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.

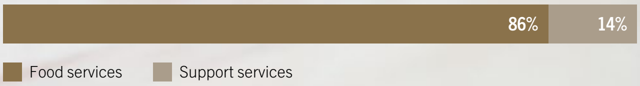
1. Measured on a constant-currency basis.

Compass is a global leader

in food services operating in around 30 countries

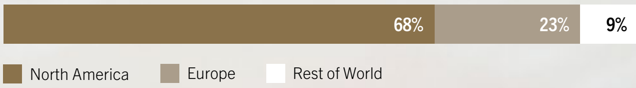
APM **Underlying revenue**

$42.2 billion



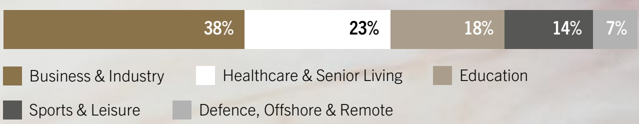
APM **Underlying revenue by region**

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

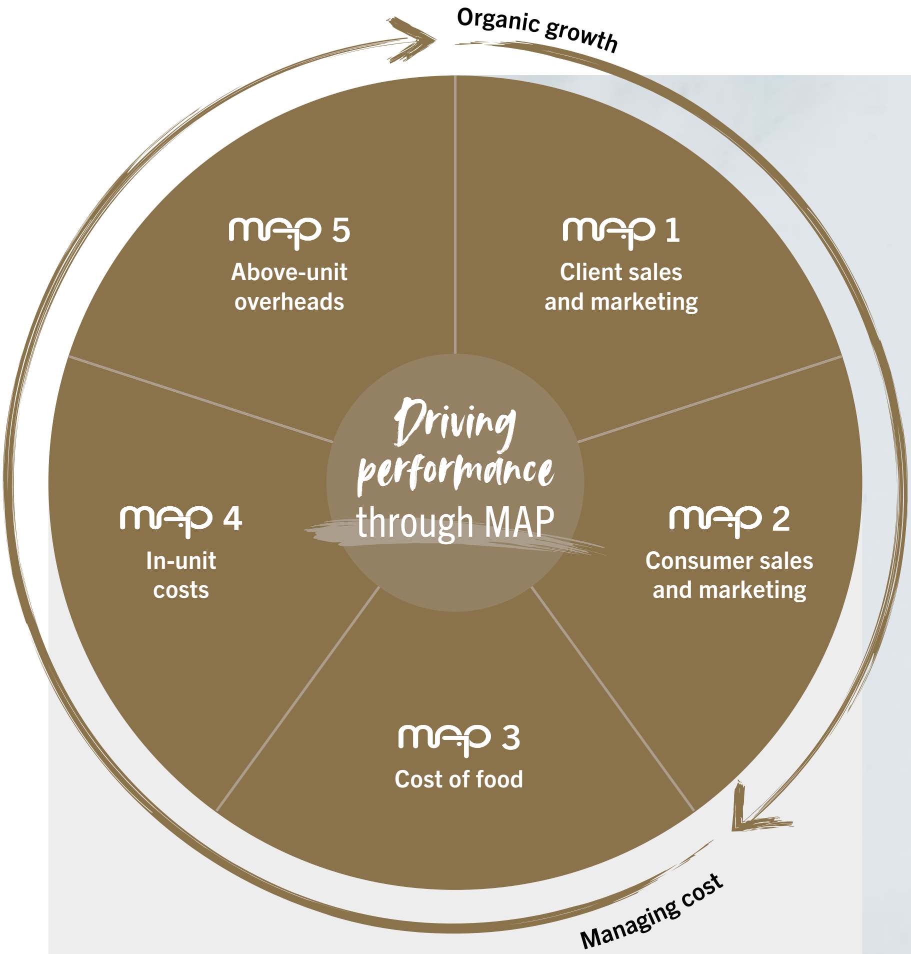
Passion for quality

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

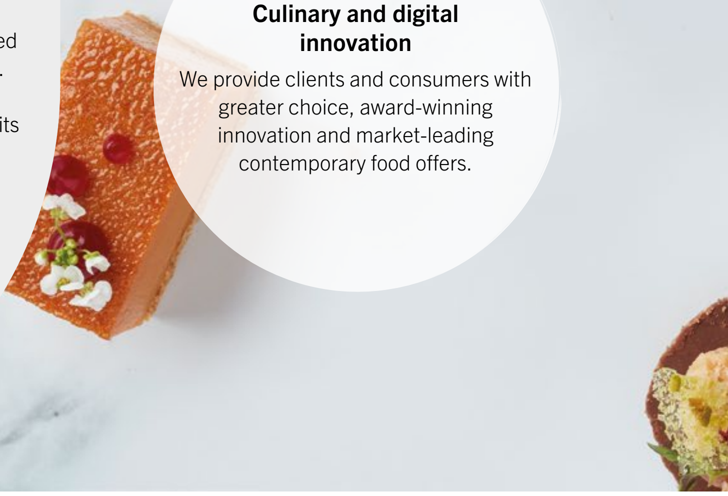
Our people are at the heart of our business. Energetic, ambitious and entrepreneurial, they deliver amazing food and hospitality to millions of consumers worldwide.

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

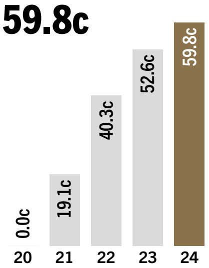
Generating attractive long-term compounding shareholder returns

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



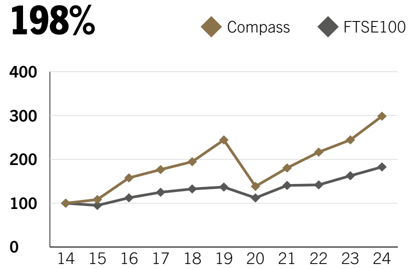
Share buybacks

$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

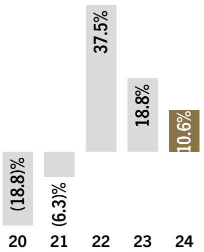
KPI type

F Financial KPI NF Non-financial KPI

Organic revenue change[1]

F

10.6%

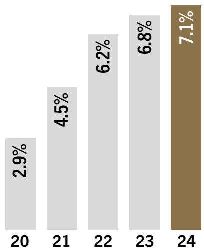


Organic revenue growth was strong at 10.6%, reflecting net new business growth of 4.2%, pricing of around 4% and volume growth of around 2%.

Underlying operating margin[1]

F

7.1%

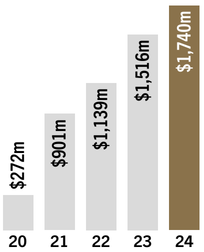


Underlying operating margin improved by 30bps to 7.1%, with strong margin progression achieved across all the Group's regions.

Underlying free cash flow[1]

F

$1,740m

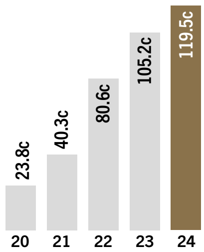


Underlying free cash flow increased to $1,740 million representing a conversion rate of 85.0% of underlying profit after tax.

Underlying basic earnings per share[1]

F

119.5c

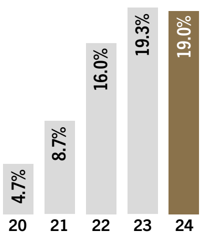


Earnings per share growth of 14.6% on a constant-currency basis reflects the Group's strong organic revenue growth and the improvement in underlying operating margin.

Return on capital employed (ROCE)[1]

F

19.0%

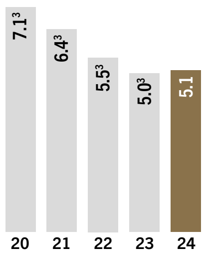


The reduction in ROCE in 2024 reflects a higher underlying effective tax rate, as the impact of recent business acquisitions on capital employed was offset by the Group's strong trading performance.

Greenhouse gas intensity ratio (GHG)[2]

NF

5.1 tCO_2e/$m

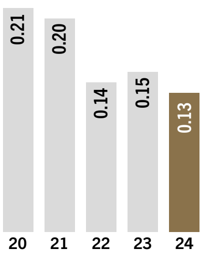


Our greenhouse gas intensity ratio has increased in the past year due to new business wins and acquisitions. This ratio is based on Scope 1 and 2 emissions which represent 2% of Compass Group's total emissions. Including Scope 3 emissions our intensity ratio reduced by 4% compared to 2023.

Global Food Safety Incident Rate[2]

NF

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.

IK Meakins

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.

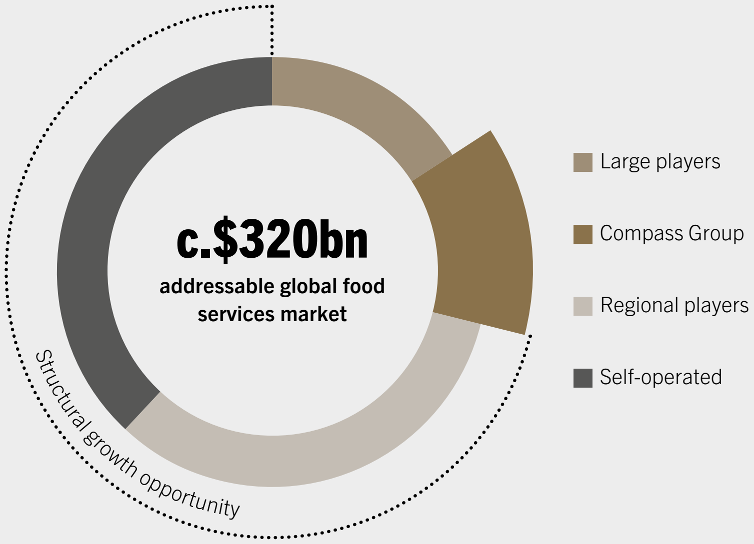
Significant market opportunity
with a runway for growth

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*

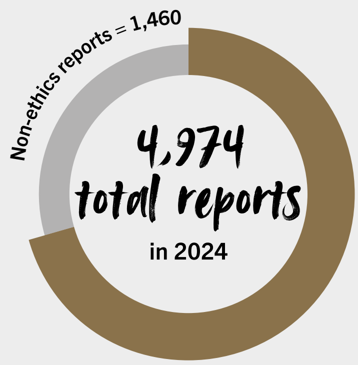
90%
of our employees stated that they speak up when things do not feel right (2023: 89%)

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)

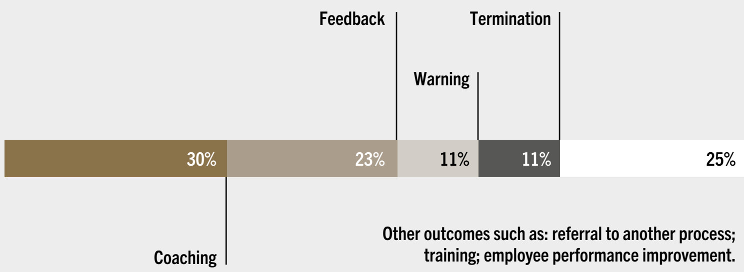


3,514 ethics reports

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

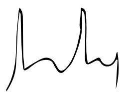
Details of transactions with related parties are set out in note 32 to the consolidated financial statements. These transactions have not had, and are not expected to have, a material effect on the financial performance or position of the Group.

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.

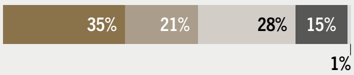


Petros Parras
Group Chief Financial Officer

26 November 2024

Regional *performance*

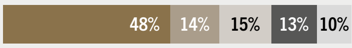
APM **Underlying revenue**
$28.6bn
By sector



APM **Underlying operating profit**
$2,335m
2023: $2,019m[1]

APM **Underlying operating profit growth[2]**
↑ 15.7%

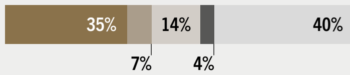
APM **Underlying revenue**
$9.9bn
By sector



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

	APM Underlying		Change			Statutory		Change
Revenue	**2024**	Restated[1] 2023	Reported rates	Constant currency	Organic	**2024**	Restated[1] 2023	
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%

	KPI Underlying		Change	Statutory		Change
Operating margin	**2024**	2023		**2024**	2023	
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: People, Performance, Purpose 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: → 2023: ↓ 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: → 2023: → 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: → 2023: ↑ 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

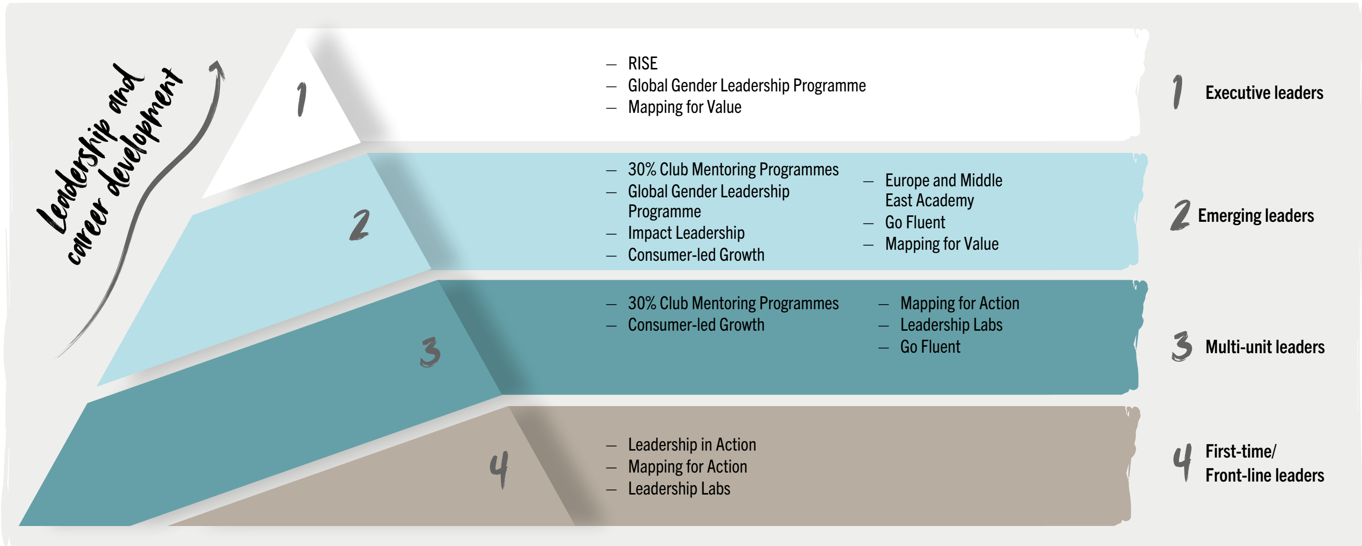
Listening to colleagues through employee engagement surveys, townhalls, community meetings, social platforms, and maintaining close relationships with formal employee representative groups and unions are just some of the ways employees can have their say on the topics that matter most to them, and contribute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

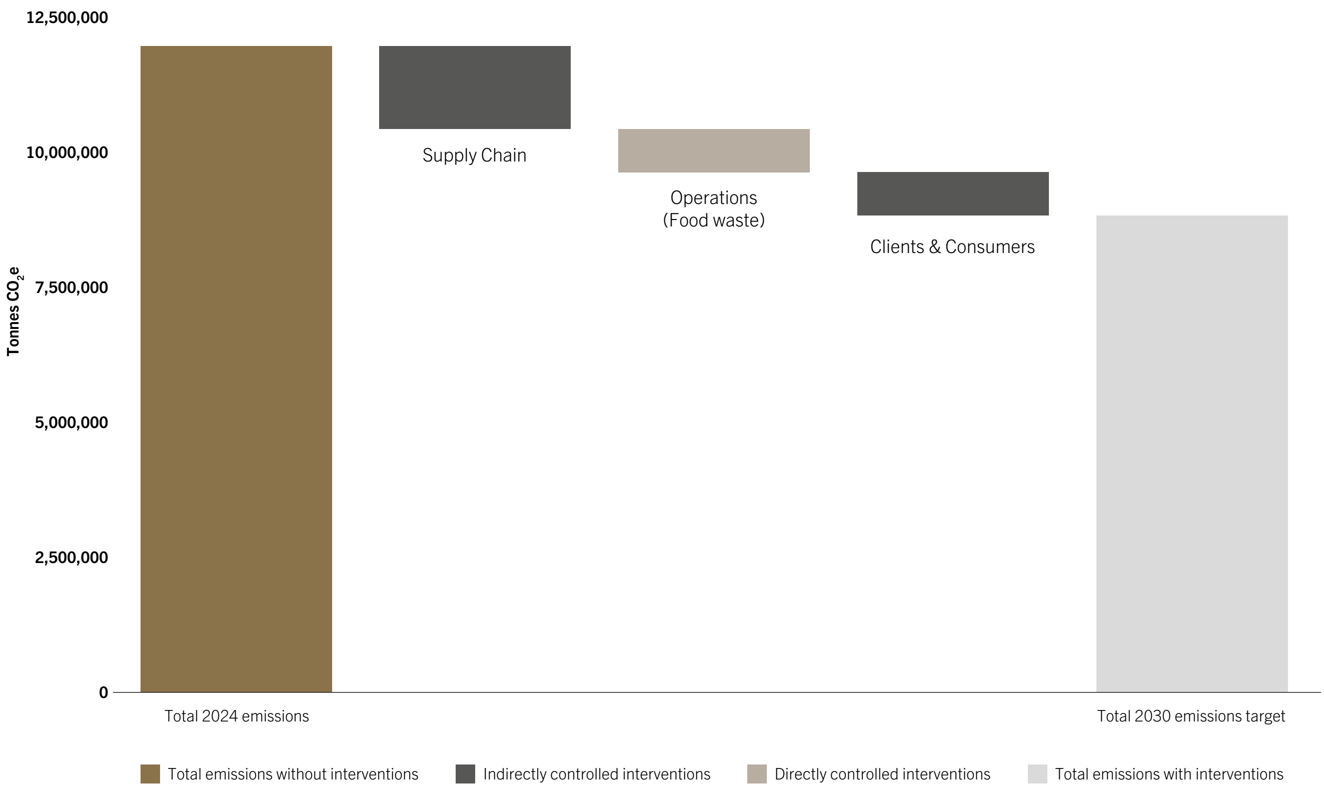
1. UK and offshore emissions are a subset of the global emissions disclosed.
2. Calculated based on turnover in US dollars, reflecting the change to the Group's reporting currency effective 1 October 2023. Prior year comparatives have been restated.
3. The UAE contributed 5.7% of the Group's reported 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.

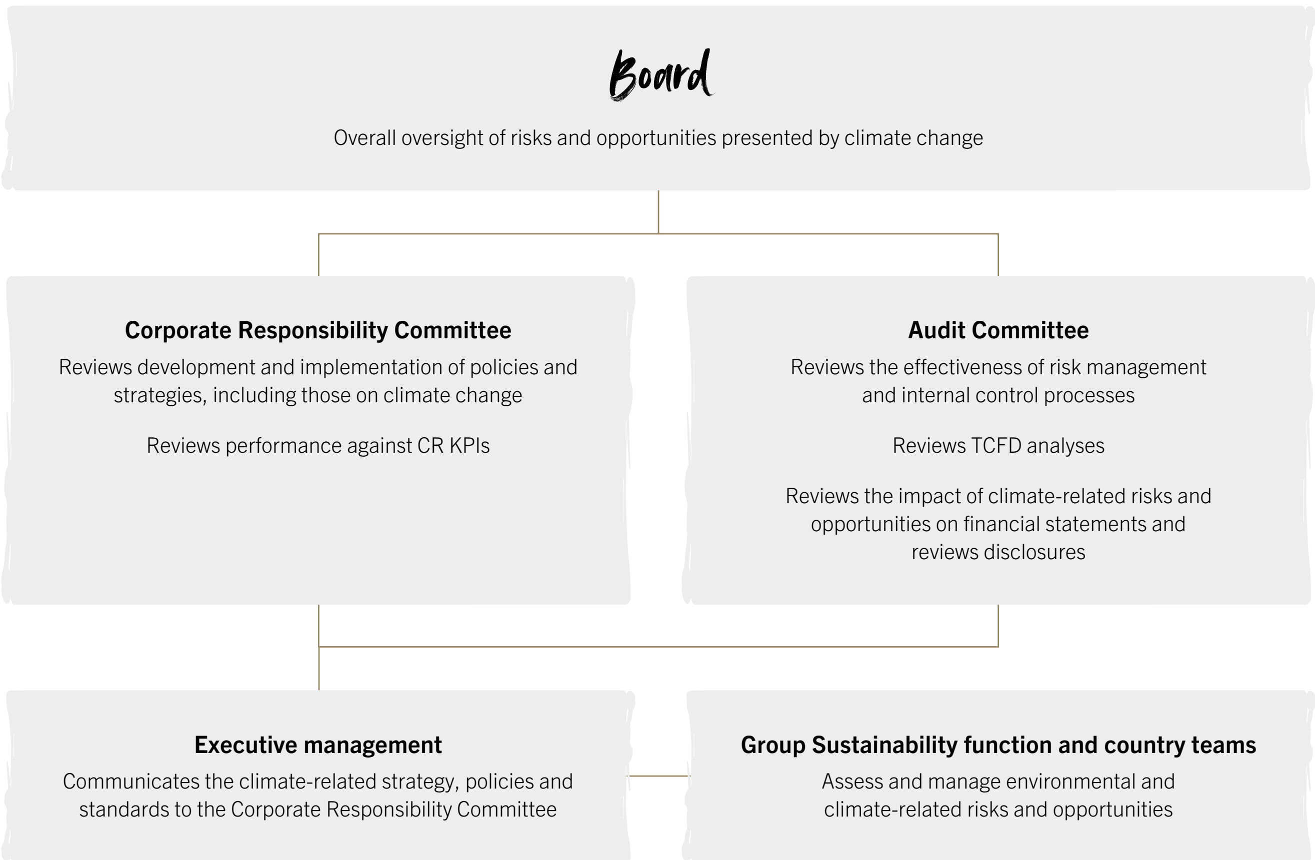
This disclosure has, however, evolved with the inclusion of a Transition Roadmap. The Transition Roadmap sets out how we will deliver our climate commitments. Our transition is built on three key strategic levers: our supply chain; our operations; and our clients and consumers. These levers will guide 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 ❶❷	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	🟢	🟢	🟢	🟢	🟢	🟢
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	🟢	🟢	🟢	🟢	🟢	🟢
Extreme heat ❸	Chronic	Sustained abnormally high surface temperatures	Heat leading to cow weight loss and lower milk production	US and Australia	Beef, dairy	🟢	🟢	🟢	🟢	🟢	🟢
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	🟢	🟢	🟢	🟠	🟠	🟠
Taxation[2]	Transition	Carbon tax on agricultural and freight (Scope 3) emissions	Higher compliance costs or increased insurance premiums	US	Beef, dairy, poultry, pork, produce	🔴	🟠	N/A	N/A	N/A	N/A

Potential unmitigated annual food cost 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.

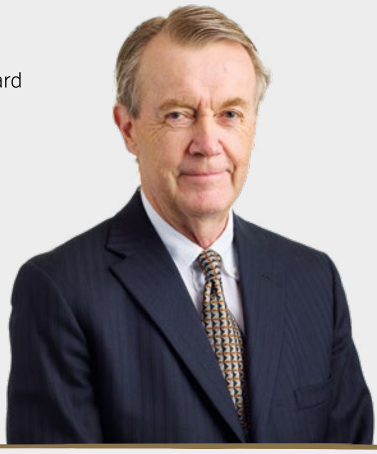
The Strategic Report, as set out on pages 1 to 53, has been approved by the Board and signed on its behalf by

Alison Yapp
Group General Counsel and Company Secretary

26 November 2024

Governance and leadership

Ian Meakins
Chair of the Board



Matters reserved for the Board

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

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

The matters reserved for the Board are reviewed annually to ensure that they remain relevant and fit for purpose.

Full details can be found on our website:

www.compass-group.com.

Dear Shareholder

On behalf of the Board, I am pleased to present Compass Group PLC's annual Corporate Governance and Directors' Report for the financial year ended 30 September 2024. Throughout this and other parts of the Annual Report, we have sought to provide shareholders and other stakeholders with an insight into how our governance framework has supported our performance during the year.

Board changes, succession planning and talent pipeline

Following a comprehensive review of the composition of the Board, and on the recommendation of the Nomination Committee, during the year several changes were made to the Board which are summarised below.

At Compass, where possible, our preference is to make appointments to key roles from our internal talent pool, and on 1 December 2023, Palmer Brown succeeded Gary Green (who retired from the Board at the end of November 2023) as Group Chief Operating Officer (COO), North America. In turn, Palmer was succeeded as Group Chief Financial Officer (CFO) by Petros Parras on the same date. Both Palmer and Petros made a smooth transition and quickly settled into their new roles.

In February 2024, Carol Arrowsmith retired from the Board after completing her nine-year term.

I am also pleased to report that, following search processes undertaken by two external firms of search consultants, Liat Ben-Zur and Juliana Chugg were appointed as non-executive directors on 1 July and 26 September 2024 respectively. Liat is a transformative technology executive with over 27 years of experience in driving digital transformation and product innovation. Juliana is a seasoned non-executive director who previously had a successful executive career in the FMCG and food sectors. Both appointments bring qualities and skills that complement those of our existing directors and further enhance the diversity of the Board. I am confident that their fresh perspectives will help to further strengthen debate and challenge in the boardroom.

Also during the year, Ireena Vittal and Nelson Silva completed their nine-year terms. In line with our established practice, Ireena and Nelson will retire from the Board at the conclusion of the 2025 AGM.

Liat Ben-Zur succeeded Ireena as the Designated Non-Executive Director for Workforce Engagement on 1 October 2024 and Arlene Isaacs-Lowe will succeed Nelson as the Chair of the Corporate Responsibility Committee with effect from the conclusion of the AGM on 6 February 2025.

I would like to convey my deep appreciation and thanks to Carol, Ireena and Nelson for their many contributions and unwavering support, and on behalf of the Board I wish them well for the future.

More details of these changes are in the Nomination Committee Report on pages 82 to 85. The Nomination Committee will continue to focus on succession planning for the Board and Executive Committee, ensuring there is a strong and diverse pipeline of future senior leaders.

Diversity, equity and inclusion

At Board level, the changes we have made in the last few years reflect our aim and ambition for better gender balance and diversity in its broadest sense, and we continue to advance this agenda. At the date of this Report, three members of the Board are from a minority ethnic background; 43% (2023: 38%) of Board membership comprises women; and the Senior Independent Director (SID) is a woman. A table showing the gender balance and ethnicity of the Board and Executive Committee is on page 84.

Across the Group, work continues to make the Compass workforce more diverse and representative of the communities it serves, and we are making good progress. Information on our diversity initiatives is on pages 30 to 33 and on our website: www.compass-group.com.

Environmental, social and governance (ESG) matters

The Board has kept abreast of the progress and effectiveness of the Group's ESG strategy through the work of the Corporate Responsibility Committee, including the developing sustainability disclosure landscape and reporting frameworks and corporate governance reforms. The Corporate Responsibility Committee also considered the Group's efforts to create lifetime career opportunities, and to further improve the experience of employees, including initiatives designed to give back to and create value for the communities in which Compass operates. More detail on these matters can be found on pages 1 to 53 and on our website: www.compass-group.com.

Governance reforms

In January of this year, the Financial Reporting Council (FRC) published the UK Corporate Governance Code 2024 (2024 Code). The main changes in the 2024 Code focus on internal controls and require boards to monitor and review all material controls and to make a declaration on their effectiveness in the annual report. The 2024 Code will apply to Compass for the financial year commencing 1 October 2025 (except for provision 29 in relation to risk management and internal controls, which is effective from 1 October 2026). The Board and its committees are regularly updated on the forthcoming requirements and plans to ensure the Company is compliant with the provisions and principles of the 2024 Code at the appropriate times.

Stakeholders

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

Details of how the Board has oversight of stakeholders' interests, together with examples of how decisions taken by the Board have impacted stakeholders during the year, are on pages 68 to 72.

Board effectiveness

This year, we conducted an internal evaluation of the performance of the Board and its committees. The results of this year's evaluation concluded that the Board and its committees continue to operate effectively. As Chair, I remain confident that we have a diverse Board with the right balance of capabilities, skills and experience to continue to do so.

The year ahead

We are committed to doing things in the right way, and will continue to strengthen our governance processes over the coming year to ensure that we are prepared for the introduction of the 2024 Code and aligned with best practice, and that our approach to disclosure remains understandable and transparent.

We look forward to meeting with you at our 2025 AGM, which will be held at the Allianz Stadium (formerly Twickenham Stadium) in Twickenham, south-west London at 12 noon on Thursday, 6 February 2025.

IK Meakins

Ian Meakins
Chair of the Board

26 November 2024

Compliance with the UK Corporate Governance Code 2018

Compliance statement

It is the Board's view that for the financial year ended 30 September 2024, the Company was compliant with all the principles and provisions set out in the UK Corporate Governance Code 2018 (the Code).

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

Our commitment to corporate governance

The Board is committed to the high standards of corporate governance set out in the Code. This Corporate Governance Report, together with the Directors' Remuneration Report set out on pages 86 to 118, describes how the Board has applied the principles and complied with the provisions set out in the Code for the year under review. The Directors' Report also contains information required to be disclosed under the FCA's Listing Rules and Disclosure Guidance and Transparency Rules. To the extent necessary, certain information is incorporated into this Report by reference.

This Corporate Governance Report on pages 54 to 118 and the Other Statutory Disclosures section on pages 119 to 122, together with the Directors' Responsibilities Statement on page 123 and the Strategic Report on pages 1 to 53, which make up the Directors' Report, have been incorporated by reference.

Board leadership and company purpose

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

Further information is available on pages 54 to 72.

Division of responsibilities

The roles of the Chair of the Board and the Group Chief Executive Officer (CEO) are separate, and there is an appropriate combination of executive and independent non-executive directors. The responsibilities of the Chair, Group CEO and SID are set out in writing.

See pages 62 to 64 for further information.

Composition, succession and evaluation

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

Read more on pages 82 to 85.

Audit, risk management and internal control

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

Read more on pages 73 to 78.

Remuneration

Compass will be putting forward its Remuneration Policy for shareholders to vote on at its AGM on 6 February 2025. This Policy has been designed to support the Company's strategy and to promote long-term sustainable success. Executive remuneration is aligned to the Company's purpose and values and is clearly linked to the delivery of long-term strategy.

Further information is available on pages 86 to 118 in the Directors' Remuneration Report.

The Code can be found on the FRC's website: www.frc.org.uk.

Board of Directors

Ian Meakins
Chair of the Board

C N

Appointed: September 2020. Appointed Chair of the Board in December 2020.

Key skills and competencies: An experienced chair and former CEO with a strong background in B2B and B2C businesses across a variety of sectors in global organisations.

Other appointments: Chair and a non-executive director of Unilever PLC*.

Past appointments: Served as non-executive chair of Rexel SA and as chief executive of Wolseley plc (now Ferguson plc), Travelex Holdings Ltd and Alliance Unichem plc (until its merger with Boots). Before that held positions at Diageo plc, Bain & Company and Procter & Gamble, and was a founding partner at Kalchas Group management consultants. Also served as a non-executive director of O2 plc, as SID at Centrica plc, and as non-executive chair of The Learning Network B.V.

Dominic Blakemore
Group Chief Executive Officer (CEO)

C E G

Appointed: February 2012. Previously Group CFO, Group Chief Operating Officer (COO), Europe, and Deputy Group CEO. Appointed Group CEO in January 2018.

Key skills and competencies: Extensive financial management experience in a number of international businesses, together with general operational management experience. Qualified chartered accountant.

Other appointments: Non-executive director of London Stock Exchange Group plc*. Vice-chair of the Council of University College London, and deputy chair of the board of trustees of FareShare.

Past appointments: Served as a non-executive director of Shire plc, CFO of Iglo Foods Group Limited, and European finance & strategy director at Cadbury Plc, having previously held senior finance roles at that company. Before that, was a director at PwC.

Petros Parras
Group Chief Financial Officer (CFO)

C D E G T

Appointed: December 2023. Joined the Group in January 2020.

Key skills and competencies: Extensive financial, operational and portfolio transformation experience in large multinational businesses. Holds a BSc in Physics from Ioannina University and a PhD in Chemistry from Reading University.

Other appointments: None.

Past appointments: Served as regional finance director for Europe and the Middle East from January 2020 to November 2023. Prior to that worked in fast-moving consumer goods businesses (FMCG) including Procter & Gamble, Reckitt Benckiser and Coty in Europe and North America in senior finance, operational and strategic roles.

Palmer Brown
Group Chief Operating Officer (COO), North America

C E G

Appointed: October 2021. Joined the Group in 2001. Appointed Group COO, North America in December 2023.

Key skills and competencies: Held a variety of senior finance, strategy and legal positions and played a central role as a member of the executive team in North America. Has also coordinated many of the acquisitions and disposals for the Group. Holds degrees in business and law and is a certified public accountant.

Other appointments: None.

Past appointments: Served as Group CFO from November 2021 to November 2023. Prior to that was the former group commercial director, and chief strategy officer for Compass Group North America. Also held the roles of general counsel and executive vice president of corporate & legal affairs for the Group's US business.

* Listed Company

Committee membership key

- A Audit Committee
- C Corporate Responsibility Committee
- D Disclosure Committee
- E Executive Committee
- G General Business Committee
- N Nomination Committee
- R Remuneration Committee
- T Treasury Management Committee
- Chair
- Senior Independent Director
- Designated Non-Executive Director for Workforce Engagement
- Secretary

Anne-Françoise Nesmes
Senior Independent Director (SID)

A C N R

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

Key skills and competencies: Has a wealth of experience in finance and accounting in international organisations with a strong focus on strategy, M&A and governance. Qualified chartered management accountant.

Other appointments: Non-executive director of Sanofi*.

Past appointments: Served as CFO of Smith+Nephew plc, Merlin Entertainments PLC and Dechra Pharmaceuticals PLC. Prior to that held a number of senior finance roles during her 16-year tenure at GlaxoSmithKline.

Liat Ben-Zur
Designated Non-Executive Director for Workforce Engagement (DNED)

A C N R

Appointed: July 2024. Appointed Designated Non-Executive Director for Workforce Engagement in October 2024.

Key skills and competencies: Transformative technology executive who brings over 27 years of experience in driving digital transformation and product innovation. Known for her strategic insights in disruptive technologies and product-led growth.

Other appointments: Independent director of Talkspace, Inc.* and Splashtop Inc. Also advises start-ups through her own consultancy firm, LBZ Advisory.

Past appointments: Served as an independent member of the supervisory board of Umicore, a listed Belgian company. During her career she has also held senior roles in Microsoft, Philips and Qualcomm.

Stefan Bomhard
Non-Executive Director

A C N R

Appointed: May 2016.

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

Other appointments: CEO of Imperial Brands PLC*.

Past appointments: Served as CEO of Inchcape plc. Prior to that, was president of Bacardi Limited's European region. During his career, he has also held a number of worldwide senior positions at Cadbury Plc, Unilever PLC, Diageo plc, Burger King and Procter & Gamble.

John Bryant
Non-Executive Director

A C N R

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

Key skills and competencies: A seasoned executive of over 30 years, with a particular focus on finance, operations, M&A, strategy and portfolio transformation.

Other appointments: Non-executive director and chair of Flutter Entertainment plc*, and non-executive director of Coca-Cola Europacific Partners plc* and Ball Corporation*.

Past appointments: Served as executive chair and CEO of global consumer goods company Kellogg. Prior to joining Kellogg in 1998, held strategic and operational roles in several companies, worldwide. Also a former non-executive director of Macy's Inc.

Juliana Chugg
Non-Executive Director

A C N R

Appointed: September 2024.

Key skills and competencies: A seasoned non-executive director with a successful international executive career as a transformative leader in the FMCG and food sectors, Juliana brings a strong international perspective with a passion for the food and food services industries, together with general management and marketing insights, and extensive US and board governance experience.

Other appointments: Non-executive director of V.F. Corporation*, Darden Restaurants, Inc.*, and Masterbrand, Inc.*.

Past appointments: Served as a non-executive director of Caesars Entertainment, Inc. until July 2020. Juliana is also the former executive vice president and chief brand officer of Mattel and held several senior roles in Australia and the USA at General Mills, the global food manufacturer.

Arlene Isaacs-Lowe
Non-Executive Director

A C N R

Appointed: November 2021. Will succeed Nelson Silva as Chair of the Corporate Responsibility Committee at the conclusion of the 2025 AGM.

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

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

Past appointments: Served as global head of CSR at Moody's Corporation, where she developed and implemented their global CSR strategy. Joined Moody's Corporation in 1998, where she held various senior leadership, analytical, commercial and relationship management roles. Prior to joining Moody's, served as CFO of Equinox Realty Advisors LLC, and before that was a portfolio manager with MetLife Realty Group, Inc. A former member of the advisory board of Agbanga Karite LLC.

Sundar Raman
Non-Executive Director

A C N R

Appointed: January 2022.

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

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

Past appointments: President, Home Care and P&G Professional with Procter & Gamble (P&G). Since starting his career with P&G in 1998 as a market analyst, he has held a number of senior leadership roles in business intelligence, marketing and innovation across a variety of product lines and market segments. Also served as chair of the American Cleaning Institute, and as a member of the board of the National Underground Railroad Freedom Center.

Nelson Silva
Non-Executive Director

A C N R

Appointed: July 2015. Appointed Chair of the Corporate Responsibility Committee in February 2017. Will retire from the Board at the conclusion of the 2025 AGM.

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

Other appointments: Non-executive director of Nutrien Ltd*, and Altera Infrastructure L.P., and an adviser to Appian Capital Advisory LLP and HSB Solomon Associates LLC.

Past appointments: Served as an executive director of Petróleo Brasileiro S.A., CEO of BG Group in South America, non-executive director of Cosan Limited, managing director of Embraer for Europe and Africa, CEO of All Logistica in Argentina and president of BHP Billiton's Aluminium business unit. Prior to joining BHP Billiton, he held a number of senior positions at Vale S.A., including sales and marketing director.

* Listed Company

Committee membership key

A Audit Committee
C Corporate Responsibility Committee
D Disclosure Committee
E Executive Committee
G General Business Committee
N Nomination Committee
R Remuneration Committee
T Treasury Management Committee
Chair
Senior Independent Director
Designated Non-Executive Director for Workforce Engagement
Secretary

Ireena Vittal
Non-Executive Director

A C N R

Appointed: July 2015. Appointed Designated Non-Executive Director (DNED) for Workforce Engagement in October 2019. Stepped down from this role in October 2024. Will retire from the Board at the conclusion of the 2025 AGM.

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

Other appointments: Independent director of Asian Paints Limited*, Maruti Suzuki India Limited*, and UrbanClap Technologies India Private Limited. Non-executive director of Diageo plc*, and a member of the advisory board of Russell Reynolds Associates.

Past appointments: Served as a non-executive director of Godrej Consumer Products Limited, WIPRO Limited, Housing Development Finance Corporation Limited, Titan Company Ltd, The Indian Hotels Company Limited, Cipla Limited, Tata Global Beverages Limited, Tata Industries, Zomato Media Private Limited, GlaxoSmithKline Consumer Healthcare, and Axis Bank Limited; and also as head of marketing and sales at Hutchinson Max Telecom, and a partner at McKinsey & Company.

Leanne Wood
Non-Executive Director

A C N R

Appointed: May 2023.

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

Other appointments: Chief Human Resources Officer of Vodafone Group Plc*, and lead Vodafone non-executive director for Vodacom Group Limited*.

Past appointments: Served as non-executive director and chair of the Remuneration Committee of The Go-Ahead Group Plc. Prior to joining Vodafone, served as the chief people, strategy and corporate affairs officer for Burberry Plc, and worked for Diageo plc for 15 years in a variety of roles, latterly as its group HR director. During her career she has also worked in strategy and finance roles for Allied Domecq Plc, LEK Consulting and United Distillers.

