliers to reduce the emissions of their products and services. We also provide clients with dashboards to visualise progress across ESG metrics with data provided by real-time tools such as our proprietary food waste tracking technology Waste Not 2.0 and via climate-management platforms.

Sustainable bonds

In September 2022, the Group issued fixed-rate sustainable bonds of €500 million ($500 million) and £250 million ($288 million) maturing in 2030 and 2032, respectively.

As of the date of publication of the 2023 Sustainability Report, the proceeds of these bonds had been fully allocated to expenditure on eligible sustainable projects in line with the Compass Group Sustainable Financing Framework.

In February 2024 and September 2024, the Group issued a fixed-rate sustainable bond of €750 million ($806 million) maturing in 2031 and a fixed-rate sustainable bond of €500m ($557 million) maturing in 2033. We intend to report on the allocation of the proceeds of these bonds in line with the Compass Group Sustainable Financing Framework.

Environmental leadership

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 the table below represent emissions and energy use for which Compass Group PLC is responsible and is incorporated by reference in the Directors' Report on pages 54 to 123. To calculate our Group emissions, we have used the main requirements of the GHG Protocol Corporate Standard. We monitor the energy usage and GHG emissions of our owned and operated sites across 26 countries (2023: 28), which represent 98% of the Group's underlying revenue (2023: 98%). tCO_2e per $ million turnover is calculated by dividing our total gross emissions (location-based) by underlying revenue[5] for the countries monitored.

Scope 1,2 and 3

The Group has targeted a 46% reduction in absolute Scope 1 and 2 GHG emissions and a 28% reduction in its absolute Scope 3 GHG emissions from all purchased food and drink by 2030, from a base year of 2019 – a goal approved by the Science Based Targets Initiative (SBTi).

Approximately 98% of Compass Group's GHG emissions are Scope 3. Since these are created in the supply chain, the only way for us to lower them is to gather detailed information that enables us to work with suppliers to reduce supply chain emissions. This is why we are partnering with a leading carbon management consultancy specialising in the food and agriculture industry, to measure our Scope 3 emissions more accurately. We are now using their technology to manage our data when reporting emissions across our largest markets, to enable greater collaboration with clients in support of carbon reduction initiatives. Our total 2024 reported Scope 3 emissions are 11,965,107† tCO_2e.

Our absolute Scope 1, 2 and 3 emissions have increased 6% year-on-year as we have continued to win new business across all regions with our full year revenues growing by 10%. Our overall greenhouse gas intensity ratio (normalised for revenue growth) across all Scope 1, 2 and 3 emissions has reduced by 4% compared to 2023.

Only 2% of Compass Groups GHG emissions are Scope 1 and 2. These have increased year-on-year due to our acquisitions. A significant portion of our global Scope 1 and 2 emissions are derived from the fleet of refrigerated trucks in the US required to operate the Canteen vending business. Automotive innovation to support our refrigerated electric truck transition is not yet available at the scale required, which is preventing us delivering the progress we strive to achieve in reducing our emissions. We will continue to implement renewable electricity and energy efficiency solutions across our markets to help reduce our carbon emissions across our direct operations.

Global energy consumption and greenhouse gas (GHG) emissions for the period 1 October 2023 to 30 September 2024

	For the year ended 30 Sept 2024†		For the year ended 30 Sept 2023	
	UK and offshore[1]	**Global[3]**	UK and offshore[1]	Global (restated)[3]
Scope 1 – Emissions from the combustion of fuel or the operation of any facility, including fugitive emissions from refrigerants use tCO_2e^4	**1,555**	**156,924**	1,934	139,687
Scope 2 – Emissions resulting from the purchase of electricity, heat, steam or cooling (location-based) tCO_2e	**2,208**	**55,364**	2,497	46,002
Scope 2 – Emissions resulting from the purchase of electricity, heat, steam or cooling (market-based) tCO_2e	**424**	**51,271**	268	46,392
Total gross emissions (location-based) tCO_2e	**3,763**	**212,288**	4,431	185,690
tCO_2e (location based) per million $ turnover[2]	**1.1**	**5.1**	1.5	5.0
Energy consumption used to calculate above emissions/kWh	**21,063,846**	**867,971,724**	21,194,715	746,561,481

† KPMG LLP has issued independent limited assurance over the selected data indicated, using assurance standard ISAE(UK)3000 and ISAE 3410. KPMG's assurance statement and Compass' Reporting Methodology are available at https://www.compass-group.com/en/sustainability/performance-and-reports.html.

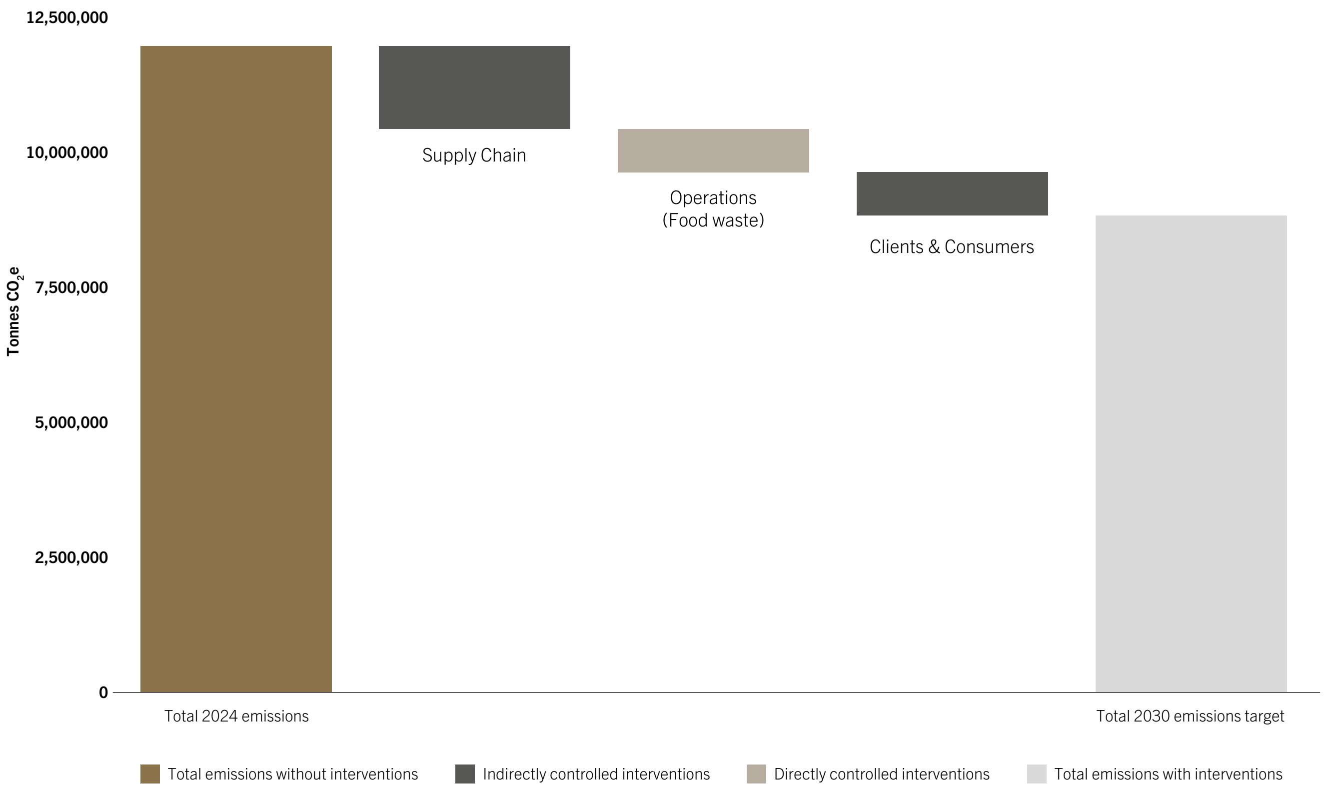
1. UK and offshore emissions are a subset of the global emissions disclosed.
2. Calculated based on turnover in US dollars, reflecting the change to the Group's reporting currency effective 1 October 2023. Prior year comparatives have been restated.
3. The UAE contributed 5.7% of the Group's reported total gross emissions (location-based) of 196,996 tCO2e in 2023. During the year data quality issues were identified in respect of the UAE's emissions data for both 2023 and 2024 up until its disposal. The Group considers it not practical to obtain more reliable emissions data given the Group no longer has control of these operations and cannot reasonably estimate it due to the incomparable nature of the market. Therefore 2024 does not include UAE, and all 2023 data in the table above and for prior years (GHG intensity ratio on page 7) has been restated to remove the UAE, including removing the UAE's turnover in calculating the intensity metric for consistency, as set out in our Reporting Methodology https://www.compass-group.com/en/sustainability/performance-and-reports.html.
4. 2024 biogenic emissions (tCO_2) is 886.
5. 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.