Alison Yapp
Group General Counsel and Company Secretary

A C N R D E G

Appointed: October 2018.

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

Other appointments: None.

Past appointments: Served as chief general counsel and company secretary of Amec Foster Wheeler plc, company secretary and general legal counsel of Hays plc and company secretary and group legal adviser of Charter plc. Prior to joining Charter, she held a number of senior legal roles at Johnson Matthey plc and was a corporate and commercial lawyer at Turner Kenneth Brown.

Scheduled Board and committee meeting attendance table*

	Board	Audit Committee	Corporate Responsibility Committee	Nomination Committee	Remuneration Committee
Ian Meakins	6/6	–	3/3	4/4	–
Dominic Blakemore	6/6	–	3/3	–	–
Petros Parras[1]	5/5	–	2/2	–	–
Palmer Brown	6/6	–	3/3	–	–
Gary Green[2]	1/1	–	–	–	–
Carol Arrowsmith[3]	2/2	1/1	1/1	1/1	1/1
Anne-Françoise Nesmes	6/6	3/3	3/3	4/4	5/5
Liat Ben-Zur[4]	2/2	1/1	1/1	2/2	2/2
Stefan Bomhard	6/6	3/3	3/3	4/4	5/5
John Bryant	6/6	3/3	3/3	4/4	5/5
Juliana Chugg[5]	–	–	–	–	–
Arlene Isaacs-Lowe	6/6	3/3	3/3	4/4	5/5
Sundar Raman	6/6	3/3	3/3	4/4	5/5
Nelson Silva	6/6	3/3	3/3	4/4	5/5
Ireena Vittal	6/6	3/3	3/3	4/4	5/5
Leanne Wood	6/6	3/3	3/3	4/4	5/5

* In addition to the above, a number of unscheduled Board and committee meetings were held to deal with important out-of-schedule business.

1. Appointed to the Board on 1 December 2023.
2. Retired from the Board on 30 November 2023.
3. Retired from the Board on 8 February 2024.
4. Appointed to the Board on 1 July 2024.
5. Appointed to the Board on 26 September 2024.

Directors' diversity of skills and experience

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

Board tenure

Board balance

Executive Committee

Full biographies of the members of the Executive Committee are on our website: www.compass-group.com.

Biographies of Dominic Blakemore, Petros Parras, Palmer Brown and Alison Yapp, who are also members of the Executive Committee, are on pages 56 and 59.

Deborah Lee
Group Chief People Officer (CPO)

Appointed: September 2021. Joined the Group in 2019.

Key skills and competencies:
Highly experienced in strategic leadership, stakeholder engagement and people management in multinational environments.

Shelley Roberts
Group Chief Commercial Officer (CCO)

Appointed: January 2022. Joined the Group in 2017.

Key skills and competencies:
Extensive strategic, operational and commercial management experience, including M&A, gained in leadership positions within Australian and FTSE-listed organisations in highly complex operating environments.

Robin Mills
Chief Executive Officer, UK & Ireland

Appointed: November 2015. Joined the Group in 2008.

Key skills and competencies:
A respected innovator with significant experience in people management and business operations.

Kathinka Friis-Møller
Chief Executive Officer, Europe and the Middle East

Appointed: February 2022. Joined the Group in 2012.

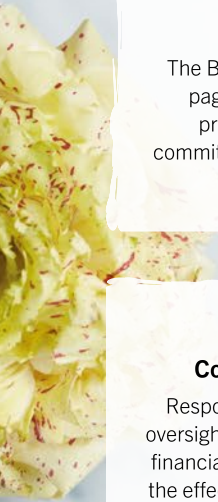
Key skills and competencies:
Extensive commercial and operational experience and significant experience in change management.

Gaétan de L'Hermite
Chief Executive Officer, Asia Pacific

Appointed: October 2022. Joined the Group in 2002.

Key skills and competencies:
Strong business development and operational leadership acumen with significant experience in market innovation and change management.

Governance framework



Board

The Board comprises the Chair, executive directors and independent non-executive directors, and their biographies can be found on pages 56 to 59. The Board is responsible for establishing the Group's purpose, values, strategies and objectives to generate and preserve value over the long term for shareholders and to contribute to wider society. The Board is supported by four principal committees (Audit, Corporate Responsibility, Nomination and Remuneration), each of which is responsible for the matters delegated by the Board and set out in its own terms of reference which are on our website: www.compass-group.com.

Audit Committee

Responsible for the oversight of the Group's financial reporting and the effectiveness of the internal and external audit functions.

See pages 73 to 78

Corporate Responsibility Committee

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

See pages 79 to 81

Nomination Committee

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

See pages 82 to 85

Remuneration Committee

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

See pages 86 to 118

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

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

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

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

Responsibilities of the Board

Leadership

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

Purpose, values and culture

The Group's caring, winning culture is integral to its success. It defines Compass, what the Company stands for, and how it does business. Compass' reputation has been built on a firm foundation of ethical values, underpinned by a clear and effective governance system. This culture has helped protect and deliver the long-term value of the Company and supports its strategy to deliver sustainable growth.

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

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

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

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

Cultural indicators

Health and safety

- Total Recordable Injury Frequency Rate (TRIFR)
- Food Safety Incident Rate (FSIR)
- safety walks and outcomes

People

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

Ethics and integrity

- adherence to the Code of Business Conduct and the Business Integrity Policy
- annual confirmation of compliance and pledge in respect of compliance with the CBC by senior managers
- SpeakUp, We're Listening statistics and trends

Clients and suppliers

- client retention rates
- adherence to the Global Supply Chain Integrity Standards
- adherence to Supplier Code of Business Conduct
- supplier audits

Sustainability

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

Workforce engagement

The Designated Non-Executive Director for Workforce Engagement (DNED) provides a communication channel between the Group's workforce and the Board to ensure that the employee voice is represented in the boardroom. As part of a structured programme of engagement, the DNED holds roundtable meetings with a diverse set of employees representing different sectors, countries and cultures. For more details see page 66.

Governance and risk

It is the Board's responsibility to have oversight of risk management and to set risk appetite. A robust governance and risk management framework ensures that each business is being operated and managed appropriately, and that prudent and effective controls are in place to identify emerging risks and to mitigate and manage the principal risks. For further information on risk management refer to pages 23 to 28.

Group strategy

The Board's approval, effective oversight and monitoring of the implementation of strategy are imperative to the long-term sustainable success of the Group. The Board considers and approves the Group's strategic aims over the short, medium and long term. The implementation of strategy is monitored and assessed on an ongoing basis. Food service remains at the core of Compass' strategy and the global food service market continues to provide significant growth opportunities. To ensure Compass continues to be in a position to capture future market opportunities, the business creates innovative, bespoke offerings tailored to the needs of clients and consumers. More details of Compass' business model and strategy are on pages 1 to 53.

Engagement with stakeholders

The Board ensures that the Company continues to operate in the best interests of its shareholders as a whole. In exercising its duty to promote the success of the Company, the Board also has regard to other stakeholders, the environment, the reputation of the Company and the need to act fairly between its members. How the Company engages with its stakeholders and how the Board has oversight of stakeholder engagement is on pages 68 to 71. The Company's section 172 statement is on page 68.

Management delegation and oversight

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

Roles in the boardroom

The Board comprises executive and non-executive directors, which ensures that no individual or small group of individuals dominates the Board's decision-making. All non-executive directors, except the Chair of the Board, are considered independent. The Chair was considered to be independent on appointment. The roles and responsibilities of Board members are detailed below and demonstrate a clear division between the roles and responsibilities of the Board and executive management. The role descriptions of the Chair of the Board, Group CEO and SID are reviewed annually by the Board and are updated as necessary to reflect changes in legislation or best practice. These role descriptions were last reviewed in September 2024. It was concluded that the role descriptions in their current form continue to be fit for purpose and no changes were made. Copies of the documents can be found on our website: www.compass-group.com.

Chair of the Board

Leading the Board and ensuring its overall effectiveness in discharging its duties:

- shaping the culture in the boardroom and promoting openness, challenge and debate
- setting the agenda for Board meetings, focusing on strategy, performance, value creation, risk management, culture, stakeholders and accountability
- chairing meetings and ensuring there is timely information flow before meetings and adequate time for discussion and debate
- fostering relationships based on trust, mutual respect and open communication inside and outside the boardroom
- leading relations with major shareholders to understand their views on governance and performance against strategy

Senior Independent Director

Providing a sounding board for the Chair of the Board and serving as an intermediary for other directors and shareholders:

- providing the Chair of the Board with support in the delivery of objectives, where necessary
- working closely with the Nomination Committee, leading the process for the evaluation of the Chair of the Board and ensuring orderly succession to the Chair role
- acting as an alternative contact for shareholders, providing a means of raising concerns other than with the Chair of the Board or senior management

Independent Non-Executive Directors

Independent non-executive directors meeting the independence criteria as set out in the UK Corporate Governance Code comprise more than half of Board membership:

- providing constructive challenge, giving strategic guidance, offering specialist advice and holding executive management to account
- ensuring that no individual or small group of individuals can dominate the Board's decision-making

Designated Non-Executive Director for Workforce Engagement

Providing an effective engagement mechanism for the Board to understand the views of the workforce:

- bringing the views and experiences of the workforce into the boardroom
- enabling the Board to consider the views of the workforce in its discussions and decision-making

Group CEO and other executive directors

Leading the implementation of the Group's strategy set by the Board:

- Group CEO: leading the Executive Committee and ensuring its effectiveness in managing the overall operations and resources of the Group; also leading the implementation of the Group's strategy
- Executive Directors: providing information and presentations to the Board and participating in Board discussions regarding Group management, financial performance and operational matters

Group General Counsel and Company Secretary

Supporting the Chair of the Board and ensuring directors have access to the information they need to carry out their roles:

- providing a channel for Board and committee communications and a link between the Board and management
- advising the Board on legal and corporate governance matters and supporting the Board in applying the Code and complying with UK listing obligations, and other statutory and regulatory requirements

Board activities

Board agenda for 2023-2024

	November	February	March	May	July	September
Purpose, strategy and implementation						
Group CEO's review, including a business update covering financial performance, health and safety performance, ESG, people and cultural indicators, initiatives and performance	●	●	●	●	●	●
Group CFO's report, including Group financial performance, results and outlook, finance, treasury, tax, cyber-security arrangements and technology developments	●	●	●	●	●	●
Group COO, North America's report, including an update on the North America business covering financial performance, health and safety performance, ESG, people and cultural indicators, initiatives and performance	●	●	●	●	●	●
M&A and disposals, contract approvals and other capital expenditure	●	●	●	●	●	●
Strategy review including Group, regional and sector/forum updates, post-investment reviews, and budget and three-year plan	●	●	●	●	●	●
Stakeholder engagement and shareholder analysis		●	●	●		●
Risks						
Formal biannual Major Risk Assessment process				●		●
Governance						
Review of full-year results including going concern, viability statement, final dividend and share buyback	●					
Review of half-year results and interim dividend				●		
Trading update		●			●	
Review of 2024 AGM Notice of Meeting	●					
Approval of corporate governance documentation	●			●		●
Approval of Board appointments/changes to directors' roles and responsibilities				●		●
Review and approval of Board and Committee minutes	●	●	●	●	●	●
Effectiveness						
Annual Board evaluation process and outturn				●	●	
Annual and ad-hoc review of directors' conflicts of interest	●	●			●	

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

People

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

Site visits

In March, the Board visited the Group's business in Spain. During its programme of activities, the Board visited two client sites in Madrid where it met with the clients to hear about their experience of working with Compass.

The Board also met with members of the regional leadership team from Europe and the Middle East (EME) and the Iberia leadership team. The EME team provided an update on the region, the second largest in the Group, part of which included a safety moment described by management and the year-to-date health and safety performance metrics against the KPIs established at the start of the financial year. The agenda also covered the strategic priorities and growth ambitions for the region together with a deep dive on the Group's businesses in Spain, Germany and France led by the country managing directors. The visit to Madrid also provided an opportunity for the Board to meet with local management and country teams on a more informal basis.

The May Board meeting was held in New York. The first day of the Board's visit was dedicated to a strategy review of the North America business which included: growth at scale, talent recruitment, retention and development, and an overview of its HSE and financial performance, future ambitions, and strategic priorities and plans. This was followed by individual strategy sessions on each of the Healthcare & Senior Living, Business & Industry, Education and Sports & Leisure sectors, as well as the business' procurement company, Foodbuy, and the use of technology and innovation to drive growth.

As part of the Board's activities, directors visited client sites and met with members of the North America leadership team from across all sectors. Additionally, the Board joined a Compass Community Council meeting which was attended by almost 2,000 Compass colleagues to hear from the North America leadership on current performance and recent developments and to celebrate employee long-service achievements. This event provided the Board with an opportunity to meet a wide range of Compass employees.

Townhalls

During the year, the Group CEO, Group CPO, and other senior executives held townhalls and made presentations to update employees on the Group's strategy and performance, and on key initiatives such as the Group's climate net zero commitment. The format of the townhalls included Q&A sessions for employees to ask questions and a proportion of the time was also allocated to celebrating the achievements of front-line and other colleagues, who shared their experiences of working at Compass.

Designated Non-Executive Director for Workforce Engagement (DNED)

The role of the DNED is to provide an effective communication channel between the Group's workforce and the Board to ensure that the employee voice is represented in the boardroom.

During the year under review, DNED Ireena Vittal held four roundtable meetings with employees from a variety of sectors, businesses and geographies across the Group as part of a structured programme of engagement designed and supported by the Group CPO. These roundtables provided the DNED with opportunities to hear directly from employees in an open environment, which in turn enabled the Board to better understand the differing views of our people. Participating colleagues valued the opportunity to share experiences and learn from each other. They particularly appreciated the open, intimate structure of the sessions and the freedom to explore a variety of topics that are important to them. The feedback from these roundtables was combined with the output from the Group's wider engagement activities and reported to the Corporate Responsibility Committee. The main themes discussed in the roundtables included: colleagues' support for and interest in the development programmes and other initiatives to grow and develop internal talent; the positive caring, winning culture within Compass; the benefits of moving talent around the Group; and the deployment of technology to support unit managers.

DNED roundtables in 2024

14 March 2024 Group 1:
UK, Australia, India

14 March 2024 Group 2:
USA, Northern Europe, UK

21 August 2024 Group 1:
USA, UK

21 August 2024 Group 2:
Hong Kong, Australia, Germany

The flags above indicate the countries represented by employee attendees.

Two further employee roundtables were held in the year hosted by Non-Executive Director and incoming DNED Liat Ben-Zur. These sessions were held with employees from seven countries across the Group (Australia, Denmark, Germany, India, Sweden, UK and the US) and focused on people matters including: diversity, inclusion and development; training and reward; digital technologies and artificial intelligence; and culture.

Feedback from employee roundtables, and output from the wider engagement activities, enable the Board to understand what matters to employees, and the ongoing engagement activities have provided invaluable employee insight and helped inform the Board's discussions and decision-making during the year. More information on our people initiatives can be found on pages 30 to 33.

Performance

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

At every meeting, the Board receives a report from the Group CEO on progress against the Group's strategy, and from the Group CFO, setting out the financial performance of the regions and the Group in the latest period and for the year to date.

The Board considers the key financial performance metrics, including revenue, organic revenue growth, operating profit and margin, operating cash flow and cash flow conversion. It also regularly reviews the financial outlook of the Group.

The Group CFO's report also provides the Board with updates on tax and treasury matters, cyber-security arrangements and technology developments.

In addition, the Group COO, North America regularly updates the Board on performance and recent developments in North America, Compass' largest market.

The Board also receives annual business updates from the regional management teams as part of the regional strategy reviews.

Twice a year, the Board reviews the major financial and non-financial risks facing the Group's businesses, including any new and emerging risks, and agrees the Group's principal risks at the half and full year. It also considers the identification of risks and opportunities, the development of action plans to manage risks and maximise opportunities, and the continual monitoring of progress against agreed Key Performance Indicators. The Board has also established processes for identifying emerging risks and horizon scanning for risks that may arise over the medium to long term. The Group's emerging and principal risks, and how these are managed, are set out on pages 23 to 28.

In September, the Board reviewed the Group's preliminary budget for the financial year ending 2025 and the three-year plan for 2025-2027. The budget and the three-year plan were both approved in September 2024.

During the year, the Board evaluated the strategic rationale for the acquisitions of CH&CO and HOFMANN[s] by the Group's UK and German businesses respectively.

The Board approved both transactions, concluding that they were in line with the Group's strategy and capital allocation model and would further strengthen the Group's capabilities.

More details can be found on page 72.

Purpose

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

During the year, the Corporate Responsibility Committee continued to monitor the food waste tracking technology which has been rolled out to operations across the Group. Reduction of food waste is one of the key environmental challenges in our sector and one where we have the greatest potential to make a significant impact. Further information about our food waste reduction initiatives can be found on page 38.

In February, the Chair of the Board, together with the Group CEO, Group CFO, SID and Committee Chairs attended the 2024 AGM with the other non-executive directors participating online. The AGM is an important annual event in the Board's calendar where the directors hear directly from shareholders, answer their questions and meet with them on a more informal basis after the meeting. At the 2024 AGM, shareholders asked questions about a wide range of topics, including Compass' plans to achieve climate net zero by 2050, how we intend to continue to attract, retain and grow talent, our M&A and disposal strategy, and the potential impact of the UK and US elections on the Group. In addition to the AGM, the Group CEO, Group CFO, other directors and senior managers also met regularly with investors as part of the Group's investor engagement programme. The Remuneration Committee Chair also engaged extensively with investors, with a focus on the new Remuneration Policy that will be put to shareholders for approval at the 2025 AGM. Details of that engagement process can be found in the Directors' Remuneration Report on pages 86 to 118.

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

The 2023 MSA statement can be found on our website: www.compass-group.com. The 2024 MSA statement will be published on our website in December 2024.

For further information on the above, see the Purpose section on pages 34 to 40.

Section 172 and stakeholder engagement

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. In making decisions, the directors consider what is most likely to promote the success of the Company for its shareholders in the long term, while having regard to the interests of the Group's other stakeholders. The directors understand the importance of taking into account the views of stakeholders and the impact of the Company's activities on local communities, the environment, including climate change, and the Group's reputation.

The table below sets out the areas of this Report which demonstrate how the directors have had regard to their section 172 responsibilities.

Section 172 disclosure	**Page**
(a) the likely consequences of any decision in the long term	
Strategic Report	1 to 53
Consideration of stakeholder interests	72
(b) the interests of the company's employees	
Chief Executive's review	10
Strategic framework and our business model	3 to 6
Stakeholder engagement	68 to 71
People	30 to 33
Consideration of stakeholder interests	72
Remuneration Committee Report	86 to 118
Ethics and integrity	13 and 14
(c) the need to foster the company's business relationships with suppliers, customers and others	
Strategic Report	1 to 53
Stakeholder engagement	68 to 71
Consideration of stakeholder interests	72
(d) the impact of the company's operations on the community and the environment	
Strategic Report	1 to 53
Stakeholder engagement	68 to 71
TCFD disclosures	41 to 52
Consideration of stakeholder interests	72
Purpose	34 to 40
(e) the desirability of the company maintaining a reputation for high standards of business conduct	
Risk management	23 to 28
Consideration of stakeholder interests	72
Audit Committee Report	73 to 78
Ethics and integrity	13 and 14
Safety	12
(f) the need to act fairly as between members of the company	
Strategic Report	1 to 53
Stakeholder engagement	68 to 71, 89, 95 and 99
Consideration of stakeholder interests	72
Remuneration Committee Report	86 to 118

The above statement on section 172 of the Companies Act 2006 is incorporated by reference into the Strategic Report on pages 1 to 53.

Compass is a geographically and culturally diverse business with operations in around 30 countries. As a result, it has a global and diverse community of stakeholders, each with their own interests in, and expectations of, the Company.

As set out in the Strategic Report, we have a decentralised structure enabling the development of strategies on a country-by-country and sector-by-sector basis for which country management are responsible and accountable. The Board's role is therefore to provide a framework that gives the Group's businesses the freedom and flexibility to make decisions, pursue opportunities, and manage risks.

Responsibility for the day-to-day operational management and implementation of Group strategy has been delegated to the Group Executive Committee, led by the Group CEO.

To enable the effective day-to-day running of the Group's businesses, the country managing directors and local leadership teams are responsible for local strategy, execution and compliance, in alignment with Group values, governance and standards. Depending on the region, an additional layer of regional and functional leadership may be present. As a result, stakeholder engagement primarily takes place at a local operational level, and the Board relies on local management to keep it informed of the impact of the Group's operations on its stakeholders.

During the year, the Board and the Corporate Responsibility Committee considered information from across the Group's businesses and received presentations from management. This enabled the Board to consider the likely consequences of decisions over the long term and, where relevant, the impact on stakeholders and the environment. Examples of decisions made during the year, and the stakeholders impacted, are on page 72.

A summary and examples of how Compass engages with its stakeholders, and how the Board is involved and kept informed of stakeholder engagement, follow.

Clients

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
We engage with our clients so we can better understand what is important to them, and where appropriate create tailored solutions to meet their needs. We do this through quarterly business reviews, analysing their external messaging and engagement with surveys.	– clean and safe environments – technology solutions – DE&I – sustainability – cost-effective, quality food solutions – client employee engagement	– conducted external research to influence engagement – created bespoke strategies – hosted global events (e.g. Chef Appreciation Week and Stop Food Waste Day)	The Board is informed of performance through our regional CEOs who provide an overview of their operations. From these reports and those of the Group CEO and Group CCO, the Board is able to form a view of clients' experience of Compass and to adjust strategy accordingly.	Our ability to understand and anticipate what clients want and to tailor our solutions for both existing and new clients means that we are better able to win bids and maintain high client retention rates.

People

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
Our people are at the heart of our growth strategy. Understanding their needs and motivations helps drive performance and enables us to make Compass a fair and inclusive place to work for all, regardless of background.	– attraction and retention of talent – career opportunities and development – health and wellbeing – supporting diverse talent – building a caring, winning culture – executive remuneration	– engagement surveys – roundtables – sector/functional forums – Group executive, regional and local management townhall meetings/ presentations – engagement between investors and the Chair of the Remuneration Committee – SpeakUp, We're Listening reports – internal social media channels – consultative bodies – Be the Difference conference in the US	The Board receives regular updates through the Corporate Responsibility Committee on people matters and initiatives. The Designated Non-Executive Director for Workforce Engagement (DNED) engages directly with colleagues from across the Group to understand their views and to hear directly from employees about the issues most relevant to them. The DNED reports feedback from these sessions to the Board.	Engagement with colleagues highlighted the need for continued focus on talent recruitment and retention, including more efficient onboarding and improved visibility of development opportunities. The UK&I business launched Xcelerate, a state-of-the-art regional skills and learning centre for hospitality and community engagement. Colleague wellbeing is important, and functional and sector forums help identify focus areas and share best practices, such as the launch of a maternity uniform through the Women in Food network.

Suppliers

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
We work with our suppliers to ensure a cooperative, resilient and sustainable supply chain.	– supply chain integrity – health and safety – environmental impact – inflation – allergens/nutrition – ethics and human rights	– consistent dialogue – surveys – annual meetings/ conferences – collaboration to achieve sustainability commitments – roundtable participation with ethical suppliers – supply chain integrity – third-party audits	The Board is kept informed of supply chain initiatives through the Corporate Responsibility Committee, which receives reports from the Group CCO, the Sustainability team, the Group CPO and the Group Head of E&I, including work to identify and mitigate modern slavery in the Group's businesses and their supply chains.	By collaborating consistently and closely with suppliers, our businesses build longstanding and trusting partnerships which can improve product quality, reduce costs, enhance reliability, drive innovation and mitigate risks.

Shareholders

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
Our philosophy is to engage in regular, open and transparent dialogue with existing and prospective shareholders. Their views and opinions are shared with and valued by the Board, which reviews the feedback and, where appropriate, takes action to address any concerns.	– financial performance – competitive positioning – strategy and outlook – ethical business practices and sound governance – leadership and succession planning – debt and liquidity – sustainability and ESG – executive remuneration and the 2025 Remuneration Policy	– the Group CEO, Group CFO and IR team meet regularly with institutional investors – one-to-one and group meetings, webcasts, presentations and conference calls – half- and full-year meetings with representatives from institutional investors – meetings/ communications with major institutional investors on the 2025 Remuneration Policy – virtual investor procurement deep dive – 2023 Annual Report – 2024 AGM – regulatory announcements	The Chair of the Board ensures dialogue is maintained and Committee Chairs are available to engage on their areas of responsibility. Non-executive directors also develop a view of investor sentiment through updates from IR, the Group Director of Reward, and the Group General Counsel and Company Secretary, who acts as a focal point for shareholders throughout the year. Our AGM also provides a valuable opportunity for directors to engage directly with shareholders.	The Board considered investor views on shareholder returns when approving the dividends and share buybacks during the year. In addition, the Remuneration Committee Chair led an extensive consultation exercise with shareholders, which has informed the development of the 2025 Remuneration Policy to be put to shareholders for approval at the 2025 AGM.

Governments and regulators

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
Ongoing engagement with governments and regulators is carried out with those who have responsibility for implementing policy, and laws and regulations relevant to our business.	– consumer health and public health policies – food safety – workplace health and safety – human rights – climate change – legal and regulatory compliance – public sector procurement – government buying standards for food and catering services – school meals – social value – net zero	– the UK&I business engaged with multiple UK government departments, including the Cabinet Office and DEFRA. Topics included food-waste reporting and nutritional standards in the public sector – UK&I CEO's membership of the UK Government's Food and Drink Sector Council	The Group General Counsel and Company Secretary, Head of Group Tax, and other subject matter experts regularly update the Board and its committees on regulatory developments affecting the Group and its businesses. The Board receives updates from the regional CEOs and country managing directors on relevant developments in their businesses.	Ongoing engagement with governments and participation in relevant consultations.

Consumers

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
We engage with our consumers to better understand changes in consumer demand and trends so that we can adjust our offers accordingly. This ensures that our offering continues to excite and engage consumers.	– technology solutions to ensure ease of payment and efficient service – offerings that highlight wellness and sustainability	– hosted global events (Chef Appreciation Week and Stop Food Waste Day) – sustainable menus (climate-friendly, locally-sourced, diverse suppliers) – wellness offerings – external research to influence engagement – interactive cooking demonstrations – front-line engagement	The Board receives updates from sector leaders on developments in consumer food trends.	Our innovative offerings receive high customer satisfaction scores and increase levels of participation. External research helps us to pivot our offer to satisfy consumer trends. Our global events, such as Stop Food Waste Day and Chef Appreciation Week, create excitement throughout the year, which increases footfall at our venues.

Communities

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
We engage with the communities in which we operate to build trust locally and to provide training opportunities, careers and support to local people. We do this through partnering with local organisations such as charities, food recovery networks and employment programmes.	– fair employment and equal opportunities – support for local causes and issues	– The Compass Group Foundation – local farms – women and minorities – veterans	The Board receives updates on community engagement through the Corporate Responsibility Committee, which is updated by the Group CCO and Group Sustainability team, and through presentations given to the Board by country and regional teams.	The Compass Group Foundation supports multiple charities around the world. During the year, the Foundation provided grants to several organisations that support the Charity's aims. For example, in the US this included Cakeable, Hot Bread Kitchen and Emma's Torch, all of which help disadvantaged individuals build careers in the food industry.

Non-governmental organisations

Why we engage	Areas of focus	Engagement in the year	How the Board has oversight	Outcomes and actions
We engage with non-governmental organisations (NGOs) to help us to develop action plans that have positive impacts on social, environmental and economic issues.	– environmental issues (e.g. food waste, climate, deforestation) – human rights – animal rights – social justice	– regular engagement including meetings, conferences and communications – partnerships with NGOs to tackle food and set plastic waste reduction goals – engagement in thought leadership workstreams and roundtables – ongoing dialogue with NGOs on animal welfare goals	The Board receives updates on engagement with NGOs through the Corporate Responsibility Committee. The CRC receives reports from the Group CCO, the Group Sustainability team and the Group Director for Employment, Equity and Social Impact on key areas of focus.	Working closely with NGOs provides insights that help us to develop action plans that have positive impacts on social, environmental and economic issues.

Consideration of stakeholder interests during the year

The examples below give an insight into how the Board had regard for the interests of stakeholders in its decision-making processes during the year.

Key decisions

Shareholder returns

The Board recognises the importance of shareholder returns and, during the year, rewarded shareholders by recommending an increased final dividend of 28.1 pence per share for the financial year ended 30 September 2023, and approving an increased interim dividend of 20.7 cents (16.2 pence) per share for the financial year ended 30 September 2024. The Board also approved a share buyback of up to $500 million in the year under review.

In its deliberations, the Board considered the Group's growth prospects and its strong financial performance in the 2023 financial year and in the first six months of the 2024 financial year, including its cash position and distributable reserves, together with its stated dividend policy and capital allocation model, as set out on pages 5 and 19. The Board also considered shareholders' views and the impact of the dividend payments and share buybacks on the Group's UK defined benefit pension scheme. The Board concluded that approval of the dividends and the share buybacks were in the best interests of the Company and its shareholders as a whole and that there was no material impact on the UK defined benefit pension scheme considering its current surplus.

The Board also considered and approved the proposed resolutions to be put to shareholders at the 2024 AGM, which included the payment of the final dividend for the year ended 30 September 2023 together with the approval of the Company's authority to purchase its own shares. Each of the proposed resolutions was approved by shareholders at the 2024 AGM.

Stakeholders impacted:

Shareholders **People**

Bond issuance

During the year, approval was sought from the Board to issue term debt to finance M&A activity and maintain the Group's liquidity headroom.

In its deliberations, the Board considered the maturity profiles of existing term debt issues together with the status of M&A activity, including timing considerations and pricing options.

The Board approved in principle the recommendation to issue term debt and delegated authority to a committee of the Board to finalise all aspects of the proposed debt issuance.

Ultimately, this resulted in the issuance of a fixed-rate sustainable bond of €750 million ($806 million) maturing in 2031 and a fixed-rate sustainable bond of €500 million ($557 million) maturing in 2033, pursuant to the Company's Sustainable Financing Framework.

The proceeds of the bond issue will be used in line with the Group's Sustainable Financing Framework on projects that will enhance responsible sourcing, products purchased from local and diverse suppliers, and other sustainable expenditure which supports decarbonisation within the Group's value chain.

Stakeholders impacted:

Clients **Suppliers** **Shareholders**

Acquisitions

CH&CO

The Board considered a proposal to acquire CH&CO, a leading catering group offering premium contract and hospitality services across the UK and Ireland.

The Board evaluated the strategic rationale for the acquisition, including potential synergies and expected financial returns, and determined that the acquisition would add further capabilities and scale to the UK&I's existing business. This would enhance Compass Group's footprint in the UK and Ireland and provide a platform for potential accelerated growth and margin progression.

HOFMANNs

The Board also considered a proposal to acquire HOFMANNs, a German producer of high-quality cook-and-freeze meals.

The Board evaluated the strategic rationale for the acquisition, and noted the potential synergies and financial returns, key risks and mitigations, together with integration considerations.

The acquisition would add new capabilities and distribution channels to the Group's German business, and the Board noted the potential for accelerated growth and margin progression. The acquisition would also differentiate Compass from its competitors by bringing further capabilities and scale to the German business. The Board also reviewed the key transaction and integration risks together with the mitigations designed to ensure a successful execution of the acquisition.

The Board approved both transactions, concluding that they were in line with the Group's strategy and capital allocation model and would further accelerate growth and enhance shareholder returns.

Stakeholders impacted:

Shareholders **Suppliers** **Clients**

Consumers **People**

Audit Committee Report

Anne-Françoise Nesmes
Chair of the Audit Committee

Committee responsibilities

The Audit Committee is responsible for monitoring the integrity of the Group and Company's published financial statements and related disclosures; and for assessing formal announcements concerning the Group's financial reporting matters, as well as key accounting and audit judgements related to the preparation of the Group and Company's financial statements. Other responsibilities include:

- reviewing the adequacy and effectiveness of the risk management and internal control systems, including the Group's key internal controls over financial reporting and the IT controls framework, and providing assurance to the Board
- reviewing the going concern and viability statements
- monitoring and reviewing the role, mandate and effectiveness of the Group's Internal Audit function
- managing the selection, appointment, independence, effectiveness and remuneration of the Group's external auditor, including compliance with the Non-Audit Services Policy
- reviewing arrangements for the Group's workforce and other stakeholders to raise concerns in confidence about possible improprieties in financial reporting or other matters (via SpeakUp, We're Listening), and ensuring that they are investigated
- advising the Board on how it has discharged its responsibilities and considering whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and providing assurance to the Board

The Committee's full terms of reference are on our website:

www.compass-group.com.

Governance

Anne-Françoise Nesmes was appointed Chair of the Audit Committee in February 2021. She is a chartered management accountant and is considered by the Board to have recent and relevant financial experience and to be competent in auditing and accounting.

Committee membership comprises the Chair of the Committee and all the non-executive directors (other than the Chair of the Board). Committee members have appropriate financial and commercial experience in multinational and/or complex organisations, combined with a sound understanding of the Company's business, and are therefore considered by the Board to be competent in the Company's sector. The expertise and experience of the Committee members' can be found in the biographies on pages 57 to 59. The Board considers each Committee member to be independent in accordance with the UK Corporate Governance Code 2018 (the Code) and capable of assessing the work of management, the assurances provided by the Internal Audit function and the external auditor, and the effectiveness of the risk management and internal control systems.

The Committee held three meetings during the year. The attendance table is on page 60. The Committee Chair engages regularly with key individuals involved with the Company's governance. The Chair also has regular contact with the external Senior Statutory Audit Partner and attends the AGM virtually or in person to respond to questions on the Committee's activities.

Only members of the Committee have the right to attend its meetings. However, typically the Chair of the Board, Group CEO, Group CFO, Group Financial Controller, Head of Group Tax and Director of Risk and Internal Audit together with the external auditors attend Committee meetings. The Group General Counsel and Company Secretary, who acts as Secretary to the Committee, attends all meetings. Other members of senior management are invited to present reports that are needed for the Committee to discharge its duties. The Committee holds regular private discussions with Committee members and also meets separately with the external auditor and the Group Director of Risk and Internal Audit without executive management and other invitees present. The Committee Chair also meets separately with the Head of Group Tax and the Head of Group Treasury.

The Committee is authorised to seek external legal and independent professional advice as it sees fit.

The Committee has an annual agenda aligned to its terms of reference and key events in the Company's financial calendar. It provides flexibility to include additional topics of particular importance so as to allow the Committee to respond to emerging issues.

During the year, the Committee reviewed the interim and annual financial statements and considered the following:

Financial reporting and accounting matters

Fair, balanced and understandable

Whether the description of the performance of the Group in the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Risk management and internal controls

The adequacy and effectiveness of risk management and internal control systems (including financial controls, cyber-security risk and the implementation of ERP systems).

Clarity of disclosures and compliance

The clarity of disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements and guidelines, including in relation to Alternative Performance Measures.

Accounting policies

The accounting policies adopted in the Group's financial statements, any proposed changes to them and the adequacy of their disclosure.

Significant transactions, accounting matters, and key judgements and estimates

The significant transactions, accounting matters, and key judgements and estimates used in preparing the 2024 Annual Report and Accounts and the interim financial statements, and in particular management's assumptions underpinning the going concern and viability statements.

TCFD disclosures

The Company's disclosure in the Strategic Report on the Task Force on Climate-related Financial Disclosures (TCFD) reporting requirements, and related disclosures in the financial statements.

Non-financial Key Performance Indicators

Non-financial data points which help investors to develop a deeper understanding of Compass' business and to assess the Group's progress and performance against its strategy.

Governance reforms

Consideration of the Financial Reporting Council's (FRC) revised UK Corporate Governance Code published in January 2024.

In discharging its responsibilities relating to the financial statements for the financial year ended 30 September 2024, the Committee reviewed the following and concluded that such judgements and estimations were appropriate:

Areas of significant accounting judgement and estimation	Page
Carrying value of goodwill The Group undertakes a formal goodwill impairment exercise for its cash-generating units (CGUs) at least once a year in accordance with IAS 36 Impairment of Assets, based on the most recent approved budget and financial plan. The Committee received and discussed reports from the Group Financial Controller on the methodology and the basis of the assumptions used. In 2024, the headroom in the UK CGUs was an area of particular focus. The Committee noted that the UK CGU is sensitive to reasonably possible changes in key assumptions. The Committee reviewed the goodwill impairment assessment disclosures and concluded that these were acceptable.	158 to 160
Tax The Group operates in multiple tax jurisdictions and is subject to the rules of their various taxation authorities. Due to the complexity and changing nature of tax rules and transfer pricing across multiple tax jurisdictions, a degree of judgement is required in determining levels of tax recognised in the financial statements. The Committee received briefings and discussed reports from the Head of Group Tax on the potential liabilities identified, levels of provisioning and the basis of the assumptions used.	153 to 156
Acquisition accounting The valuation of assets on acquisition requires judgement. Estimation is required in determining the future cash flows and discount rates used to value these assets. The Committee received and discussed reports from the Group Financial Controller on the methodology and the basis of the assumptions used.	198 to 201
Strategic portfolio review The Group has continued its strategic portfolio review to allow the focus of its resources on its core operations, which in the year resulted in the exit from several countries and the decision to discontinue the implementation and roll out of the Europe cross-market ERP programme. The Committee received reports from management on overall disposal accounting and the timing and de-recognition and impairment of assets (including head office computer software assets).	150 and 201
Post-employment benefits The Group's defined benefit pension schemes are assessed half-yearly in accordance with IAS 19 Employee Benefits. The present value of the defined benefit liabilities is based on assumptions determined following independent actuarial advice. The Committee received reports from the Group Financial Controller on the methodology and the basis of the assumptions used.	185 to 192
Presentation currency From 1 October 2023, the Group's presentation currency changed from sterling to US dollars to provide greater transparency of the Group's performance and to reduce foreign exchange volatility. The Committee noted that at the 2023 financial year end and 2024 half year, all amounts for prior periods had been restated in US dollars.	144
Going concern and viability The Committee received reports from the Group Financial Controller on the methodology and the basis of the assumptions used in assessing going concern and viability. Having reviewed liquidity and compliance with debt covenants through the year, for half-year and full-year reporting, the Committee reviewed the going concern and viability assumptions, including consideration of a range of severe but plausible events that could have an impact on the Group's viability and going concern outlook.	29 and 145

Fair, balanced and understandable Annual Report and Accounts

The Code provides that the Board should provide a fair, balanced and understandable assessment of the Company's position and prospects in its Annual Report and Accounts. At the Board's request, the Committee has reviewed the 2024 Annual Report and Accounts to determine whether it considers the Annual Report and Accounts, taken as a whole, meets this standard and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee has concluded that this requirement has been met.

Throughout the Annual Report and Accounts, performance during the year is presented against a mix of financial and non-financial KPIs, which the Board and executive management consider best reflect the Company's strategic priorities. The Committee has considered these KPIs and is satisfied that the information that has been selected by the Board and executive management will help to convey an understanding of the performance and the culture of the business, and the drivers which contribute to its success, and will be of interest to stakeholders.

Risk management and internal controls

The Committee is responsible for reviewing the Company's internal financial controls and internal control and risk management systems. During the year, the Committee:

- received and discussed regular reports summarising: the Group's risk management activities; the identification of any changes to the principal risks including the reduced risk exposure in certain areas including political instability, economic volatility, employee welfare (particularly foreign migrant labour risks) and international tax following the Group's exit from a number of countries deemed both higher-risk and non-core to long-term business objectives; emerging risks such as the continued development of generative artificial intelligence (AI), and the actions taken to mitigate these risks
- reviewed the findings from internal audits and status of resultant actions agreed with management
- monitored delivery of the internal audit plan, and reviewed and approved the internal audit plan for 2025-2027
- reviewed the resources, terms of reference and effectiveness of the Internal Audit and Risk Management function
- reviewed and approved the Group Risk Management Policy
- reviewed arrangements for the Group's workforce/stakeholders to raise concerns in confidence about possible improprieties in financial reporting or other matters (via SpeakUp, We're Listening)
- received an update from the Group Head of Ethics and Integrity (E&I) on the business integrity risk profile and the effectiveness of the SpeakUp, We're Listening programme
- received a report from the Group Director of Risk and Internal Audit in relation to theft and fraud
- received regular reports from the Head of Group Tax on tax policies, uncertain tax positions, and tax audits and enquiries
- received reports from the Group Financial Controller on Certificates of Assurance and on compliance with the key internal controls over financial reporting
- received updates on the activities of the Regional Governance Committees
- received updates in relation to cyber-security arrangements
- received updates in relation to the implementation of ERP systems in Europe and North America

The Audit Committee reviews the integrity of any material financial statements made by the Company. It monitors and conducts a robust review of the effectiveness of the Group's internal control systems, accounting policies and practices and certain compliance controls (including key controls over financial reporting), as well as the Company's statements on internal control, before they are agreed by the Board for inclusion in the Annual Report and Accounts.

In accordance with the guidance set out in the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014, and in the Corporate Governance Code, the Group has established a risk management framework. This has been in place for the full financial year and up to the date on which the financial statements were approved. The framework is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives, to safeguard the Group's assets against material loss, to fairly report the Group's performance and position, and to ensure compliance with relevant legislation and regulation including that related to social, environmental and ethical matters. The framework provides reasonable, but not absolute, assurance against material misstatement or loss. Further details of the Group's risk management framework and principal risks are set out on pages 23 to 28.

The Audit Committee is responsible for reviewing the risk management framework. As part of this process, Group companies submit biannual Certificates of Assurance to the Group CFO on internal control and risk management matters. The Group Financial Controller summarises these submissions for the Audit Committee, and the Chair of the Audit Committee reports to the Board on any matters that have arisen from the Committee's review of the way in which risk management and internal control processes have been applied. The Committee annually reviews and considers the effectiveness of Compass' approach to risk management and any changes to the risk policy.

Management have defined a set of key internal controls over financial reporting which must be complied with by all countries. These key internal controls over financial reporting (KFCs) are regularly reviewed by the Group Financial Control team to ensure compliance with best practice, regulations and standards, and the Committee was briefed on the work undertaken to further enhance the Group's KFCs.

Compliance with the KFCs is tested by Group Internal Audit annually for the Group's largest countries and on a rotational basis for other countries, and the results are reported to the Committee. The Committee received details of the testing and assessments that had been undertaken and these did not identify any areas of non-compliance that could have a reasonable possibility of resulting in a material error or misstatement of the Group's consolidated financial statements.

The Committee and the Board remain satisfied that the Company's risk management framework continues to operate effectively and provides the necessary flexibility without compromising the integrity of the risk management and internal control systems.

Whistleblowing, anti-bribery and fraud

The Audit Committee receives updates on any allegations of theft or fraud in the businesses, with individual updates being given to the Committee, as needed, in more serious cases. The Group's Business Integrity Policy (BIP) and Code of Business Conduct (CBC) strictly prohibit any involvement in theft or fraudulent activities whatsoever. The BIP sets out the expectations for risk-assessing, and reporting and documenting any fraud in accordance with local requirements and the Speak and Listen Up Policy. It also sets out how allegations and incidents are to be followed up, such as through investigations conducted by the Internal Audit, E&I or Legal teams. Fraud and theft reports are consolidated at Group level, and feed into the regular updates presented to the Committee.

The Corporate Responsibility Committee oversees the continued development of the Group's overall E&I programme, the training of employees on key business integrity risk areas and the way in which management obtains assurance in this area, including the annual self-certification process via the annual E&I pledge and declaration. More information on the CBC, and the SpeakUp, We're Listening programme, is set out on pages 13 and 14.

The CBC is available on the Company's website: www.compass-group.com/en/who-we-are/ethics-and-integrity.html.

Data privacy

In May 2024, the Committee received an update from the Group Head of E&I on the Group's Data Privacy Policy and Data Privacy Programme Framework, which had been revised to adopt a more principles-based approach to reflect the differing privacy regimes and local laws around the world. The policy, which includes minimum reporting standards, provides a consistent way to track and validate implementation through the use of technology, and to measure and evaluate policy compliance; and as a consequence, it further improves risk management, monitoring, oversight and assurance.

Information systems and cyber-security risk

Information systems and cyber-security risk continues to pose a threat to the Group and remains a principal risk. Throughout the year, the Committee received reports from the Group Chief Information Officer (CIO) on progress made on the implementation of the IT controls framework designed to protect the Group's information assets, including the key IT controls (KITCs), enhanced security operations, threat intelligence, the Group's response to the threat of ransomware, and the continued emphasis on cyber-risk awareness and training across the Group.

In November 2023, the Group CIO provided the Committee with an update on the progress made during 2023 in regard to the maturity levels of the KITCs across the Group, together with the plans for 2024 to further develop the KITCs following the annual external threat assessment.

The Committee was also briefed on Compass' view of developing AI technologies and of the benefits and risks they present to cyber security. Potential benefits included the ability to respond to threats quickly and accurately, to identify patterns and anomalies in systems logs, and to provide insights into potential cyber attacks. The potential risks were also outlined, including sophisticated and automated cyber attacks, and manipulation by threat actors to avoid detection.

In addition, the Committee considered the use of AI by employees and the need for guardrails to ensure it was used appropriately. Measures designed to control the use of AI in Compass were reviewed by the Committee, including: education for colleagues; the development and implementation of appropriate governance arrangements and responsible use guidelines; and updates to the KITC framework to include AI controls. The Committee also received an update from independent cyber-security advisers in relation to cyber-risk reporting and disclosure trends in the US and other jurisdictions.

In September 2024, the Group CIO provided an update on cyber security and the KITCs, including a deeper-dive review of the Group's cyber-security approach and maturity. In addition, he outlined the key focus areas for the KITCs in the 2025 financial year which included a greater emphasis on the use of automation and simplification of the compliance processes.

Throughout the year, the Committee received updates on initiatives to educate colleagues about cyber-security threats, and actions to counter those threats. Initiatives included: the annual cyber awareness week, ongoing weekly advocacy messages from 'cyber champions' across the Group's businesses, and the implementation of regular phishing simulations to reinforce appropriate behaviours.

ERP systems

In November 2023, the Committee was updated on the roll out of the North America ERP system and considered with management the timelines and key milestones that would support delivery of the project. The Committee also reviewed with management the implementation methodology for the programme, the development of the programme plan and the deployment roadmap and challenged the proposed governance and assurance arrangements around the programme, particularly the replacement of legacy systems. In May 2024, the Committee received a further update from the local programme lead on progress made, including the internal and external assurance activities which had been evaluated by an external adviser.

The Committee was also updated on the business transformation programme that commenced a number of years ago in Europe. During the year, as part of the strategic portfolio review to focus on the Group's core markets and considering the country exits, the ongoing advancement of technologies and the increased decentralisation of the Group's businesses, management reviewed the regional business transformation ERP programme. Following this review, management decided to discontinue the implementation and roll out of the Europe cross-market ERP programme. The Committee carefully considered management's proposals including, its roadmap for the ongoing development and support of market ERP systems. The Committee also reviewed management's assessment to record a non-cash impairment of $146 million to write down the related work-in-progress head office (non client-related) computer software assets.

Internal audit

The Internal Audit team is led by the Group Director of Risk and Internal Audit who reports functionally to the Chair of the Audit Committee and operationally to the Group CFO. The purpose, scope and authority of the Internal Audit function are set out in its terms of reference which are approved by the Committee. The Audit Committee is responsible for monitoring and reviewing the effectiveness of the Group's Internal Audit function, including resources, plans and performance as well as the degree to which the function is free from management or other restrictions. To help the Committee gain assurance that the Internal Audit function is independent, the Committee meets with the Group Director of Risk and Internal Audit at least once a year without the presence of management and it met with him twice during the year under review without the presence of management.

During the year, the Committee monitored the performance of Internal Audit and reviewed and approved the Group's annual internal audit plan. The plan is designed with reference to the Group's principal risks, which are described on pages 24 to 28. The Committee receives regular updates on progress against the plan and Internal Audit's findings, together with management actions taken to address recommendations.

The Committee remains satisfied that the Internal Audit function has the necessary resources, objectivity and competency to fulfil its mandate. It has also satisfied itself that the Internal Audit function has adequate standing and is free from management influence or other restrictions.

Corporate governance

In November 2023, the Committee was updated on developments regarding UK corporate governance reforms, including the withdrawal of certain proposed legislative changes and the scaling back of planned changes to the UK Corporate Governance Code. At its meeting in May 2024, the Committee noted that the FRC had published the 2024 UK Corporate Governance Code, which would apply to financial years commencing on or after 1 January 2025, noting that the Code had taken forward only a small number of the original proposals set out in its 2023 consultation. The majority of changes will apply to Compass from 1 October 2025. The significant changes which will take effect from 1 October 2026 relate to the new requirement for the Board to make a declaration on the effectiveness of material internal controls. The Committee considered the development of management's plans to respond to these requirements, including the updates to the Certificates of Assurance and key internal controls over financial reporting. The Committee will continue to monitor progress to ensure that Compass is compliant with the new requirements at the appropriate time. To support it in this, the Committee has appointed a sub-committee comprising two members of the Audit Committee, including the Committee Chair, to oversee and monitor management's proposals for implementing the new requirements in relation to risk management and internal controls.

The Committee also received an update on management's work to prepare the Group for the EU Corporate Sustainability Reporting Directive (CSRD) which will apply to Compass from the financial year commencing 1 October 2025. The CSRD establishes sustainability reporting obligations for a large number of companies both within and outside the EU and forms part of the EU's sustainable finance agenda.

The Committee reviewed the work undertaken to date on the implementation of the CSRD requirements, including the Company's assessment of materiality.

External audit

External auditor

The Audit Committee is responsible for the development, implementation and monitoring of the Company's policy on external audit and has oversight responsibility for monitoring the external auditor's independence, objectivity and compliance with ethical, professional and regulatory requirements. The Audit Committee is responsible for the re-tendering selection process and recommends the appointment, reappointment and removal of the Company's external auditor, and considers the risks associated with its withdrawal from the market in its risk evaluation and planning.

The Audit Committee also reviews and sets the terms, areas of responsibility and scope of the audit as set out in the external auditor's engagement letter, including the overall work plan for the forthcoming year, together with the associated fee proposal, and cost-effectiveness of the audit.

Effectiveness of the external audit process

During the year, the Committee considered the effectiveness of the external audit process, whether the agreed audit plan for the financial year ended 30 September 2023 had been fulfilled, and the reasons for any variation from the plan.

The Committee is committed to ensuring that Compass receives a high-quality and effective external audit. The Committee assessed the effectiveness of the external audit process using several methods, commencing with the identification of appropriate risks by the external auditor. These were reviewed by the Committee in the detailed external audit plan for the financial year ended 30 September 2024 at the start of the audit cycle. The work performed on these risks by the auditor was used to test management's assumptions and estimates. The effectiveness of the audit process in addressing these matters was assessed through the reports presented to the Committee at the half- and full-year.

The Committee also considered how and to what extent the auditor had exercised professional scepticism. During the audit of the Annual Report and Accounts, the auditor challenged management as to whether the disclosures in the financial statements were consistent with the narrative disclosures in the Strategic Report in relation to the impact of certain risks and, specifically, how the potential impact of climate change on the financial statements had been assessed. The auditor also challenged management's approach to goodwill impairment testing, acquisition accounting (including the initial accounting for CH&CO and HOFMANN[5]), and the appropriateness of actuarial assumptions used to estimate post-retirement benefit obligations, as well as other sources of estimation uncertainty, such as uncertain tax positions and accounting consequences of the ongoing strategic portfolio review. Management and the auditors engaged constructively in relation to the challenges raised, and an unmodified opinion was issued by the auditor, which is set out on pages 124 to 137.

The review also included a formal evaluation process covering several aspects of the external audit. A wide range of internal stakeholders including Audit Committee members, regional finance directors and Group functions (including Internal Audit, Legal, Finance and Tax) and local finance directors (excluding countries not in scope for the KPMG audit) completed questionnaires.

In May 2024, a detailed report on KPMG's audit quality and effectiveness was presented to the Committee. The findings were considered and opportunities for improvement were discussed with KPMG. In summary, the Committee concluded that the external audit process continued to be of a high quality and remained effective.

Independence of external auditor

Jonathan Downer was the Senior Statutory Audit Partner for the year under review. To ensure the independence and objectivity of the Company's external auditor and the integrity of the audit process, key members of the external audit team periodically rotate off the Company's audit. Additionally, the recruitment of senior employees from the Company's auditor is not permitted for a period of at least two years after they cease to be involved in the provision of services to the Company.

In assessing the independence and objectivity of the external auditor, the Committee takes into account the assurances and information provided by the external auditor at the planning stage of the audit, including a written disclosure of the relationships (including the provision of non-audit services) that could have an impact on the external auditor's independence and objectivity, and the safeguards put in place to address such concerns. As part of this process, the Committee receives a statement from the external auditor advising that: all partners and staff annually confirm their compliance with KPMG's ethics and independence policies and procedures and that they have no prohibited shareholdings and their ethics and independence policies are fully consistent with the requirements of the FRC Ethical Standard. The Committee has concluded that KPMG was independent of the Group for the year under review.

Non-audit fees

The Company operates a policy on non-audit-related fees which it reviews annually and under which it discloses the ratio of audit to non-audit fees paid in each financial year. The Committee monitors the level of non-audit work which the external auditor can perform, to ensure that any provision of non-audit services falls within the scope of the agreed Non-Audit Work Policy and does not impair the external auditor's objectivity or independence. The Group's policy on non-audit services is aligned with the FRC's 2019 Ethical Standard for auditing practices for what is permissible for public interest entities, and no services outside this are approved by the Committee. Engagements for non-audit services that are not prohibited are subject to formal approval by the Audit Committee, based on the level of fees involved. Non-audit services that are pre-approved are either routine in nature (e.g. the half-year limited review) with a fee which is not significant in the context of the audit, or are other audit-related services. Within the constraints of applicable UK rules, the external auditor can undertake certain non-audit work. The provision of non-audit services within such constraints and the agreed policy is assessed on a case-by-case basis to ensure that the adviser best placed to undertake the work is retained. In accordance with the Group's policies, the Group CFO approves individual non-audit services with fees up to $75,000 and non-audit services with combined fees up to $150,000. Audit Committee approval is sought for non-audit services exceeding these limits.

Fees paid in the year

The total fees paid to KPMG in the year ended 30 September 2024 were $10.6 million, of which $0.9 million related to non-audit work (2023[1]: $9.8 million of which $0.4 million related to non-audit work). Having considered the non-audit work undertaken by KPMG LLP during the year, it was agreed by the Committee that the tasks undertaken represent permitted non-audit services (as set out in Section 5 of the FRC's Revised Ethical Standard 2019). The principal non-audit services provided by KPMG related to the half-year review of the Group's interim financial report; limited assurance over certain climate-related disclosures (including Scope 1, 2 and 3 emissions), responsible sourcing (including in respect of commitments under the Sustainable Financing Framework and other social metrics; and comfort letters in respect of the issue of two bonds. The increase in 2024 primarily relates to the limited assurance testing, which is expected to increase in future years as requirements in this area continue to expand. The Committee believes that KPMG, as external auditor, is best placed to undertake these non-audit services and that the level of fees for these services does not adversely impact its integrity, objectivity or independence. Further disclosure on the non-audit fees paid during the year can be found in note 3 on page 151.

Statutory audit tender process

In accordance with its terms of reference and regulatory requirements, the Audit Committee ensures that at least once every 10 years the external audit services contract is put out to tender. The Committee is responsible for the selection and appointment of the external auditor. It initiates and conducts any competitive tender process undertaken by the Company for the provision of external audit services and considers and makes recommendations to the Board, to be put to shareholders for approval at the Company's AGM.

The Committee confirms that for the year under review, the Company complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. Following a competitive tender process in 2023, KPMG LLP was reappointed as the Company's external auditor in February 2024.

KPMG has expressed its willingness to continue as auditor of the Company. Separate resolutions proposing KPMG LLP's reappointment and the determination of its remuneration by the Audit Committee on the behalf of the Board, will be proposed at the 2025 AGM.

Committee evaluation

The priorities set by the Committee following the 2023 external evaluation process were:

- consideration of audit and governance reforms including assurance over non-financial reporting
- ESG and climate net zero disclosures

These themes, together with the Committee's regular programme of work, shaped the Committee's agenda and were included in the principal activities during the year under review.

2024 evaluation

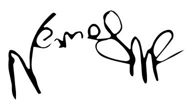
During the year, an internal evaluation of the effectiveness of the Committee was conducted as part of the wider evaluation of the Board and its committees. Details can be found on page 85.

The evaluation concluded that the Committee continued to operate effectively.

The Committee will continue to focus on the following areas:

- ESG and sustainability reporting, including assessing the level of assurance required
- regulation, especially preparation for the UK Corporate Governance Code reforms
- oversight of controls for systems implementation and migration
- cyber-security risk management
- ongoing risk oversight

These matters, together with the regular work of the Committee, will inform the Committee's agenda for the coming year.



Anne-Françoise Nesmes
Chair of the Audit Committee

26 November 2024

1. The fees paid to KPMG for the year ended 30 September 2023 of £8.0 million and £0.3 million related to non-audit work, have been restated in US dollars.

Corporate Responsibility Committee Report

Nelson Silva
Chair of the Corporate Responsibility Committee

Committee responsibilities

The Committee is responsible for overseeing, monitoring, and making recommendations to the Board on the development, implementation and effectiveness of the Group's strategies in relation to:

- corporate responsibility
- health and safety
- sustainability (including climate change)
- ethics and integrity
- people and other stakeholder engagement

The Committee's full terms of reference are on our website:

www.compass-group.com.

Governance

Nelson Silva was appointed Chair of the Corporate Responsibility Committee in February 2017. As announced on 27 September 2024, Arlene Isaacs-Lowe will succeed Nelson Silva as Committee Chair following his retirement from the Board at the conclusion of the 2025 AGM. Membership of the Committee comprises the Chair of the Committee and all of the other directors, whose biographies are on pages 56 to 59.

The Chair of the Committee attends the AGM virtually or in person to respond to questions on the Committee's activities.

Only members of the Committee have the right to attend Committee meetings. Other individuals, such as the Group Chief Commercial Officer (CCO), the Group Chief People Officer (CPO), Group Head of Ethics and Integrity (E&I) and external advisers, may be invited to attend all or part of any meeting, as and when appropriate. The Group General Counsel and Company Secretary, who acts as Secretary to the Committee, attends all meetings. Other members of senior management are invited to present such reports as are required for the Committee to discharge its duties.

The Committee is authorised to seek external legal and independent professional advice as it sees fit.

The Committee held three meetings during the year. The attendance table is on page 60.

Health and safety

The health and safety (H&S) of the Group's employees and consumers is a top priority for Compass and the Committee receives regular H&S reports from the Group CCO to enable it to monitor performance.

The Group has two Key Performance Indicators (KPIs) linked to the health and safety of colleagues and consumers: Total Recordable Injury Frequency Rate (TRIFR) and Food Safety Incident Rate (FSIR). The Committee sets limits for these KPIs at the beginning of the year and monitors performance over the course of the year to enable it to assess the effectiveness of the controls in place to mitigate the occurrence of workplace and food safety incidents across the businesses.

Performance outcomes for these two measures are linked to a total of 10% of the outcome of the executive director and senior management annual bonus plan.

Further details on the ESG measures in the annual bonus plan and the results for the financial year ended 2024, which the Committee is pleased to report are within the limits set at the start of the year, can be found on page 108.

At each meeting, the Committee considers a safety moment on topical aspects of H&S, or lessons learned from a recent incident. Each briefing aims to provide the Committee with a fuller understanding of the H&S matters faced by the businesses and how the lessons learned from such incidents are applied to mitigate the risk of a recurrence.

More details of H&S performance, initiatives, and areas of focus during the year are on pages 7 and 12.

Ethics and integrity

The Committee oversees the Group's E&I strategy, programme, policies and activities. To help the Committee in fulfilling its oversight responsibilities, it receives regular presentations and reports from the Group Head of E&I.

At its meeting in November 2023, the Committee received an update from the Group Head of E&I on the matters raised via the Group's SpeakUp, We're Listening platform in the 2023 financial year.

The Committee noted there had been an increase in overall case volumes and business integrity reports in the year as a result of E&I awareness activities and country-led initiatives.

There was also a favourable reduction in the risk profile, evidenced by the year-on-year decrease in the most serious reports, an increase in overall substantiation rates versus the prior year, and improvements in follow-up and case management processes. The Committee noted that the case substantiation rate and overall reporting profile were consistent with external benchmarks.

At its meeting in September 2024, the Committee received an update on the progress made during the year to further embed the E&I programme. Further progress had also been made in the roll out of the Group's Business Integrity Policy (BIP) through online training in all countries in local languages.

The Committee also noted that the E&I policy framework was completed during the year with the launch of the Third-Party Integrity Due Diligence Policy which is linked to other key governance processes such as supply chain risk management, the Major Risk Assessment process, and M&A due diligence; and that work will continue to further embed the policy and related processes into the local control environments in the coming year.

Learn more about our E&I programme and SpeakUp, We're Listening on our website: www.compass-group.com/en/who-we-are/ethics-and-integrity.html

Sustainability

In line with its oversight responsibilities in relation to the Group's sustainability strategy, the Committee continued its focus on sustainability and climate-related matters.

In May 2024, it was updated by the Group CCO on the work being undertaken to implement the evolving ESG regulatory reporting requirements including those of the International Sustainability Standards Board (ISSB) and the Corporate Sustainability Reporting Directive (CSRD), together with the timelines for adoption.

As part of the briefing, several activities were highlighted, including the CSRD scoping exercise that was being conducted by a cross-function working group in conjunction with external advisers to help identify the scope for Compass' first CSRD report for the financial year ending 2026, and the requirements of the ISSB standards expected to apply from the financial year ending 2025.

The Committee also received an update on the wider global ESG regulatory landscape, including developments in North America.

During the year, the Committee received a progress update on the deployment of digital tools to measure food waste. To support the Group's commitment to reduce food waste, at the beginning of the year under review a performance measure relating to reducing food waste was set linked to 5% of the annual bonus of executive directors and senior management. This year's measure relates to a year-on-year increase in the number of sites across the Group's businesses adopting food waste technology and also to the frequency of use of the technology.

The Committee is pleased to report that excellent progress has been made during the year with an increase in the number of sites globally deploying food waste tracking technology to record food waste. The outcome versus the target set at the beginning of the year is on page 108 and 109.

At its meeting in September 2024, the Committee received an update on the review of food safety controls, including the implementation of the Global Safety Standards which set a minimum standard for all operational sites in the Group.

The Committee also received updates on other activities designed to further strengthen the food safety controls environment, including: targeted audits of critical control points; independent audits of central production units; food safety audits undertaken by the Internal Audit function; and the implementation of digital tools to collect insights and impact outcomes.

More details on the Group's sustainability initiatives, including information on the Group's Scope 1, 2 and 3 emissions, are set out on pages 34 to 52.

People

Employee engagement is a powerful enabler for Compass' growth, and in November 2023 the Committee reviewed a presentation by the Group CPO summarising the results of the 2023 global employee engagement survey (comprising Your Voice in the US and pulse surveys in 18 other countries), which focused on wellbeing, opportunities for career progression, and inclusion. A deeper dive was also provided on the pulse surveys and actions taken to manage Compass' employee engagement.

In May 2024, the North America CPO briefed the Committee on the results of the latest US pulse survey, noting that the drivers for engagement included the advancement of positive relationships between managers and their reports, a sense of belonging and an understanding of company goals. The survey sought the views of employees in the Group's US business on motivation, teamwork, safety, and diversity, equity and inclusion.

The Committee reviewed participation and response rates, insights provided, and the areas of opportunity for further improvement that had been identified, together with corresponding action plans to help build better employee experiences.

During the year, the Committee also received summaries of the roundtable meetings which the Designated Non-Executive Director for Workforce Engagement, Ireena Vittal, held with employees from across the Group's businesses. Mrs Vittal shared observations from her meetings, noting that the sessions continued to offer valuable insights and remained popular with participants, who appreciate the Board taking a direct interest in their views.

The data and views of employees gathered from the employee engagement surveys and other engagement mechanisms, together with feedback from the roundtable meetings held by Mrs Vittal help to ensure the Board is aware of the views and concerns of the workforce so that these are considered in the Board's discussions and decision-making processes. More details of the meetings held by Mrs Vittal are on page 66.

The Compass Group Foundation

During the year, the Committee considered the work being done by The Compass Group Foundation (the Foundation), an independent registered charity that provides grants to charitable organisations in countries where Compass operates, to create inclusive job opportunities and support small and medium-sized local suppliers. A copy of the Foundation's first Impact Report, for the financial year ended 30 September 2023 (which can be found on our website), was shared with the Committee. The Committee noted that in its first year, the Foundation had awarded grants to 14 charitable organisations in eight countries, ranging from charities supporting people with disabilities to those helping to improve the livelihoods of small farmers. In the UK, the Foundation also partnered with FoodCycle, a national charity that fights food poverty and loneliness by serving community meals across the country. The Committee noted that, where possible, Compass employees volunteer their skills and expertise to amplify the Foundation's impact. More details of the Foundation's activities are on page 33.

Human rights and modern slavery

The Committee reviews the Group's Human Rights Policy every year to ensure that it remains fit for purpose and is aligned to the Group's people, performance and purpose strategy.

In September 2024, the Committee considered proposed minor changes to the policy to improve its alignment with stakeholder feedback and expectations and with Compass' broader ESG objectives. The Committee considered and subsequently recommended the revised Human Rights Policy to the Board for which the Board gave its approval.

Earlier in the year, the Committee also reviewed the Company's 2023 Modern Slavery Act statement (2023 MSA statement) and concluded that the statement reflected the progress made in the year, and met the requirements of section 54 of the Modern Slavery Act 2015. The Committee recommended the 2023 MSA statement to the Board, which the Board approved.

The 2024 MSA statement which was reviewed by the Committee at its meeting in November 2024, will be published on our website in December 2024: www.compass-group.com

Stakeholder engagement

During the year, the Committee considered the Group's stakeholder engagement activities with people, clients, consumers, suppliers, communities and NGOs, including key areas of focus, noting that sustainability was a common theme among stakeholder groups. In addition to the areas of focus, the Committee reviewed the purpose and methods of engagement with stakeholders.

Information on the approach to stakeholder engagement, including how the Board is apprised of the views of the Company's stakeholders, and how the matters set out in section 172 of the Companies Act 2006 have been considered in Board discussions and decision-making, is set out on pages 68 to 72.

Engagement with the Group's employees is described on page 66 and in more detail in the People section on pages 30 and 33.

Committee evaluation

No specific areas were identified in last year's evaluation process that required significant improvement. However, recognising the increasing importance of ESG to stakeholders, it was agreed that in 2024 the Committee would continue to focus on ESG matters including, in particular:

– sustainability and climate reporting
– health and safety
– diversity, equity and inclusion
– supply chain risk

These themes, together with the Committee's regular programme of work, shaped the Committee's agenda and were included in the principal activities during the year.

2024 evaluation

The outcome of this year's internal evaluation of the Corporate Responsibility Committee confirmed that the Committee continued to function effectively.

It was agreed that in the coming year the Committee would continue to focus on the following priorities:

– preparing for changes in ESG and reporting requirements
– overseeing health and safety performance, particularly in relation to food safety
– monitoring progress on safety performance
– tracking the Group's performance against its ESG commitments
– ensuring the Committee's agenda remains appropriately focused

These matters, together with the regular work of the Committee, will inform the Committee's agenda for the coming year.

Nelson Silva
Chair of the Corporate Responsibility Committee

26 November 2024

Nomination Committee Report

Ian Meakins
Chair of the Nomination Committee

Committee responsibilities

The Nomination Committee is responsible for ensuring that the composition and structure of the Board remain effective, balanced and aligned to the Company's strategic priorities.

The Committee also ensures the Group's governance facilitates the appointment and development of a diverse pipeline of effective talent that can deliver shareholder value over the long term.

In practice, this involves overseeing the:

- nomination
- induction
- evaluation, and
- orderly succession of directors

The Committee's full terms of reference are on our website:

www.compass-group.com.

Governance

Ian Meakins was appointed Chair of the Committee in December 2020. Committee membership comprises the Chair of the Committee and all the non-executive directors, and their biographies are on pages 56 to 59. The Board considers each member of the Committee (except the Chair of the Board, who was independent on appointment) to be independent in accordance with the criteria set out in the UK Corporate Governance Code 2018 (the Code).

The Chair of the Board acts as Chair of the Committee, except when dealing with their own succession when the meeting is usually chaired by the Senior Independent Director (SID). The Chair of the Committee attends the AGM to respond to questions on the Committee's activities.

Only members of the Committee have the right to attend meetings. Other individuals, such as the Group Chief Executive Officer (CEO), the Group Chief People Officer (CPO), other senior management and external advisers may be invited to attend all or part of any meeting, as and when appropriate. The Group General Counsel and Company Secretary, who acts as secretary to the Committee, attends all meetings.

The Committee held four meetings during the year. The Committee attendance table is on page 60.

Board succession planning

Succession planning is a core element of the Committee's work. When assessing succession plans for the Board, the Committee considers and evaluates the skills, knowledge, experience and diversity of its directors to ensure that the Board and its committees are well placed to discharge their duties.

The terms of the independent non-executive directors are also reviewed regularly to facilitate future refreshing of the Board and to maintain an appropriate balance. From these reviews, the Committee determines the skills, experience and attributes for any new appointees to ensure the Board and its committees continue to operate effectively.

During the year, the Committee reviewed Board succession plans over the medium to long term. During this assessment, it considered the structure, size and composition of the Board, taking into account the requirements of the Code and the UK Financial Conduct Authority's Listing Rules. Two new non-executive directors, Liat Ben-Zur and Juliana Chugg, were appointed in July and September 2024 respectively. More detail is on the opposite page.

Board appointment process

Procedures for appointing new directors are set out in the Committee's terms of reference. The appointment process is led by the Chair of the Board, except where the appointment is for their successor, when it is usually led by the SID. When appointing a new Chair of the Board, the process includes an assessment of the time commitment expected, recognising the need for the Chair of the Board to be available in the event of a crisis.

Before appointing a director, the Nomination Committee agrees a candidate specification setting out the role, personal qualities and capabilities required. The Board promotes an environment which is supportive of individuals from diverse backgrounds, and in identifying suitable candidates the Committee:

- uses open advertising or the services of external advisers to facilitate the search
- considers candidates from different genders and a wide range of backgrounds
- considers candidates on merit and against objective criteria, bearing in mind the benefits of diversity on the Board
- ensures that candidates have enough time to devote to the position, considering any other significant commitments

Depending on the strategic and succession plans of the Company, where appropriate the Company will consider individuals who may not have direct PLC experience, but who have experience of leading complex, global-scale organisations. The Committee believes that this approach broadens the talent pool.

The Committee considers the selection and reappointment of directors carefully, before making a recommendation to the Board. Non-executive directors and the Chair of the Board are generally appointed for an initial three-year term, which may be extended for a further two three-year terms. Reappointment is not automatic at the end of each term.

Appointment of new directors

Non-executive directors

During the year, the Committee launched a recruitment process to facilitate the appointment of two additional non-executive directors in support of the Board's succession plans and the Group's strategic aims.

The selection process was led by the Chair of the Board who was assisted by the Group CPO and Group General Counsel and Company Secretary. The Committee used the services of two executive search firms to identify suitable candidates: Egon Zehnder (EZ) and Essenta. EZ is used from time-to-time by the Company for the recruitment of senior executives. Both firms are independent of and have no other links with the Company or its directors.

Position specifications were prepared for both appointments in conjunction with the Committee, setting out the desired attributes, experience and personal style for the successful candidates. To identify a diverse pool of candidates, the searches considered individuals who did not have direct PLC experience, but who possessed experience of leading complex, global-scale organisations. Potential candidates were also required to demonstrate that they had sufficient time available to devote to the role.

In executing the search strategy for two non-executive directors, and to ensure a diverse range of candidates, a wide pool of potential candidates was identified. From this, a long-list was compiled and following further review, a number of individuals were profiled and considered by the Company. A short-list was drawn up and candidates were interviewed by the Chair and Group CPO before progressing to the second stage of interviews with the Group General Counsel and Company Secretary and Group CEO. Candidates who were considered to best match the role requirements were then put forward to meet with the SID and other members of the Board. After detailed discussions and careful consideration, the Nomination Committee concluded and recommended to the Board that Liat Ben-Zur be appointed to the Board with effect from 1 July 2024, which the Board approved. Liat's experience and credentials as a transformative technology executive with over 27 years' experience in driving digital transformation and product innovation, together with her strategic insights in disruptive technologies and product-led growth, were considered to meet the Board's brief favourably.

More recently, the Committee recommended the appointment of Juliana Chugg as a non-executive director with effect from 26 September 2024. Juliana is a seasoned non-executive director, following a successful executive career as a transformative leader in the FMCG and food sectors. She brings a strong international perspective with a passion for the food and food services industries, together with experience of general management, marketing and governance. The Committee concluded that Juliana would be an excellent addition to the Board, as Compass continues to focus on its growth ambitions.

Liat and Juliana will stand for election at the 2025 AGM.

Executive directors

As previously reported, Gary Green retired as Group Chief Operating Officer (COO), North America and as a director of Compass Group PLC on 30 November 2023. Through the Board and Executive Committee succession planning processes, Palmer Brown succeeded Gary as the Group COO, North America on 1 December 2023 and Petros Parras succeeded Palmer as Group Chief Financial Officer (CFO) on the same date.

Induction process

On joining the Company, new non-executive directors receive a formal, comprehensive and tailored induction programme designed to address the individual's needs and role. It includes meetings with senior management, the external auditor and external advisers, together with technical briefings and site visits, which facilitate an effective introduction to the Group's businesses and culture. Since their appointments, both Liat Ben-Zur and Juliana Chugg have commenced personalised induction programmes designed to provide a good understanding of the Group's businesses, the competitive environment and the UK regulatory and governance landscape, to ensure they are effective in their roles.

Petros Parras was appointed Group CFO on 1 December 2023. As he already had a number of years' experience at Compass and was familiar with the Group and its operations, his induction programme was tailored to meet his specific needs, including, amongst other matters, training on directors' duties and UK corporate governance.

Non-executive directors' terms and responsibilities

Nelson Silva and Ireena Vittal were first appointed to the Board in July 2015 and completed their nine-year terms in July 2024. The Committee recommended to the Board that their terms in office be renewed until the conclusion of the Company's 2025 AGM when they will retire from the Board. In making their recommendation, the Committee concluded that Ireena Vittal and Nelson Silva retained the necessary independence of character and judgement and there are no relationships or circumstances that are likely to affect or could appear to affect their judgement. Ireena Vittal and Nelson Silva will not stand for re-election at the 2025 AGM.

The Committee further proposed that Liat Ben-Zur succeed Ireena Vittal as Designated Non-Executive Director for Workforce Engagement on 1 October 2024, and that Arlene Isaacs-Lowe succeed Nelson Silva as Chair of the Corporate Responsibility Committee at the conclusion of the 2025 AGM. The Board approved the Committee's recommendations.

The Board also approved the Committee's recommendations to reappoint Anne-Françoise Nesmes, John Bryant, Arlene Isaacs-Lowe and Sundar Raman who joined the Board in July and September 2018, and November 2021 and January 2022 respectively, for further three-year terms. In making their recommendations, the Committee considered the experience and skills of each director, their exemplary attendance records, and their continued ability to commit sufficient time to their roles at Compass.

Senior management succession planning

The Committee oversees the development of a strong and diverse pipeline of high-calibre individuals capable of discharging executive-level responsibilities. The succession planning process includes a review of talent at senior level. This enables the Committee to monitor and evaluate the strength of the talent pipeline, its composition, its diversity and the training and development needs within the Group's senior leadership.

During the year, the Committee focused on succession planning for the Group's North America business and the Group Executive Committee.

In May 2024, the Committee reviewed the succession plans for the North America business with the Group CPO and the Group COO and CPO, North America. The Committee focused on the talent pipelines and plans in place relating to executive, functional and operational roles, and senior leadership roles in each business sector, designed to ensure business continuity and to support sustainable growth. An update was also provided by the North America CPO on the approach to recruiting, developing and retaining talent, together with an update on diversity, equity and inclusion initiatives designed to ensure that there are diverse talent pipelines in place reflecting the diversity of the consumers and communities served by the North America business. The Committee noted the actions that had already been completed to help the business achieve its aims, including a review of talent identification, retention and development, and of the readiness of individuals to undertake key roles.

In September, the Committee reviewed the succession plans for the Executive Committee with the Group CEO and Group CPO. The pipeline for talent for each role was reviewed, including candidates' readiness for promotion and progress against development plans.

Diversity, equity and inclusion

Board diversity and inclusion

At Board level, the approach to appointing new directors reflects the Committee's objective to ensure there is always an appropriate balance of experience and backgrounds on the Board, while recognising the benefits of diversity in its broadest sense. For this reason, members of the Board are drawn from a wide range of disciplines, industries and cultures.

Financial Conduct Authority diversity disclosure table

Gender identity or sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, Chair and SID)	Number in executive management	Percentage of executive management
Men	8	57%	3	5	56%
Women	6	43%	1	4	44%

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, Chair and SID)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	11	79%	4	8	89%
Mixed/multiple ethnic groups	–	–	–	1	11%
Asian/Asian British	2	14%	–	–	–
Black/African/Caribbean/Black British	1	7%	–	–	–

1. The information above is shown as at 26 November 2024 so as to provide the most up-to-date disclosure. The UK Listing Rules set board diversity targets for listed companies that (i) at least 40% of the board are women, (ii) at least one of the roles of CEO, CFO, Chair and SID is held by a woman, and (iii) at least one director is from a minority ethnic background. Compass has met these targets. Data is collected in the UK for Board members and is compiled for the purposes of the Parker Review and reconfirmed annually and consent is obtained from the relevant directors in accordance with the requirements of the Parker Review. Data for executive management is also collected in the UK for the purposes of this disclosure and to help us progress our DE&I agenda and is disclosed with consent from the individual executive manager.
2. Ireena Vittal and Nelson Silva, who have completed their nine-year tenures, will retire from the Board at the conclusion of the 2025 AGM. Notwithstanding these future changes, the Company will continue to meet the FCA's diversity targets.

Group diversity, equity and inclusion

The Committee reviews the Group's policy on workforce diversity, equity and inclusion, and its objectives and links to strategy.

During the year, the Committee received a presentation from the Group CPO on diversity which provided data insights on diversity at director, executive, senior leader, management and other employee levels within the Group. The Committee was also briefed on the progress being made to improve diversity, equity and inclusion, including work to further strengthen the pipeline of women through managed career paths, improved access to opportunities and the removal of barriers to progression.

The Committee also considered the Parker Review requirements for ` FTSE 100 companies to set and report against voluntary targets to increase ethnic diversity at senior management level, and to disclose their progress against the 2027 deadline for meeting the targets in their annual report. The Committee was advised that the Company had, as required, shared ethnicity data in December 2023 with the Department for Business & Trade.

The Committee considered the proposal to set targets and whether these were in alignment with and supportive of the Group's diversity, equity and inclusion strategies. The Committee agreed that the goal to be representative of the communities served by Compass remained the correct ambition, but felt that a global target would not be appropriate or meaningful due to the legislative environment and other sensitivities in certain regions. It was, however, acknowledged that the target of 14% ethnic minority representation for employees for the Group's UK & Ireland business, set as part of its Social Promise, was appropriate for that population. A progress update will be provided in the 2025 Annual Report.