Over the past couple of years, we have evolved our methodology for the emissions calculation from a spend-based approach to a hybrid spend and volume-based approach to more accurately reflect our emissions and to reduce the distortion from inflation. Our collection and reporting of data are now enhanced by the fact that our reports are aligned with the financial year.

To deliver our climate net zero target, we are focusing our decarbonisation efforts on three strategic levers: 1) our supply chain; 2) operations including our work on food waste; 3) clients and consumers. Our approach is illustrated in the graph below with more information detailed in our transition roadmap on page 50.

Next steps are to align with the new Forest, Land and Agriculture (FLAG) guidance under the SBTi in 2024, and to continue to work on monitoring and updating our science-based targets, including new SBTi FLAG and non-FLAG targets. You can read the latest developments regarding our transition plan in the TCFD disclosures on pages 41 to 52.

Compass Group Scope 3 emissions strategic levers to deliver 2030 target



Supply chain

Supplier initiatives

As a global food services business, we cannot achieve climate net zero alone, so our work towards a more sustainable future involves our businesses closely collaborating with their suppliers.

Most of the Group's Scope 3 emissions are generated by the food and drinks purchased from suppliers, and over the last two years Compass USA's procurement business, Foodbuy, has held Future Forward meetings to understand how these emissions could be reduced. They have engaged 25 of their largest supply partners, representing more than $3 billion of spend and discussed strategies to reduce emissions including farm-level interventions, packaging innovations and distribution efficiencies.

A demonstration of how close collaboration with suppliers will help Compass Group reach climate net zero is Compass USA's initiative to connect its suppliers directly with their carbon consultancy partners to assess the key drivers of carbon in its supply chain and recalculate its item-level emission factors. The initiative enabled their carbon consultants to compare industry-level assumptions with what was actually happening in Compass USA's supply chain. These supplier initiatives have delivered a weighted average reduction of 11% in GHG emissions across the products assessed.

Another initiative that will directly reduce Scope 3 emissions is Compass Group France's investment in its own French beef supply chain, in partnership with farmers' cooperative Terrena. It will enable greater utilisation of each animal, minimising the environmental impact of beef production, while supporting fairer remuneration for farmers. The project is intended to be fully operational across the French business by the end of June 2025.

Operations

Food waste

To deliver on our Planet Promise and foster a sustainable future we have made reducing food waste a priority. Food waste has a negative impact on the planet, wasting the energy used to grow, process and cook food and generating greenhouse gases in landfill. As a major provider of food services, we have the power to make significant change, and we are doing what we can as a Group to control and minimise waste. Sustainability is important to Compass and we have already taken steps to reduce food waste, but there is more to do.

In 2024, the annual bonus plan for executive directors and senior management contained a food waste measure, focused on the rollout and usage of industry-leading technology to record food waste. This measure has further evolved in 2025 into a food waste reduction target.

Our culinary teams and front-line staff know that reducing food waste is essential and are employing a range of diverse waste-reduction technologies across their businesses. Waste Not 2.0, our proprietary, tablet-based, online tracking tool for chefs has been rolled out across 12 countries in nine languages, enabling kitchen teams to identify opportunities to minimise food waste beyond the usual trim, bones, core and peel waste. Managers can then use the tool's data to report on the carbon footprint of kitchen waste and avoid future wastage.

Key to embedding sustainability is the work of the Global Culinary Forum comprising senior chefs who meet regularly to share experiences and knowledge that support training across the businesses. These chef leaders maintain a constant focus on sustainability to deliver locally sourced and balanced menus for clients and consumers without compromising on taste. The forum plays an important role in guiding Compass towards climate net zero by establishing culinary practices across the Group that minimise or prevent waste, such as better utilisation of ingredients and upcycling food waste.

Menu reformulation

To deliver on our Planet Promise we need to create climate-friendly dishes that are also tasty, nutritious and appealing, and our talented chefs are meeting the challenge. By combining their exceptional culinary expertise with accurate sustainability data on ingredients to reformulate menus, our chefs are creating delicious food that is good for the planet without sacrificing flavour.

Menu reformulation provides opportunities to reduce the emissions of our products, and key to harnessing that potential is data. Gathering accurate data enables us to gain the greatest benefit from menu reformulation by identifying where the most potential lies so that our businesses can make the shift to using more sustainable ingredients and processes.

One way Compass UK&I has achieved this is by using data provided by carbon-labelling service, Foodsteps, to drive menu changes. Foodsteps records an intensity value (measured in kilograms of CO_2e/kg), which enables A to E ratings to be assigned to items in colour-coded marks from green to red. The traffic light system mirrors nutritional labelling and helps to signpost how the carbon price tag of one menu choice compares with another. As a result, a quarter of all recipes have now been analysed as having A or B rated footprints (<2.90 kg CO_2e/kg). The remaining recipes are targeted for reformulation in ongoing partnership with our clients.