More details on the Group's diversity, equity and inclusion initiatives can be found on pages 30 to 33. Information on Board and Executive Committee gender and ethnicity is shown above. Gender diversity of Executive Committee direct reports can be found on page 33.

The Board's Diversity and Inclusion Policy together with the Group's Diversity, Equity and Inclusion Policy are on our website: www.compass-group.com.

Time commitment, and training and development

The Committee performed its annual evaluation of the time required from the Chair of the Board, SID and non-executive directors to perform their duties. As part of this process, the Committee reviewed each director's external commitments and reflected on their attendance at meetings and their availability at other times during the year.

During the year, the Board members continued to receive training to enhance their understanding of the business, including an online refresher training module on the Group's Management and Performance (MAP) framework, the common methodology and language used across the Group to understand the five drivers of performance at Compass. More details on MAP are on page 4. The directors also participated in a discussion session hosted by an external expert on the capabilities and uses of artificial intelligence (AI) and its potential impacts for Compass' businesses and for wider society. This was particularly relevant to the Board as Compass continues to focus on its digital strategies.

In addition, the directors continue to receive regular regulatory and governance updates from the Group General Counsel and Company Secretary and other in-house and external subject-matter experts and advisers.

Additional and future training needs are considered and addressed as required.

Board and committee evaluation

Lintstock was retained in 2022 for a period of three years to carry out the 2022 external evaluation and to support the internal evaluations in 2023 and 2024, providing the technology to distribute questionnaires and collate responses. This year was the final year of the three-year cycle. Lintstock, is independent of and has no other ties with the Company or its directors.

2024 evaluation

In May, based on a clear and comprehensive brief by the Chair of the Board and the Group General Counsel and Company Secretary, questionnaires were prepared and distributed by Lintstock which focused on the effectiveness of the Board and its committees. The questionnaires, which considered a wide range of topics including strategic oversight, risk oversight, stakeholder oversight, Board composition and dynamics, management and focus of meetings, and the identification of priorities for the coming year, were completed by Board members and the Group General Counsel and Company Secretary. Members of the Executive Committee completed a separate questionnaire which sought their views on Board dynamics across five themes: exposure to the Board, relationships and communications, support and challenge, supporting growth, and suggestions for improving Board and Executive Committee dynamics.

The outcome of the evaluation process (except the performance evaluation of the Chair of the Board, which was reviewed by the SID) was initially shared with the Chair of the Board and the Group General Counsel and Company Secretary, followed by the other directors. All reports were subsequently presented to the Committee at its meeting in July.

The evaluation concluded that the Board and its committees continue to be effective and that each of the directors continues to contribute effectively to Board and committee meetings.

A number of priorities were agreed for the Board for the year ahead:

- continuing to focus on succession planning and talent management as a strategic priority
- continuing to assess growth opportunities across all regions and exploring adjacencies
- leveraging technological capabilities, including digital, data and AI, to achieve a competitive advantage

Together with the regular work of the Board, these topics will inform the Board's agenda for the coming year.

Priorities identified from this year's evaluation of the Audit, Corporate Responsibility and Remuneration Committees can be found on pages 78, 81 and 118 respectively.

Nomination Committee evaluation

The priorities identified by the Committee following last year's external evaluation process were:

- as part of Executive Committee succession planning, review individuals' progress against their development plans
- review the talent strategy and how this supports the Group's growth ambitions

Together with the Committee's regular programme of work, these themes shaped the Committee's agenda and were included in the principal activities during the year under review.

This year's internal evaluation of the Nomination Committee confirmed that the Committee continued to be effective and identified the following priorities for the year ahead:

- continuing to focus on executive succession, including for leaders below Executive Committee level
- non-executive succession, including committee leadership
- making further progress on diversity

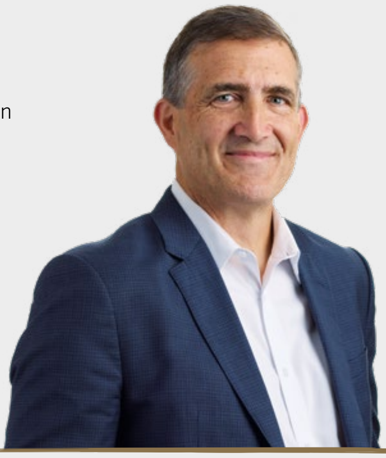
These themes, together with the regular work of the Committee, will inform the Committee's agenda for the coming year.

IK Meakins

Ian Meakins
Chair of the Nomination Committee

26 November 2024

Remuneration Committee Report



John Bryant
Chair of the Remuneration Committee

Committee responsibilities

- the Committee determines the Directors' Remuneration Policy (the Policy) and is responsible for setting the remuneration of the Chair of the Board, executive directors and the other members of the Executive Committee
- the Committee ensures that members of the Executive Committee are appropriately incentivised to drive the Group's performance and are rewarded for their contribution to the long-term sustainable success of the business by designing, monitoring and assessing incentive arrangements, including setting stretching targets and assessing performance and outcomes
- the Committee reviews remuneration arrangements for other senior executives within the Group and has regard to the remuneration philosophy of the organisation when developing policy and considering executives' packages, monitoring the relationship between executive remuneration arrangements and those of the wider workforce
- the Committee maintains an active dialogue with major shareholders and ensures their views and those of the proxy advisers are sought and considered when determining the Remuneration Policy

The Committee's full terms of reference are on our website:

www.compass-group.com.

Dear Shareholder

I am delighted to present to you our Directors' Remuneration Report (DRR) for the financial year ended 30 September 2024. It has been a very busy time for the Committee. Alongside our usual activities, we undertook a thorough review of our Remuneration Policy. This Report sets out the Committee's deliberations and rationale, and the data-driven decisions that we have made during the year in connection with the new Remuneration Policy (the 2025 Policy) and other remuneration-related matters.

Introduction

Ahead of drafting the proposed 2025 Policy, we were committed to gaining a clear understanding of shareholders' views, and with this in mind we commenced engagement a year in advance of our 2025 AGM. Over the following six months, we engaged with over 100 shareholders representing over three-quarters of our issued share capital (ISC), and received strong endorsement for our proposals on the quantum of opportunity. The overall view on the appropriateness of our pay for performance approach was unanimous. It was therefore in this context that we focused our review on ensuring that the Policy contains an appropriate pay mix, with a market-aligned level of opportunity consisting largely of performance-related 'at-risk' pay, with the right metrics in place to support the growth of our business. All of this is underpinned by the need to attract, motivate, and retain the best talent to ensure that Compass remains a world leader in food service and a world-class investment proposition. As part of the consultation, we heard a range of divergent views on our incentive plan performance measures which we considered and have reflected in our final proposals.

We believe that our proposed 2025 Policy reflects the feedback we received from shareholders and will stand the test of time, supporting the Group's future growth ambitions.

We have also aligned our Long-term Incentive Plan (LTIP) rules to the proposed 2025 Policy. The amended LTIP rules will be presented to shareholders for approval at the AGM. Our Restricted Share Award (RSA) Plan, which is limited to employees below Board level, will also be submitted to shareholders for approval at the AGM. Executive directors will not be eligible for awards under the RSA Plan.

Details of the proposed 2025 Policy are summarised later in this letter, and the proposed 2025 Policy is set out on pages 97 to 106.

During the year, the Committee continued its rigorous approach to assessing performance, receiving and reviewing regular updates on performance against the incentive plan targets, and ensuring stringent controls on how activity such as mergers and acquisitions (M&A) is treated, so as to ensure that management continues to be rewarded for making the right decisions which are in the long-term interests of the Company.

Executive director changes

As previously announced, Palmer Brown succeeded Gary Green as Group COO, North America, on 1 December 2023, following the announcement of Gary's retirement. Petros Parras was appointed Group CFO on the same date. The departure terms for Gary Green, and the remuneration terms for Palmer Brown and Petros Parras, were disclosed in the 2023 DRR, and further details are set out later in this Report.

Business context

Compass is a global business, with around 580,000 employees operating in around 30 countries. Over two-thirds of our revenues are generated in North America, where approximately half of the Group's employees are based. We continue to grow, both in size and complexity, with acquisitions helping us expand deeper into our core markets.

Our strategic acquisitions of CH&CO in the UK and Ireland and HOFMANN[s] in Germany, Austria and Switzerland provide further accelerated growth and strengthen our capabilities. 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. We have exited, or agreed to exit, nine non-core countries, further improving the quality of our portfolio.

Our strong performance is evident in our year-end results, where we have delivered organic revenue growth of 10.6%, including net new business growth of 4.2%.

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

2024 performance outcomes

Bonus outcome

The exceptional financial results and operational performance are reflected in bonus outcomes for the year. We have delivered profit growth of 16.4%, with continued strong cash generation providing flexibility to invest in growth and reward our shareholders, and made strong progress against our ESG targets, achieving the rollout and regular usage of food waste recording technology in almost 10,000 units. This has resulted in an outcome of 100% of maximum under the annual bonus plan for the Group CEO, Group CFO and Group COO, North America.

When determining the outcome for the annual bonus plan, the Committee considered the business performance and operating environment and the wider stakeholder experience on a holistic basis, in addition to the formulaic outcomes.

One-third of the bonus earned by each executive director will be deferred into shares for a period of three years. The remainder of the bonus will be paid in cash. The cash payment and deferred bonus shares will be subject to malus and clawback provisions for a period of three years following payment/award. No discretion has been exercised in respect of bonus payments for 2023-2024. Full details of the targets and outcomes are set out on pages 108 to 109.

LTIP outcome

The 2021-2022 LTIP award was based on a three-year performance period which ended on 30 September 2024. Performance measures and their associated weightings under this award were: 40% on Return on Capital Employed (ROCE), 40% on Adjusted Free Cash Flow (AFCF) and 20% on relative Total Shareholder Return (TSR).

The business delivered ROCE of 19% and AFCF of $4,756 million over the three-year performance period ended 30 September 2024. Compass' TSR performance was in the upper quartile of the comparator group (FTSE 100 excluding financial services), with Compass outperforming the index by 9.9%, ranking 9th out of the 73 constituents remaining in the comparator group at the end of the performance period.

All three of the performance conditions under the 2021-2022 award were met, resulting in the award vesting in full. The Committee considered it important to undertake a comprehensive and holistic review of performance, on both an absolute and relative basis, to determine whether the payout level was consistent with the performance achieved and, in so doing, to make a judgement as to whether any adjustment should be made to the vesting decision beyond the formulaic outcome. Given the strength of delivery, degree of outperformance versus peers, top-quartile TSR performance, and the progress made on multiple strategic priorities, the Committee is satisfied that the vesting outcome is a fair reflection of performance over the period.

2025 Remuneration Policy review

Context

Since the appointment of Dominic Blakemore as Group CEO on 1 January 2018, Compass has generated total shareholder returns of 41.1% (as measured to 30 September 2024), compared to a FTSE 100 index return of 25.4% and returns of no more than 4% at our closest peers (3.2% at Aramark, 0.3% at Sodexo and -88.3% at Elior). This has resulted in the creation of £14.7 billion in shareholder value over this period for Compass shareholders.

This performance demonstrates the ability of our management team to deliver sustained, long-term growth for the business and our shareholders relative to our peers. This performance has also been reflected in our results: for example, the delivery of significant operating profit growth, building momentum across all regions, delivering double-digit organic revenue growth, and an underlying operating margin of 7.1%.

Our strategy for growth has been supported by our shareholders and it has been successful in delivering significant returns compared to a number of our peers.

As we strive for transformative growth and progress in our core markets, it is imperative that we have a Policy that retains, attracts and motivates the high-calibre talent that we need to execute our ambitious strategy. As it stands, we continue to face challenges in respect of the incentivisation and retention of our senior management in a highly competitive talent market. This is pertinent across the wider executive population, including roles immediately below the Executive Committee, where we are experiencing pay compression.

Over the past few years, there has been a growing debate around how truly global companies such as Compass, with significant exposure to international markets, and in particular the US, can compete on pay for talent at a senior level, whilst operating within the UK corporate governance framework. We have experienced this first hand, with the attrition of some senior individuals. These individuals were offered remuneration packages significantly above what we would be able to offer them without compromising the internal relativity of remuneration at Compass.

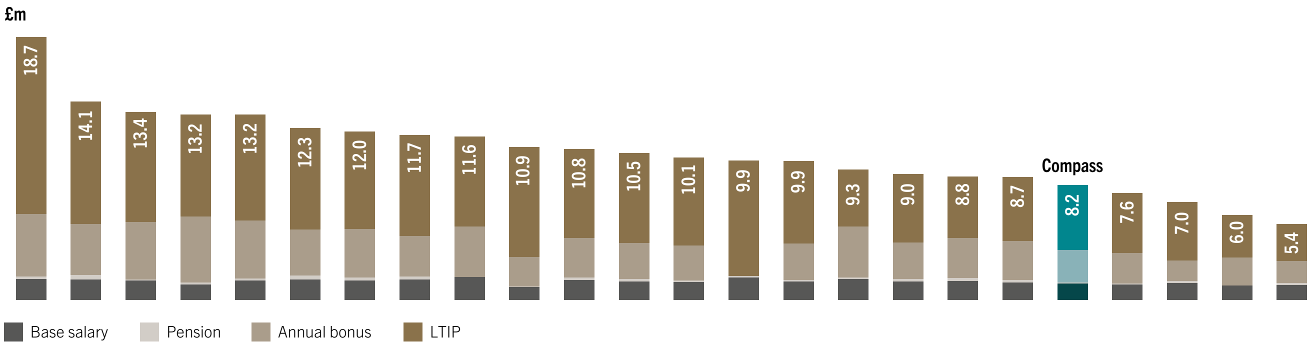
Nonetheless, as a UK-listed company, we are subject to and are mindful of UK governance expectations. We have not sought to replicate US pay practices for our executive directors, but we remain acutely aware of the need to remunerate fairly in local markets and of the wider impacts across the senior team of being a global player. We are committed to taking a measured approach, maintaining our internal pay differentials whilst still enabling Compass to compete for talent in relevant markets.

Current remuneration competitiveness and peer group selection

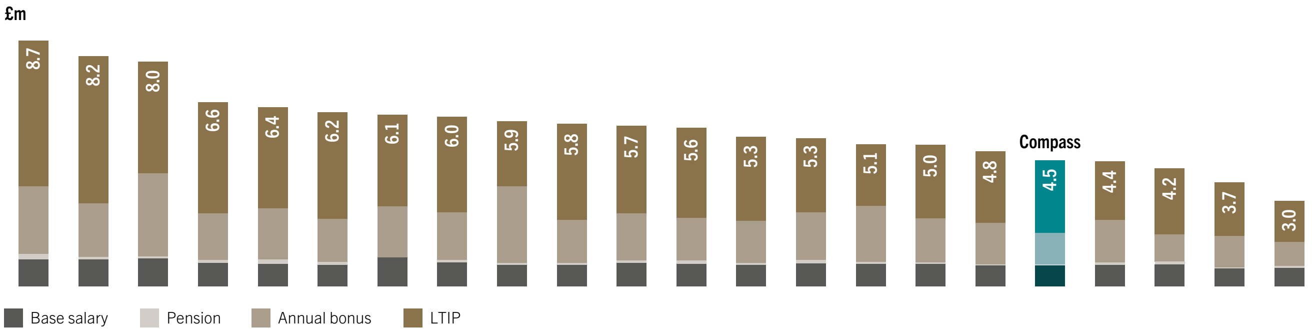
As part of this review, we have considered the competitive positioning of our senior management remuneration. We have chosen the FTSE 30 (excluding financial services (FS) companies) as our peer group for remuneration purposes for the Group CEO and Group CFO as Compass has consistently been in this group. In addition, this group is amongst the most international of UK companies and therefore represents a selection of peers that are closest to the size and scale of Compass. A peer group consisting of other food services companies was considered, however our main competitors are significantly smaller than Compass, some with remuneration arrangements materially above the current and proposed levels at Compass.

Even amongst UK peers, we remunerate relatively conservatively. Over the current Policy cycle, we have consistently been positioned around the middle of the FTSE 30 by market capitalisation, yet maximum total remuneration is the 5th lowest for the Group CEO and 5th lowest for the Group CFO (FTSE 30 ex. FS) as shown in the following charts.

Chief Executive Officer: current maximum Policy remuneration vs FTSE 30 ex. FS



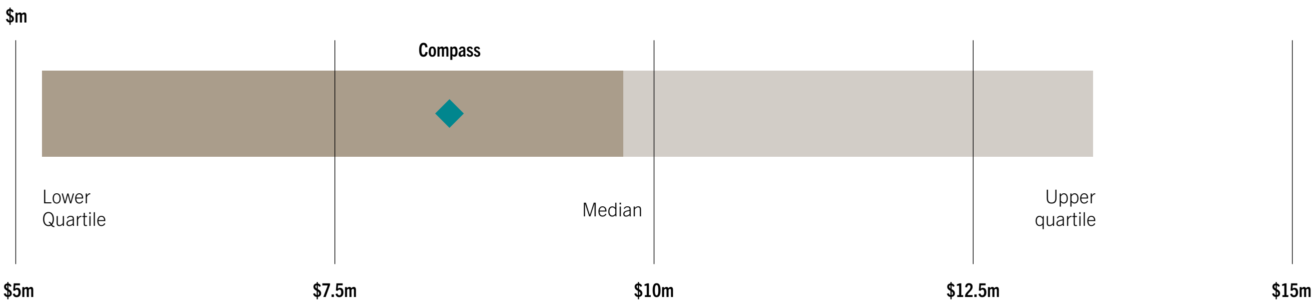
Chief Financial Officer: current maximum Policy remuneration vs FTSE 30 ex. FS



Chief Operating Officer, North America: current maximum Policy remuneration vs North America peer group

Given Palmer Brown's role as Group COO, North America, a FTSE 30 ex. FS peer group as a single lens is not appropriate as the scope and location of this role requires consideration of the US market. The Committee therefore primarily considered US market data in determining the appropriate remuneration for this role. This data is based on a range of companies of a similar size and complexity to Compass. The Group COO, North America benchmark uses independently collated proprietary data, some of which is not in the public domain. As such, the data presented in this Report shows the total remuneration benchmarking quartiles for these roles, and the current remuneration level relative to these benchmarking quartiles.

The Committee is satisfied that this peer group is the most appropriate as it directly reflects the positioning of the role within Compass, the geographic location of the role, and the size of the North America business. On a maximum total direct compensation basis (including salary, bonus and long-term incentives), the Group COO, North America sits between the lower quartile and median of the bespoke peer group (i.e. broadly consistent positioning with the Group CEO and Group CFO roles versus the FTSE 30 ex. FS group). This positioning is driven principally by the significantly higher long-term incentive opportunities typically offered in the US market.



Compass is one of the more complex businesses within the FTSE 30 ex. FS comparator group relative to our size and whilst we are currently ranked 14th by market capitalisation, we rank 9th by revenue, and are by far the largest employer.

Median ranked by market capitalisation…

Market capitalisation scale rank	Company	Market capitalisation (£m)
1	AstraZeneca	179,648
2	Shell	150,896
3	Unilever	120,352
4	Rio Tinto	91,173
5	RELX	65,409
6	BP	63,701
7	GSK	62,860
8	BAT	60,330
9	Diageo	57,919
10	London Stock Exchange	56,404
11	Glencore	52,182
12	National Grid	50,326
13	Rolls Royce	44,838
14	**Compass**	**40,636**
15	BAE	37,418
16	Experian	36,138
17	Haleon	35,808
18	Anglo American	32,490
19	Reckitt	31,704
20	Ashtead	25,302
21	Tesco	24,584
22	SSE	20,816
23	Antofagasta	19,845
24	Vodafone	19,622

…but top 10 by revenues…

Revenue scale rank	Company	Annual revenue (£m)
1	Shell	253,958
2	Glencore	174,718
3	BP	168,543
4	Tesco	68,187
5	Unilever	51,719
6	Rio Tinto	43,346
7	AstraZeneca	36,745
8	Vodafone	31,623
9	**Compass**	**31,028**
10	GSK	30,328
11	BAT	27,283
12	Anglo American	24,589
13	BAE	23,078
14	National Grid	19,850
15	Rolls Royce	16,486
16	Diageo	16,105
17	Reckitt	14,607
18	Haleon	11,302
19	SSE	10,457
20	RELX	9,161
21	Ashtead	8,641
22	London Stock Exchange	8,359
23	Experian	5,644
24	Antofagasta	5,073

…and with the most employees

Employee scale rank	Company	Number of employees
1	**Compass**	**579,126**
2	Tesco	225,659
3	Unilever	128,000
4	Shell	103,000
5	BAE	99,800
6	AstraZeneca	89,900
7	BP	87,800
8	Vodafone	85,887
9	Glencore	83,426
10	GSK	70,212
11	Anglo American	58,000
12	Rio Tinto	57,000
13	BAT	46,725
14	Rolls Royce	41,400
15	Reckitt	40,000
16	RELX	36,500
17	National Grid	31,425
18	Diageo	30,092
19	Antofagasta	29,000
20	Ashtead	25,935
21	London Stock Exchange	25,608
22	Haleon	24,000
23	Experian	22,813
24	SSE	14,980

Data as at 30 September 2024.

Engagement with shareholders on the 2025 Policy review

As described in depth in our 2023 DRR, the Committee has a well-established relationship with its major shareholders, conducting robust engagement processes during periods of change, and continuing engagement outside these times. During 2023, the Committee sought the views of many shareholders in respect of our 2022 Policy and its implementation, and consequently had a good understanding of where to focus in respect of the 2025 Policy.

Formal consultation with shareholders commenced early in 2024. During the process, we engaged with over 100 of our largest shareholders. We also engaged with the three main proxy agencies. Our major shareholders have been overwhelmingly supportive of the proposals on remuneration quantum and recognise the rationale behind the changes we are proposing. The key themes emerging from the consultation process were:

- understanding of the size, scale and complexity of Compass and the need for this to be reflected in how we remunerate our executive directors
- recognition of the US dimension and its necessary impact on the 2025 Policy
- acceptance of the retention challenge and need for competitiveness in a global talent market
- welcoming of the Company's reassurance and commitment to ensure suitably robust and stretching targets to reflect the new increased opportunities
- divergent views on the proposal to change the LTIP performance metrics and weightings, with more support for the preservation of the current focus on cash and return metrics
- overall support for the philosophy underpinning our proposed 2025 Policy

Proposed changes for 2025

Given the performance of the Company and the macro environment in which it operates, and taking into consideration the feedback received as part of the shareholder consultation, we are proposing to make the following changes to the 2025 Policy.

Maximum incentive opportunity under the 2025 Policy

In reviewing our remuneration arrangements, our underlying motivation is to provide the capacity and flexibility to both attract and retain executive directors over the full life of our Remuneration Policy whilst ensuring that we are managing the relativities between all executives fairly in the process. In addition, we have sought to ensure that a significant proportion of total remuneration continues to be focused on the delivery of long-term performance.

As highlighted above, the Committee is not seeking to increase quantum to be aligned to our US peers, nor are we seeking to be aligned with US pay models, despite our significant exposure to the US from a talent and commercial perspective.

Nonetheless, we have considered the US pay context whilst using the comparison with our UK peers in the FTSE 30 ex. FS as our main reference point, in order to support our determination of an appropriate total remuneration package for our executive directors going forward. We have chosen the FTSE 30 ex. FS as our principal peer group. Over the past two financial years, Compass has consistently been positioned around the middle of this group, having progressed from around 20th position during the first year of operation of the 2022 Remuneration Policy, as the Company continued its recovery from the impact of restrictions imposed during the COVID-19 pandemic.

To that end, we are proposing to increase the incentive opportunity available under the Remuneration Policy for our executives as set out in the table below. It is our intention to move our executives to these levels at an appropriate point in time, reflective of various factors, including incumbent performance and experience, Company performance and shareholder value created, and the general talent landscape.

Shareholding requirement changes

We are conscious of the importance of long-term shareholding for our executives in order that their interests are linked with those of shareholders. As such, for any increase in LTIP opportunity that we implement, we propose to increase the shareholding requirements for executives by a commensurate amount, as shown in the table below.

Implementation of the 2025 Policy

The Committee is confident that the changes proposed will continue to enable Compass to motivate and retain our executive directors, and to align with the delivery of our growth strategy, rewarding the creation of sustainable long-term shareholder value.

A significant part of the Policy review was to assess the remuneration package of the executive directors on a holistic basis, assessing the market positioning of the overall remuneration package, and considering each remuneration element individually. Dominic's base salary is currently positioned just below the lower quartile of the FTSE 30 ex. FS, despite him having served as Group CEO for almost seven years, almost twice the median tenure of those within the peer group.

Within the context of Dominic's sustained strong performance in role, the success of the business over the period and his proven track record of delivery, and the critical need to retain Dominic, the Committee took the view that his base salary should be recalibrated. The proposed salary of £1,400,000 (an increase of 20.7%) will be effective 1 January 2025, bringing this broadly in line with the median of the FTSE 30 ex. FS. The Committee considered whether to phase the implementation of the 2025 Policy increase for the Group CEO. Dominic will be entering his eighth year as Group CEO at the time of the proposed increase. Given this tenure and sustained exceptional performance since his appointment, the Committee took the view that an immediate recalibration was appropriate in these specific circumstances. The Committee is very mindful that this increase is significantly larger than the expected average increase of the wider UK population, and how this may be perceived. However, this approach is in line with that taken throughout the wider organisation, that where an individual's base salary is deemed to be significantly below the market, the appropriate recalibration will take place.

The Committee determined base salary increases of 2.03% for the Group CFO and 2.07% for the Group COO, North America, effective 1 January 2025. These are below the average increase for employees across the wider UK population, which is expected to be around 5% during 2025, inclusive of the impact of national minimum wage and The Living Wage increases in the UK.

The Committee proposes to phase the increase in LTIP opportunity for the Group CFO and Group COO, North America, such that the LTIP award for the Group CFO will increase from 350% to 375% of salary for the 2024-2025 award, with a second-stage increase from 375% to 400% of salary from 2025-2026 and beyond. Similarly, the LTIP award for the Group COO, North America will increase from 350% to 400% of salary for the 2024-2025 award, with a second-stage increase from 400% to 450% of salary from 2025-2026 and beyond. To recognise tenure and performance in the role, the LTIP award for the Group CEO will increase from 400% to 500% of salary for the 2024-2025 award.

The Committee intends to grant LTIP awards to executive directors at the maximum levels permitted under the current Policy, shortly after the 2024 full year results announcement.

Subject to shareholder approval of the 2025 Policy, the Committee intends to make top-up LTIP awards to executive directors as soon as practicable following the 2025 AGM, to bring the in-year awards for 2024-2025 to the percentage highlighted in the table below, based on their prevailing salary at the date of the top-up award.

A summary of the proposed changes to the Policy and how the Committee intends to implement the 2025 Policy for the financial year 2024-2025 is set out in the table below, and on the pages that follow.

	Maximum opportunity (% of salary)						
	Annual bonus			Long-term Incentive Plan (LTIP)			
Executive Director	Current Policy	Proposed Policy	**2024-2025 award**	Current Policy	Proposed Policy	**2024-2025 award**	Shareholding requirement (% of salary)
Dominic Blakemore Group CEO	200%	250%	**250%**	400%	500%	**500%**	Aligned to 2024-2025 LTIP award
Petros Parras Group CFO	150%	200%	**200%**	350%	400%	**375%**	Aligned to 2024-2025 LTIP award
Palmer Brown Group COO, North America	150%	200%	**200%**	350%	450%	**400%**	Aligned to 2024-2025 LTIP award

Pay positioning following implementation

The resulting positioning highlights that we are not making proposals to simply chase a certain benchmarking position. Instead we have been considerate of each individual's experience in their role and for 2024-2025 chose to exhibit restraint in not utilising the full headroom within the proposed 2025 Policy for both the Group CFO and Group COO, North America. We will continue to keep the opportunities under review over the life of the 2025 Policy to ensure that they continue to appropriately reflect the experience and responsibilities of each of our Executive Directors.

Incentive performance measures

The Committee recognises the importance of the alignment between remuneration, the business, and our key strategic aims, and ensuring that executives are rewarded only for delivering against our strategy. As a result, the Committee has sought the views of major shareholders, and having carefully considered the incentive performance measures that will apply on an ongoing basis. Changes to the bonus measures for the Group CEO and Group CFO were made for 2023-2024 to reflect our ongoing strategy and these bonus measures will now also apply to Palmer Brown in his capacity as Group COO, North America, for 2024-2025.

The feedback from shareholders highlighted divergent views on the most appropriate LTIP performance measures. Whilst there was some support for the adoption of earnings per share as a key measure in the LTIP, the most significant shareholder feedback supported the retention of cash flow and ROCE measures. Having reflected on this feedback, the Committee resolved to retain the existing cash flow, ROCE and relative TSR measures in the LTIP. The Committee reviewed the appropriateness of the peer group within the TSR measure and whether to adopt a bespoke peer group. There are relatively few companies of significant scale in our sector; Compass has three to four times the market capitalisation of our main competitors, and having a very small comparator group can mean that relatively small differences in performance outcomes can lead to materially large and undesirable movements in payout levels. As such, the Committee resolved to retain a broader index-based comparator group to mitigate these effects.

We will keep the performance measures under review to ensure that the LTIP remains appropriately aligned to the prevailing business strategy and objectives.

The 2024-2025 targets within the annual bonus plan and for the LTIP award have been reviewed to ensure that these are appropriately robust and stretching in the context of the increased incentive opportunity. The ranges and proposed targets were debated by the Committee during the target-setting process to ensure that the increased incentive opportunity is earned only in the case of additive performance. If maximum performance is achieved under the targets that have been set, this will result in the creation of significant shareholder value for the benefit of our shareholders, clients and colleagues.

Concluding remarks

I would like to take this opportunity to thank our major shareholders, key institutional investor bodies, proxy agencies and other stakeholders for the time taken to engage with us on the Remuneration Policy during the year.

We welcome your feedback on all aspects of our approach to executive pay and I look forward to continuing our open dialogue.

I hope that you will join the Board in supporting the resolution to approve the 2024 Directors' Remuneration Report and the 2025 Policy at the upcoming AGM. I remain available for any shareholders who wish to discuss any of the content set out in this Report ahead of the AGM.

John Bryant
Chair of the Remuneration Committee

26 November 2024

Committee summary

Activities during the year

The key activities of the Committee during 2024 are set out below. The Committee also monitors performance and regularly reviews discretionary matters relating to individuals below executive director level in connection with the Company's share plans. It also agrees the terms of appointment and exit arrangements for executive directors and other members of the Executive Committee. The Committee held five scheduled meetings during the year, details of which are set out below:

November 2023

- reviewed salaries for the Executive Committee and executive directors effective 1 January 2024, taking into consideration the budgets for salary reviews across the Group
- determined performance outcomes for the 2020-2021 LTIP awards and 2022-2023 annual bonus plan
- set targets for the 2023-2024 annual bonus plan
- approved the structure and proposed quantum of the 2023-2024 LTIP awards
- considered the vesting of the Senior Manager Incentive Plan Plus (SMIPP) for US participants
- approved the 2023 draft DRR
- assessed the share ownership compliance of directors against the share ownership guidelines

March 2024

- held an initial discussion on the proposed 2025 Policy

May 2024

- approved the appointment of the Committee's new adviser
- received a performance update on the 2023-2024 annual bonus plan
- received a performance update on the extant LTIP awards
- considered the wider employee perspective including an employee landscape dashboard and remuneration of the highest earning individuals in the Group
- received an update on external remuneration trends from external advisers
- considered proposals in respect of the 2025 Policy and approved shareholder engagement materials

July 2024

- considered shareholder feedback in respect of the proposed 2025 Policy and discussed and approved the approach going forward

September 2024

- considered additional feedback from engagement with shareholders in respect of the proposed 2025 Policy
- received an update on progress against 2023-2024 annual bonus targets and in-flight LTIP awards
- reviewed the broader Company remuneration philosophy
- determined the structure and measures for the 2024-2025 LTIP awards and 2024-2025 annual bonus plan
- reviewed the draft DRR for 2024
- reviewed the fee for the Chair of the Board
- undertook the annual review of the Committee's terms of reference

Governance

John Bryant was appointed Chair of the Remuneration Committee in February 2023. Membership of the Committee comprises the Chair of the Committee and all the other independent non-executive directors. Members are appointed by the Board following recommendation by the Nomination Committee. Biographies of Committee members are on pages 57 to 59.

The Committee meets at least twice a year. The quorum necessary for a meeting is two. The Committee held five scheduled meetings during the year, two of which were held specifically to discuss the proposed 2025 Policy. The Committee attendance table is on page 60. The Chair of the Committee attends the AGM, either virtually or in person, to respond to shareholder questions on the Committee's activities.

Only members of the Committee have the right to attend its meetings. The Group General Counsel and Company Secretary acts as Secretary to the Committee and attends all meetings. The Group Chief People Officer and the Group Reward Director are invited to attend meetings to advise on remuneration matters. The Chair of the Board, Group CEO and Group CFO may also attend by invitation. No individual attends meetings where their own remuneration is discussed or in circumstances where their attendance would not be appropriate. The Committee is authorised to seek external legal and independent professional advice as it sees fit. Details of the advisers to the Committee can be found on page 118.

Structure and content of the Report

This DRR has been prepared on behalf of the Board by the Committee in accordance with the requirements of the Companies Act, The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, The Companies (Miscellaneous Reporting) Regulations 2018 and The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. The sections include:

- the Committee's key activities in the year, followed by an 'at a glance' summary of the 2023-2024 performance and remuneration outcomes, a summary of the proposed 2025 Policy and remuneration in the wider employee context
- the proposed 2025 Policy effective 6 February 2025, subject to shareholder approval, and details of the consultation undertaken with shareholders on the proposed changes
- how the 2022 Policy was implemented during 2024 and how the proposed 2025 Policy will be implemented in 2025

Auditable disclosures are the:

- executive directors' single total figure of remuneration (page 107)
- non-executive directors' remuneration (page 111)
- long-term incentive awards (page 109 to 111, and 113)
- extant equity incentive awards held by executive directors (page 114)
- directors' interests (pages 114 to 115)
- payments to past directors (page 115)
- payments for loss of office (page 115)

Remuneration at a glance

Linking pay to performance

Bonus | LTIP

Organic revenue growth
- Organic revenue growth (Bonus)

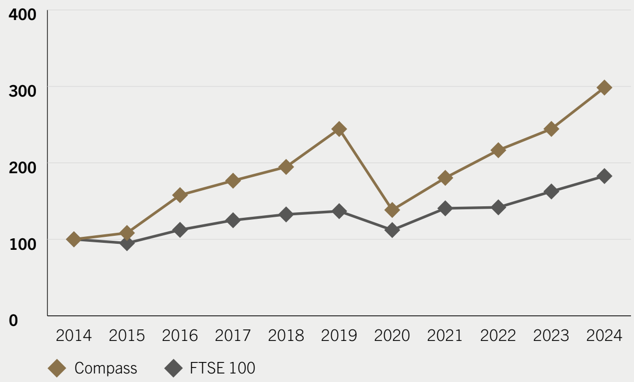
Operating efficiencies
- PBIT growth (Bonus)
- Operating margin (Bonus)
- Cash conversion (Bonus)
- Return on capital employed (LTIP)
- Adjusted free cash flow (LTIP)

Competitive advantage
- Workplace safety (Bonus)
- Food safety (Bonus)
- Food waste (Bonus)

Shareholder returns
- Relative TSR (LTIP)

2024 performance highlights

Total shareholder return (TSR) – Compass vs FTSE 100 (£)



Total shareholder return

The performance graph shows the Company's TSR performance against the performance of the FTSE 100 over the 10-year period to 30 September 2024. The FTSE 100 Index has been chosen as a broad equity market index of which the Company has been a constituent member throughout the period.

KPIs

11% Organic revenue growth

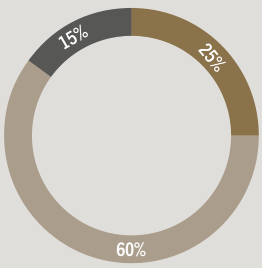
7.1% Underlying operating margin

16.4% PBIT growth

Remuneration outcomes in 2024

2023-2024 annual bonus plan

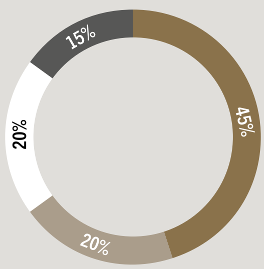
Dominic Blakemore
Petros Parras



Measure	Outcome
PBIT growth	100%
Cash conversion	100%
ESG	100%

100% for the Group CEO and Group CFO

Palmer Brown

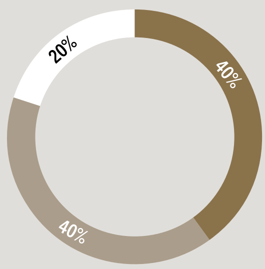


Measure	Outcome
Operating margin	100%
Cash conversion	100%
Organic revenue growth	100%
ESG	100%

100% for the Group COO, North America

2021-2022 LTIP award

Dominic Blakemore
Palmer Brown



Measure	Outcome
ROCE	100%
AFCF	100%
Relative TSR	100%

100% for the Group CEO and Group COO, North America

The 2021-2022 LTIP award granted to Petros Parras pre-dates his appointment as an executive director.

2023-2024 single total figure of remuneration

Dominic Blakemore

24	£9,499k
23	£7,498k

Petros Parras

24	£1,645k
23	N/A

Palmer Brown

24	£6,441k
23	£2,271k

The remuneration levels in 2024 reflect the Group's exceptional performance, where record levels of performance have been achieved in many areas, and strong shareholder returns delivered.

The Group COO, North America's 2023 remuneration excludes LTIP awards which predate his appointment as an executive director.

Remuneration Policy summary

The below table sets out a summary of our current and proposed Remuneration Policy for executive and non-executive directors, as well as its proposed implementation for 2025.

<table>
<tr><th>Element and summary of 2022 Policy</th><th>Summary of proposed 2025 Policy changes</th><th>Implementation of 2025 Policy for 2024-2025</th></tr>
<tr><td>Base salary
Base salaries are reviewed annually with any increases normally taking effect on 1 January of each year.</td><td>No change.</td><td>2025 base salary levels effective 1 January 2025:<table><tr><th>Director</th><th>Salary</th></tr><tr><td>Dominic Blakemore</td><td>£1,400,000 (20.7% increase)</td></tr><tr><td>Petros Parras</td><td>£755,000 (2.03% increase)</td></tr><tr><td>Palmer Brown</td><td>$1,429,000 (2.07% increase)</td></tr></table>The average increase for employees across the wider UK workforce is expected to be around 5% during 2025.</td></tr>
<tr><td>Benefits and pension
Benefits include, but are not limited to, healthcare for executive directors and their dependants, limited financial advice, life assurance and car benefit.
Pension cash allowances are aligned to the maximum rate available to the majority of the wider UK workforce (currently 6% of base salary).</td><td>No change.</td><td>No change in benefits or pension arrangements for 2025.</td></tr>
<tr><td>Annual bonus plan
The maximum award for the Group CEO is 200% of base salary and for the other executive directors is 150% of base salary.
One-third of the bonus for executive directors is subject to mandatory deferral into shares, for a period of three years.
Awards are subject to malus and clawback.</td><td>The maximum award for the Group CEO is 250% of base salary and for the other executive directors is 200% of base salary.
No change to structure of the plan including deferral and malus and claw-back provisions.</td><td>The measures and weightings for the 2025 bonus will be as follows:<table><tr><th>Measure</th><th>Weighting</th></tr><tr><td>PBIT growth</td><td>60%</td></tr><tr><td>Cash conversion</td><td>25%</td></tr><tr><td>ESG</td><td>15%</td></tr></table>Measures are based on Group performance for the Group CEO and Group CFO, and North America performance for the Group COO, North America</td></tr>
<tr><td>Long-term Incentive Plan
Maximum opportunity of 400% of salary for the Group CEO and 350% of salary for other executive directors.
A two-year holding period applies following the three-year performance period. Awards are subject to malus and clawback.</td><td>Maximum opportunity of 500% of salary for the Group CEO, 450% for Group COO, North America and 400% for the Group CFO.
No change to structure of the plan including holding period and malus and clawback provisions.</td><td>The LTIP award levels for 2025 will be as follows:<table><tr><th>Director</th><th>LTIP award</th></tr><tr><td>Group CEO</td><td>500%</td></tr><tr><td>Group CFO</td><td>375%</td></tr><tr><td>Group COO, North America</td><td>400%</td></tr></table>Performance measures for the 2024-2025 award are ROCE, AFCF and relative TSR, weighted 40%, 40% and 20% respectively</td></tr>
<tr><td>Shareholding requirements
4x base salary minimum shareholding requirement for the Group CEO and 3.5x base salary for other executive directors, normally expected to be achieved within five years.
Executive directors are required to hold the lower of: (i) their shareholding at the date of termination of employment; or (ii) shares equivalent to their share ownership guideline at that date, for a period of two years post-employment.</td><td>An increase in the shareholding requirement, aligned to the LTIP award granted in the relevant financial year.</td><td>Shareholding requirement to align with the 2024-2025 LTIP award:<table><tr><th>Director</th><th>Shareholding requirement</th></tr><tr><td>Group CEO</td><td>5x</td></tr><tr><td>Group CFO</td><td>3.75x</td></tr><tr><td>Group COO, North America</td><td>4x</td></tr></table></td></tr>
<tr><td>Chair of the Board and non-executive director fees
The fees for the non-executive directors are reviewed and determined by the Board each year to reflect appropriate market conditions, and may be increased if considered appropriate.</td><td>No change.</td><td>Fees for non-executive directors for 2024-2025:<table><tr><td>Chair of the Board fee</td><td>£620,000 (4.0% increase)</td></tr><tr><td>Non-executive director base fee</td><td>£103,500 (3.9% increase)</td></tr><tr><td>Senior Independent Director fee</td><td>£30,000 (no increase)</td></tr><tr><td>Committee Chair fee</td><td>£30,000 (no increase)</td></tr></table></td></tr>
</table>

Remuneration in the wider context

Engaging with our employees

Our people are at the heart of our business, and we want our employees to thrive in a fair and inclusive work environment. Understanding their needs and motivations helps us to provide a great place to work and to drive business performance.

Engagement with our employees takes many forms, including surveys, roundtables, townhall meetings, SpeakUp, We're Listening reports, and initiatives taken in conjunction with trade unions and other employee consultative bodies. Our Designated Non-Executive Director for Workforce Engagement (DNED) also held roundtable discussions with employees from around the Group during the year, gathering colleagues' views and sharing feedback with the Board.

Pages 68 to 71 provide an overview of how we engaged with employees and other stakeholders in 2024.

Details of the roundtable sessions are set out on page 66.

Our employee dashboard

When considering executive remuneration and setting the Remuneration Policy, the Committee takes into consideration the wider workforce. A detailed employee landscape dashboard was presented to the Committee at its May 2024 meeting. The dashboard covered the following areas:

Employee landscape dashboard

Inflationary pressures	Throughout the year, we continued to monitor the inflationary pressures faced by many employees in the Group, and where appropriate made tactical changes to help mitigate the impact of inflation and improve employee retention. Below are some examples of our actions. Our UK&I business: – is a Living Wage Recognised Service Provider – continued to provide colleagues with free meals, a practice which was first introduced during the pandemic – provided enhanced access to loans from external providers for individuals who would not ordinarily meet the eligibility criteria of high-street lenders, and access to early pay-days – provided access to a Helping Hands fund to support with emergency and unexpected payments – provided financial education seminars covering money management, Compass' benefits, share plans, savings and investments and retirement planning – extended access to medical plans Other businesses: – in markets with high inflation such as Türkiye, India and Poland, in keeping with local market practice our local businesses operated additional salary reviews during the year to mitigate the impact of inflation – for colleagues in North America, 50% of earned wages can be accessed in advance of pay-day, helping them to manage their finances more effectively – continued to provide colleagues with free meals across a number of markets
Minimum and Living Wage	The UK business has made significant progress tackling low pay across the UK, with 67% of employees receiving the Real Living Wage or above, at 30 September 2024, compared to 37% of employees in 2020, when the UK business first became a Real Living Wage Recognised Service Provider.
Gender and ethnicity pay gap	The Compass UK gender pay gap, reported in 2024, reduced further from 12.6% to 8.2%, which is below the national average of 14.3%. Female representation at senior management level, including chef roles, is a focus for the business. 37% of chefs in our businesses are female, above the industry average of 20%. The Compass UK ethnicity pay gap was published for the first time in 2022. Our UK&I business reported in 2024 that there was no ethnic minority pay gap, i.e. a median of 0%. To continue progress in this area, our UK business is now breaking down the data of its ethnic minority colleagues further, to provide greater insights to establish if specific groups need extra support or a different approach to progression.
CEO pay ratio	The Committee reviews the CEO pay ratio and the reasons for any movement in the ratio each year. Further detail can be found on page 116.
Pay across the organisation	The Committee continues to review the structure of the Group's long-term share plans and to ensure eligibility and participation remain appropriate. In 2023-2024 a total of 450 colleagues below the Executive Committee were granted long-term share awards. We have a broadly consistent annual bonus plan across our leadership team, with outcomes in the 2023-2024 financial year based on local, regional and Group performance. Further detail on our approach to remuneration below Board level is set out on the following page.

Alignment of executive and workforce remuneration

Component	Executive directors	Below Board level
Base pay	Salary increases as a percentage of salary are normally aligned with, or lower than, the average percentage increase for the wider UK population.	The average salary increase for employees across the wider UK population is expected to be around 5% during 2025, inclusive of the impact of national minimum wage and The Living Wage increases in the UK.
Benefits	Benefits are aligned to market practice.	Core employee benefits are competitive and reflect local market practice.
Pension	Pension allowance of 6% of base salary, which is aligned with the maximum rate available to the majority of the wider UK workforce.	Pension arrangements reflect local market practices and requirements. The maximum rate available to the majority of the wider UK workforce is currently 6% of salary.
Annual bonus	Maximum annual bonus opportunity of 250% of base salary for the Group CEO and 200% of base salary for other executive directors. Annual bonus is subject to performance against financial and ESG measures. One-third of any bonus earned by executive directors is deferred into shares for three years.	Annual bonus opportunities vary by role. For the global leadership team, the principles of the annual bonus plans are consistent with those for executive directors. They include financial performance targets based on the agreed budget, where target bonus is normally calibrated for the delivery of budget. ESG measures also apply. Alternative annual bonus structures may be used below the global leadership team to meet local requirements and regulations, such as profit-sharing or role-focused arrangements (e.g. sales or procurement targets).
Long-term incentives	Maximum Long-term Incentive Plan opportunity of 500% of base salary for the Group CEO, and 450% and 400% of base salary for the Group COO, North America and Group CFO respectively (on a phased basis) as detailed on page 90). Long-term Incentive Plan awards are subject to performance against financial targets measured over a three-year period, followed by a two-year holding period.	The Long-Term Incentive Plan (LTIP) is in place across the Executive Committee and the global leadership team. Eligibility is determined by role and individual contribution. We also operate a Restricted Share Award (RSA) Plan below executive director level, which supports recruitment, retention and M&A activity. Awards are typically made four times a year. During 2023-2024, a total of 450 colleagues below the Executive Committee received an award under the LTIP and/or RSA Plan.

Remuneration Policy

This section of the Report sets out our new Directors' Remuneration Policy (the 2025 Policy).

Our current Policy was approved at the AGM held on 3 February 2022. The full version of the current 2022 Policy approved by shareholders can be found in the 2023 Annual Report on the Company's website.

The proposed 2025 Policy, which will be presented to shareholders for approval at the AGM on 6 February 2025, is detailed in full in the following section. If approved, the 2025 Policy will take effect from the date of the AGM. Until then, the Policy approved on 3 February 2022 will continue to apply.

A full description of, and rationale for, the proposed changes to the Remuneration Policy are set out in the Remuneration Committee Chair's statement; and as set out in the statement, we were pleased that across our shareholder base there was a broad understanding of the rationale for the updates we are proposing, and support for the proposals themselves.

The 2025 Policy has been designed to incentivise executives to deliver the Company's strategic objectives. A significant proportion of remuneration is performance-related, based on a selection of targets linked to key business drivers which can be measured and understood by both executives and shareholders.

The Committee may make minor amendments to the Policy (for example for tax, exchange control, regulatory or administrative purposes) without obtaining shareholder approval.

The Committee reserves the right to make any remuneration payments, and payments for loss of office (including using any discretion available to it in connection with such payments), notwithstanding that they are not in line with the Policy set out below where the terms of the payment were agreed: (i) before 3 February 2022 when the 2022 Policy came into effect, or before 6 February 2025 when the 2025 Policy is intended to come into effect, provided that the terms of the payment were consistent with the Directors' Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to share awards, the terms of the payment are 'agreed' at the time the award is granted.

The Committee considers the general pay and employment conditions of employees across the Group and is sensitive to these, to prevailing market and economic conditions and to governance trends when assessing the level of salaries and remuneration packages of executive directors and other members of the Executive Committee. Executive directors have a greater proportion of their total remuneration package at risk than other employees; however, the structure and principles of incentives are broadly consistent. The wider employee population of the Group will receive remuneration that is considered to be appropriate in relation to their geographic location, level of responsibility and performance.

Remuneration Policy and practices in the context of the UK Corporate Governance Code 2018 (the Code)

The Committee has considered the Remuneration Policy and its practices in the context of the principles of the Code, as follows:

Clarity – the Committee endorses a transparent approach to pay, by engaging regularly with executives, shareholders and their representative bodies to explain the approach to executive pay and how it links to Compass' strategy. We are also committed to clear and transparent disclosure on all aspects of executive remuneration.

Simplicity – the purpose, structure and strategic alignment of each element of pay have been clearly laid out in the Remuneration Policy. The incentive arrangements are well understood by both participants and shareholders. The Committee monitors the structure of both the annual bonus and long-term incentive plans to ensure they are easy to understand and avoid unnecessary complexity. Additionally, the Committee ensures there is sufficient flexibility to exercise discretion and override formulaic outcomes where necessary.

Risk – the Committee ensures a careful balance between competitive pay and performance-driven incentives, to mitigate any risk of excessive rewards or encouraging the wrong type of behaviours. There is an appropriate blend of fixed and variable pay elements which, alongside the Committee's ability to exercise overarching discretion on Compass' performance within the year, allows for a holistic assessment of performance in the year. There are robust measures in place to ensure alignment with long-term shareholder interests, including the post-vesting holding period, shareholding requirement, malus and clawback provisions and mandatory deferral of a proportion of bonus into shares.

Predictability – our Directors' Remuneration Policy contains both target and maximum opportunity details for our incentives, with actual performance outcomes dependent upon performance achieved against the targets for the period. Additionally, potential remuneration opportunities under different performance scenarios are set out on page 104 of this Report.

Proportionality – executives are incentivised to achieve stretching, business-linked targets over annual and three-year performance periods, ensuring strong alignment with the business' objectives and the creation of long-term sustainable value for shareholders. The Committee assesses performance holistically at the end of each period, taking into account underlying business performance as well as the internal and external market context. The Committee may exercise discretion to ensure that payouts appropriately reflect the experience of the Group during the year.

Alignment with culture – to ensure alignment across the organisation, executive director pension cash allowances are aligned to the maximum rate available to the majority of the wider UK workforce. Additionally, the health and safety of our employees, clients and consumers is a priority for Compass, with 15% of the annual bonus plan measures focused on ESG metrics. Our measures are meaningful to our business and aligned to our ESG strategy, reflecting the importance of health and safety and the impact of reducing food waste on the environment.

Developing our new Policy for 2025

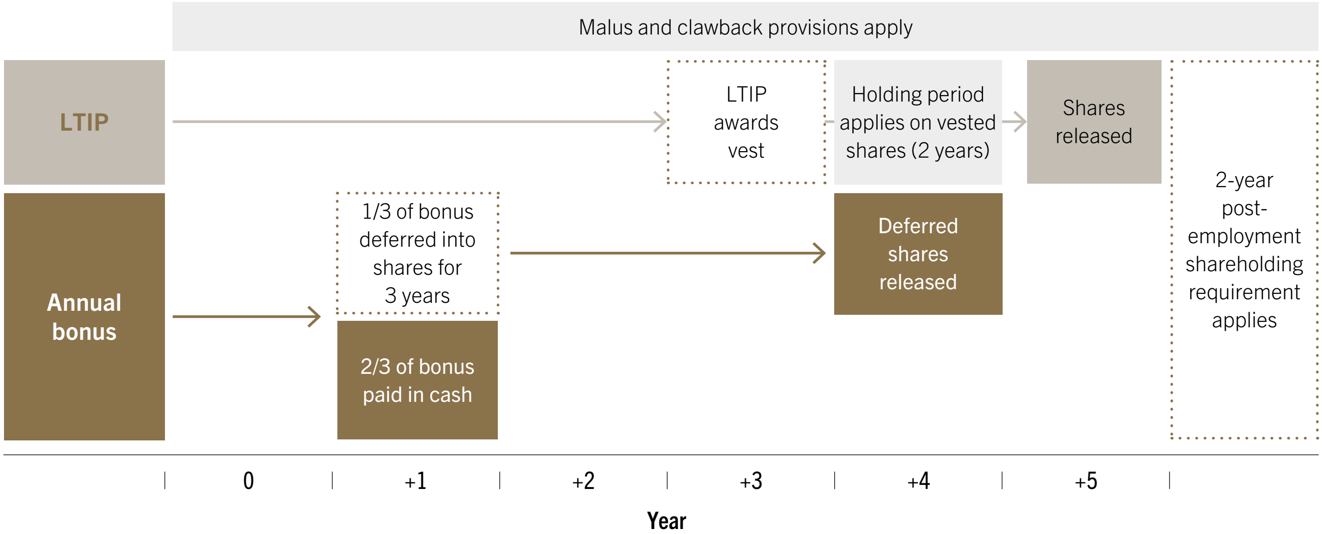
Our review of executive remuneration arrangements at Compass has been underpinned by the key reward principles which drive our approach to pay, all of which we believe support shareholders' best interests:

The principles of our 2025 Policy centre on our ability to retain and recruit top talent over the long term:

Global competitiveness	Long-term sustainable talent development	Pay for performance	Market positioning	Balanced approach
Considering practice when compared to companies of a similar financial and operational size, global footprint and business complexity, as well as the competitive market for talent in our sector.	It is important for us to retain our executives' skills, capabilities and deep sector experience at a key time in our growth trajectory.	Commitment to ensuring incentive outcomes are supported by the underlying performance of the business and aligned with shareholder experience.	Ensuring remuneration packages are aligned appropriately to attract, retain and incentivise key talent.	Balancing any increase in remuneration opportunity with appropriate safeguards, stretching performance targets, and best practice in corporate governance.

Remuneration Policy structure

As set out in the Committee Chair's statement, the structure of the Remuneration Policy remains effective; however, following detailed market analysis undertaken of a relevant peer group, it became apparent that the quantum needed to be reviewed. The current structure is set out below.



Changes from 2022 Policy

Full details of the rationale for our changes to the Remuneration Policy are set out in the Remuneration Committee Chair's statement. A summary of the changes proposed is included below.

Updates to variable remuneration opportunities

Our underlying motivation is to provide the capacity and flexibility to both attract and retain executive directors over the life of our 2025 Policy, whilst ensuring that we are managing the relativities between all executives fairly in the process. To that end, we are proposing to increase the incentive opportunity available under the Remuneration Policy for our executives as set out below, although it should be noted that we are not intending to utilise this full headroom in 2024-2025:

– Group CEO increase in annual bonus opportunity from 200% of salary to 250% of salary, and increase in LTIP opportunity from 400% of salary to 500% of salary
– Group CFO increase in annual bonus opportunity from 150% of salary to 200% of salary, and increase in LTIP opportunity from 350% of salary to 400% of salary
– Group COO, North America increase in annual bonus opportunity from 150% of salary to 200% of salary, and increase in LTIP opportunity from 350% of salary to 450% of salary

Increased shareholding requirements

We are conscious of the importance of long-term shareholding for our executives, in order that their interests are linked with those of shareholders. The shareholding requirements will therefore be increased for each executive director to align with the LTIP opportunity in the year.

Shareholder consultation

The Company is committed to ongoing engagement and seeks major shareholder views in advance of proposing significant changes to its remuneration policies. In formulating the revised 2025 Policy, we consulted extensively with over 100 shareholders, representing over three-quarters of Compass' issued share capital, and the three main proxy agencies. We are grateful for the valuable input received from everyone we engaged with. The majority of shareholders were supportive of our proposals and understood the rationale we put forward in light of our global reach, historical performance, and the need to continue to attract and retain talent to sustain our future growth.

The overall timeline for the consultation is shown below.

2024 AGM

March

March 2024

Initial engagement with shareholders introducing the 2025 Policy review: Engaged with 10 largest shareholders representing one-third of our issued share capital (ISC).

May 2024

Engagement with shareholders as we developed our 2025 Policy: Engaged with c.30 major shareholders representing over half of our ISC, outlining our proposed approach.

May

May and June 2024

Engagement with shareholders as we developed our 2025 Policy: Further discussions with 15 shareholders representing around 40% of our ISC.

July

July 2024

Follow-up letter to top 30 shareholders, with further engagement with an additional 80 other shareholders, providing feedback from first round of consultation and setting out revised proposals which incorporated shareholder feedback.

July to September 2024

Calls with shareholders who requested further discussion following the update letter, along with calls with the three main proxy agencies.

Sept

We will continue to engage with our shareholders in the lead-up to the 2025 AGM.

2025 AGM

February 2025

2025 Policy formally proposed to shareholders at 2025 AGM.

● Remuneration Committee Meeting

The Committee intends to continue with engagement following the 2025 AGM and throughout the year as and when appropriate.

Component parts of the remuneration package

The key components of the 2025 Policy to be put forward to a binding shareholder vote at our 2025 AGM are set out below:

Component and link to strategy	Operation of component	Maximum opportunity	Performance measures
Base salary Reflects the individual's role, experience and contribution. Set at levels to attract and retain individuals of the calibre required to lead the business.	Base salaries are reviewed annually with any increases normally taking effect on 1 January of each year. Salaries are appropriately benchmarked and reflect the role, job size and responsibility as well as the performance and effectiveness of the individual.	Whilst there is no prescribed formulaic maximum, any increases will take into account prevailing market and economic conditions as well as increases for the wider workforce. Increases may be above this for example, when an executive director: progresses in the role; gains substantially in experience; experiences a significant increase in the scale of the role; or was appointed on a salary below the market median. Reasons will be appropriately explained in the relevant year's Annual Report.	None.
Benefits and pension To provide a competitive level of benefits.	Benefits include but are not limited to: healthcare for executive directors and their dependants, limited financial advice, life assurance and car benefit. These are offered to executive directors as part of a competitive remuneration package. The Committee has the discretion to offer additional allowances or benefits to executive directors, if considered appropriate and reasonable in the circumstances. These may include but are not limited to relocation expenses, housing allowance and school fees where appropriate. Executive directors are invited to participate in the Company's defined contribution pension scheme (or local plan) or to take a cash allowance in lieu of pension entitlement.	The cost of providing these benefits can vary in accordance with market conditions, which will, therefore, determine the maximum value. The Company's pension contribution (or pension cash allowance as appropriate) is aligned to the maximum rate available to the majority of the wider UK workforce (currently 6% of base salary).	None.

Component and link to strategy	Operation of component	Maximum opportunity	Performance measures
Annual bonus Incentivises and rewards the achievement of stretching one-year key performance targets set by the Committee at the start of each financial year.	The annual bonus is earned by the achievement of performance over the financial year against targets set by the Committee at the start of each financial year. It is delivered in cash or a combination of cash and deferred bonus shares. The Committee retains discretion to adjust the bonus outcomes to ensure that they reflect underlying business performance. The annual bonus is subject to malus and/or clawback for a period of three years following the date of payment or grant of an award in the event of: discovery of a material misstatement in the accounts or in the assessment of a relevant performance condition; where the action or conduct of a participant amounts to fraud or serious misconduct or has a detrimental impact on the reputation of the Group; a material corporate failure; or the occurrence of any other exceptional event as determined at the discretion of the Committee. One-third of the bonus for executive directors will be subject to mandatory deferral into shares, for a period of three years. Dividend equivalents may be accrued on deferred bonus shares.	Maximum bonus opportunity expressed as a percentage of base salary: – Group CEO: 250% – other executive directors: 200% No bonus is payable for performance below threshold level.	Performance is measured over the financial year. Performance measures and weightings are determined by the Committee each year and may vary to ensure that they promote the Company's business strategy and shareholder value. The performance measures and their percentage weightings may vary, depending upon a director's area of responsibility. Performance measures may include, but are not limited to, profit, revenue, margin and cash flow. Strategic KPIs including ESG measures may also be chosen. However, the overall metrics will normally be weighted to financial measures. Annual bonus targets are set with reference to internal budgets and analyst consensus forecasts, with maximum payout requiring performance well ahead of budget. A bonus underpin may be operated so that the bonus outcome is reduced if the underpin performance is not met. Details of the specific measures applying to the bonus for 2024-2025 are shown in the Annual Remuneration Report on page 112.

Component and link to strategy	Operation of component	Maximum opportunity	Performance measures
Long-Term Incentive Plan (LTIP) Incentivises and rewards executive directors for the delivery of longer-term financial performance and shareholder value. Share-based to provide alignment with shareholder interests.	An annual conditional award of ordinary shares which may be earned after a three-year performance period, based on the achievement of stretching performance conditions. Executive directors normally hold vested LTIP shares (net of any shares sold to meet tax and social security liabilities) for a period of two years post vesting. Calculations of the achievement of the targets are independently assessed and are approved by the Committee. The Committee will consider the Group's underlying performance over the performance period and has discretion to adjust the final vesting level to take this into account. Dividend equivalents may be accrued on the shares earned from LTIP awards. Malus and clawback rules operate in respect of the LTIP. The Committee may decide at any time before an award vests, or for a period of three years after an award vests, that any participant will be subject to malus and/or clawback in the event of: discovery of a material misstatement in the accounts or in the assessment of a relevant performance condition; the action or conduct of a participant amounting to fraud or serious misconduct or having a detrimental impact on the reputation of the Group; a material corporate failure; or any other exceptional event as determined at the discretion of the Committee. Awards are delivered in shares. However, the rules contain provisions to deliver value in cash if necessary (for example, due to securities laws), subject to the discretion of the Committee, determined at any time up to the awards' release. In the event of a change of control, any unvested awards will normally vest immediately, subject to satisfaction of performance conditions and reduction on a time-apportioned basis.	Awards may be made at the following levels of salary: – Group CEO: 500% – Group CFO: 400%[1] – Group COO, North America: 450%[1] For performance measures other than TSR, 0% of the award vests for performance below threshold, increasing to 50% vesting for achievement of on-target performance, increasing further to maximum vesting for achievement of maximum performance. Vesting between points is on a straight-line basis. Any element of an award based on relative TSR will vest in full for top-quartile performance and 25% of that element of the award will vest if performance is at the median relative to the chosen peer group. Awards will vest on a straight-line basis between median and top-quartile performance achievement. No shares will be released for this element of an award if the Company's TSR performance is below the median.	Performance is measured over three financial years. Performance measures and weightings are determined by the Committee each year. They are typically weighted significantly towards financial metrics, and aligned to the prevailing business strategy and objectives. The Committee will consult with major shareholders prior to making material changes to performance measures. Performance measures for the 2024-2025 award are ROCE, AFCF and relative TSR, applying 40%, 40% and 20% respectively. LTIP targets are set with reference to a range of relevant reference points which may include internal budgets and analysts' consensus forecasts, with maximum payment requiring stretching performance. Details of the targets for the LTIP award to be made in 2024-2025 are set out, as required, in the Annual Remuneration Report on page 113.

1. Increases in LTIP opportunities will be implemented on a two-phase basis for the Group CFO and Group COO, North America, with an award of 375% and 400% for the Group CFO and Group COO, North America respectively for the 2024-2025 award, granted in the first year of the 2025 Policy.

Notes to the policy table

Incentive plans

The LTIP described in the table on page 102 (known as The Compass Group PLC Long Term Incentive Plan 2018) is the primary form of equity incentive for executive directors.

Compass Group PLC Long Term Incentive Plan 2018 (LTIP)

Shareholders will be invited to vote on proposed changes to the LTIP rules at the 2025 AGM. It is proposed to amend the LTIP rules (which were last approved by shareholders at the 2018 AGM) to remove the individual limits upon which awards are currently calculated by reference to fixed salary multiples and to specify that awards granted to executive directors will be subject to the individual limits specified in the Policy from time-to-time. In addition, some further amendments are being proposed to ensure the LTIP rules reflect the latest institutional shareholder guidelines on dilution limits, including the Investment Association's Principles of Remuneration published in October 2024, and to introduce some flexibility to accommodate any future changes in institutional shareholder guidelines.

Restricted Share Award Plan (RSA Plan)

Shareholders will also be invited to approve the RSA Plan at the 2025 AGM. The RSA Plan was previously adopted by the Board in March 2019 and amended by resolution of the Committee in November 2020. Participation in the RSA Plan is at the discretion of the Committee and awards may be granted to any employee (other than executive directors) of the Company or any subsidiary. It is now proposed to further amend the RSA Plan and to allow treasury shares and newly-issued shares to be used to satisfy awards, subject to the restrictions contained in the Investment Association's Principles of Remuneration as amended from time-to-time.

Shareholder approval will be sought at the 2025 AGM for the approval of the RSA Plan and the amendments to the LTIP rules. Further details are set out in the 2025 Notice of Annual General Meeting.

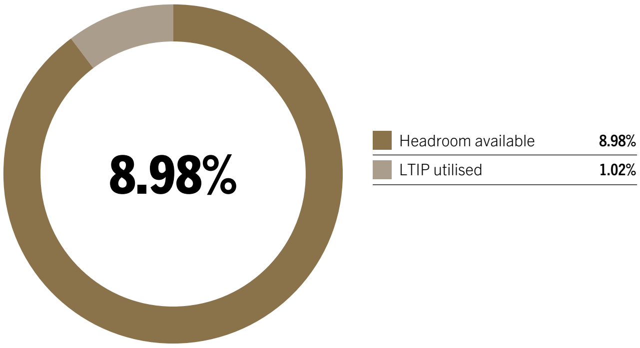
Dilution limits

All of the Company's equity-based incentive plans incorporate the current Investment Association Principles of Remuneration (the Principles) on headroom, which provide that overall dilution under all plans should not exceed 10% over a 10-year period in relation to the Company's issued share capital (or reissue of treasury shares).

As at 30 September 2024, the Company's headroom position, which remains within the current Principles, was as shown in the chart below:

Available headroom as at 30 September 2024

10% in 10 years



The Committee monitors the position regularly and prior to making an award ensures that the Company remains within these limits. Any awards which are required to be satisfied by market-purchased shares are excluded from such calculations. On 30 September 2024, the Company held 87,992,005 treasury shares. During the 2024 financial year, no shares were purchased in the market by the trustees of The Compass Group PLC All Share Schemes Trust. 2,585,610 treasury shares and 274,511 market-purchased shares were used in the year to satisfy the Company's obligations under the Group's employee equity incentive schemes.

Share ownership guidelines

In order that their interests are linked with those of shareholders, directors are expected to build up and maintain a personal shareholding in the Company. Under the 2025 Policy, executive directors will be required to build up, and maintain, a personal shareholding aligned to their respective long-term incentive awards granted in the year as a percentage of base salary.

The shareholding guideline may be achieved by executive directors retaining shares received as a result of participating in the Company's share plans. The guidelines specifically exclude the need to make a personal investment should awards not vest. The required level of executive shareholding is expected to be achieved within a five-year period commencing from the date of appointment or date of increase in shareholding requirement, whichever is the later.

Directors' shareholdings are reviewed annually by the Committee to ensure that directors are on course to achieve their guideline shareholding within the period required. However, if it becomes apparent to the Committee that the guidelines are unlikely to be met within the timeframe, then the Committee will discuss with the director a plan to ensure that they are met over an acceptable timeframe. The Committee reserves the right to make the granting of future LTIP awards to an executive director conditional upon reaching the appropriate threshold in the required timeframe. For annual bonus awards for executive directors, a minimum of one-third of the annual bonus earned is deferred into shares for three years.

A post-employment shareholding requirement was implemented under the Share Ownership Guideline Policy for executive directors and applies to awards acquired after the effective date of the 2021 Policy (4 February 2021). The Policy requires executive directors to hold the lower of (i) their shareholding at the date of termination of employment; or (ii) shares equivalent to their share ownership guideline at that date, for a period of two years post employment.

Non-executive directors are required to build up and retain a personal shareholding equal to the value of their base fee over five years. Non-executive directors are generally expected to purchase shares equating to a minimum value of one-fifth of their fee each year until the guideline is met.

Details of the interests of directors in shares and equity incentives are set out on page 115, together with the extent to which each of the directors has complied with the share ownership guidelines as at 30 September 2024.

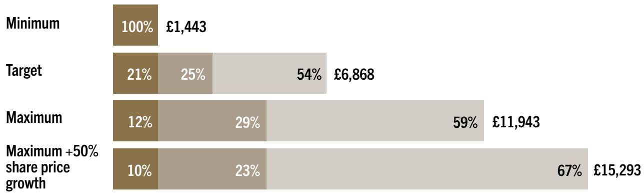
Illustrations of application of the 2025 Remuneration Policy

The graphs opposite show an estimate of the remuneration that could be received by executive directors in office at the date of this DRR under the proposed 2025 Policy. The charts in this section illustrate for each executive director remuneration payable at minimum, target and maximum outcomes, along with maximum outcome incorporating an illustrative share price appreciation of 50% on shares granted under the LTIP. Each of the bars is broken down to show how the total under each scenario is made up of fixed elements of remuneration, the annual bonus, the LTIP, and LTIP including share price appreciation.

Total remuneration

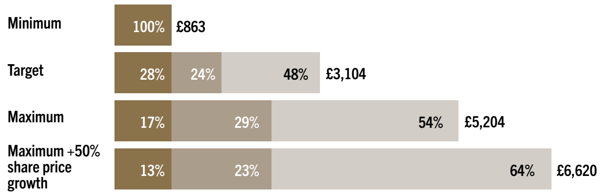
Dominic Blakemore, Group CEO

£'000



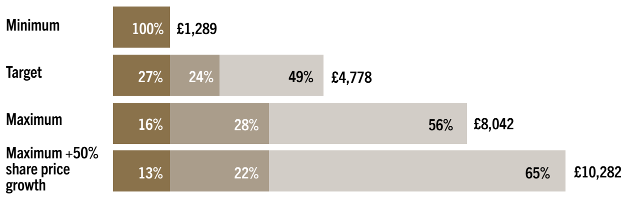
Petros Parras, Group CFO

£'000



Palmer Brown, Group COO, North America[1]

£'000



1. Palmer Brown is paid in US dollars. For reporting purposes, this pay is converted into sterling at an exchange rate of $1.2697/£1.

Fixed pay Annual bonus LTIP

The scenarios in the graphs are as follows:

- fixed pay includes:
  - annual base salary incorporates the current base salaries and base salaries effective 1 January 2025 on a pro-rata basis
  - value of benefits as noted in the single figure table on page 107 for the Group CEO and Group CFO. Costs relating to prior year expatriate benefits for the Group COO, North America, which are included within the single figure table, are not included in the scenario charts
  - pension cash allowance at 6% of base salary
- 2024-2025 annual bonus shown as a maximum percentage of base salary, with minimum, target and maximum performance shown as 0%, 50% and 100% respectively
- 2024-2025 LTIP shown as a maximum of base salary, with minimum, target and maximum performance shown as 0%, 52.5% and 100% respectively. Target payout of 52.5% is based on AFCF and ROCE performance measures vesting at 50% of maximum and the TSR measure vesting at 62.5% of maximum (midway between threshold and maximum payout)
- share price appreciation has been calculated as a 50% increase in the value of the LTIP between the date of grant and vesting
- no dividend accrual has been incorporated in the values relating to the LTIP

Approach to recruitment remuneration

The Committee will apply the 2025 Policy when considering the recruitment of a new executive director in respect of base salary, pension and benefits, and short- and long-term incentives. Executive directors will be provided with a pension cash allowance (or contribution) in line with the maximum level of pension provided to the majority of the wider UK workforce (currently 6% of base salary). It is envisaged that the maximum level of variable remuneration which may be granted to a new executive director would be within plan rules and consistent with the 2025 Policy maximum opportunity for existing executive directors and the Group CEO.

Other arrangements may be established specifically to facilitate recruitment of a particular individual, albeit that any such arrangement would be made within the context of aiming to minimise the cost to the Company. The policy for the recruitment of executive directors includes the facility to provide a level of compensation for forfeited remuneration arrangements from an existing employer if these are required in order to achieve a successful recruitment. Any arrangement established specifically to facilitate the recruitment of a particular individual would be intended to be of comparable form, timing and commercial value to the benefits forfeited, and capped as appropriate. The quantum, form and structure of any buyout arrangement will be determined by the Committee taking into account the terms of the previous arrangement being forfeited. The buyout may be structured as an award of cash or shares. However, the Committee will normally have a preference for replacement awards to be made in the form of shares, deliverable no earlier than the original awards. Where an executive director is appointed from either within the Group or following corporate activity/reorganisation, the normal policy would be to honour any legacy incentive arrangements to run off in line with their original terms and conditions.

In cases where an executive director must be relocated from their home location as part of their appointment, additional benefits in kind and other allowances may be payable at the Committee's discretion, including but not limited to relocation, education, repatriation costs, tax equalisation or other reasonable international assignment support consistent with the relevant policies applicable to the wider workforce.

It is the Board's intention that the policy on the recruitment of new non-executive directors during the 2025 Policy period will apply remuneration elements consistent with those in place for the existing non-executive directors. It is not intended that cash supplements, day rates or benefits in kind be offered, although in exceptional circumstances such remuneration may be required in currently unforeseen circumstances. Non-executive directors are not eligible for pension scheme membership, bonus or other incentive arrangements.

Executive directors' service agreements

It is the Company's policy that executive directors have rolling service contracts.

The executive directors in office at the date of this DRR have served on the Board for the periods shown below and have service agreements dated as follows:

Executive director	Date of contract	Length of Board service as at 30 Sep 2024
Dominic Blakemore	12 Dec 2011 7 Nov 2017[1]	12 years, 7 months
Petros Parras	21 Sept 2023	0 years, 10 months
Palmer Brown	3 Oct 2021 21 Sep 2023[2]	3 years, 0 months

1. Appointment was formally revised from 1 October 2017.
2. Appointment was formally revised with effect from 1 December 2023.

The current executive directors' service contracts contain the key terms shown in the table below:

Service contract key terms by provision

Provision	Detailed terms
Remuneration	– base salary, pension and benefits – car benefit – family private health insurance – life assurance – financial planning advice – minimum of 25 days' paid annual leave – participation in the annual bonus plan, subject to plan rules – participation in the LTIP, subject to plan rules
Change of control	– no special contractual provisions apply in the event of a change of control
Notice period	– 12 months' notice from the Company – 6 months' notice from the director (12 months from the Group CEO)
Termination payment	Payment in lieu of notice equal to 12 months: – base salary – pension supplement – 10% of base salary in respect of benefits All of the above would be paid in monthly instalments, subject to an obligation on the part of the director to mitigate their loss such that payments will either reduce, or cease completely, in the event that the director gains new employment/ remuneration
Restrictive covenants	– during employment and for 12 months after leaving

The Company may pay for reasonable costs in relation to termination of employment, for example tax, legal and outplacement support, where appropriate.

All executive directors' service contracts impose a clear obligation to mitigate their position should a departing executive director take on new employment or receive alternative remuneration.

Whilst unvested share awards will normally lapse, the Committee may in its absolute discretion allow for awards to continue until the normal vesting date, or for vesting to be accelerated (for example on death), subject to achievement of the attendant performance conditions. In such circumstances, awards vesting will normally be prorated on a time-apportioned basis, unless the Committee determines otherwise. Any such discretion in respect of leavers would only be applied by the Committee to 'good leavers' where it considers that continued participation is justified, for example by reference to performance prior to the date of leaving. The malus and clawback provisions would continue to apply in the event that any such discretion was exercised.

Chair of the Board's remuneration

The fee for the Chair of the Board (Chair) is reviewed annually by the Committee with any increase normally taking effect on 1 October. The Chair is not eligible for pension scheme membership, bonus or incentive arrangements. Costs in relation to business travel are reimbursed. The Chair's appointment is terminable without compensation on six months' notice from either side. The fee paid to Ian Meakins for the 2024 financial year is set out on page 111.

Chair of the Board length of service

Non-executive Chair	Original date of appointment	Letter of appointment/ re-appointment[1]	Total length of service as at 30 Sep 2024
Ian Meakins	1 Sep 2020	17 Aug 2020 9 May 2023	4 years, 1 month

1. The Chair has a letter of appointment setting out the Chair's duties and the time commitment expected. The Chair is appointed for an initial period of three years, after which the appointment is renewable at three-year intervals by mutual consent. Re-appointment is not automatic. In accordance with the Code, all directors offer themselves for annual re-election by shareholders.

Non-executive directors' remuneration

The fees for the non-executive directors are reviewed and determined by the Board each year to reflect appropriate market conditions and may be increased if considered appropriate. All non-executive directors receive a base fee. Additional fees are payable for other Board duties and time commitments, including acting as Chair of the Audit, Remuneration or Corporate Responsibility Committee, and undertaking the role of Senior Independent Director (SID). An additional fee may be payable for the role of Designated Non-Executive Director for Workforce Engagement. Non-executive directors are not eligible for pension scheme membership, bonus, incentive arrangements or other benefits, save reimbursement of travel costs and associated tax due if applicable. Fees paid in respect of the 2024 financial year are set out on page 111.

Non-Executive Director length of service

Non-executive director	Original date of appointment	Letter of appointment/ re-appointment[1]	Total length of service as at 30 Sep 2024
Liat Ben-Zur	1 Jul 2024	20 June 2024	0 years, 3 months
Stefan Bomhard	5 May 2016	5 May 2016 13 Mar 2019 17 Mar 2022	8 years, 5 months
John Bryant	1 Sep 2018	17 May 2018 12 May 2021 3 June 2024	6 years, 1 month
Juliana Chugg	26 Sep 2024	26 Sep 2024	0 years, 1 month
Arlene Isaacs-Lowe	1 Nov 2021	22 Oct 2021 26 Sep 2024	2 years, 11 months
Anne-Françoise Nesmes	1 Jul 2018	17 May 2018 12 May 2021 3 June 2024	6 years, 3 months
Sundar Raman	1 Jan 2022	22 Oct 2021 26 Sep 2024	2 years, 9 months
Leanne Wood	4 May 2023	4 May 2023	1 year, 5 months

1. Non-executive directors have letters of appointment setting out their duties and the time commitment expected. They are appointed for an initial period of three years, after which the appointment is renewable at three-year intervals by mutual consent. Re-appointment is not automatic.

Remuneration report

Implementation of the 2022 Policy during the year ended 30 September 2024

Directors' single total figure of remuneration

The table below sets out in a single figure the total amount of remuneration, including each element, received by each of the executive directors in office for the year ended 30 September 2024.