Compass Group Australia (CGA) has also harnessed the power of data to track emissions across Scope 3, provide metrics to clients and use the data to adapt menus to make lower-emission products. CGA can now measure the change in carbon emissions per unit of output over successive years, helping assess improvements in sustainability efforts relative to business growth. CGA can also track the total carbon emissions year-on-year as well as monitor carbon emissions of specific food categories, enabling it to reduce emissions from high-impact products and enhance overall sustainability. As a result, CGA menu reformulations will increase the businesses' use of 'Future 50' ingredients – plant-based ingredients which, among other benefits, have a lower impact on our planet than animal-based foods.

Reusable solutions

Packaging is a major contributor to the worldwide single-use plastics culture and we are encouraging our businesses to maximise the reuse or recirculation of materials used to package products to minimise waste and build a more circular economy. In partnership with suppliers, we are encouraging our businesses to strive to fast-track sustainable alternatives that replace single-use products and fossil fuel-based plastics.

In Europe, our businesses are reducing unnecessary single-use plastic to a level below that required by the EU Single-Use Plastics Directive, while Compass USA has 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.

Compass USA's Levy restaurants have been piloting and testing programmes to introduce reusable cups on a scale that could drive major industry and behavioural change, by bringing them to some of the country's largest sports venues. Every year, millions of people attend large venue events, using and disposing of billions of single-use items. Compass USA's project has the potential to prevent waste on a significant scale and have a positive 'ripple effect' on the reuse movement at large.

Clients and consumers

Behavioural change

A key lever to engineer a greater sustainability impact is to use our expertise to steer behavioural changes. We are investing in technology to influence consumer behaviour at the point of purchase, through carbon labelling with market-leading providers. Carbon labelling scores food on whether it has a high or low environmental impact, based on the total GHG emissions generated from the extraction of raw materials to end of life. From carefully selecting where we position menu options, to providing clear and comprehensive product information, plus incentives and benefits for making sustainably sourced choices, our businesses work to make plant-forward options more appealing to consumers.

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 initiative is encouraging collaboration and advocacy for the consumption of nutritious foods to support a healthy diet within a sustainable food system. The project is driving food-system transformation by developing solutions that support healthy people and a healthy planet.

In creating the WBCSD toolkit, we looked to find the solutions that would simultaneously make it easy for consumers to choose healthy, plant-forward options and have the greatest wellness and sustainability impact in our industry. In consultation with our exceptionally skilled chefs and culinary forums, we reordered the six Ps of behavioural change to align with our recipe and menu design process, making it easy for our businesses to positively influence consumer behaviour:

1. Product: modifying the offering or its ingredients
A good example of this is the creation of the 50/50 burger, made with half beef and half mushroom.

2. Presentation: redesigning menus and layouts in physical and digital environments
Sustainable choices can be made more prominent – and other choices less so – on signage, digital apps and kiosks.

3. Placement: changing the physical food environment
Sustainable choices can be placed in eye-catching positions at food stations, while other choices can be made less prominent.

4. Price: incentivising behaviour change
Reward cards and discounts can make sustainable choices more appealing, and can encourage consumers to choose alternative options.

5. Promotion: marketing, communications and storytelling
These tools can engage consumers with more healthy and sustainable selections.

6. People: engaging and educating our teams
Teaching our teams 'why' and 'how' our great chefs make their menus more sustainable without impacting flavour enables them to educate consumers.

We have developed a powerful way to engage people on a large scale and help drive behaviour change with Stop Food Waste Day (SFWD), the largest annual global day of action in the fight against food waste. SFWD engages and educates our colleagues in the sector by sharing practical, creative and impactful ways to change behaviour and stop food waste. In 2024, our ingenious chefs and front-line teams shared menus reformulated to reduce waste and brought other influential companies, with their own food waste targets, into the conversation. The event was far-reaching, with a Compass Canada chef talking live on breakfast television, the release of Unwaste Yourself – an AI tool from Compass Sweden designed to help consumers reduce waste – and the first annual Stop Food Waste Day Awards at The One Club in New York, attended by 125 clients and thought leaders on food waste. The activities of SFWD 2024 reached 112 million people in print and 9.2 million on social media during April 2024.

Positive procurement

Engaging with our suppliers to ensure that they are aware of our goals is vital to delivering on our Planet Promise and building a sustainable future. We work hard to drive collaboration across the Group, sharing best practice from individual markets, scaling it where applicable, and providing training that equips colleagues to prioritise ethical practices that align with our culture and values. Furthermore, we organise events and training programmes that engage suppliers directly, fostering partnerships that help drive positive change and align their practices with our sustainability and ethical commitments.

Diversity, equity and inclusion (DE&I)

We continue to work collaboratively with clients, suppliers and other third parties to build a more diverse, equitable and inclusive supplier base and better serve the communities in which our businesses operate.

In 2024, we took our commitment to DE&I a step further by establishing a Group-wide procurement framework, aimed at helping our teams better support diverse, equitable and inclusive suppliers across their supply chains. The framework provides guidance on identifying suppliers, creating opportunities for them and helping them grow. Frequent training sessions and workshops are conducted for our procurement teams to train them on the principles of this framework, while regularly sharing best practices across the Group. We also partner with expert organisations to help us deliver and enhance our approach, including WEConnect International, a global network that connects women-owned businesses to buyers, and Minority Supplier Development UK, which connects ethnic minority-owned businesses with global corporations such as Compass that care about making their supply chain more diverse and inclusive.

Compass UK&I has supported DE&I by launching Pitch Social, a programme which aims to identify and develop partnerships with new social enterprises, B-Corps and minority-owned suppliers that are engaged in social or environmental work. This enables Compass UK&I to work with smaller businesses that often do not have the resource to succeed through a traditional tender process. As a result, Compass UK&I has already met with 36 businesses in the past two years.

Our Foodbuy USA business has also taken steps to enhance supplier diversity, building upon its longstanding efforts through its Diverse Supplier Accelerator Program. This initiative aims to support diverse suppliers in growing their businesses by focusing on 10 women and minority-owned businesses each year, connecting them with resources and education. Suppliers that are selected to participate in the 12-month programme are assigned a dedicated Foodbuy mentor, who serves as their primary point of contact. Such mentorship helps deliver a more diverse, equitable and inclusive supplier base. Building on the success of their supplier mentorship programme in the US, we are expanding it to our largest markets. This collaborative approach will ensure consistency and enable us to support each other in driving this important agenda forward.