	Dominic Blakemore		Petros Parras[4]		Palmer Brown[4,5]		Gary Green[4,5]	
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Fixed pay								
Base salary	**1,144**	1,083	**617**	–	**1,043**	821	**214**	1,315
Taxable benefits[1]	**23**	28	**66**	–	**110**	153	**6**	75
Pension	**69**	75	**37**	–	**63**	49	**13**	121
Total fixed pay	**1,236**	1,186	**720**	–	**1,216**	1,023	**233**	1,511
Performance-related pay								
Bonus[2]	**2,320**	2,190	**925**	–	**1,654**	1,248	**320**	1,997
LTIP[3]	**5,943**	4,122	**–**	–	**3,571**	–	**4,764**	3,828
Total variable pay	**8,263**	6,312	**925**	–	**5,225**	1,248	**5,084**	5,825
Single total figure of remuneration	**9,499**	7,498	**1,645**	–	**6,441**	2,271	**5,317**	7,336

1. Taxable benefits comprise healthcare insurance, limited financial advice, life assurance and car benefit. Palmer Brown relocated from the US to the UK prior to his appointment as Group CFO and returned to the US prior to his appointment as Group COO, North America. As a consequence, during 2023 and 2024, Palmer received benefits relating to his assignment which are included in the figures above.
2. The performance measures and outcome of the 2023-2024 bonus can be found on pages 108 to 109. Two-thirds of the 2023-2024 bonus for executive directors will be paid in cash with the remaining one-third being deferred into shares. In order to comply with certain US tax rules, Gary Green's 2023-2024 bonus will be paid entirely in cash without deferral into shares. The bonus earned by Petros Parras for the period 1 October to 30 November 2023 was earned prior to his appointment as a director and is therefore not included in the bonus figure above.
3. The 2021-2022 LTIP award will vest in November 2024. Details of the performance measures and outcome are shown on pages 109 to 110. The amount presented above includes the value of accrued dividend-equivalent shares. The values attributed to share price growth for Dominic Blakemore, Palmer Brown and Gary Green were £1,539k, £925k and £1,234k respectively. Under the 2021-2022 LTIP, Petros Parras was awarded 16,121 shares prior to his appointment as Group CFO. This award will vest in November 2024, together with accrued dividend-equivalent shares. The 2023 LTIP values for Dominic Blakemore and Gary Green have been updated from a provisional value to the actual value to reflect the vesting on 21 November 2023.
4. The base salary, taxable benefits and pension figures for Petros Parras, Palmer Brown and Gary Green for 2024 are pro rated for their time in office/reflect a change in role (as appropriate) during the year.
5. Palmer Brown and Gary Green's base salary and other emoluments for the year are shown in sterling at an exchange rate of $1.2697/£1 (2023: $1.2217/£1).

Base salary

The Committee reviewed base salaries in the context of the Group's strong performance in the year and its relative market positioning when measured against companies of comparable size, scale and complexity. It also took into account the average salary increase in the wider employee population. The base salary increase percentage for the Group CFO and Group COO, North America was lower than the average percentage increase for the wider UK population.

The annual base salary for each executive director for the year ended 30 September 2024 is set out below:

Director	Base salary	Effective date
Dominic Blakemore	£1,160,000	1 January 2024
Petros Parras	£740,000	1 December 2023[1]
Palmer Brown	$1,400,000	1 December 2023[2]

1. Petros Parras was appointed to the Board as Group CFO on 1 December 2023.
2. Palmer Brown was appointed as Group COO, North America on 1 December 2023.

Pensions

At 30 September 2024, there were no executive directors actively participating in any Compass Group defined benefit pension arrangements and none of the executive directors were accruing additional entitlements to benefits under any arrangements that existed prior to their appointment as executive directors.

The Company pension contribution, or pension cash allowance, as appropriate, paid to each executive director was 6% of their base salaries.

Annual bonus plans

2023-2024 bonus

The bonus targets and outcomes for the year ended 30 September 2024 are set out below. The achievement of targets is calculated on a straight-line basis between minimum and target (par) and between target and maximum, and by reference to budgeted exchange rates.

As was the case in previous years, results have been assessed on a holistic basis and adjusted, based on our Quality of Performance principles. For example the measurement of the financial results is based on the underlying outcome achieved in the financial year, with gains/losses attributable to currency movements, charges and the impacts of restructuring and/or acquisitions/disposals usually being excluded. This ensures that outcomes are an appropriate reflection of underlying performance. Outcomes can be adjusted positively or negatively.

Structure

The bonus plan for 2023-2024 was designed to align to the Group's strategy for growth and to establish targets that were achievable, fair and within management's control.

The bonus structure for 2023-2024 is set out below:

Dominic Blakemore and Petros Parras

	Measure[1]	Description of measure	Weighting
Financial measures	Profit growth (%)	A key measure of our financial performance encompassing revenue and margin performance in one metric, by comparing the underlying operating profit delivered in the current year with that of the prior year, expressed as a percentage and adjusted for exchange rate movements.	60%
	Cash conversion (%)	Demonstrates the Group's ability to convert profit into cash – by setting a target percentage of profit to be converted to cash.	25%
ESG measures	Total Recordable Injury Frequency Rate (TRIFR)	A reduction in injury rates is an important measure of the effectiveness of the Group's safety programmes. It also lowers rates of absenteeism and costs associated with work-related injuries and illnesses.	5%
	Food Safety Incident Rate (FSIR)	Food safety is a measure of the Group's ability to provide food that is safe and of the right quality to its consumers globally.	5%
	Food waste technology deployment and usage	Food waste is a key contributor to carbon emissions. Reducing this also has a high correlation with operating margin improvement. Raising awareness through measurement will help to drive a significant reduction in food waste.	5%
	Total		**100%**

Palmer Brown and Gary Green

	Measure[1]	Description of measure	Weighting
Financial measures	Operating margin (%)	Demonstrates the efficiency of the region's operations in delivering great food and support services.	45%
	Cash conversion (%)	Demonstrates the region's ability to convert profit into cash – by setting a target percentage of profit to be converted to cash.	20%
	Organic revenue growth (%)	Compares the revenue delivered from continuing operations in the current year with that from the prior year, adjusting for the impact of acquisitions, disposals and exchange rate movements.	20%
ESG measures	Total Recordable Injury Frequency Rate (TRIFR)	A reduction in injury rates is an important measure of the effectiveness of the Group's safety programmes. It also lowers rates of absenteeism and costs associated with work-related injuries and illnesses.	5%
	Food Safety Incident Rate (FSIR)	Food safety is a measure of the Group's ability to provide food that is safe and of the right quality to its consumers globally.	5%
	Food waste technology deployment and usage	Food waste is a key contributor to carbon emissions. Reducing this also has a high correlation with operating margin improvement. Raising awareness through measurement will help to drive a significant reduction in food waste.	5%
	Total		**100%**

1. Measures for the Group CEO and Group CFO are assessed at a Group level. Those for the Group COO, North America are assessed at regional North America level.

Performance measures and targets

The outcomes against the annual bonus targets for 2023-2024 are set out below. 0% of the bonus is paid at minimum performance, 50% at par performance, and 100% at maximum performance.

Dominic Blakemore and Petros Parras[1]

Measures[2]	Weighting	Minimum	Par (target)	Maximum	Achieved	% of performance target achieved
Profit growth (%)[3]	60%	4.0%	9.5%	14.0%	16.4%	100%
Cash conversion (%)[4]	25%	78.5%	82.5%	84.5%	88.2%	100%
Total Recordable Injury Frequency Rate	5%	–	Limit	12.1	10.7	100%
Food Safety Incident Rate	5%	–	Limit	0.17	0.13	100%
Food waste (number of sites with regular usage of technology)	5%	7,555	7,780	8,000	9,947[†]	100%
Total						**100%**

Palmer Brown and Gary Green[1]

Measures[2]	Weighting	Minimum	Par (target)	Maximum	Achieved	% of performance target achieved
Operating margin (%)[5]	45%	7.9%	7.95%	8.05%	8.17%	100%
Cash conversion (%)[4]	20%	81.1%	85.1%	87.1%	87.8%	100%
Organic revenue growth (%)[6]	20%	6.0%	7.5%	9.0%	10.5%	100%
Total Recordable Injury Frequency Rate	5%	–	Limit	16.4	15.9	100%
Food Safety Incident Rate	5%	–	Limit	0.068	0.066	100%
Food waste (number of sites with regular usage of technology)	5%	3,300	3,400	3,500	4,175†	100%
Total						**100%**

	Dominic Blakemore	Petros Parras[8]	Palmer Brown[8]	Gary Green[8]
Value of bonus[7]	**£2,320,000**	**£925,000**	**$2,100,000**	**$406,718**

Notes to bonus outcome tables:

1. Financial targets for 2023-2024 bonus purposes are all set and measured at 2024 foreign exchange budget rates, not actual rates. Where appropriate, results have been adjusted, based on our quality of performance principles, to ensure that outcomes are an appropriate reflection of underlying performance.
2. Measures for the Group CEO and Group CFO are assessed at a Group level. Those for the Group COO, North America are assessed at regional North America level.
3. Profit growth is growth in underlying operating profit on a constant currency basis.
4. Cash conversion is underlying operating cash flow divided by underlying operating profit, expressed as a percentage.
5. Operating margin is underlying operating profit divided by underlying revenue.
6. Organic revenue growth is underlying revenue excluding businesses acquired, sold and closed.
7. One-third of the value of the bonus for each executive director (except Gary Green) will be deferred into shares. In order to comply with certain US tax rules, Gary Green's 2023-2024 bonus will be paid entirely in cash without deferral into shares.
8. The bonus for Petros Parras and Gary Green reflects the period employed as an executive director. The bonus measures applicable to Palmer Brown were based on North America performance for the full year.

† 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.html.

Long-term Incentive Plan awards

Scheme interests vesting during the year

2021-2022 LTIP award

Awards made to Dominic Blakemore, Palmer Brown and Gary Green in February 2022 were subject to the achievement of three-year performance targets for the year ended 30 September 2024. Performance conditions were ROCE, AFCF and relative TSR, weighted 40%, 40% and 20% respectively. The definitions are set out in the table below:

Measure	Definition of measure
ROCE	The definition aims to measure the underlying economic performance of the Group. ROCE is calculated at the end of the three-year performance period as net underlying operating profit after tax (NOPAT) divided by 12-month average capital employed. ROCE targets are updated at the end of the performance period to reflect actual acquisition spend, changes in accounting standards and constant currency.
AFCF	The definition aims to measure the cash generation of the Group and is calculated as the three-year cumulative underlying free cash flow, adjusted for constant currency.
TSR	Performance is compared to that of constituent members of the FTSE 100 (excluding the financial services sector). TSR is the aggregate of share price growth and dividends paid (assuming reinvestment of those dividends in the Company's shares during the three-year performance period).

Shareholder experience over the three-year performance period has been extremely positive. The share price at the time of grant in February 2022 was £17.60. The average share price over the last three months of the performance period, upon which the TSR calculations are based, was £23.37. Compass ended the performance period ranked 9th of the 73 companies that remained within the comparator group at the end of the performance period. As this position is within the upper quartile of the comparator group, the proportion of shares subject to the TSR performance condition will vest in full.

The business delivered ROCE of 19.16% and AFCF for the period was $4,756m. Our adjusted free cash flow performance over the three-year period exceeded our target ranges and has far exceeded any reasonable forecast when the targets were originally set. As a result of our strong performance over the three-year performance period, the 2021-2022 LTIP award will vest in full.

Historically, the Committee has taken a disciplined approach and continues to take a robust view in respect of the awards vesting in 2024. In addition to the formulaic outcome, the Committee considered the level of vesting on both an absolute and relative basis. The Committee has reviewed the performance through a number of different lenses and on that basis, following a thorough evaluation, the Committee is satisfied that the performance levels achieved justify the vesting outcome.

The targets and outcomes for the 2021-2022 LTIP award are set out on the following page.

ROCE (40% weighting)

Level of performance	Threshold	Maximum	Achieved[2]
Vesting % of component	0%	100%	100%
As at date of award	17.05%	18.05%	
Reconciled at the end of the performance period[1]	16.93%	17.93%	19.16%

AFCF (40% weighting)

Level of performance	Threshold	Maximum	Achieved[2]
Vesting % of component	0%	100%	100%
AFCF (£)	£2,570m	£2,840m	£3,484m
AFCF ($)	$3,509m	$3,877m	$4,756m

Relative TSR (20% weighting)

Level of performance	Below median	Median	Upper quartile	Achieved[3]
Vesting % of component	0%	25%	100%	100%

1. ROCE targets are updated at the end of the performance period to reflect actual acquisition spend, changes in accounting standards and constant currency.
2. The Committee applied the established framework to deal with items that were unforeseen at the time the targets were set in November 2021 and were in the long-term interests of shareholders. AFCF and ROCE were adjusted to exclude the impact of strategic capital expenditure in the North America business. This adjustment did not have any impact on the level of vesting under the award.
3. TSR ranking was 9th out of the 73 constituents that remained in the comparator group at the end of the performance period, resulting in upper quartile performance.

Details of awards held for each executive director are set out below:

	Performance conditions						
Director	ROCE % vested on maturity	AFCF % vested on maturity	TSR % vested on maturity	Number of shares awarded	Number of shares vested	Number of dividend-equivalent shares	Value of shares on vesting £000[1]
Dominic Blakemore	100%	100%	100%	241,385	241,385	12,914	£5,943
Palmer Brown	100%	100%	100%	145,040	145,040	7,759	£3,571
Gary Green	100%	100%	100%	232,195	193,496	10,362	£4,764

1. The indicative value of the shares on vesting has been calculated by reference to the average market price of Compass Group PLC shares over the three months from 1 July 2024 to 30 September 2024 of £23.37 per share. Dividend-equivalent shares accrued throughout the performance period and are included in the value of shares on vesting.
2. Petros Parras received an award of 16,121 shares in respect of the 2021-2022 LTIP prior to his appointment as an executive director. The award, and 863 dividend-equivalent shares will vest in full.

Scheme interests awarded during the year

2023-2024 LTIP award

On 1 December 2023, executive directors received a conditional award of shares which may vest after a three-year performance period which will end on 30 September 2026, based on the achievement of stretching performance conditions. Performance conditions were ROCE, AFCF and relative TSR, weighted 40%, 40% and 20% respectively. Definitions of each of these measures are set out in the table on page 109.

The maximum levels achievable under these awards are set out in the table below:

Director	Type of award	Value of award (as a % of base salary)[1]	Value of award £000	Number of shares awarded[2]
Dominic Blakemore	LTIP 2018	400%	4,380	215,728
Petros Parras	LTIP 2018	350%	2,590	127,565
Palmer Brown[3]	LTIP 2018	350%	3,872	190,687

1. Value of award calculated by reference to base salary at date of grant.
2. The share price used to calculate the award was £20.30, representing the average closing market price of the three trading days prior to the grant date of 1 December 2023.
3. Face value of award was converted to sterling at the time of award at an exchange rate of $1.2656/£1.

Executive directors are required to hold vested awards for a period of two years following vesting to strengthen the long-term alignment of executives' remuneration packages with shareholders' interests and, if required, to facilitate the implementation of provisions related to clawback. For awards granted after 4 February 2021 a two-year post-employment shareholding requirement also applies.

In setting the performance targets, the Committee considers internal budgets and the Group's strategic plan, market expectations and general economic conditions. The targets under the 2023-2024 award are set out in the table below:

ROCE and AFCF

Level of performance	Vesting % of each component	ROCE	AFCF
Threshold	0%	18.47%	$4,355m
Par (target)	50%	19.07%	$4,633m
Maximum	100%	19.67%	$4,911m

TSR

Level of performance	Vesting % of each component
Below median	0%
Median	25%
Upper quartile	100%

Non-executive directors' remuneration

The fee for the Chair of the Board is reviewed annually by the Committee with any increase taking effect on 1 October. For the year ended 30 September 2024 the fee paid was £595,900 per annum inclusive of any Board committee memberships.

Details of the fees received by Ian Meakins during the year ended 30 September 2024 are set out below:

Chair	Fees £000	Benefits £000	**Total 2024 £000**	Total 2023 £000
Ian Meakins	596	–	**596**	563

The fees for the non-executive directors are reviewed and determined by the Board each year to reflect appropriate market conditions. The base fee paid to non-executive directors for the year ended 30 September 2024 was £99,575 which includes membership of the Audit, Corporate Responsibility, Nomination and Remuneration Committees (as appropriate).

An additional fee of £30,000 per annum is payable where a non-executive director acts as Chair of the Audit, Remuneration or Corporate Responsibility Committee and an additional fee of £30,000 per annum is also payable to the director nominated as Senior Independent Director.

Details of the amounts received by each of the non-executive directors in office for the year ended 30 September 2024 are set out below:

Non-executive director	Fees £000	Benefits[1] £000	**Total 2024 £000**	Total 2023 £000
Carol Arrowsmith[2]	36	18	**54**	117
Liat Ben-Zur[3]	25	–	**25**	–
Stefan Bomhard	100	5	**105**	97
John Bryant[4]	130	26	**156**	156
Juliana Chugg[5]	1	–	**1**	–
Arlene Isaacs-Lowe	100	31	**131**	119
Anne-Françoise Nesmes[4]	160	–	**160**	132
Sundar Raman	100	4	**104**	98
Nelson Silva	130	10	**140**	130
Ireena Vittal	100	13	**113**	107
Leanne Wood[6]	100	7	**107**	39

1. Travel costs relating to attendance at Board meetings held in the UK are treated as a benefit.
2. Carol Arrowsmith stepped down from the Board at the conclusion of the AGM on 8 February 2024.
3. Liat Ben-Zur was appointed to the Board on 1 July 2024 and her fees for 2024 reflect her time in office.
4. John Bryant stepped down as Senior Independent Director on 20 July 2023. He was succeeded by Anne-Françoise Nesmes, and their respective fees for 2023 reflect these changes.
5. Juliana Chugg was appointed to the Board on 26 September 2024 and her fees for 2024 reflect her time in office.
6. Leanne Wood was appointed to the Board on 4 May 2023 and her fees for 2023 reflect her time in office.

Implementation of the 2025 Remuneration Policy for the 2025 financial year

A summary of how the Directors' Remuneration Policy will be applied during the 2025 financial year is set out below.

Base salary

The Committee considered the salary review of the executive directors holistically, taking into account the macroeconomic environment and cost of living and inflationary challenges faced by the business and our employees. The Committee also reviewed the base salary in the context of the Group's strong performance in the year, along with our relative market positioning when measured against companies of appropriate size, scale and complexity. Salary increase budgets for the wider employee population were taken into consideration and the Committee determined that the percentage increase for the Group CFO and Group COO, North America would be lower than the average percentage increase for the wider UK population, which is expected to be around 5% during 2025, inclusive of the impact of national minimum wage and The Living Wage increases in the UK. Further information on the Committee's considerations when setting the base salary for the Group CEO is set out on page 90.

The base salaries for the executive directors as determined by the Committee are set out in the table below:

Director	Base salary	Effective date	Increase
Dominic Blakemore	**£1,400,000**	1 Jan 2025	20.7%
Petros Parras	**£755,000**	1 Jan 2025	2.03%
Palmer Brown	**$1,429,000**	1 Jan 2025	2.07%

Pension

In line with the Remuneration Policy, the pension cash allowance for each executive director is aligned with the maximum rate available to the majority of the wider UK workforce (currently 6% of base salary).

Annual bonus plan

For the 2025 financial year, the maximum bonus opportunity for each executive director will be in line with the maximum available within the 2025 Policy, as shown in the table below:

Director	% salary
Dominic Blakemore	250%
Petros Parras	200%
Palmer Brown	200%

2025 annual bonus plan measures will remain the same as 2024 for each executive director and are shown below. For the first time, the food waste measure will track actual food waste reduction following two years of the recording technology roll out.

The measures and weightings are as follows:

Executive directors

Measure[1]	Description of measure	Weighting
Profit growth (%)	A key measure of our financial performance encompassing revenue and margin performance in one metric, by comparing the underlying operating profit delivered in the current year with that of the prior year, expressed as a percentage and adjusted for exchange rate movements.	60%
Cash conversion (%)	Demonstrates our ability to convert profit into cash – by setting a target percentage of profit to be converted to cash.	25%
ESG[2]	Emphasises our commitment to health and safety, and the impact of reducing food waste on climate change.	15%
Total		100%

1. Measures for the Group CEO and CFO are assessed at Group level, and measures for the Group COO, North America are assessed at regional North America level.
2. The ESG measures are Total Recordable Injury Frequency Rate (TRIFR), Food Safety Incident Rate (FSIR) and food waste reduction, weighted equally.

The Committee has chosen not to disclose the details of the targets in this DRR, as in the opinion of the Committee they are commercially sensitive. However, the specific targets and the extent to which the targets have been met (at both Group and regional levels) will be disclosed in next year's DRR.

Long-term Incentive Plan award

During the 2025 financial year, the Committee intends to grant LTIP awards to the executive directors in two stages. An award will be granted to executive directors in December 2024, in line with the current 2022 Policy. Subject to shareholder approval of the 2025 Policy, a further award will be made immediately after the 2025 AGM in February 2025. Award levels will be in line with the two-stage implementation approach, with awards granted in 2024-2025 not exceeding the first phase of the proposed implementation. The proposed awards are set out in the following table:

	Proposed LTIP award (% of base salary)		
Director	To be granted in December 2024	Total 2024-2025 LTIP award (including top-up award)	2025 Policy level
Group CEO	400%	500%	500%
Group CFO	350%	375%	400%
Group COO, North America	350%	400%	450%

The extent to which these LTIP awards will vest will be dependent on performance assessed over the three financial years 2025-2027, using the following three performance measures, and with targets as shown in the table below.

Measure	Description of measure
ROCE	The definition aims to measure the underlying economic performance of the Group. ROCE is calculated at the end of the three-year performance period as net underlying operating profit after tax (NOPAT) divided by 12-month average capital employed. ROCE targets are updated at the end of the performance period to reflect actual acquisition spend, changes in accounting standards and constant currency.
AFCF	The definition aims to measure the cash generation of the Group and is calculated as the three-year cumulative underlying free cash flow adjusted for constant currency.
Relative TSR	Relative TSR performance is compared to that of constituent members of the FTSE 100 (excluding the financial services sector). TSR is the aggregate of share price growth and dividends paid (assuming reinvestment of those dividends in the Company's shares during the three-year performance period).

Measure	Weighting (% of award)	Threshold	Par (target)	Maximum
ROCE	40%	17.70%	18.45%	19.20%
Vesting (of this component)		0%	50%	100%
AFCF	40%	$4,972m	$5,268m	$5,564m
Vesting (of this component)		0%	50%	100%
Relative TSR	20%	Median	–	Upper quartile
Vesting (of this component)		25%	–	100%

There is no vesting for below-threshold performance, and straight-line vesting between the points shown.

Executive directors are required to hold shares from vested awards for a period of two years following vesting to strengthen the long-term alignment of executives' remuneration packages with shareholders' interests; and, if required, to facilitate the implementation of provisions related to clawback. For awards granted after 4 February 2021 a two-year post-employment shareholding requirement applies.

Non-executive director fees

The fees for non-executive directors for the coming year are set out below. Following a review of the market, the fee for the Chair was increased from £595,900 to £620,000 (4.0%) with effect from 1 October 2024. The base fee for non-executive directors was increased from £99,575 to £103,500 (3.9%) also with effect from 1 October 2024. The additional fees for acting as Chair of a committee or as the Senior Independent Director remain unchanged.

	Fees 2024 £	Fees 2023 £	Increase
Chair	**620,000**	595,900	4.0%
Base fee[1]	**103,500**	99,575	3.9%
Chair of Audit, Remuneration or Corporate Responsibility Committee	**30,000**	30,000	–
Senior Independent Director	**30,000**	30,000	–

1. The non-executive director base fee is inclusive of membership of the Audit, Corporate Responsibility, Nomination and Remuneration Committees (as appropriate).

Extant equity incentive awards held by executive directors

Details of all existing equity incentive awards as at the date of this DRR, including the awards conditionally made under the various long-term incentive plans to the executive directors at any time during the year ended 30 September 2024, are shown in the table below:

LTIP[1]

Director	As at 30 Sep 2023: number of shares	Awarded during the year: number of shares	Released during the year: number of shares	Lapsed during the year: number of shares	**As at 30 Sep 2024: number of shares**	Market price at date of award[5] £	Date of award	Maturity date
Dominic Blakemore	195,907	–	195,907[6]	–	–	13.78	1 Dec 2020	1 Oct 2023
	241,385	–	–	–	**241,385**	17.60	8 Feb 2022	1 Oct 2024
	225,966	–	–	–	**225,966**	18.67	1 Dec 2022	1 Oct 2025
	–	215,728	–	–	**215,728**	20.26	1 Dec 2023	1 Oct 2026
Total	663,258	215,728	195,907	–	**683,079**			
Petros Parras[2]	–	127,565	–	–	**127,565**	20.26	1 Dec 2023	1 Oct 2026
Total	–	127,565	–	–	**127,565**			
Palmer Brown[3]	145,040	–	–	–	**145,040**	17.60	8 Feb 2022	1 Oct 2024
	152,979	–	–	–	**152,979**	18.67	1 Dec 2022	1 Oct 2025
	–	190,687	–	–	**190,687**	20.26	1 Dec 2023	1 Oct 2026
Total	298,019	190,687	–	–	**488,706**			
Gary Green[4]	181,939	–	181,939[6]	–	–	13.78	1 Dec 2020	1 Oct 2023
	232,195	–	–	38,699	**193,496**	17.60	8 Feb 2022	1 Oct 2024
	244,904	–	–	122,452	**122,452**	18.67	1 Dec 2022	1 Oct 2025
Total	659,038	–	181,939	161,151	**315,948**			

Deferred Bonus Plan/deferred annual bonus

Director	As at 30 Sep 2023: number of shares	Awarded during the year: number of shares	Released during the year: number of shares	Lapsed during the year: number of shares	**As at 30 Sep 2024: number of shares**	Market price at date of award[5] £	Date of award	Maturity date
Dominic Blakemore	–	35,954	–	–	**35,954**	20.26	1 Dec 2023	1 Oct 2026
Total	–	35,954	–	–	**35,954**			
Palmer Brown[3]	20,243	–	–	–	**20,243**	15.08	15 Dec 2021	15 Dec 2024
	–	19,779	–	–	**19,779**	20.26	1 Dec 2023	1 Oct 2026
Total	20,243	19,779	–	–	**40,022**			
Gary Green	–	31,656	31,656	–	–	20.26	01 Dec 2023	31 Mar 2024
Total	–	31,656	31,656	–	–			

1. Each LTIP award is based on a three-year performance period. Awards granted from 4 February 2021 onwards are subject to a two-year post-employment holding period.
2. At the date of his appointment, Petros Parras had an interest in 39,096 LTIP awards that were granted to him prior to him becoming a director of the Company. They are due to vest in two tranches (16,121 in November 2024 and 22,975 in November 2025). In addition, Petros was granted 8,472 conditional awards under the Company's Restricted Share Award Plan (RSA) prior to him becoming a director. 2,824 RSA awards vested in accordance with the associated performance conditions on 31 December 2023 and the balance of 5,648 is due to vest on 1 December 2024 subject to meeting the associated performance conditions.
3. At the date of his appointment, Palmer Brown had an interest in 137,026 LTIP awards that were granted to him prior to him becoming a director of the Company. 36,090 and 42,540 of these shares vested in 2021 and 2022 respectively and 57,136 LTIP shares and 1,860 dividend-equivalent shares vested in November 2023. A further 1,260 SMIPP shares and 40 dividend-equivalent shares also vested in December 2023. 20,243 shares were awarded on 15 December 2021 as a deferred annual bonus award under the LTIP 2018.
4. Gary Green's LTIP awards were prorated to his retirement date. The proportion of shares that lapsed as a result, are reflected in the above table.
5. The market price at the date of each award is shown to two decimal places.
6. The performance period of the award granted on 1 December 2020 ended on 30 September 2023. The awards vested in full.
7. Dividend equivalents apply to LTIP and deferred bonus share awards and are not included in the tables above.

Share ownership guidelines and directors' interests in shares

In order that their interests are aligned with those of shareholders, directors are expected to build up and maintain a personal shareholding in the Company as set out in the share ownership guidelines described in the 2025 Policy on page 104.

Executive directors are required to achieve their shareholding guideline within a five-year period commencing on the date of appointment or date of increase in shareholding requirement, whichever is the later. Subject to shareholder approval, under the 2025 Policy the guideline for executive directors will increase on 6 February 2025 to a level commensurate with the latest LTIP award; details can be found on page 90. Compliance with the guideline is assessed annually, on a pro-rata basis.

Non-executive directors are required to achieve their shareholding guideline within a five-year period from the date of appointment.

The Committee reviewed and noted that the guidelines were satisfied by all directors in office during the year. The interests of the directors in office during 2024 in shares (including the interests of persons closely associated) and share incentives are shown in the table below:

		Beneficial		Conditional			
		Shares held as at 30 Sep 2024	Shares held as at 30 Sep 2023	**LTIP holdings as at 30 Sep 2024**	LTIP holdings as at 30 Sep 2023	Share ownership guideline[1]	Compliance with share ownership guidelines
Executive directors	Dominic Blakemore[2]	**383,761**	276,789	**683,079**	663,258	400%	✓
	Petros Parras[3]	**15,057**	–	**127,565**	–	350%	✓
	Palmer Brown[4]	**76,757**	43,265	**488,706**	298,019	350%	✓
	Gary Green[5]	**380,367**	275,560	**315,948**	659,038	350%	✓
Non-executive directors	Carol Arrowsmith[6]	**12,000**	12,000	–	–	100%	✓
	Liat Ben-Zur[7]	**4,300**	–	–	–	100%	✓
	Stefan Bomhard	**10,743**	10,743	–	–	100%	✓
	John Bryant	**15,781**	15,781	–	–	100%	✓
	Juliana Chugg[8]	–	–	–	–	100%	✓
	Arlene Isaacs-Lowe	**5,300**	2,500	–	–	100%	✓
	Ian Meakins	**58,362**	58,362	–	–	100%	✓
	Anne-Françoise Nesmes	**11,907**	11,907	–	–	100%	✓
	Sundar Raman	**5,030**	5,030	–	–	100%	✓
	Nelson Silva	**10,323**	10,323	–	–	100%	✓
	Ireena Vittal	**5,461**	5,461	–	–	100%	✓
	Leanne Wood	**2,777**	1,477	–	–	100%	✓

1. The share ownership guideline is a percentage of base salary or fee.
2. Dominic Blakemore's LTIP holding includes 35,954 deferred bonus plan award shares and 6,378 dividend-equivalent shares.
3. Petros Parras was appointed to the Board on 1 December 2023 and has five years in which to meet the shareholding requirement.
4. Palmer Brown's conditional LTIP holding includes 20,243 deferred annual bonus shares, 19,779 deferred bonus shares and 1,900 dividend-equivalent shares which vested in December 2023. Palmer's current shareholding exceeds his shareholding requirement as measured on a pro rata basis.
5. Gary Green retired as a director of the Company on 30 November 2023. In line with the 2022 Policy, Gary is required to comply with the Group's post-employment shareholding requirement for a period of two years post employment. Gary's holding is shown at 30 November 2023. Gary's LTIP holding includes 5,923 dividend-equivalent shares.
6. Carol Arrowsmith's holding is shown at 8 February 2024.
7. Liat-Ben Zur was appointed to the Board on 1 July 2024 and has met the shareholding requirement. Liat's holding is in American Depositary Receipts.
8. Juliana Chugg was appointed to the Board on 26 September 2024 and has five years in which to meet the shareholding requirement.

There were no changes in directors' interests between 30 September 2024 and 26 November 2024.

Director appointments and role changes during the year

The Nomination Committee recommended the following changes to the Board during the year, which were duly approved by the Board:

- 30 November 2023: Gary Green's retirement as an executive director of Compass Group PLC and as Group COO, North America
- 1 December 2023: Palmer Brown's appointment as Group COO, North America and Petros Parras' appointment as Group CFO on the same date
- 8 February 2024: Carol Arrowsmith's retirement as a non-executive director
- 1 July 2024: Liat Ben-Zur's appointment as a non-executive director
- 26 September 2024: Juliana Chugg's appointment as a non-executive director

Payments for loss of office

There were no payments for loss of office during the year.

Payments to past directors

As set out in the 2023 DRR on page 123, Gary Green retired as a director on 30 November 2023, and remained an employee under his existing terms of employment until 31 March 2024 in order to facilitate an orderly handover. Gary retired on 31 March 2024. Gary was treated as a good leaver and his remuneration has been treated in line with the 2022 Policy.

For the period between serving as a director and retiring as an employee of Compass Group, Gary received salary (£461k), pension (£28k), benefits (£68k) and bonus (£641k). The bonus was calculated on the same basis as for the period between 1 October to 30 November as set out on pages 108 to 109.

External non-executive director appointments

Executive directors may accept one non-executive directorship in a FTSE 100 company or other significant appointment outside the Company, subject to the Board's approval and provided that such an appointment is not likely to lead to a conflict of interest. It is recognised that non-executive duties can broaden experience and knowledge which can benefit the Company. Dominic Blakemore received fees of £135,000 in respect of his directorship at London Stock Exchange Group plc for the 2024 financial year. Dominic was unremunerated for his services to the charity FareShare. At the date of this DRR, Petros Parras and Palmer Brown do not hold any external appointments.

Remuneration in detail for the year ended 30 September 2024

Pay for performance

The Committee believes that the Policy provides a clear alignment with the strategic objectives and performance of the Group. To maintain this relationship, the Committee regularly reviews the business priorities of the Group and the environment in which it operates. The table below shows the Group CEO's total remuneration and achievement against the annual bonus plan and long-term incentive plans over the last 10 years, as a percentage of the plan maximum.

	2015	2016	2017	2018[1]	2019	2020	2021	2022	2023	**2024**
Single total figure of remuneration (£000)	5,325	5,822	5,617	4,568	4,659	1,162	3,211	3,299	7,494	**9,499**
Annual bonus plan outcome (% of maximum opportunity)	88.7	85.8	68.9	95.9	78.3	0	99.9	100	100	**100**
LTIP outcome (% of maximum opportunity)	79.0	84.5	74.5	95.0	100	0	0	0	100	**100**

1. Dominic Blakemore became Group CEO from 1 January 2018.

Group CEO pay ratio

The ratio between the Group CEO's remuneration and the lower quartile, median and upper quartile of UK employees is disclosed in the table below. Figures include the Group CEO's total remuneration as set out in the single figure table on page 107, and the remuneration paid to employees at the 25th, 50th and 75th percentiles, over the past five financial years. Methodology A has been chosen to calculate the ratio, as it is considered the most accurate approach. This method includes total full-time equivalent remuneration for UK employees received by an individual in respect of the relevant financial year and is calculated in line with the methodology for the single figure of remuneration for the Group CEO.

The best equivalents for the three UK employees whose hourly rates of pay were at the 25th, median and 75th percentiles were selected, with a small number of employees around each quartile reviewed, to ensure that the employees chosen at the three percentile points were, within reason, representative of the pay of the UK workforce at each quartile. The Committee has considered the pay data of the three employees identified and believes that it fairly reflects pay at the relevant quartiles amongst the UK workforce. The three individuals identified did not receive any remuneration which would otherwise inflate their pay figures.

Executive remuneration, in line with market practice, includes a significant proportion subject to performance and therefore 'at risk'. As a result, remuneration of the Group CEO is weighted more heavily towards variable pay than that of the wider workforce. The ratio will therefore fluctuate each year depending on the performance of the Company. During the financial years 2020, 2021 and 2022, remuneration was notably impacted by the COVID-19 pandemic, which had a significant impact on variable pay elements.

The financial year 2023 included the first LTIP vesting for executive directors in three years, following the Committee electing not to exercise positive discretion despite its strong recovery over the three years. The increase in the Group CEO's remuneration and associated pay ratio reflects the Group's strong performance in 2024, where record levels of performance have been achieved in many areas. The ratio has therefore increased, which reflects the correlation between pay and performance. We believe that the median pay ratio is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

Year and component	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024 total remuneration	**A**	**372:1**	**330:1**	**297:1**
2023 total remuneration	A	323:1	303:1	236:1
2022 total remuneration	A	159:1	129:1	115:1
2021 total remuneration	A	172:1	138:1	125:1
2020 total remuneration	A	63:1	54:1	42:1

The salary and total remuneration levels used in the pay ratio calculations are set out in the table below:

Financial year	Component	Group CEO £000	25th percentile £000	Median £000	75th percentile £000
2024	**Salary**	**£1,144**	**£23**	**£26**	**£31**
	Total remuneration	**£9,499**	**£26**	**£29**	**£32**
2023	Salary	£1,083	£21	£24	£24
	Total remuneration	£7,494	£23	£25	£32
2022	Salary	£1,034	£18	£22	£26
	Total remuneration	£3,299	£21	£26	£29
2021	Salary	£1,000	£16	£19	£24
	Total remuneration	£3,211	£19	£23	£26
2020	Salary	£894	£17	£21	£26
	Total remuneration	£1,162	£18	£21	£28

Annual percentage change in remuneration of directors and employees

The following table shows the annual change in each individual director's base salary/fees, benefits and bonuses, compared to the annual change in average UK employee pay for the year ended 30 September 2024. Figures have been annualised to show a like-for-like comparison.

	Change in pay between 2023 and 2024			Change in pay between 2022 and 2023			Change in pay between 2021 and 2022			Change in pay between 2020 and 2021			Change in pay between 2019 and 2020		
	Base salary/ fees % change[1]	**Bonus % change[2]**	**Benefit % change[3]**	Base salary/ fees % change[1]	Bonus % change[2]	Benefit % change[3]	Base salary/ fees % change[1]	Bonus % change[2]	Benefit % change[3]	Base salary/ fees % change[1]	Bonus % change[2]	Benefit % change[3]	Base salary/ fees % change[1]	Bonus % change[2]	Benefit % change[3]
Executive directors															
Dominic Blakemore	**5.7%**	**5.9%**	**(20.3)%**	4.7%	4.8%	(52.0)%	3.4%	4.6%	18.1%	11.9%	N/A[4]	(27.4)%	(6.5)%	(100)%	105.0%
Petros Parras[5]	**N/A[4]**	**N/A[4]**	**N/A[4]**	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]
Palmer Brown[5]	**32.0%**	**37.7%**	**(25.4)%**	4.4%	4.8%	(30.3)%	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]
Gary Green[5]	**1.3%**	**0.0%**	**(53.0)%**	4.7%	4.8%	6.6%	3.6%	5.3%	(32.4)%	10.5%	N/A[4]	(15.5)%	(6.3)%	(100)%	49.7%
Non-executive directors															
Carol Arrowsmith[5]	**(5.3)%**	–	**334.4%**	(12.6)%	–	5,808.8%	1.7%	–	N/A[4]	10.3%	–	(100)%	(7.8)%	–	79.1%
Liat Ben-Zur[5]	**N/A[4]**	–	**N/A[4]**	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]
Stefan Bomhard	**5.9%**	–	**113.1%**	4.4%	–	203.9%	2.3%	–	N/A[4]	10.3%	–	(100)%	(7.3)%	–	1,012.9%
John Bryant[5]	**(5.7)%**	–	**35.5%**	14.5%	–	804.3%	11.5%	–	N/A[4]	35.0%	–	(100)%	(7.3)%	–	162.6%
Juliana Chugg[5]	**N/A[4]**	–	**N/A[4]**	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]
Arlene Isaacs-Lowe	**5.9%**	–	**25.0%**	4.4%	–	651.0%	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]
Ian Meakins	**5.9%**	–	**N/A[4]**	4.7%	–	N/A[4]	18.9%	–	N/A[4]	467.0%	–	(100)%	–	–	–
Anne-Françoise Nesmes[5]	**22.8%**	–	**(89.8)%**	8.3%	–	N/A[4]	11.5%	–	N/A[4]	35.0%	–	(100)%	(7.3)%	–	N/A[4]
Sundar Raman	**5.9%**	–	**(3.9)%**	4.4%	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]
Nelson Silva	**4.5%**	–	**60.4%**	3.3%	–	278.0%	1.7%	–	N/A[4]	10.3%	–	(100)%	(7.8)%	–	23.8%
Ireena Vittal	**5.9%**	–	**(1.5)%**	4.4%	–	N/A[4]	2.3%	–	N/A[4]	10.3%	–	(100)%	(7.3)%	–	27.7%
Leanne Wood	**5.9%**	–	**N/A[4]**	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]	N/A[4]	–	N/A[4]
Average pay of UK employees[6]	**6.5%**	**50.2%**	**(41.5)%**	11.5%	(23.4)%	(24.8)%	3.8%	191.8%	2.5%	5.2%	113.1%	7.5%	3.4%	(12.3)%	(13.4)%

1. The annual percentage change in salary is calculated by reference to actual salary paid and for directors is calculated on a full-time equivalent basis.
2. The annual percentage change in bonus is calculated by reference to the bonus payable in respect of performance applicable to the financial year for executive directors, and by reference to all bonus payments received during the financial year for UK employees.
3. The annual percentage change in benefits is calculated by reference to the value of benefits received in respect of the financial year. Non-executive directors' travel expenses to/from meetings in the UK are considered a benefit and are disclosed in the DRR. The decrease in benefits value between 2023 and 2024 for the Group CEO and UK employees is due to the continued take-up of electric company vehicles, which have a lower taxable value than a cash for car allowance or a non-electric Company vehicle.
4. N/A refers to a nil value in the previous year, meaning that a year-on-year change cannot be calculated.
5. Fees for 2024 have been pro-rated to reflect time in office and change of role as appropriate.
6. Average employee pay is calculated by reference to the mean average pay of employees within the UK.

Relative importance of spend on pay

The following table sets out the amounts paid in share buybacks, dividends and total employee costs for the 2023 and 2024 financial years.

Disbursements	**2024 $m**	2023 (restated) $m	Change %[1]
Share buybacks[2]	**557**	1,151	(51.6)%
Dividends paid[3]	**963**	796	21.0%
Total employee costs[4]	**19,598**	17,625	11.2%

1. The year-on-year percentage change in disbursements reflects the Company's continued strong performance.
2. At the AGM on 8 February 2024, shareholders approved Resolution 22 to give the directors authority to make limited on-market purchases of up to 10% of the Company's ordinary shares. 20,406,756 shares were repurchased during the financial year ended 30 September 2024 at a cost of $557 million excluding transaction costs. The directors consider it desirable for such general authority to be available to maintain an efficient capital structure whilst at the same time retaining the flexibility to fund any bolt-on acquisitions.
3. The share capital in issue on 30 September 2024 and on the same date in 2023 was 1,785 million ordinary shares of $11\frac{1}{20}$ pence each, including treasury shares.
4. Total employee costs include wages and salaries, social security costs, share-based payments and pension costs for all employees, including directors. The average number of employees, including directors and part-time employees in operations, during 2024 was 579,126 (2023: 562,460).

Remuneration of other senior executives and management

A number of senior executives and the executive directors comprise the Executive Committee. These key management roles influence the ability of the Group to meet its strategic targets. The Remuneration Committee sets the remuneration for these individuals and considers the remuneration levels and structure of the wider business. Total remuneration including base salary and other short-term benefits, bonus and the expected value of long-term incentives for this group is summarised in note 4 to the consolidated financial statements on page 151.

Remuneration advice

The Group Chief People Officer and the Group Reward Director are normally invited to attend each Committee meeting to advise on remuneration matters. The Chair of the Board, Group CEO and Group CFO may also attend from time to time by invitation. They are not paid a fee for attending the Committee in addition to their normal remuneration from the Company and none attend when their own remuneration is discussed. Details of the members of the Committee who served during the 2024 financial year are set out on pages 57 to 59.

Under its terms of reference, the Committee obtains the advice of external independent remuneration consultants and is responsible for their selection and appointment. Following an objective selection process, the Committee appointed PricewaterhouseCoopers (PwC) as its independent remuneration adviser. Prior to this, the adviser to the Committee was Deloitte.

PwC advised the Committee from April 2024 and its fees for the period April to September 2024 were £115,650 for advice relating to executive remuneration. Deloitte's fees for the period October 2023 to April 2024 were £60,000. Fees covered attendance at Committee meetings, general advice and updates on remuneration developments with total fees paid to advisers of £175,650 for the year ended 30 September 2024 (2023: £104,400).

PwC provided advice to the Group in relation to tax and accounting, technology and other consulting services during the year. PwC is a member of the Remuneration Consultants Group and complies with its Code of Conduct.

Alithos Limited (Alithos) was appointed by the Company in 2002. During the year, Alithos provided information for the testing of the TSR performance conditions for the Company's LTIP awards, for which it received fixed fees of £24,000 (2023: £24,000). Alithos also provided TSR data to the Committee during the year for which it received fees of £500 (2023: £500).

The Committee is satisfied that the advice it received during the year was objective and independent, based on the experience of its members.

Committee evaluation

The priorities set by the Committee in response to last year's external evaluation process were:

- determining appropriate performance measures and targets, including ESG metrics
- investor engagement

These themes, together with the Committee's regular programme of work, shaped the Committee's agenda and were included in the principal activities during the year.

2024 evaluation

During the year, an internal evaluation of the effectiveness of the Committee was conducted as part of the wider evaluation of the Board and its committees. Details can be found on page 85. The top priorities for the Remuneration Committee over the coming year were identified as:

- finalising the new Remuneration Policy and obtaining broad stakeholder alignment with the new policy
- ensuring remuneration targets are appropriately stretching
- ensuring that reward is sufficiently competitive to attract and retain the best talent

These matters, together with the regular work of the Committee, will inform the Committee's agenda for the coming year.

Shareholder vote at the 2024 and 2022 Annual General Meetings

The table below sets out the voting outcome at the AGM held on 8 February 2024 in respect of the 2023 Annual Remuneration Report resolution:

	Number of votes 'For' and 'Discretionary'	% of votes cast 'For'	Number of votes 'Against'	% of votes cast 'Against'	Total number of votes cast	Number of votes 'Withheld'[1]
Annual Remuneration Report[2]	1,330,707,235	95.69	59,950,926	4.31	1,390,658,161	1,608,559

The table below sets out the voting outcome at the AGM held on 3 February 2022 for the Remuneration Policy which applies until February 2025:

	Number of votes 'For' and 'Discretionary'	% of votes cast 'For'	Number of votes 'Against'	% of votes cast 'Against'	Total number of votes cast	Number of votes 'Withheld'[1]
Remuneration Policy[3]	973,341,831	67.50	468,571,337	32.50	1,441,913,168	34,029,557

1. A vote withheld is not a vote in law.
2. Advisory vote.
3. Binding vote.

The Committee welcomed the endorsement of the 2023 DRR and 2022 Policy by the majority of shareholders and took steps to understand the concerns of shareholders who withheld their support for the Policy, as described in detail on pages 103 to 104 of the 2023 DRR. At the 2025 AGM, shareholders will be invited to vote on the 2024 Annual Remuneration Report (advisory vote) and the 2025 Policy (binding vote).

On behalf of the Board

John Bryant
Chair of the Remuneration Committee

26 November 2024

Other statutory disclosures

The directors present their Annual Report and the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 September 2024.

This Directors' Report forms part of the management report as required under the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules (DTR) 4. The Company has chosen, in accordance with section 414C (11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on pages 1 to 53 and includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategy. The Corporate Governance and Directors' Report on pages 54 to 123, the Other Statutory Disclosures section on pages 119 to 122 and the Directors' Responsibilities Statement on page 123 are incorporated into the Directors' Report by reference.

Specifically, the following disclosures have been included elsewhere within the Annual Report and are incorporated into this Directors' Report by reference:

Disclosure	Page
Financial risk management	17
Future developments in the business	11
Statement of directors' responsibilities including disclosure of information to the auditor	123
Disclosure of greenhouse gas (GHG) emissions	36
TCFD disclosure	41
Shareholder information	230
Viability statement	29
Going concern statement	20

Results and dividends

In the year ended 30 September 2024, the Group delivered an underlying profit before tax of $2,749 million (2023: $2,426 million), an increase of 13.3%; and a statutory profit before tax of $2,056 million (2023: $2,137 million), a decrease of 3.8%.

It is proposed that a final dividend of 39.1 cents per share be paid in respect of the financial year ended 30 September 2024 on 27 February 2025 to shareholders on the register on 17 January 2025. The final dividend of 39.1 cents per share will be paid in sterling unless a shareholder has elected to receive the dividend in US dollars. The last date for receipt of currency elections will be 3 February 2025. A Dividend Reinvestment Plan (DRIP) will be available. The last date for receipt of DRIP elections will be 6 February 2025.

Year	Dividend	Pence per share	Cents per share
2024	Final	N/A^	39.1
2024	Interim	16.2*	20.7
2023	Final	28.1	N/A
2023	Interim	15.0	N/A

^ The exchange rate for the sterling equivalent of the final dividend for the financial year ended 30 September 2024 will be announced on the London Stock Exchange Regulatory News Service on 11 February 2025.

* Based on an exchange rate of US$1 = £0.783 on 9 July 2024.

Generally, the trustee of the employee benefit trust, the Compass Group PLC All Share Schemes Trust (ASST), which operates in connection with the Company's share plans, waives its right to receive dividends on any shares held by it. Details of the ASST can be found on page 120 of this Report. The value of the dividends payable during the year ended 30 September 2024 that were waived by the ASST was $205,341 (£162,059) (2023: $106,615 (£88,042)).

At the date of this Report, there were 90,348,203 ordinary shares of $11\frac{1}{20}$ pence each held in treasury for the purpose of satisfying the Company's obligations under its employee equity incentive schemes. Shares held in treasury are not entitled to receive dividends.

Share capital

The Company has a single share class which is divided into ordinary shares of $11\frac{1}{20}$ pence each. At the date of this Report, 1,785,403,977 ordinary shares of $11\frac{1}{20}$ pence each (of which 90,348,203 are held in treasury) have been issued, are fully paid up and are quoted on the London Stock Exchange. Each share (excluding treasury shares) has one vote. The total number of voting rights attaching to the issued ordinary share capital (excluding treasury shares) at the date of this Report is 1,695,055,774. In addition, the Company sponsors a Level 1 American Depositary Receipts programme with BNY, through which the Company's shares are traded on the over-the-counter market in the form of American Depositary Shares.

During the year ended 30 September 2024, 2,862,514 awards were released pursuant to the Company's long-term incentive plans and other discretionary share schemes. All awards released were satisfied, as appropriate, by the reissue of 2,585,610 treasury shares and the release of 274,511 shares from the ASST. No treasury shares have been reissued since the end of the financial year to the date of this Report. 2,393 shares were released on 1 October 2024 by the ASST to satisfy an award under the Compass Group PLC Restricted Share Award Plan which had vested on 30 September 2024.

There are no restrictions on the transfer of ordinary shares in the capital of the Company other than those restrictions which may from time-to-time be imposed by law. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

The Company is not aware of any significant agreements to which it is party that take effect, alter or terminate upon a change of control of the Company following a takeover.

More detailed information relating to the rights and obligations attaching to the Company's ordinary shares, and those conferred by law, are set out in the Company's articles of association.

Articles of association

The Company's articles of association were adopted by shareholders at the 2021 AGM, and may only be amended by special resolution at a general meeting of shareholders, and are available on the Company's website: www.compass-group.com.

In accordance with the Company's articles of association, directors have been granted an indemnity by the Company to the extent permitted by law in respect of liabilities incurred as a result of their office. The indemnity would not provide any coverage where a director is proved to have acted fraudulently or dishonestly. The Company has also arranged appropriate insurance cover in respect of potential legal action against its directors and officers.

Purchase of own shares

From 4 December 2023 until 8 May 2024, the Company bought back 9,140,246 ordinary shares related to a $500 million share buyback. These purchases were made under the shareholder authority obtained by the Company at its 2023 AGM authorising the Company to purchase up to a maximum of 175,720,000 shares.

As permitted by the articles, the Company obtained shareholder authority at the 2024 AGM to purchase its own shares up to a maximum of 171,140,000 ordinary shares. On 21 June 2024, the Company announced, consistent with its capital allocation framework, the second and final portion of the $500 million share buyback to be completed by 17 December 2024. At the date of this Report 7,265,498 shares have been bought back.

During the financial year ended 30 September 2024, the Company purchased in aggregate 20,406,756 ordinary shares of 11¹⁄₂₀ pence and subsequently transferred these to treasury. The cost of the shares purchased during the financial year ended 30 September 2024 was $557 million excluding transaction costs. A further 2,356,198 shares have been repurchased between 1 October 2024 and the date of this Report at a cost of $77 million excluding transaction costs. As at the date of this Report there are 90,348,203 ordinary shares held in treasury (representing 5.3% of the issued ordinary shares) for the purpose of satisfying the Company's obligations under employee equity incentive schemes. Shares held in treasury are not eligible to participate in dividends and do not carry any voting rights. Further details of treasury shares and the share buybacks are set out on page 193.

At the 2025 AGM, a special resolution will be proposed to renew the directors' limited authority (last granted at the 2024 AGM) to purchase the Company's ordinary shares in the market. The authority will be exercised only if the directors believe that to do so would be likely to promote the success of the Company for the benefit of its shareholders as a whole.

Issue of shares

At the 2025 AGM, the directors will ask shareholders to renew the authority last granted to them at the 2024 AGM to allot equity shares representing approximately one-third of the issued ordinary shares calculated at the latest practicable date prior to the publication of the Notice of AGM (the section 551 authority) and, in accordance with the Investment Association Share Capital Management Guidelines, the directors propose to extend this by a further one-third of the Company's issued ordinary share capital, provided that such amount shall only be used in connection with a rights issue. If approved, the authority will expire no later than 15 months from the date the resolution is passed, or at the conclusion of the Company's 2026 AGM, whichever is the earlier. Changes in the Company's share capital during 2024, including details of purchases and releases by the ASST, and the reissue of treasury shares during the year, together with details of options granted over unissued capital, are set out in notes 25 and 26 to the consolidated financial statements.

Substantial shareholdings

As at 30 September 2024, and up to the date of this Report, the following information has been received, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital:

	% of Compass Group PLC's voting rights
Blackrock, Inc.	9.99
Artisan Partners Limited Partnership	4.96
Invesco Limited	4.95
Massachusetts Financial Services Company	4.60

The information provided relating to substantial shareholdings above was correct at the date of notification but may have changed since. However, the holder is not required to make another notification to the Company until the next notifiable threshold (as defined in DTR 5) is crossed.

Employee share trusts

The Compass Group Employee Share Trust (ESOP) was established on 13 January 1992 in connection with the Company's share option plans. The Compass Group Long Term Incentive Plan Trust was established on 5 April 2001 in connection with the Company's long-term incentive plans. In 2019, it was adapted to allow it to source shares for all the Company's share schemes and renamed the Compass Group PLC All Share Schemes Trust (ASST).

Details of employee equity incentive plans are set out in the Directors' Remuneration Report on pages 86 to 118. As at 30 September 2024, the trustees of the ESOP and ASST held nil (2023: nil) and 298,712 (2023: 573,223) ordinary shares of the Company respectively.

Awards under employee share schemes

Details of awards made during the year and held by executive directors as at 30 September 2024 are disclosed in the Directors' Remuneration Report on pages 86 to 118.

Details of employee equity incentive plans and grants made during the year ended 30 September 2024, and extant awards held by employees, are disclosed in the consolidated financial statements on pages 195 and 196.

Employee engagement

Compass places particular importance on engaging with employees, recognising that its people have an important role to play in delivering the Group's commitments and strategy and to living its values. Employee engagement is based on commitments to respect, teamwork, and growth within the workforce.

The Group continues to operate on a decentralised basis. This provides a foundation for an entrepreneurial approach balanced by a strong control framework supported by a small head office team. Local management teams are responsible for maintaining high standards of health and safety and for ensuring that there is appropriate consideration of employees' views in decision-making.

A variety of mechanisms are used to keep employees regularly informed about matters of interest to them as employees, and to promote a common awareness of the financial, economic and environmental factors affecting the performance of the Company.

Employees regularly share feedback about how it feels to work at Compass through engagement surveys. These provide management with useful information that helps the businesses to form a good understanding of how employees feel about their workplace and to understand what more can be done to make Compass a great place to work.

Examples of engagement during the year can be found in other sections of this Report as follows:

People – pages 30 to 33

Meetings with the Designated Non-Executive Director for Workforce Engagement – page 66

Stakeholder engagement – pages 69 to 71

Corporate Responsibility Committee Report – page 79

Certain employees globally are eligible to participate in the Company's share plans, details of which are published on pages 195 and 196, and UK-based employees are eligible to participate in the Company's Share Incentive Plan.

Employee benefits and policies

Employees are offered a range of benefits, such as private medical cover, depending on the local environment. Priority is given to the training of employees and the development of their skills. Employment and promotion of people with disabilities is considered on merit with regard only to the ability of any applicant to carry out the role. Arrangements to enable people with disabilities to carry out the duties required will be made if it is reasonable to do so. An employee who becomes disabled would, where appropriate, be offered retraining.

Prior to 1 January 2024, eligible employees in the UK were invited to join the Company's defined contribution pension arrangement, the Compass Retirement Income Savings Plan (CRISP). On 1 January 2024, CRISP transferred into the Compass Group Pension Plan (the 'Plan') so that the Group could manage all its UK pension arrangements under a single corporate trustee. Eligible employees in the UK are now invited to join the CRISP Section of the Compass Group Pension Plan (the CRISP Section). The Plan has a corporate trustee, Compass Group Pension Trustee Company Limited.

The Company is subject to the Pension Automatic Enrolment Regulations for its workforce in the UK. All new UK employees who meet the statutory eligibility criteria, and who do not join the CRISP Section, are automatically enrolled into the National Employment Savings Trust.

Permanent employees outside the UK are usually offered membership of local pension arrangements, if and where they exist, and where it is appropriate to have Company-sponsored arrangements.

Employee diversity and human rights

Our Code of Business Conduct (CBC) provides principles-based guidance to help our businesses do what's right and sets out clearly the standards of behaviour that we expect. Our values, CBC and Group policies serve as a foundation for how we conduct business and compete fairly, globally. Together, they underpin our environmental, social and governance activities including incorporating the Ten Principles of the UN Global Compact, of which Compass has been a signatory since 2004, into strategies, policies and procedures. This demonstrates Compass' commitment to continue fostering an ethos of integrity and inclusion, whilst playing our part in shaping a sustainable future for our people, the communities in which we operate, and the planet.

Our people have an important role to play in the continued success of the Group. Individuality and diversity are respected and valued, and relationships with employees are based on respect for the dignity of the individual and fair treatment for all. The Company publishes an annual statement in accordance with the requirements of the Modern Slavery Act 2015 and a copy of the statement is available on the Company's website: www.compass-group.com.

As at 30 September 2024, there were 579,126 (2023: 562,460) people employed by the Group (average number of employees including directors and part-time employees), 323,182 of whom were female (2023: 316,474) and 255,944 were male (2023: 245,986). 460 were senior managers, of whom 150 were female and 310 were male (2023: 170 female and 326 male), which includes members of our global leadership team and statutory directors of corporate entities whose financial information is consolidated in the Group's financial statements in this Annual Report.

As at 30 September 2024, there were 14 directors, eight of whom were male and six were female. Prior to any appointment to the Board, the Nomination Committee gives due regard to diversity and gender with a view to recommending the appointment of the most suitable candidate for the role.

Compass seeks to create a positive and open working environment. Employee policies are set locally to comply with local law within an overall Group framework, and employee satisfaction and engagement are monitored through a number of indicators.

Consideration is given to the concerns of the wider communities in which the Group's businesses operate, including national and local interests, and we utilise relevant expertise to help contribute to the wellbeing of communities in ways which are appropriate to the Group's business objectives. Furthermore, the Group supports the rights of all people as set out in the UN Universal Declaration of Human Rights (UN Declaration) and considers carefully before doing any business in countries that do not adhere to the UN Declaration.

Business relationships

The directors regard positive business relationships with suppliers, clients, consumers and others as critical to the Company's long-term success. The Group's culture, values and behaviours support open and honest engagement with its stakeholders. High standards of ethical behaviour and probity are maintained in all Compass' business dealings. For further information on how the Company fosters business relationships and how the directors have had regard to stakeholders' interests in their principal decision-making processes, see pages 68 to 72.

Directors' conflicts of interest

As part of their ongoing development, executive directors are permitted to take on one external non-executive role on a non-competitor listed company board, subject to prior approval by the Board. Fees earned for the appointment may be retained by the director. The Board monitors the extent of directors' other interests and the time commitment required to fulfil those interests to ensure that the effectiveness of the Board is not compromised.

Each director has a duty under the Companies Act 2006 to avoid a situation in which they have, or might have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. This duty is in addition to the obligation owed to the Company to disclose to the Board an interest in any transaction or arrangement being considered by the Company. The Company's articles of association authorise the directors to approve such situations where appropriate and to apply other provisions to allow conflicts of interest to be managed. The Board follows an established procedure when deciding whether to authorise an actual or potential conflict of interest. Only independent directors (i.e. those with no interest in the matter under consideration) can make the relevant decision. In making a decision, the directors must act in good faith and in a way they consider most likely to promote the Company's success. Further, the directors may, if appropriate, impose limits or conditions when granting authorisation.

The Board considered and authorised each director's reported actual and potential conflicts of interest at its meeting in July 2024. It also considered any changes on an ad-hoc basis throughout the year. Any authorised conflicts are reviewed at least every 15 months.

Non-financial reporting

The Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016 (the Regulations) require companies to disclose non-financial information necessary to provide investors and other stakeholders with a better understanding of a company's development, performance and position, and the impact of its activity. The Audit Committee, which advises the Board on such matters, has concluded that the Company is compliant with the Regulations.

Throughout this Annual Report the directors have disclosed a mix of financial and non-financial KPIs that they believe best reflect the Group's strategic priorities and will help convey an understanding of the Group's culture and the drivers contributing to the ongoing success of the Company. The Non-financial and sustainability information statement on page 53 identifies where information relating to non-financial matters can be found.

Post-balance-sheet events

– on 31 October 2024, we agreed the sale of our business in Kazakhstan, subject to regulatory approval
– on 31 October 2024, the Group acquired 100% of the issued share capital of DR Holding (trading as Dupont Restauration), a provider of contract catering services in France, for cash of €296 million ($321 million)
– in the period from 1 October to 26 November 2024, 2,356,198 shares were repurchased for a total price of $77 million (excluding transaction costs)
– on 13 November 2024, the Group entered into an agreement to acquire 4Service AS, a provider of catering and facility management services in Norway, for an enterprise value of approximately NOK5.5 billion ($494 million). The acquisition is subject to regulatory approval, which we expect to receive during the 2025 financial year
– on 26 November 2024, a final dividend in respect of the financial year ended 30 September 2024 of 39.1 cents per share, $664 million (based on issued share capital excluding treasury shares as at 30 September 2024) in aggregate, was proposed

Greenhouse gas emissions reporting

The Company is required to state the annual quantity of emissions in tonnes of carbon dioxide equivalent from activities for which the Group is responsible, including the combustion of fuel and the operation of directly controlled facilities. Details of our emissions during the year ended 30 September 2024 are set out within the Purpose section of the Strategic Report on page 36 and form part of the Directors' Report disclosures and are incorporated by reference. Further details of the Group's actions to reduce emissions can also be found in the Purpose and TCFD sections of this Annual Report on pages 34 to 52. This Annual Report is certified as a CarbonNeutral® publication, supporting an emissions reduction project to offset the emissions arising from the production, printing and delivery of this Report. This year, the Company has supported a community-based project in Malawi, targeting the conservation of forestry whilst working with local households to reduce fuelwood usage, which will help develop sustainable livelihoods, increase community resilience to climate change and promote biodiversity.

Task Force on Climate-related Financial Disclosures (TCFD)

In accordance with provisions of the UK Listing Rules, the Company is required to state whether it has made disclosures consistent with the TCFD's recommendations, or if not, to provide an explanation of why it has not complied and a description of the steps that are being taken or will be taken to enable the Company to make consistent disclosures in the future and the timeframe for compliance. Details of Compass' TCFD progress and compliance are set out in the Strategic Report on pages 41 to 52, and form part of the Directors' Report disclosures and are incorporated by reference.

Donations and political expenditure

Charitable objectives support the Company's sustainability strategy and have primarily focused on the environment, education, health and wellbeing, community engagement, and responsible business practice. Donations have included employee involvement through fundraising and financial support.

Group charitable donations	$m
2024	**9.4**
2023[1]	8.7

1. The figure for the financial year ended 30 September 2023 of £7.1 million has been restated in US dollars at a rate of $1.2217:£1.

Since 2004, shareholders have passed an annual resolution, on a precautionary basis, to approve donations to EU political organisations and to incur political expenditure (as such terms were defined under the then relevant legislation) not exceeding a monetary limit approved by shareholders. The Board has consistently confirmed that it operates a policy of not giving any cash contribution to any political party in the ordinary meaning of those words and that it has no intention of changing that policy.

No material amount of corporate funds or paid employee time has been utilised during the year for political activities and, in accordance with the Company's Code of Business Conduct, employees must not engage in any form of lobbying or have contact with political representatives, government employees or public interest groups unless they are doing so legitimately and adhering to internal control processes. Further information regarding the CBC can be found on pages 13 and 76 of this Annual Report and on the Company's website: www.compass-group.com.

The directors propose to renew the authority last granted at the 2024 AGM for the Group to make political donations and incur political expenditure (as such terms are defined in sections 362 to 365 of the Companies Act 2006) until the Company's next AGM, which they might otherwise be prohibited from making or incurring under the terms of the Companies Act 2006 and which would not amount to 'donations' in the ordinary sense of the word. It is proposed to maintain the limit of such authority at £100,000.

CREST

The Company's ordinary shares and sterling Eurobonds are in CREST, the settlement system for stocks and shares.

Disclosures required under UKLR 6.6.1

There are no disclosures required to be made under the FCA's Listing Rule UKLR 6.6.1 which have not already been disclosed elsewhere in this Report. Details of long-term incentive plans can be found in the Directors' Remuneration Report on pages 86 to 118 and details of dividends waived by shareholders can be found on page 119.

AGM

The Notice of Meeting setting out the resolutions to be proposed at the 2025 AGM, together with explanatory notes, will be sent to shareholders as a separate document and made available on the Company's website: www.compass-group.com and also on the National Storage Mechanism at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

The directors consider that each of the resolutions is in the best interests of the Company and the shareholders as a whole, and recommend that shareholders vote in favour of all the resolutions.

On behalf of the Board

A. Yapp

Alison Yapp
Group General Counsel and Company Secretary

26 November 2024

Compass Group PLC
Registered in England and Wales
Company no. 4083914

Directors' responsibilities statement

The Annual Report and Accounts complies with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and the UK Corporate Governance Code 2018 in respect of the requirements to produce an annual financial report.

The Annual Report and Accounts is the responsibility of, and has been approved by, the directors.

We confirm that to the best of our knowledge:

- the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy
- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

The directors have permitted the auditor to undertake whatever inspections it considers to be appropriate for the purpose of enabling the auditor to give its audit opinion.

On behalf of the Board

Alison Yapp
Group General Counsel and Company Secretary

26 November 2024

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant, reliable and prudent
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company, and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Disclosure of relevant audit information

The directors confirm that, so far as they are each aware, there is no relevant audit information of which the auditor, KPMG, is unaware and each director has taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that KPMG is aware of that information.

KPMG LLP's Independent Auditor's Report to the members of Compass Group PLC

1. Our opinion is unmodified

In our opinion:

- the financial statements of Compass Group PLC give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Compass Group PLC ("the Company") for the year ended 30 September 2024 included in the Annual Report, which comprise:

Group (Compass Group PLC and its subsidiaries)	Parent Company (Compass Group PLC)
– Consolidated Income Statement – Consolidated Statement of Comprehensive Income – Consolidated Statement of Changes in Equity – Consolidated Balance Sheet – Consolidated Cash Flow Statement – Notes 1 to 36 to the Group financial statements, including the accounting policies included within the respective notes.	– Parent Company Balance Sheet – Parent Company Statement of Changes in Equity – Notes 1 to 8 to the Parent Company financial statements, including the accounting policies in note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Our risk assessment is driven by understanding of the applicable financial reporting framework, our knowledge of the business, the industry, and the wider economic environment in which the Group operates.

Whilst the UK business has continued to recover its trading performance with operating profit margin improving from prior year, there is still an elevated level of estimation uncertainty regarding the assumptions used in the impairment test particularly related to sustained growth of the UK business. We therefore consider that the risk associated with goodwill impairment in respect of the UK cash-generating unit as a whole, continues to be heightened, consistent with 2023.

Tax authorities around the world continue to provide a high level of scrutiny of transfer pricing arrangements. We therefore consider that the risk associated with uncertain direct tax positions as a whole, continues to be heightened, consistent with 2023.

We also identified a new Key Audit Matter for 2024 related to two material acquisitions made during the year, Hofmann-Menü Holdings GmbH (HOFMANN^{S}) and Orchestra Topco Limited (CH&CO). The risk focuses on the judgement applied in the allocation of consideration between intangible assets and goodwill arising on acquisitions.

Our assessment is that the risk of recoverability of the Parent Company's investments in subsidiaries remains consistent with 2023.

Key audit matters	Vs 2023	Item
Goodwill impairment in respect of the UK cash-generating unit	◀▶	4.1
Uncertain direct tax provisions	◀▶	4.2
Allocation of consideration between intangibles and goodwill related to the acquisition of HOFMANN^{S} and CH&CO	+	4.3
Recoverability of the Parent Company's investment in subsidiaries	◀▶	4.4

Audit Committee interaction

During the year, the AC met three times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 4, including matters that required particular judgement for each.

The matters included in the Audit Committee Chair's report on page 74 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during the financial year ended 30 September 2024 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 30 September 2014. The period of total uninterrupted engagement is for the 11 financial years* ended 30 September 2024.

The Group engagement partner is required to rotate every five years. As these are the first set of the Group's financial statements signed by Jonathan Downer, he will be required to rotate off after the 2028 audit.

The average tenure of partners responsible for component audits as set out in section 7 below is four years, with the shortest being two and the longest being six.

Total audit fee	$ 9.7 million
Audit related fees (including interim review)	$ 0.9 million
Other services	Nil
Non-audit fee as a % of total audit and audit related fee %	Nil
Date first appointed	14 March 2014
Uninterrupted audit tenure	11 years*
Next financial period which requires a tender	30 September 2034
Tenure of Group engagement partner	1 year
Average tenure of component signing partners	4 years

* A competitive tender took place in advance of the 30 September 2023 year end and KPMG LLP was subsequently reappointed.

Materiality

(Item 6 below)

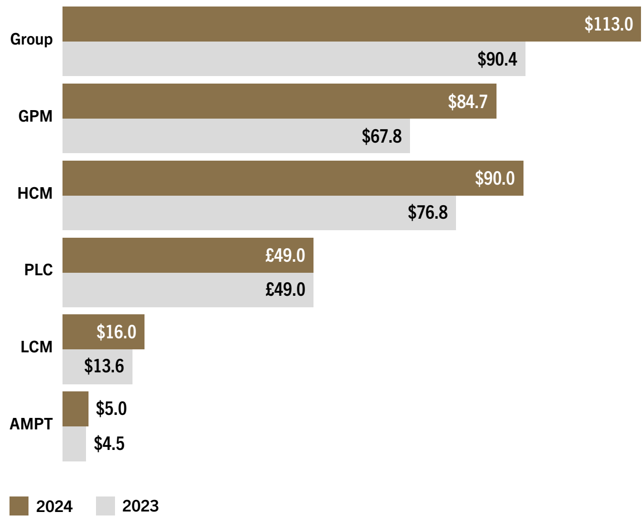
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at $113 million (2023: $90 million, retranslated from £74 million, as a result of the change in presentational currency as disclosed in Note 1 to the financial statements) and for the Parent Company financial statements as a whole at £49 million (2023: £49 million).

We determined that Group normalised profit before tax is the benchmark for the Group. As such, we based our Group materiality on Group normalised profit before tax, of which it represents 4.6% (2023: 4.2% of the Group profit before tax).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.3% (2023: 0.3%).

Materiality levels used in our audit (millions)



Group Group Materiality
GPM Group Performance Materiality
HCM Highest Component Materiality
PLC Parent Company Materiality
LCM Lowest Component Materiality
AMPT Audit Misstatement Posting Threshold

Group scope

(Item 7 below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

Of the Group's 45 (2023: 49) reporting components, we subjected 12 (2023:15) to full- scope audits for Group purposes.

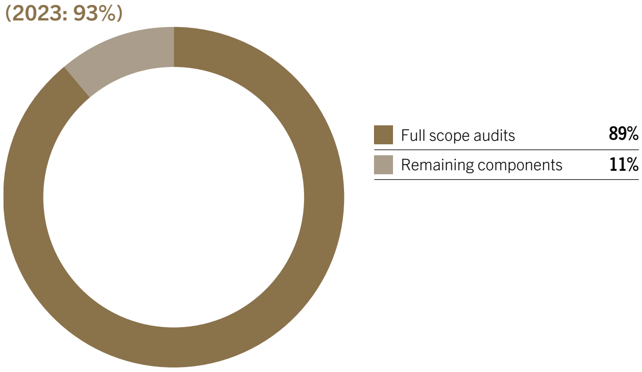
The components within the scope of our work accounted for the percentages illustrated opposite.

In addition, we have performed Group-level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

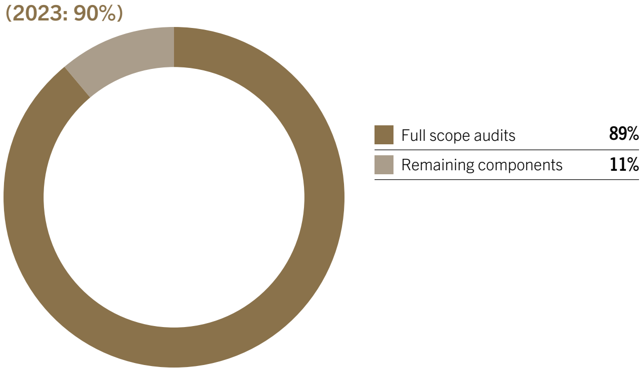
We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Coverage of Group financial statements

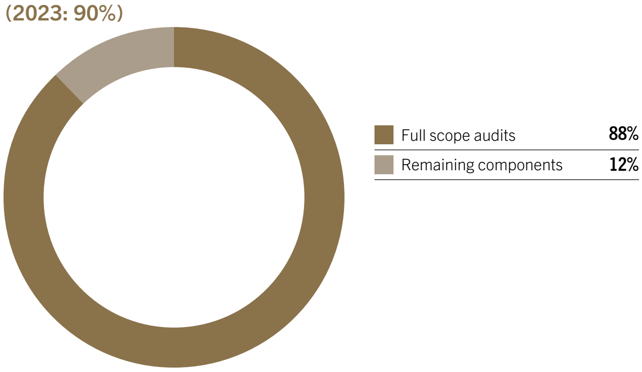
Profit before tax 89%
(2023: 93%)



Total assets 89%
(2023: 90%)



Revenue 88%
(2023: 90%)



The impact of climate change on our audit

In planning our audit, we considered the potential impacts of climate change on the Group's business and its financial statements.

The Group has set out in the Strategic Report its commitment to reach net zero greenhouse gas (GHG) emissions across the global value chain by 2050, to reach climate neutrality in the Group's direct operations by 2030, and its commitment to several other shorter-term targets.

As part of our audit, we have performed a risk assessment, including enquiries of management, to understand how the impact of commitments made by the Group in respect of climate change, as well as the physical or transition risks of climate change, may affect the financial statements and our audit. There was no material impact from this work on our key audit matters.

Whilst the Group is still undertaking work to quantify and assess the potential impact of climate change on the business, based on the risk assessment procedures we performed, including reading the Group's roadmap for transitioning to net zero GHGs, we did not identify any significant risk in this period of climate change having a material impact on the Group's critical accounting estimates. This is due to the shorter-term nature of certain estimates (tax provisioning), the nature of the estimate itself (pension liabilities) and the impact on the level of headroom (impairment of goodwill and intangible assets). In addition, we did not identify any significant risks in this period to the carrying value and useful economic lives of property, plant and equipment caused by the projected physical risks of climate change or the transition to a climate neutrality and net zero operating model.

We have read the disclosures of climate-related information in the front half of the Annual Report and considered their consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of the climate risk disclosures in the Annual Report.

3. Going concern, viability and principal risks and uncertainties

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern over the period to 31 March 2026 ("the going concern period").

Going concern

We used our knowledge of the Group, its industry and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's available financial resources and/or metrics relevant to debt covenants over this period was the cost inflation pressures leading to loss of revenue and profits and inability to retain and/or secure new contracts that may lead to loss of market share to competition.

We also considered less predictable but realistic second-order impacts, such as a significant decline in volumes as a consequence of a global economic downturn.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure on page 145 of the Group financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and related sensitivities.

Accordingly, based on those procedures, we found the directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the Listing Rules set out on page 20 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within risk management on page 23 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement set out on page 29 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

– the overall audit strategy;
– the allocation of resources in the audit; and
– directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Goodwill impairment in respect of the UK cash-generating unit (Group)

Financial statement elements

	2024	2023
Goodwill (UK CGU)	**$2,081 million**	$1,877 million

Our assessment of risk vs 2023

◀▶

Our assessment is that the risk is similar to 2023.

Our results

2024: Acceptable
2023: Acceptable

Description of the key audit matter

Forecast-based assessment:
The Group has a significant carrying amount of goodwill which is spread across a range of cash-generating units (CGUs) in different countries.

The value-in-use calculation for the CGUs, which represents the estimated recoverable amount, is subjective due to the inherent uncertainty involved in forecasting estimated future cash flows (specifically the key assumptions such as revenue, operating margin and long-term growth rate).

Estimation uncertainty in relation to the UK business especially remains higher, as the recoverable amount is dependent on the ability of the business to continue to grow at levels it has done historically in the longer term and to keep improving its margins.

The effect of these matters is that, as part of our risk assessment, we determined that the carrying amount of the UK CGU has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.

The financial statements (note 9) disclose the sensitivity estimated by the Group. These disclosures give relevant information about the estimation uncertainty including the risk of a reduction in the headroom or need for an impairment as a result of a reasonably possible change in one or more of the key assumptions.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address the risk included:

– **Historical comparisons**: We assessed the Group's ability to forecast accurately by comparing assumptions made in historic forecasts to actual results achieved;
– **Our sector experience**: We critically assessed the Group's assumptions on revenue and operating profit margin taking account of strategic plans approved by the Board, our wider knowledge of the industry and the performance of other comparable CGUs;
– **Benchmarking assumptions**: We challenged the Group's long-term growth rate assumption by corroborating this to external data sources such as industry reports and media reports;
– **Sensitivity analysis**: We performed sensitivity analysis on the key assumptions noted above to identify the extent to which changes in those assumptions could give rise to an impairment; and
– **Assessing transparency**: We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to a reasonably possible change in key assumptions reflects the risks inherent in the estimation of the recoverable amount of goodwill.

Communications with Compass Group PLC's Audit Committee
Our discussions with and reporting to the Audit Committee included:

– Our audit approach as set out above, including not seeking to rely on any of the Group's controls;
– Our conclusions from procedures performed; and
– Our views on the disclosures included in the financial statements with respect to the UK CGU and the sensitivity of the impairment conclusions to reasonably possible changes in assumptions.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

– The estimate is particularly sensitive to key assumptions in the impairment model including revenue growth rates, operating profit margins, and long-term growth rates, and auditor judgement is required to assess whether the directors' overall estimate falls within an acceptable range.