Animal welfare

We have updated our animal welfare strategy, comprising five key areas that our businesses are focusing on throughout their value chains: in-house training; supply chain engagement; partnerships and advocacy; transparency and communication; and plant-centric menus. We work with many NGOs to drive standards and educate our teams and suppliers, such as the Global Coalition for Animal Welfare. Since our last Annual Report, our specific programmes have included animal welfare training in Europe and the Middle East and cage-free egg training in Asia Pacific. Compass Group's Cage-Free Egg Working Group explores co-buying opportunities, maps clients and suppliers, and identifies new ways to advance our cage-free commitment. The NGO, Mercy for Animals positively highlighted our transparency and regional cage-free egg progress reporting in its latest annual Cage-Free Equity Index.

Supply chain transparency and risk management

Our Global Supplier Code of Conduct outlines the principles, expectations, and behaviours required of our supply chain partners, covering areas such as business integrity, human rights, labour standards, health and safety, and sustainability. This Code is shared with suppliers annually and is a contractual requirement in all supplier contracts.

We have enhanced our procurement processes by integrating a Supply Chain Risk Management framework and by ensuring teams receive training in supplier risk management. This framework enables them to conduct structured evaluations during supplier selection, onboarding, and ongoing management, supported by tools like Sedex Self-Assessment Questionnaires and Sedex Members Ethical Trade Audits. A key component of this framework is the Third-Party Integrity Due Diligence screening process, applied to all suppliers, with a focus on higher-risk categories, to ensure compliance with ethical standards.

Training and capacity-building initiatives are essential to enhancing our procurement strategy. In 2024, Compass UK&I held two key events with suppliers: the Seafood Responsible Sourcing Workshop, and a session focused on sourcing responsibly for fruit and vegetables. These sessions covered a wide range of critical topics, including environmental impacts, responsible sourcing practices, and addressing worker welfare and human rights. Specific focus was placed on managing risks related to social welfare, labour conditions, and compliance with international ethical standards within these higher-risk supply chains. The workshops also highlighted the importance of traceability, sustainability certifications, and supplier alignment with Compass' ethical commitments.

To further build internal capability, procurement teams across Compass' markets participated in risk identification and mitigation training focused on higher-risk categories such as seafood. This training series equipped procurement managers with the tools to manage environmental and social risks. The training provided insights into sustainability certifications, alignment with International Labour Organization (ILO) conventions, and social welfare monitoring. Promoting human rights, worker welfare, and traceability are central to our procurement processes.

By aligning supplier engagement with internal training, we support procurement teams and supply chain partners in being equipped to uphold Compass' ethical and sustainability standards. This cohesive approach helps integrate insights from workshops and training sessions into everyday procurement practices, fostering continuous improvement across the supply chain.

Additionally, our partnerships with the Earthworm Foundation and the Slave-Free Alliance (SFA) bolster our efforts to manage social and environmental risks across the supply chain. The SFA provides essential support in areas like training, policy reviews, and identifying potential vulnerabilities.

Nature and biodiversity

We are preparing to comply with the EU's new Deforestation Regulation (EUDR), which requires companies trading in commodities such as cattle, cocoa, coffee, palm oil, rubber, soya, and wood, to ensure that goods in their supply chain do not contribute to deforestation, forest degradation, or breaches of local environmental and social laws. Training, guidance, and supplier engagement have already begun to meet these new obligations.

In 2024, Compass Group also launched a Deforestation Policy to support responsible sourcing of key commodities, including cattle, soy, and palm oil. Combined with the EUDR, this initiative aims to achieve deforestation-free supply chains for our most material commodities in our EU, North America, and UK businesses by the end of 2025. Together, these markets cover over 90% of procurement spend.

To further protect biodiversity and promote sustainable land management, we are embracing regenerative agriculture, which helps restore soil health, capture carbon, and combat climate change. Our chefs are innovating with regenerative ingredients to create sustainable, delicious meals. A notable example is Compass Group France, which has shifted from importing to locally sourcing pulses like lentils, working with cooperatives to regenerate the soil and reduce carbon emissions, supporting sustainable food systems throughout its network.

While in the early stages of this journey, we are collaborating with suppliers and other external partners to promote sustainable farming practices and enhance biodiversity at a local level.

Communities

We care about the communities where our businesses are based and look to use our skills and resources to support them: donating food where it is most needed, raising money for charities, buying locally where possible and supporting groups that are driving positive change. By working with local people and projects, understanding their needs and helping to meet them, our businesses become a part of the communities they serve and build sustainability in communities as well as for the planet.

Donations

Compass' businesses work with food-recovery partners to make sure good food reaches people in food poverty. Various tools have been developed to encourage and support our businesses' food rescue efforts. During the past year 2.6 million[†] meals were donated by Compass businesses to local communities across our markets.

In the US, Compass works closely with its clients to support customised food-recovery programmes. For example, after every home game at one large arena client, Levy Restaurants donate excess food via a local non-profit organisation. And in the UK, Compass donates to local charities in partnership with organisations such as FareShare.

Social initiatives

We seek to advocate for social enterprises that can transform communities and change lives, from spending with local suppliers to supporting projects that champion good causes.

In India, Compass has a new partnership with the social initiatives foundation Mitti, which runs cafes in institutional and public spaces. Mitti creates opportunities for people with disabilities by hiring them to work in its cafes, supporting diversity and enriching local communities by helping people into work.

At Canteen in North America, there is immense pride in honouring the remarkable contributions of their veteran team members. For the past 10 years, their annual townhall has been dedicated to recognising these individuals and their service to the USA, timed to coincide with Veterans Day. This year, Canteen highlighted the results of Bands for the Brave, a festival in Stillwater, Minnesota, created by Compass One employees in partnership with Helping Out Our American Heroes. Bands for the Brave is a fundraiser that rallies the local community through food, drink and live music to raise awareness for veterans with mental health issues. To date, Canteen and Bands for the Brave efforts have helped raise over $130,000 for the cause.

Compass Spain brings approximately 3,000 lunchtime school monitors into over 300 primary schools served by Scolarest to create a space for support and learning during lunchtime. The sessions are based on four learning areas: body, soul, heart and mind. Thanks to the engagement of their teams, which has made the scheme a great success, the philosophy of the project has been extended to all Scolarest restaurants in Spain, even in those schools where no monitor role previously existed.

Our Canadian business recognises the importance of Indigenous reconciliation for ensuring an inclusive workplace. The business opened an Indigenous Teaching Kitchen with over 300 colleagues, shared in-unit toolkits for celebrating National Indigenous Peoples' Day, and worked with a local indigenous facilitator to enhance its Indigenous Awareness Training.

† KPMG LLP has issued independent limited assurance over the selected data indicated, using assurance standard ISAE(UK)3000. KPMG's assurance statement and Compass' Reporting Methodology are available at https://www.compass-group.com/en/sustainability/performance-and-reports.

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 all 11 disclosure requirements of the Task Force on Climate-related Financial Disclosures, including the TCFD all-sector guidance, and in compliance with the requirements of LR 6.6.6(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

Climate change poses a significant risk to our planet, people and economies. Rising global temperatures, water stress and extreme weather events impact supply chains, crop yields and community livelihoods. We are proud of the work of our businesses in partnership with their clients to support our shared goals to tackle this risk. Sustainability is important to our business and our long-term success, and is part of our identity, from our chefs to our executive leadership.

We have many operational levers at our disposal to mitigate supply chain disruptions, 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 changes across our business units and their supply chains. Measuring, tracking and understanding how climate change impacts our operations, our clients and our strategy is a key priority for the Group.

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.

The outputs from the qualitative and quantitative analysis were rolled over from our 2023 disclosure. This decision was made in conjunction with our external advisers, as no internal or external factors changed that could materially impact the outputs of the analysis. The qualitative and quantitative scenario analysis will be repeated at a minimum every three years in line with the relevant regulations.

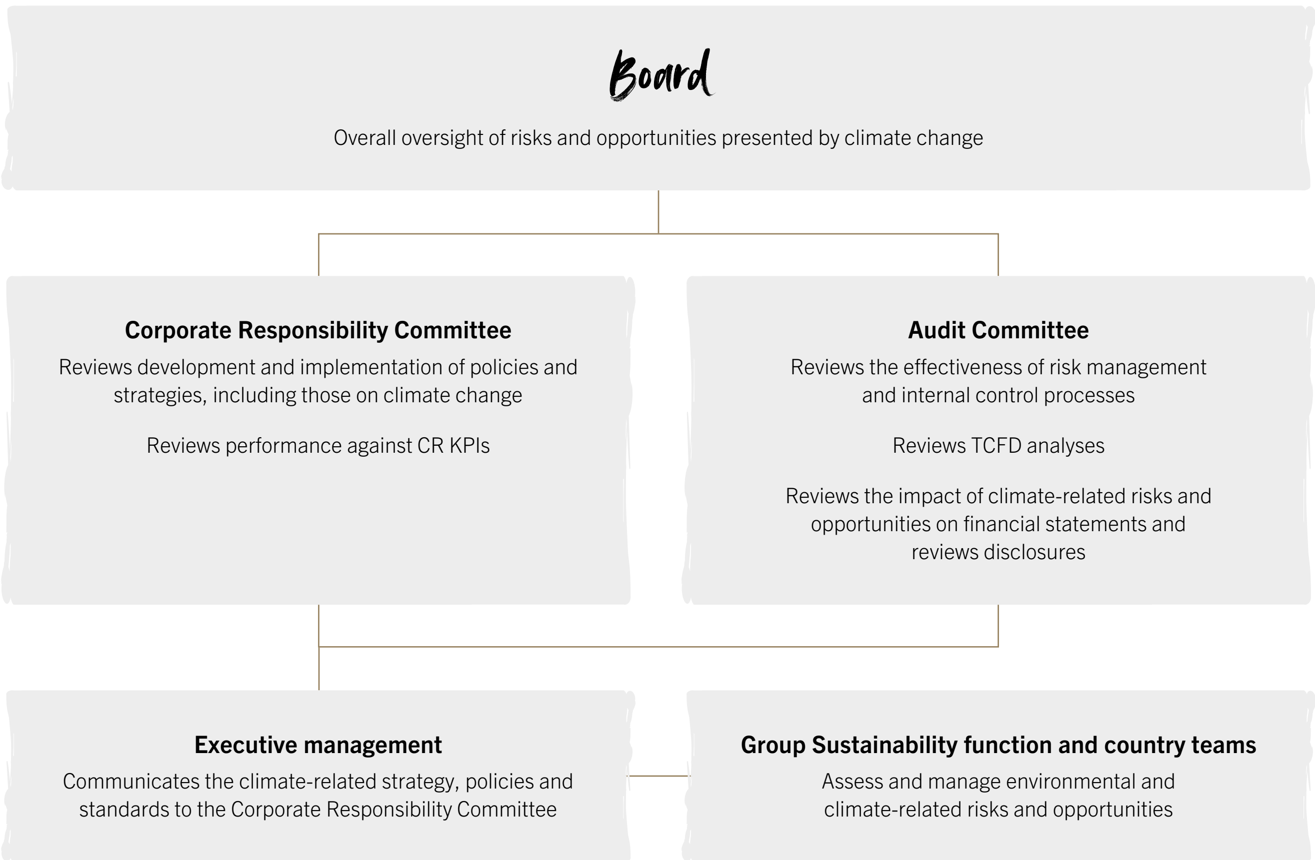
This disclosure has, however, evolved with the inclusion of a Transition Roadmap. The Transition Roadmap sets out how we will deliver our climate commitments. Our transition is built on three key strategic levers: our supply chain; our operations; and our clients and consumers. These levers will guide our sustainability priorities, transition activities, and strategic ambition and will form the basis of our inaugural Group-level climate transition plan.

Governance

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 24).

Climate-related risks and opportunities are identified, 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 CR Committee meets at least three times a year and comprises all of the directors. 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, identifying and 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 Chief Executive Officers (CEOs) 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 markets



Strategy

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

In partnership with external climate resilience experts, our specialist internal teams conducted qualitative and quantitative risk assessments and scenario analysis to identify climate-related risks and opportunities.

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 encompasses our 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 have plans in place to mitigate and adapt to climate-related risks and a future climate transition. Our strategic investments enable the Group and its businesses to capitalise on climate-related opportunities and help clients realise their sustainability goals effectively and efficiently.

We continue to acquire and implement cutting-edge technologies to enhance our sustainability services for clients and maximise the opportunities likely to arise from the climate transition. Strategic investment in our monitoring and measurement capabilities enables our businesses to offer detailed and tailored roadmaps for clients and positions the Group as a trusted partner in helping clients achieve their own sustainability goals.

Scenario analysis

Our scenario 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. 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. The outputs from the qualitative and quantitative analysis were rolled over from our 2023 disclosure.

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: – 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: – 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 the 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: – 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.

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 relevant for our scenario analysis, with the assumption that climate-related issues often manifest 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 29)
– medium-term – four to 10 years allows for the outcomes of scenario analysis to influence the development of our strategic objectives
– long-term – analysis over a period of 10 years or longer 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

The scope of our scenario analysis includes consideration of four countries and seven product categories to provide granular insight into how the impacts of climate-related risks and opportunities vary across geographies and products in each time horizon. We do not believe there would be any material differences in the outcomes if we considered different sectors in this exercise as our business model is similar across sectors.

The geographic scope of the scenario analysis was determined on the basis of both materiality (with the US, UK, Australia and France representing 79% of the Group's underlying revenue in 2024) 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 beverages. Together, these products represented more than 60% of the total MAP 3 analysed spend in the four in-scope countries.

Qualitative scenario analysis

The impacts on the business of the climate-related risks and opportunities identified in the scenario analysis were discussed with leaders and management across the in-scope markets. Workshops with our specialist internal teams, market representatives, Group senior management and external climate resilience experts were held to qualitatively assess each 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.

The table on pages 45 and 46 summarises the risks and opportunities identified and, for each one, shows the potential impact, geographical exposure and time horizon during which the impact is expected to materialise. The table also highlights for each risk the strategic business model levers and operational measures available to the Group to mitigate the impact and seize the opportunities identified. Many levers and operational measures are ones we regularly deploy and will allow us to mitigate the impacts to levels deemed minor or negligible.

Climate-related risks and opportunities are continuously reviewed together with other business risks as part of our biannual Major Risk Assessment (MRA) process. They 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 23).

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			
Drought and extreme heat (S) Increased drought and extreme heat events ❶ ❷	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	– 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	– 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 ❸	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	– 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 ❹	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	– 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	– 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-term **M** Medium-term **L** Long-term

❶❷❸❹ 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 43).

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	– continued menu reformulation to reduce animal protein on the plate – reducing food waste – 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	– application of technology to measure our food waste footprint (supporting our food waste reduction objectives) – 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	– 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 and senior management 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	– 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 in this field
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	– 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% fully electric	Reduced exposure to fossil fuel prices, and lower operating costs.	Global	– 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% fully electric vehicles by our businesses – continue the transition to renewable energy across our owned and operated sites
Physical opportunity (L) Crop diversification and increasing local sourcing (especially in higher latitudes)	Increased growth viability resulting in reduced logistical emissions and costs.	Global	– 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

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

Quantitative scenario analysis

The outputs from the quantitative scenario analysis were rolled over from our prior year disclosures. This decision was made in conjunction with our external advisers, as no internal and external factors changed that could materially impact the outputs of the analysis. The quantitative scenario analysis will be repeated a minimum of every three years in line with the relevant regulations.

As part of our 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.

Consistent with the qualitative scenario analysis our modelling includes short-, medium- and long-term timeframes (2025, 2030 and 2050) and four countries (US, UK, Australia and France). Our analysis focused 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 were modelled under the three climate scenarios, A, B and C, explained on page 43, 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 of the four, only these countries are expected to experience temperature increases at levels that will impact livestock and milk production. The food products selected for the quantitative scenario focused on protein (beef, dairy, poultry and pork) and produce (fruit and vegetables).

In 2022, we modelled transition risks relating to carbon taxation. We consider that the conclusions of that analysis remain relevant and therefore they have not been re-modelled.

The table below shows the results of the 2023 quantitative scenario analysis in respect of physical risks, together with the 2022 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

						Cost impact[1] – 2025/2030			Cost impact[1] – 2050		
Risk	**Type**	**Description**	**Impact**	**Country**	**Focus area**	**A (1.5° C)**	**B (2.5° C)**	**C (4° C)**	**A (1.5° C)**	**B (2.5° C)**	**C (4° C)**
Drought ❶	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	< 2.5%	< 2.5%	< 2.5%	< 2.5%	< 2.5%	< 2.5%
Extreme heat ❷	Acute	Prolonged period of abnormally high surface temperatures	Crop stress leading to crop failure	US, UK, Australia and France	Poultry, pork, produce	< 2.5%	< 2.5%	< 2.5%	< 2.5%	< 2.5%	< 2.5%
Extreme heat ❸	Chronic	Sustained abnormally high surface temperatures	Heat leading to cow weight loss and lower milk production	US and Australia	Beef, dairy	< 2.5%	< 2.5%	< 2.5%	< 2.5%	< 2.5%	< 2.5%
Water stress ❹	Chronic	Sustained higher temperatures and reduced precipitation	Reduced water availability for cattle feed, thus reducing herd size	US and Australia	Beef, dairy	< 2.5%	< 2.5%	< 2.5%	2.5-5.0%	2.5-5.0%	2.5-5.0%
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	5.0-7.5%	2.5-5.0%	N/A	N/A	N/A	N/A

Potential unmitigated annual food cost increase[1]

< 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.

❶❷❸❹ 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

No potential financial impacts related to physical climate risks in 2030 of 2.5% or more of total spend on in-scope food categories before business levers were identified. 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. Beef and dairy production is likely to be most impacted by climate change, with costs increasing in the long-term. This is consistent with our strategy to build competitive sourcing programmes in alternative food categories such as meatless proteins and dairy alternatives, 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.

In 2022, the analysis identified the most significant potential impact to be 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 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. It is, therefore, the focus of our current efforts, which are highlighted in the Metrics and targets section below.

Future roadmap on scenario analysis

Despite our extensive scenario analysis, we recognise it is limited by the availability of data on the long-term impacts of climate change, and our disclosures will evolve as this improves. We will continue to work with experts to review the scope of our analysis and evolve our process.

The resilience of the Group strategy

Compass Group's sustainability leadership, climate net zero roadmap and plant-forward strategy make us resilient and adaptable 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 uses a wide range of processes that can be flexed to address changing market dynamics, supply disruption and other impacts of climate change. These include a combination of operational mitigation measures and strategic business model levers, outlined in the table on page 45 and 46. The main levers 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 its normal business practices, and we are confident they will continue to provide a competitive advantage during any climate transition.

We are also evolving our approach to carbon. Most of the Group's GHG emissions are Scope 3 and therefore collaboration with our suppliers is essential if we are to meaningfully impact those levels. We are working with partners and moving to a volume-based data approach, to build a more granular understanding of food-related emissions. As well as helping suppliers reduce their carbon emissions, 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 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 in recognition of 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 major risk assessment (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. On climate-related topics we involve internal and external experts to ensure we maintain an up-to-date view on specific risks and opportunities to consider as part of the annual process. More information about our risk management framework can be found on pages 23 and 24.

Processes for managing climate-related risks

As noted on pages 24 to 28, 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 145 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. Regional CEOs 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 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

Progress on these metrics is shared on page 36.

We have also committed to achieving carbon neutrality worldwide in our operations globally 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, and in 2025 the annual bonus KPI for executive directors and senior management will measure year-on-year food waste reduction.

To support the business to meet these targets the Group launched a Sustainable Financing Framework in July 2022 to issue sustainable debt, a summary of which can be found on page 36.

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 is a core strategic priority for the Group and our businesses. By sending less food waste to landfill, we are helping to mitigate climate change, relieving pressure on natural resources. This strategy continues to enhance purchasing and product management efficiencies throughout our businesses globally, supporting the mitigation of the physical and transition risks identified in our scenario analysis.

Improving tracking and accountability of kitchen waste worldwide remains our focus with the continued rollout of technology that increases our food waste measurement capability. We have deployed our food waste management systems in 9,947 sites across the regions, with data assurance provided by an independent third party. By ensuring our sites capture accurate, high-quality data we can continue to reduce food waste. This will also deliver reductions in the Group's Scope 3 GHG emissions and clients' carbon footprints. See page 38 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 36). In 2024, we monitored the energy usage and GHG emissions of our owned and operated sites across 26 countries (2023: 28) which represent 98% of the Group's underlying revenues (2023: 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 36.

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 change 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 hybrid volume and spend basis, which is a more accurate reflection of our Scope 3 GHG emissions. A summary of our Scope 3 year-on-year performance can be found on page 36.

We can create a low-carbon supply chain that is fit for the future by our businesses collaborating and engaging directly with their supply chain partners. This has become a key focus area for all our supplier engagements globally. Procurement teams have continued to expand and formalise supplier engagements. In some countries, like the US, they have formal supplier collaboration sessions. In others, like India and France, our businesses share their plans and expectations at supplier days. Expectations are also reflected in the Supplier Code of Conduct, and increasingly in contractual agreements. For example, in the UK&I all suppliers are contractually mandated to establish science-based targets in all newly awarded contracts.

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. This year, we have aligned our emissions reporting to our financial year for ease of reference.

Internal carbon pricing

We recognise the importance of having an effective internal carbon pricing system in place, to inform us of 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 priority whilst evolving our data reporting systems to capture data at a product level, which would be a critical enabler.

Remuneration

To further strengthen our targets and commitments, the food waste measure within the 2024 annual bonus plan for executive directors and senior management focused on reducing food waste across our operations by targeting our sites to drive usage of industry-leading technology. This has been effective in focusing our leadership to encourage frequent usage of the technology at site level, allowing us to further reduce food waste, more accurately refine our menu and production planning, and enhance procurement efficiency. The annual bonus KPI for 2025 will measure year-on-year food waste reduction.

Evolution of metrics and targets

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

Conclusion

The findings of the scenario analysis support our sustainability strategy and reaffirm the mitigating actions we are already taking across the Group. 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 committed to collaboration with partners in our ecosystem to decarbonise while continuing to work with external experts to broaden the scope of our efforts and further improve our TCFD disclosures year-on-year.

Transition Roadmap

Introduction

As a global leader in food services, we acknowledge the importance of transitioning our business model to promote social and environmental responsibility, aiming to empower individuals to make healthier choices for themselves and the planet. At Compass, we are committed to fulfilling our Planet Promise of a sustainable future for all, reflecting the Group's values as an ethical, sustainable, and inclusive business.

As we work towards our target of net zero emissions across our global operations and value chain by 2050, we have begun the development of our inaugural Group-level climate transition plan targeted for publication in 2025, aligned to our low-emissions scenario analysis, and informed by the Transition Plan Taskforce Disclosure Framework, the accompanying Food & Beverage Sector Guidance, and the pivotal activities and initiatives presented below.

The transition plan will shape our Group-level approach to decarbonisation, supporting our geographies in setting their own tailored strategies in line with their specific markets. It has been developed to achieve four core objectives:

To respond to *climate change* risks and opportunities

Building on our climate scenario analysis conducted in 2023, we are actively embedding adaptation and mitigation strategies in our own operations and across our value chain as part of our implementation strategy and to better respond to the effects of climate change, through sourcing from sustainable suppliers and fostering sustainable practices, like reducing food waste and flexible menu planning.

To *empower stakeholders* to decarbonise

We are committing to decarbonisation across our value chain by supporting clients and suppliers to achieve their sustainability goals with strategies such as reducing food waste and expanding the availability of low-carbon choices for consumers.

To place individuals at the *heart of our transition*

We want to ensure our climate transition initiatives are fair and inclusive for impacted stakeholders, by collaborating with supply chains to tackle key ESG issues, training chefs to innovate and prepare plant-forward meals, and advocating for fair access to nutritious food.

To *drive change* by responding to regulation

By leveraging the knowledge we have gained from responding to sustainability regulations, we can shape a consolidated strategy that enables us to actively meet external obligations.

Our progress so far

Since we published our near-term decarbonisation targets in 2021, we have made consistent progress in reducing our emissions across Scopes 1, 2, and 3. Our Group-level transition plan is aimed at accelerating our decarbonisation journey, by providing structure to our actions, accountability through our governance structures, and proactive strategising through our financial planning. Please see page 36 for more detail on our emissions reductions.

Improving our data quality and transparency, particularly regarding our Scope 3 emissions, continues to be one of our top sustainability priorities. We recognise that enhanced data accuracy and transparency are pivotal in our journey towards sustainable operations. Therefore, we continue to invest in cutting-edge technology and foster strategic partnerships to ensure that our data is not only more accurate and representative, but also serves as a catalyst for informed decision-making and impactful sustainability initiatives. This commitment will empower us to effectively track, manage, and reduce our environmental footprint, while fostering trust and credibility with our stakeholders. We have also continued work on monitoring and updating our science-based targets, including new SBTi FLAG and non-FLAG targets, which will be published in our full transition plan.

Strategy

Following our qualitative and quantitative climate scenario analyses, we have developed our strategy to directly address our identified risks and opportunities, mapping our activities to a 1.5°C scenario. Our transition is built on three key strategic levers which in turn guide our sustainability priorities, transition activities, and strategic ambition. Our levers are aligned to historical data from work completed in collaboration with Planet FWD in 2022, which identified our material decarbonisation areas. This has allowed us to clearly link our current and future transition activities to the areas with the most potential for emissions reductions. We are planning on assessing the time-horizons of these actions in the future, ensuring they are all still aligned to a 1.5°C scenario.

Strategic lever	Activities	Metrics we are using to track progress*	Progress to date
Supply Chain Our strategic ambition: To build business resilience and drive emission reductions by working with suppliers on their journey to decarbonise; diversifying the supplier base, respecting human rights, and promoting ethical trade.	1.1 Segment the supply chain to prioritise engagement efforts to improve traceability of product level data and to identify the highest climate risk categories. 1.2 Establish minimum sourcing standards and set supplier expectations through policies aligned with Compass Group's carbon reduction plan. 1.3 Embed expectations into the procurement process by providing training to internal procurement teams to better equip them to manage supply chain risks, as well as including contractual language regarding Compass Group's requirement in RFPs. 1.4 Enable change through training and engagement with suppliers to help them meet Compass Group's minimum standards, and collaborating with them on carbon reduction roadmaps with the aim of standardising data collection methods and improving data quality. 1.5 Collaborate with organisations externally and form partnerships to leverage Compass Group's influence to advocate for transparency and raise industry standards including by encouraging more regenerative agricultural processes.	– % of sourced volume of high-climate-risk commodity covered by third-party certification (including % of sourced volume of net zero deforestation commodities)	**Global:** launched a deforestation policy which includes a commitment to be deforestation-free in our North America and UK operations by the end of 2025. In combination with EUDR this covers 90% of the Group's procurement spend. **USA:** held two Future Forward meetings to look at how Scope 3 emissions can be reduced. 25 of their largest supply partners, representing $3 billion of spend, attended and presented updates on strategies to reduce the GHG emissions of food as it moves from the farm to packaging and distribution. **UK&I**: mandated that all new contracts require suppliers to set Science-Based Targets (SBTs) within 12 months of a contractual start date.
Operations Our strategic ambition: To collaborate with clients to drive carbon reductions by reformulating menus, and reducing and repurposing waste.	2.1 Deploy green technologies, e.g., food waste technology or using renewable electricity to improve resource efficiency. 2.2 Add food waste KPI to executive and senior management annual bonus plan to drive action on food waste via enhanced executive responsibility. 2.3 Donate via food reclamation partnerships to minimise waste and reduce food poverty. 2.4 Implement solutions to transition from single-use/ fossil-fuel plastics in an effort to further decarbonise products and services. 2.5 Reformulate menus to lower the carbon footprint associated with products and services through substituting ingredients for low-carbon alternatives and using locally sourced products to reduce food miles.	– number of sites using food waste technology – number of community meals donated – emissions reduction in menus that have had ingredients swapped	**Austria:** cooking waste is collected by a biodiesel manufacturer to transform it into biodiesel. **UK&I:** re-engineers suitable recipes in its menus, for example, the associated emissions of lamb keema can be reduced by combining minced lamb with green lentils.

Strategic lever	Activities	Metrics we are using to track progress*	Progress to date
Clients and consumers Our strategic ambition: To help clients to work towards the economy-wide transition by providing consumers with healthy and sustainable food choices and maximising the efficient use of green energy.	3.1 Encourage clients to maximise energy efficiency and use renewable electricity to help them achieve decarbonisation of their on-site kitchens. 3.2 Implement dedicated chef training and client and consumer education programmes to support the development and consumption of sustainable and healthy menus and raise awareness on how to reduce food waste. 3.3 Engage with industry forums and communities to develop nutritional standards and behavioural change toolkits to drive sustainable and healthy diets. 3.4 Enable consumers to make sustainable and healthy choices through deploying behavioural change strategies such as choice architecture and providing consumers with more sustainability-related information.	– number of colleagues who have completed net zero training across Compass Group's operations	**Group:** engage with clients and consumers through Compass Group's Stop Food Waste Day, with participation across all of Compass Group's operating markets. **Group:** our work with the World Business Council for Sustainable Development (WBCSD) has resulted in a toolkit containing key solutions that make it easy for consumers to choose healthy, plant-forward options. **US:** supported a major technology client in transitioning to fully electric kitchens, including working with equipment manufacturers to reach capacity requirements.

* Here we have presented our initial metrics and targets for our strategic levers, but we continue to consider appropriate metrics to phase in over time. The metrics presented above are not associated with every activity in the strategic levers; however we are aiming to develop metrics to track progress on all of our actions.

Governance

Embedding mature and robust governance across our wider corporate strategy is key to providing accountability, reviewing, and refining strategy, and reporting on our climate transition. We detail our Governance structures in our TCFD Report on page 42 and are continuing work on embedding our transition plan within our organisational arrangements.

Oversight of our transition plan sits with the Corporate Responsibility Committee, supported by the Global Director of Sustainability and the wider sustainability teams.

A new ESG KPI was included in the 2023 annual bonus plan for executive directors and senior management, based on an annual increase in the number of sites using industry leading food waste measurement technology. In 2024, we adapted this KPI to evolve from a technology deployment target to measuring frequency of usage rates. For 2025, the bonus plan will include a food waste reduction target.

Financial planning

Financial planning serves as a tool to provide us with fully-costed actions, allowing Compass to better plan future changes to the business, and show stakeholders how our transition plan will be achieved. The Sustainable Financing Framework discussed earlier is a key tool in driving our transition. We are currently working on mapping these eligible projects to our strategic levers to align financial planning with our transition plan, and research will be developed to quantify different elements of our plan.

Assumptions

Our strategic levers and activities were informed through consultations with key stakeholders (Finance, Sustainability, Procurement, and Data and Technology), our climate scenario analysis and its related assumptions, and the latest guidance from the Transition Plan Taskforce.

Nevertheless, the success of our transition relies on several factors outside our direct control. 98% of the Group's GHG emissions are Scope 3 (originating in the supply chain), and although our strategy outlines how we plan to engage with suppliers, there are elements beyond our immediate stakeholders' control that will impact our ability to drive change: e.g., a national agriculture or nature policy such as the EU Deforestation Regulation. Therefore, transitioning our supply chain requires effort across the industry, which we continue to support – for example through our work with the WBCSD and the World Resources Institute.

With regard to healthy and sustainable diets, we leverage behavioural change strategies and continue to engage with industry forums and government to explore nutritional standards, but we rely on our consumers to choose sustainably sourced, plant-forward dishes from our range of diverse and unique menu offerings.

Next steps and reporting

This report provides a comprehensive overview of our strategic roadmap for transitioning to a low-carbon economy, laying the groundwork for our inaugural Group-level transition plan. This will include a decarbonisation roadmap to illustrate how we plan to reach the near-term and 2050 targets in greater detail. We track and measure our progress as we navigate our sustainability journey, with the intention for our transition plan to be iterative, dynamic, and continuously evolving.

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, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

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	– Sustainability Strategy – Environment Policy – Responsible Sourcing Policy – Food Waste Policy – Deforestation Policy	Purpose	34-40
		GHG emissions	36
		TCFD reporting	41-52
		Principal risks – Climate change	24
Employees	– Code of Business Conduct – Business Integrity Policy – Workplace Health and Safety Policy – Diversity, Equity and Inclusion Policy	Chief Executive's review – People	10
		People	30-33
		Principal risks – Occupational safety, Talent	25-26
		Safety	12
		Ethics and integrity	13-14
Human rights	– Code of Business Conduct – Business Integrity Policy – Modern Slavery Act Statement – Human Rights Policy Statement	Whistleblowing, anti-bribery and fraud	76
		Human rights	33
		Employee diversity	30-33
Social matters	– Social Purpose	Chief Executive's review – Purpose	11
		Stakeholder engagement	68-71
		Purpose	34-40
Anti-bribery and corruption	– Code of Business Conduct – Business Integrity Policy – Speak and Listen Up Policy – Responsible Sourcing Policy	Ethics and integrity	13-14
		Principal risks – Business ethics and integrity	27
		Whistleblowing, anti-bribery and fraud	76
Business model		Strategy and business model	3-6
Non-financial KPIs	– Workplace Health and Safety Policy – Food Safety Policy – Environment Policy	Global Total Recordable Injury Frequency Rate	7, 12, 63, 79, 108, 112
		Global Food Safety Incident Rate	7
		Greenhouse gas intensity ratio	7
Principal risks		Risk management	23-28

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

The Strategic Report, as set out on pages 1 to 53, has been approved by the Board and signed on its behalf by

A. Yapp

Alison Yapp
Group General Counsel and Company Secretary

26 November 2024