Our results

We found the Group's conclusion that there is no impairment of the UK CGU's goodwill to be acceptable (2023: acceptable) and we found the sensitivity disclosures made to be acceptable (2023: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 74 for details on how the Audit Committee considered goodwill impairment in respect of the UK CGU as an area of significant attention, page 158 for the accounting policy on goodwill, and note 9 for the financial disclosures.

4.2 Uncertain direct tax provisions (Group)

Financial statement elements

Direct tax provisions included within current tax liabilities of $ 235 million (2023: $ 261 million)

Disclosure of other sources of estimation uncertainty- note 6 to the Group financial statements

Our assessment of risk vs 2023

◀▶

Our assessment is that the risk is similar to 2023.

Our results

2024: Acceptable
2023: Acceptable

Description of the key audit matter

Subjective estimate:
The Group operates across a large number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including transfer pricing.

As a result of the complexities of tax rules on transfer pricing, the provisioning for uncertain direct tax positions is judgemental and requires the directors to make estimates in relation to these uncertainties.

The directors' estimation includes assessing the likelihood of potentially material exposures as a result of changes in local tax regulations and evaluating ongoing inspections by local tax authorities and international bodies. Whilst a material adjustment to the carrying amounts of the liabilities is not expected within the next financial year, there remains a possibility of a material impact on the amounts recognised in the Group's financial statements in future periods.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Group's controls because the small number of transactions meant that detailed testing is inherently the most effective means of obtaining audit evidence.

Our procedures to address the risk included:

– **Our taxation expertise**: With the assistance of our tax specialists, we analysed and challenged the assumptions used to determine the provisions recognised using our knowledge and experience of the application of international and local legislation by the relevant authorities and courts and assessing whether the approach applied by the Group is supported by custom and practice. We also considered whether the judgements applied to each significant provision, including the maximum potential exposure and the likelihood of a payment being required, were appropriate.
– **Tests of detail**: We examined the calculations prepared by the directors and agreed key assumptions used to underlying data. We inspected correspondence with relevant tax authorities and assessed third-party tax advice received by the directors to evaluate the conclusions drawn in the advice where relevant to the significant exposures faced by the Group, and how these have been used by the directors in their assessment of the likelihood of any outflow and estimate of the provision.
– **Assessing transparency**: We assessed the adequacy of the Group's disclosures in respect of tax and uncertain direct tax positions.

Communications with Compass Group PLC's Audit Committee
Our discussions with and reporting to the Audit Committee included:

– Our audit approach as set out above, including not seeking to rely on any of the Group's controls, and the involvement of our taxation specialists;
– Our conclusions from procedures performed; and
– Our views on the disclosures of the direct tax provisions disclosed.

Area of particular auditor judgement
We identified the following as the areas of particular auditor judgement:

– The assessment of the outcome of investigations by the authorities, if a liability exists and in making an estimate of any future economic outflows.

Our results
We found the level of tax provisioning to be acceptable (2023: acceptable).

Location of further information in the Annual Report and Accounts: see the Audit Committee Report on page 74 for details on how the Audit Committee considered direct tax provisions as an area of significant attention, page 153 for the accounting policy on tax and note 6 for the financial disclosures.

4.3 Allocation of consideration between intangibles and goodwill related to the acquisition of HOFMANN[S] and CH&CO (group)

Financial statement elements	Our assessment of risk vs 2023	Our results
Acquired intangibles of $644 million and goodwill arising on acquisitions of $452 million. (2023: not applicable)	+ This is a new risk for the 2024 audit.	**2024: Acceptable**

Description of the key audit matter

Subjective valuation:
During the year, the Group acquired 100% of the issued share capital of HOFMANN[S] for consideration of $103 million (excluding third-party debt acquired and repaid on the date of acquisition of $185 million).

The Group also acquired 100% of the issued share capital of CH&CO for consideration of $344 million (excluding third-party debt acquired and repaid on the date of acquisition of $246 million).

Acquisition accounting can require significant estimation and judgement with regards to the purchase price allocation, in particular in the fair valuation of acquired intangible assets. In determining these fair values, management is required to adopt an appropriate valuation methodology and make significant judgements and estimates including those relating to the brand royalty rates. Performing audit procedures to evaluate the appropriateness and the reasonableness of these judgements and estimates required a high degree of auditor judgement and an increased extent of effort, including the need to involve our valuation specialists.

We therefore determined that the allocation of consideration between acquired intangible assets and goodwill as a key audit matter.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address the risk included:

- **Methodology choice**: With the assistance of our own valuation specialists, we assessed the appropriateness of the methodology used in the valuation models by considering if it was in accordance with relevant accounting standards.
- **Our valuation expertise**: With the assistance of our own valuation specialists, we also challenged the appropriateness of the key assumptions underlying the intangible valuation, including the brand royalty rates used.
- **Sensitivity analysis**: We considered the sensitivity of the acquired intangible asset valuation to reasonably possible changes in assumptions and focused our attention to revenue growth and brand royalty assumptions which we considered the most critical to the valuation.
- **Assessing transparency**: We assessed the appropriateness of the Group's disclosures in respect of the results of the acquisition accounting.

Communications with Compass Group PLC's Audit Committee
Our discussions with and reporting to the Audit Committee included:

- Our audit approach as set out above, including not seeking to rely on any of the Group's controls, and the involvement of our valuation specialists;
- Our conclusions from procedures performed; and
- Our views on the disclosures included in the financial statements with respect to the sensitivity of the acquired intangible asset and goodwill valuation to reasonably possible changes in assumptions.

Area of particular auditor judgement
We identified the following as the areas of particular auditor judgement:

- The estimate is particularly sensitive to key assumptions in the models including brand royalty rates and auditor judgement is required to assess whether the directors' overall estimate falls within an acceptable range.

Our results
We found the balance of intangible assets and goodwill recognised on acquisition to be acceptable (2023: not applicable).

4.4 Recoverability of Parent Company's investment in subsidiaries (Parent company)

Financial statement elements	2024	2023	Our assessment of risk vs 2023	Our results
Investment in subsidiaries	**£6,763 million investments**	£6,714 million investments	Our assessment is that the risk is similar to 2023.	**2024: Acceptable** 2023: Acceptable

Description of the key audit matter

Low risk, high value:
The carrying amount of the Parent Company's investments in subsidiaries represents 48% (2023: 44%) of the Company's total assets.

We do not consider the recoverability of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to their materiality in the context of the Parent Company financial statements as a whole, this is considered to be the area which had the greatest effect on our overall Parent Company audit.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address the risk included:

- **Test of detail**: We compared a sample of the highest value investments carrying amounts to the net assets of the relevant subsidiary included within the Group consolidation, to identify whether the net asset value, being an approximation of the minimum recoverable amount, was in excess of the investment carrying value.

  When the net assets of the relevant subsidiary were insufficient to support the carrying value, we considered the performance of the underlying investments held by the relevant subsidiary in order to assess whether there was an indication of impairment.

- **Assessing subsidiary net assets**: For the relevant subsidiaries (investment holding companies), we compared the net assets of the relevant subsidiary with the Group consolidation to the final net assets in the most recent audited standalone financial statements. Based on the knowledge acquired during the audit of the consolidated Group, including reporting received from component auditors for the underlying trading operations, we considered whether there were any events indicating that the net assets would be materially different from the prior year position.

Communications with Compass Group PLC's Audit Committee
Our discussions with and reporting to the Audit Committee included:

- Our audit approach as set out above; and
- Our conclusions from procedures performed.

Area of particular auditor judgement
We did not identify any areas of particular auditor judgement.

Our results
We found the Parent Company's conclusion that there is no impairment of its investment in subsidiaries to be acceptable (2023: acceptable).

5. Our ability to detect irregularities, and our response

Fraud — Identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment	To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included: – Enquiring of directors, the Audit Committee and Internal Audit, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Internal Audit function and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected, or alleged fraud. – Reading Board, Audit and Corporate Responsibility Committee meeting minutes. – Considering remuneration incentive schemes (primarily the annual bonus plan) and performance targets for management and directors including revenue, operating profit margin and cash flow targets for management remuneration. – Using analytical procedures to identify any unusual or unexpected relationships. – Our forensic specialists assisted us in identifying key fraud risks. This included attending the Risk Assessment and Planning Discussion, holding a discussion with the engagement partner, engagement manager and engagement quality control reviewer, and assisting with designing relevant audit procedures to respond to the identified fraud risks.
Risk communications	We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.
Fraud risks	As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.
Procedures to address fraud risks	In determining the audit procedures, we took into account the results of our evaluation of some of the Group-wide fraud risk management controls. We also performed procedures including: – Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management and those posted to unexpected account pairings. – Assessing whether the judgement made in making accounting estimates are indicative of a potential bias.

Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence; and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
Risk communications	We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group level.
Direct laws context and link to audit	The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
Most significant indirect law/regulation areas	Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety (food and employees), anti-bribery, data privacy, competition and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context

Context of the ability of the audit to detect fraud or breaches of law or regulation	Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

$113m
(2023: $90m)
Materiality for the group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at $113 million (2023: $90 million). This was determined with reference to a benchmark of Group normalised profit before tax from continuing operations (normalised PBTCO).

We determined that normalised PBTCO is the main benchmark for the Group considering the sector in which it operates, its ownership and financing structure, and the focus of users of the financial statements. We normalised by adding back the adjustments that do not represent normal, continuing operations of the Group. The items we adjusted for were net loss on sale and closure of businesses amounting to $203 million (note 27), non-cash impairment of computer software assets amounting to $146 million (note 3), acquisition transaction costs amounting to $41 million (note 3) and impairment of investment in joint venture amounting to $10 million (note 3). As such, we based our Group materiality on normalised PBTCO of $2,456 million (2023: PBTCO $2,137 million).

Our Group materiality of $113 million was determined by applying a percentage to the normalised PBTCO. When using a benchmark of normalised PBTCO to determine overall materiality, KPMG's approach for listed entities considers a guideline range of 3% to 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.6% (2023: 4.2%) to the benchmark.

Materiality for the Parent Company financial statements as a whole was set at £49 million (2023: £49 million), determined with reference to a benchmark of Parent Company total assets, limited to be less than materiality for Group materiality as a whole. It represents 0.3% (2023: 0.3%) of the Parent Company total assets.

$84.7m
(2023: $67.8m)
Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (2023: 75%) of materiality for Compass Group PLC Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £36.7m (2023: £36.7m), which equates to 75% (2023: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

$5m
(2023: $4.5m)
Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Compass Group PLC's Audit Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 4.4% (2023: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of $113 million (2023: $90 million) compares as follows to the main financial statement caption amounts:

	Group revenue ($ million)		Group profit before tax ($ million)		Total Group assets ($ million)	
	2024	2023	**2024**	2023	**2024**	2023
Financial statement caption	**42,002**	37,907	**2,056**	2,137	**24,349**	21,483
Group materiality as % of caption	**0.27%**	0.24%	**5.5%**	4.2%	**0.46%**	0.42%

7. The scope of our audit

Group scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

The Group has 45 (2023: 49) reporting components. In order to determine the work performed at the reporting component level, we identified those components which we considered to be of individual financial significance, those which were significant due to risk and those remaining components on which we required procedures to be performed to provide us with the evidence we required in order to conclude on the Group financial statements as a whole.

We determined individually financially significant components as those contributing at least 10% (2023: 10%) of Group revenue or Group total assets. We selected Group revenue and Group total assets because these are the most representative of the relative size of the components. We identified 1 (2023: 1) component as an individually financially significant component and performed a full scope audit on this component.

In addition to the individually financially significant component, we identified 2 (2023: 1) components as significant, owing to significant risk of material misstatement affecting the Group financial statements. We performed full scope audits on these components.

In addition, to enable us to obtain sufficient appropriate audit evidence for the Group financial statements as a whole, we selected 9 (2023: 13) components on which to perform full scope audit procedures. The components within the scope of our work accounted for the following percentages of the Group's results, with the prior year comparatives indicated in brackets:

Scope	Number of components	Range of materiality applied ($ million)	Group Revenue	Group Profit before tax	Group total assets
Full scope audit	12 (15)	16-90 (14-77)	88% (90%)	89% (93%)	89% (90%)

The remaining 12% (2023: 10%) of Group revenue, 11% (2023: 7%) of Group profit before tax and 11% (2023: 10%) of total Group assets is represented by 33 (2023: 34) reporting components, none of which individually represented more than 2% (2023: 2%) of any of Group revenue, Group profit before tax or total Group assets. For these components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The work on 9 of the 12 components (2023: 12 of the 15 components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the Group team.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materiality levels, as detailed in the table above, having regard to the mix of size and risk profile of the Group across the components.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

Group audit team oversight

What we mean

The extent of the Group audit team's involvement in component audits.

In working with component auditors, we:

- Held planning calls with all component audit teams to discuss the significant areas of the audit relevant to the components.
- Issued Group audit instructions to component auditors on the scope of their work, including specifying the minimum procedures to perform in their audit of significant risk areas, including management override of controls and revenue recognition.
- Held risk assessment update discussions with all component audit teams before the commencement of the final phases of the audit led by the Group engagement partner and engagement quality control partner.
- Visited five (2023: four) components in person as the audit progressed to understand and challenge the audit approach and organised regular video conferences with the Group and component audit teams. At these meetings and video conferences, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component audit teams.
- Inspected the component audit teams' key work papers (using remote technology capabilities) to evaluate the quality of execution of the audits of the components, with a particular focus on work related to significant risks

8. Other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility	Our reporting
Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report and Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration report

Our responsibility	Our reporting
We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.	In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility	Our reporting
We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and: – the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; – the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and – the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.	Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.
We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.	We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility	Our reporting
Under the Companies Act 2006, we are required to report to you if, in our opinion: – adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or – the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or – certain disclosures of directors' remuneration specified by law are not made; or – we have not received all the information and explanations we require for our audit.	We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 123, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so. In addition, the directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at; www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R and using the single electronic reporting format specified in the EU ESEF regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Downer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square, London E14 5GL

26 November 2024

Consolidated income statement for the year ended 30 September 2024

	Notes	2024 $m	2024 $m	Restated[1] 2023 $m	Restated[1] 2023 $m
Revenue	2		**42,002**		37,907
Operating costs	3		**(39,462)**		(35,662)
Operating profit before joint ventures and associates			**2,540**		2,245
Share of results of joint ventures and associates	2, 14		**44**		68
Underlying operating profit[2]	2, 34	**2,998**		2,592	
Acquisition-related charges	3, 34	**(235)**		(153)	
Charges related to the strategic portfolio review	3, 34	**(170)**		(118)	
Other[3]	34	**(9)**		(8)	
Operating profit	2		**2,584**		2,313
Net (loss)/gain on sale and closure of businesses	27, 34		**(203)**		24
Finance income	5	**37**		59	
Finance expense	5	**(286)**		(225)	
Acquisition-related charges	5, 34	**(9)**		–	
Other financing items	5, 34	**(67)**		(34)	
Finance costs			**(325)**		(200)
Profit before tax			**2,056**		2,137
Income tax expense	6		**(642)**		(525)
Profit for the year			**1,414**		1,612
Attributable to					
Equity shareholders			**1,404**		1,607
Non-controlling interests			**10**		5
Profit for the year			**1,414**		1,612
Basic earnings per share	7		**82.3c**		92.2c
Diluted earnings per share	7		**82.2c**		92.1c

1. See note 1.
2. Operating profit excluding specific adjusting items (see note 34).
3. Other specific adjusting items include one-off pension charge and tax on share of profit of joint ventures (see note 34).

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 30 September 2024

	Notes	2024 $m	Restated[1] 2023 $m
Profit for the year		**1,414**	1,612
Other comprehensive income			
Items that will not be reclassified to the income statement			
Remeasurement of post-employment benefit obligations	24	**(286)**	33
Return on plan assets, excluding interest income	24	**63**	(331)
Change in asset ceiling, excluding interest income	24	**(1)**	6
Change in fair value of financial assets at fair value through other comprehensive income[2]	15	**322**	115
Tax (charge)/credit on items relating to the components of other comprehensive income		**(37)**	36
		61	(141)
Items that may be reclassified to the income statement			
Currency translation differences[3]		**267**	229
Change in fair value of financial assets at fair value through other comprehensive income[2]	15	**28**	–
Reclassification of cumulative currency translation differences on sale of businesses	27	**250**	(1)
Tax credit on items relating to the components of other comprehensive income		**2**	4
		547	232
Total other comprehensive income for the year		**608**	91
Total comprehensive income for the year		**2,022**	1,703
Attributable to			
Equity shareholders		**2,012**	1,698
Non-controlling interests		**10**	5
Total comprehensive income for the year		**2,022**	1,703

1. See note 1.
2. The credit totalling $350m (2023: $115m) from the change in fair value of financial assets at fair value through other comprehensive income includes $171m (2023: $69m) in respect of assets held by the Rabbi Trust arrangements and $179m (2023: $46m) in respect of trade and other investments in the US.
3. Includes a gain of $318m (2023: $203m) in relation to the effective portion of net investment hedges.

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 30 September 2024

		Attributable to equity shareholders					
	Notes	Share capital $m	Share premium $m	Other reserves[1] $m	Retained earnings $m	Non-controlling interests $m	Total equity $m
At 1 October 2023 (restated[2])		346	317	4,582	1,018	37	6,300
Profit for the year		–	–	–	1,404	10	1,414
Other comprehensive income							
Remeasurement of post-employment benefit obligations	24	–	–	–	(286)	–	(286)
Return on plan assets, excluding interest income	24	–	–	–	63	–	63
Change in asset ceiling, excluding interest income	24	–	–	–	(1)	–	(1)
Change in fair value of financial assets at fair value through other comprehensive income	15	–	–	–	350	–	350
Currency translation differences		–	–	267	–	–	267
Reclassification of cumulative currency translation differences on sale of businesses	27	–	–	250	–	–	250
Tax credit/(charge) on items relating to the components of other comprehensive income	6	–	–	2	(37)	–	(35)
Total other comprehensive income for the year		–	–	519	89	–	608
Total comprehensive income for the year		–	–	519	1,493	10	2,022
Fair value of share-based payments	26	–	–	–	68	–	68
Change in fair value of non-controlling interest put options		–	–	7	–	–	7
Changes to non-controlling interests due to acquisitions and disposals		–	–	(54)	–	40	(14)
Reclassification of revaluation reserve on sale of businesses		–	–	(14)	14	–	–
Cost of shares transferred to employees		–	–	64	(64)	–	–
Purchase of own shares – share buyback		–	–	(512)	–	–	(512)
Tax credit on items taken directly to equity	6	–	–	–	8	–	8
		346	317	4,592	2,537	87	7,879
Dividends paid to equity shareholders	8	–	–	–	(963)	–	(963)
Dividends paid to non-controlling interests		–	–	–	–	(10)	(10)
At 30 September 2024		346	317	4,592	1,574	77	6,906

1. Other reserves are analysed in note 25.
2. See note 1.

The accompanying notes form part of these consolidated financial statements.

		Attributable to equity shareholders					
	Notes	Share capital $m	Share premium $m	Other reserves $m	Retained earnings $m	Non-controlling interests $m	Total equity $m
At 1 October 2022 (restated[1])		346	317	5,559	325	44	6,591
Profit for the year		–	–	–	1,607	5	1,612
Other comprehensive income							
Remeasurement of post-employment benefit obligations	24	–	–	–	33	–	33
Return on plan assets, excluding interest income	24	–	–	–	(331)	–	(331)
Change in asset ceiling, excluding interest income	24	–	–	–	6	–	6
Change in fair value of financial assets at fair value through other comprehensive income	15	–	–	–	115	–	115
Currency translation differences		–	–	229	–	–	229
Reclassification of cumulative currency translation differences on sale of businesses	27	–	–	(1)	–	–	(1)
Tax credit on items relating to the components of other comprehensive income	6	–	–	4	36	–	40
Total other comprehensive income/(loss) for the year		–	–	232	(141)	–	91
Total comprehensive income for the year		–	–	232	1,466	5	1,703
Fair value of share-based payments	26	–	–	–	54	–	54
Change in fair value of non-controlling interest put options		–	–	16	–	–	16
Changes to non-controlling interests due to acquisitions and disposals		–	–	(2)	–	2	–
Reclassification of non-controlling interest put options reserve on exercise of put options		–	–	7	–	(7)	–
Cost of shares transferred to employees		–	–	35	(35)	–	–
Purchase of own shares – share buyback		–	–	(1,246)	–	–	(1,246)
Purchase of own shares – employee share-based payments		–	–	(19)	–	–	(19)
Tax credit on items taken directly to equity	6	–	–	–	4	–	4
		346	317	4,582	1,814	44	7,103
Dividends paid to equity shareholders	8	–	–	–	(796)	–	(796)
Dividends paid to non-controlling interests		–	–	–	–	(7)	(7)
At 30 September 2023 (restated[1])		346	317	4,582	1,018	37	6,300

1. See note 1.

The accompanying notes form part of these consolidated financial statements.

Consolidated balance sheet at 30 September 2024

	Notes	**30 September 2024 $m**	Restated[1] 30 September 2023 $m	Restated[1] 1 October 2022 $m
Non-current assets				
Goodwill	9	**6,899**	6,105	5,715
Other intangible assets	10	**3,325**	2,480	2,188
Costs to obtain and fulfil contracts	11	**1,525**	1,316	1,235
Right-of-use assets	12	**1,144**	992	917
Property, plant and equipment	13	**1,411**	1,166	1,058
Interests in joint ventures and associates	14	**203**	298	301
Other investments	15	**1,149**	1,049	881
Post-employment benefit assets	24	**542**	525	649
Trade and other receivables	16	**410**	309	180
Deferred tax assets	6	**179**	237	256
Derivative financial instruments	20	**69**	55	85
Non-current assets		**16,856**	14,532	13,465
Current assets				
Inventories	17	**734**	692	570
Trade and other receivables	16	**5,686**	5,094	4,452
Tax recoverable		**141**	109	119
Cash and cash equivalents	18	**623**	1,029	2,214
Derivative financial instruments	20	**36**	22	79
		7,220	6,946	7,434
Assets held for sale	27	**273**	5	29
Current assets		**7,493**	6,951	7,463
Total assets		**24,349**	21,483	20,928
Current liabilities				
Borrowings	19	**(822)**	(1,327)	(774)
Lease liabilities	12	**(273)**	(237)	(216)
Derivative financial instruments	20	**(21)**	(45)	(6)
Provisions	23	**(370)**	(284)	(301)
Current tax liabilities		**(235)**	(261)	(274)
Trade and other payables	22	**(8,172)**	(7,166)	(6,281)
		(9,893)	(9,320)	(7,852)
Liabilities held for sale	27	**(179)**	–	–
Current liabilities		**(10,072)**	(9,320)	(7,852)
Non-current liabilities				
Borrowings	19	**(3,774)**	(2,787)	(3,651)
Lease liabilities	12	**(1,042)**	(916)	(803)
Derivative financial instruments	20	**(187)**	(253)	(265)
Post-employment benefit obligations	24	**(1,274)**	(983)	(847)
Provisions	23	**(344)**	(349)	(346)
Deferred tax liabilities	6	**(287)**	(132)	(178)
Trade and other payables	22	**(463)**	(443)	(395)
Non-current liabilities		**(7,371)**	(5,863)	(6,485)
Total liabilities		**(17,443)**	(15,183)	(14,337)
Net assets		**6,906**	6,300	6,591
Equity				
Share capital	25	**346**	346	346
Share premium		**317**	317	317
Other reserves	25	**4,592**	4,582	5,559
Retained earnings		**1,574**	1,018	325
Total equity shareholders' funds		**6,829**	6,263	6,547
Non-controlling interests		**77**	37	44
Total equity		**6,906**	6,300	6,591

1. See note 1.

The accompanying notes form part of these consolidated financial statements.

Approved by the Board of Directors on 26 November 2024 and signed on its behalf by:

Dominic Blakemore, Director
Petros Parras, Director

Consolidated cash flow statement for the year ended 30 September 2024

	Notes	2024 $m	Restated[1] 2023 $m
Cash flow from operating activities			
Cash generated from operations	28	**4,095**	3,283
Interest paid		**(267)**	(208)
Tax received		**18**	31
Tax paid		**(711)**	(570)
Net cash flow from operating activities		**3,135**	2,536
Cash flow from investing activities			
Purchase of subsidiary companies	27	**(784)**	(389)
Purchase of interests in joint ventures and associates	14	**(9)**	(9)
Net proceeds from sale of subsidiary companies, joint ventures and associates net of exit costs[2]	27	**225**	58
Purchase of intangible assets		**(329)**	(263)
Purchase of contract fulfilment assets		**(508)**	(380)
Purchase of property, plant and equipment		**(572)**	(445)
Proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets		**81**	78
Purchase of other investments	15	**(2)**	(4)
Proceeds from sale of other investments[3]		**330**	4
Dividends received from joint ventures and associates	14	**65**	60
Interest received		**39**	61
Loans to third parties		**(25)**	–
Net cash flow from investing activities		**(1,489)**	(1,229)
Cash flow from financing activities			
Purchase of own shares – share buyback		**(577)**	(1,148)
Purchase of own shares – employee share-based payments		**–**	(19)
Increase in borrowings		**1,381**	1
Repayment of borrowings		**(1,161)**	(543)
Repayment of borrowings acquired through business acquisitions	27	**(431)**	–
Net cash flow from derivative financial instruments		**46**	157
Repayment of principal under lease liabilities		**(227)**	(215)
Purchase of non-controlling interests		**–**	(10)
Dividends paid to equity shareholders	8	**(963)**	(796)
Dividends paid to non-controlling interests		**(10)**	(7)
Net cash flow from financing activities	29	**(1,942)**	(2,580)
Cash and cash equivalents			
Net decrease in cash and cash equivalents		**(296)**	(1,273)
Cash and cash equivalents at 1 October		**830**	1,934
Currency translation gains on cash and cash equivalents		**59**	169
		593	830
Cash reclassified to held for sale		**(40)**	–
Cash and cash equivalents at 30 September		**553**	830
Cash and cash equivalents[4]	18	**623**	1,029
Bank overdrafts[4]	19	**(70)**	(199)
Cash and cash equivalents at 30 September		**553**	830

1. See note 1.
2. 2024 includes $35m of tax payments arising on the disposal of businesses.
3. 2024 includes $327m received in respect of the sale of the Group's 19% effective interest in ASM Global Parent, Inc. in August 2024.
4. As per the consolidated balance sheet.

The accompanying notes form part of these consolidated financial statements.

1 Basis of preparation

Introduction

The consolidated financial statements of Compass Group PLC (the Company) have been prepared on a going concern basis, as discussed on page 145, in accordance with UK-adopted International Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments.

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. Share capital, share premium and other equity items have been translated into US dollars at historical exchange rates either at 1 October 2004, the date of transition to International Financial Reporting Standards (IFRS), or on the date of each relevant transaction.

Consolidation

The consolidated financial statements of the Company are prepared in US dollars, which is different from its functional currency. The functional currency of the Company is sterling as this is the currency of the primary economic environment in which it operates.

The consolidated financial statements consolidate the results of the Company and entities controlled by the Company (its subsidiaries), and include the Group's share of the results of its interests in joint ventures and associates using the equity method.

Subsidiaries are entities over which the Company has control. Control exists when the Company has power over an entity, exposure to variable returns from its involvement with an entity and the ability to use its power over the entity to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing control.

Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring the accounting policies used in line with those used by the Group.

The results of subsidiaries, joint ventures and associates acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where a subsidiary transacts with a joint operation of the Group, profits or losses are eliminated to the extent of the Group's interest in the relevant joint operation.

In preparing the financial statements of individual companies within the Group, transactions in currencies other than the companies' functional currency are recorded at the rates of exchange on the dates of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates on the balance sheet date. Gains and losses arising on retranslation are included in the consolidated income statement for the year, except where they arise on items taken directly to other comprehensive income, in which case they are also recognised in the consolidated statement of comprehensive income.

On consolidation, the assets and liabilities of the Group's overseas operations (expressed in their functional currencies, being the currency of the primary economic environment in which each entity operates) are translated at the exchange rates on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

Whilst Türkiye has been a hyperinflationary economy since 2022, IAS 29 Financial Reporting in Hyperinflationary Economies has not been applied as it would not have a significant impact on the Group's consolidated financial statements.

Significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out in the relevant notes. These policies have been applied consistently to all the years presented, unless otherwise stated.

Significant accounting policies are indicated by the following icon:

Significant accounting policy

Changes in accounting policies

There were no new accounting standards or amendments to existing standards effective in the current year that had a significant impact on the Group's consolidated financial statements. There are a number of changes to accounting standards, effective in future years, which are not expected to significantly impact the Group's consolidated financial statements.

Judgements

The preparation of the consolidated financial statements requires management to make judgements in respect of the application of its accounting policies which impact the reported amounts of assets, liabilities, income and expenses.

Whilst there are no judgements that management considers to be critical in the preparation of these financial statements, there is a significant judgement in respect of the classification of cash payments relating to contract fulfilment assets in the cash flow statement (see note 11).

Estimates

The preparation of the consolidated financial statements requires management to make estimates which impact the reported amounts of assets, liabilities, income and expenses. These estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Sources of estimation uncertainty are indicated by the following icon:

Source of estimation uncertainty

1 Basis of preparation continued

Major sources of estimation uncertainty

The Group's major sources of estimation uncertainty are in relation to goodwill in the UK cash-generating unit and post-employment benefit obligations on the basis that a reasonably possible change in key assumptions could have a material effect on the carrying amounts of assets and liabilities in the next 12 months (see notes 9 and 24, respectively).

Other sources of estimation uncertainty

In addition to the major sources of estimation uncertainty, tax and acquisition intangibles have been identified as additional sources of estimation uncertainty. Whilst not considered to be major sources of uncertainty as defined by IAS 1 Presentation of Financial Statements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer-term uncertainties (see notes 6 and 10).

Climate change

Climate change is identified as a principal risk as its impact on the environment may lead to issues around food sourcing and security, and supply chain continuity in some of the Group's markets (see page 24). The potential impact of climate change has been assessed with scenario analysis conducted in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations (see pages 47 and 48). The Group has a commitment to reach climate net zero greenhouse gas (GHG) emissions across its global operations and value chain by 2050 (see page 48). Climate change considerations are indicated by the following icon:

Climate change

The potential impact of climate change and the Group's net zero commitments on the following areas has been considered:

- going concern (see below) and viability (see page 29) assessments
- tax (see note 6)
- goodwill (see note 9)
- other intangible assets (see note 10)
- post-employment benefits (see note 24)

There was no impact on the reported amounts in the financial statements as a result of this review.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 53. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are discussed in the Financial Review on pages 15 to 20.

The directors consider it appropriate to prepare the financial statements on a going concern basis for the reasons stated below.

At 30 September 2024, the Group's financing arrangements included sterling and euro bonds ($3.9bn) and US dollar US Private Placement (USPP) notes ($0.7bn). In addition, the Group had a Revolving Credit Facility of $2.7bn, committed to August 2026, which was fully undrawn, and $0.6bn of cash, net of overdrafts. With the exception of a €296m ($321m) payment to acquire Dupont Restauration on 31 October 2024 (see note 33), the liquidity position of the Group has remained substantially unchanged at the date of approving these consolidated financial statements.

For the purposes of the going concern assessment, the directors have prepared monthly cash flow projections for the period to 31 March 2026 (the assessment period) from the most recent three-year strategic plan approved by the Board in November 2024. The directors consider 18 months to be a reasonable period for the going concern assessment as it enables them to consider the potential impact of macroeconomic and geopolitical factors over an extended period.

Debt maturities in the going concern period include, in December 2024, a $100m USPP note and, in September 2025, a £250m ($335m) Eurobond and $300m USPP note. No additional refinancing of debt is assumed in the going concern assessment.

The USPP notes are subject to leverage and interest cover covenants which are tested on 31 March and 30 September each year. The Group met both covenants at 30 September 2024. The Group's other financing arrangements do not contain any financial covenants.

The cash flow projections show that the Group has significant headroom against its committed facilities and meets its financial covenant obligations under the USPP notes without any refinancing.

The Group has performed a stress test against the base case to determine the performance level that would result in a reduction in headroom against its committed facilities to nil or a breach of its covenants. The Group's committed facilities would be reached in the event that underlying operating profit reduced by more than 40% of the strategic plan level. The directors do not consider this scenario to be likely. The stress test assumes no new business acquisitions (with the exception of Dupont Restauration in October 2024 and 4Service AS in 2025) as a mitigating action.

Consequently, the directors are confident that the Group and Parent Company will have sufficient funds to continue to meet their liabilities as they fall due for at least the period to 31 March 2026 and, therefore, have prepared the financial statements on a going concern basis.

Climate change

Climate change and the Group's net zero commitments are not expected to have a material impact during the going concern period.

2 Segmental analysis

Significant accounting policy

Segmental information
The segmental information presented is consistent with management reporting provided to the Executive Committee (the chief operating decision maker). The Executive Committee monitors the underlying revenue and operating profit of its three geographical segments, North America, Europe and Rest of World, to assess performance and allocate resources. The Group also has a separate segment for central activities which includes costs in respect of central functions, including finance, legal, commercial, IT and human resources. Underlying revenue and operating profit are reconciled to GAAP measures below. Finance costs and income tax expense are managed on a Group basis.

Revenue
Revenue represents income derived from contracts for the provision of food and support services by the Group to customers in exchange for consideration in the normal course of business. The Group's revenue is comprised of revenues under its contracts with clients. Clients engage the Group to provide food and support services at their locations. Depending on the type of client and service, we are paid either by our client and/or directly by the consumers to whom we have been provided access by our client, such as the client's employees, visitors, pupils, patients and spectators. Payment terms are set at contract level and vary according to country, sector and individual client.

Performance obligations
At contract inception, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Transaction price
The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding value-added tax and similar sales taxes. For example, the transaction price may be based on a price per meal, which may vary with volume, or could be based on costs incurred plus an agreed management fee.

The Group makes a variety of ongoing payments to clients, mainly commissions, concession rentals and reimbursement of utility costs. These are assessed for treatment as consideration paid to customers, and where they are not in exchange for a distinct good or service, they are recognised as a reduction of the transaction price. In addition, the Group may make a payment to a client typically at the start of a contract which is not an investment in service assets and does not generate or enhance the Group's resources. Such payments are reported as prepayments and, as they are not considered to be in exchange for a distinct good or service, they are charged to the income statement as a deduction to revenue recognised over the contract term rather than as an operating cost.

Revenue recognition
The Group recognises revenue when its performance obligations are satisfied as control of the goods and services is transferred to the client and/or consumers. In certain cases, clients engage the Group to provide food and support services in a single multi-service contract. Revenue is recognised for each separate performance obligation in respect of food and support services as these are provided. There is little judgement involved in determining if a performance obligation has been satisfied.

For each performance obligation in a contract, the Group determines whether it is satisfied over time or at a point in time.

The Group has determined that most of its performance obligations are satisfied over time as the client simultaneously receives and consumes the benefits provided as the food and/or support services are rendered at the client site. Generally, where the Group has the obligation to its clients to make available the provision of food service for a predetermined period, its performance obligation represents a series of services delivered over time. Revenue is recognised at the amount which the Group has the right to invoice, where that amount corresponds directly with the value to the customer of the Group's performance completed to date. Where the Group is contracted to sell directly to consumers, for example, in a retail café concession, the performance obligation is satisfied at a point in time, namely when the products are sold to the consumer.

The nature, amount, timing and uncertainty of revenue and cash flows for performance obligations within a contract that are satisfied over time and at a point in time are considered to be similar and they are affected by the same economic factors.

Operating profit
Operating profit is stated after the share of profit after tax of joint ventures and associates, and before finance costs.

Specific adjusting items
Specific adjusting items are disclosed and described separately in the consolidated financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. Specific adjusting items are material items of income or expense that have been shown separately due to the significance of their nature or amount. Further details are provided in note 34.

2 Segmental analysis continued

Revenue by sector and geographical segment[1,2]	Geographical segments North America $m	Europe $m	Rest of World $m	Total $m
Year ended 30 September 2024				
Business & Industry	**9,912**	**4,720**	**1,284**	**15,916**
Education	**5,932**	**1,393**	**259**	**7,584**
Healthcare & Senior Living	**7,991**	**1,479**	**503**	**9,973**
Sports & Leisure	**4,396**	**1,317**	**163**	**5,876**
Defence, Offshore & Remote	**350**	**978**	**1,499**	**2,827**
Underlying revenue[3,4]	**28,581**	**9,887**	**3,708**	**42,176**
Less: Share of revenue of joint ventures	**(24)**	**(150)**	**–**	**(174)**
Revenue	**28,557**	**9,737**	**3,708**	**42,002**
Year ended 30 September 2023 (restated[5])				
Business & Industry	8,078	3,985	1,360	13,423
Education	5,481	1,239	257	6,977
Healthcare & Senior Living	7,424	1,352	518	9,294
Sports & Leisure	4,409	1,123	162	5,694
Defence, Offshore & Remote	376	899	1,553	2,828
Underlying revenue[3,4]	25,768	8,598	3,850	38,216
Less: Share of revenue of joint ventures	(23)	(286)	–	(309)
Revenue	25,745	8,312	3,850	37,907

1. There is no inter-segment trading.
2. An analysis of revenue recognised over time and at a point in time is not provided on the basis that the nature, amount, timing and uncertainty of revenue and cash flows are considered to be similar.
3. Revenue plus share of revenue of joint ventures.
4. Underlying revenue arising in the UK, the Group's country of domicile, was $3,461m (2023: $2,915m). Underlying revenue arising in the US region was $27,136m (2023: $24,456m). Underlying revenue arising in all countries outside the UK from which the Group derives revenue was $38,715m (2023: $35,301m).
5. See note 1.

Profit by geographical segment	Geographical segments North America $m	Europe $m	Rest of World $m	Central activities $m	Total $m
Year ended 30 September 2024					
Underlying operating profit/(loss) before results of joint ventures and associates	**2,313**	**560**	**224**	**(144)**	**2,953**
Add: Share of profit before tax of joint ventures	**1**	**16**	**–**	**–**	**17**
Add: Share of results of associates	**21**	**7**	**–**	**–**	**28**
Underlying operating profit/(loss)[1]	**2,335**	**583**	**224**	**(144)**	**2,998**
Less: Acquisition-related charges[2]	**(84)**	**(151)**	**–**	**–**	**(235)**
Less: Charges related to the strategic portfolio review[2]	**–**	**(43)**	**–**	**(127)**	**(170)**
Less: One-off pension charge[2]	**–**	**(8)**	**–**	**–**	**(8)**
Less: Tax on share of profit of joint ventures[2]	**–**	**(1)**	**–**	**–**	**(1)**
Operating profit/(loss)	**2,251**	**380**	**224**	**(271)**	**2,584**
Net loss on sale and closure of businesses[2]					**(203)**
Finance costs					**(325)**
Profit before tax					**2,056**
Income tax expense					**(642)**
Profit for the year					**1,414**

1. Operating profit excluding specific adjusting items (see note 34).
2. Specific adjusting item (see note 34).

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

2 Segmental analysis continued

Profit by geographical segment	Geographical segments North America $m	Europe $m	Rest of World $m	Central activities $m	Total $m
Year ended 30 September 2023 (restated[1])					
Underlying operating profit/(loss) before results of joint ventures and associates	2,001	429	214	(120)	2,524
Add: Share of profit before tax of joint ventures	1	35	–	–	36
Add: Share of results of associates	17	15	–	–	32
Underlying operating profit/(loss)[2]	2,019	479	214	(120)	2,592
Less: Acquisition-related charges[3]	(88)	(56)	(9)	–	(153)
Less: Charges related to the strategic portfolio review[3]	–	(118)	–	–	(118)
Less: One-off pension charge[3]	–	(8)	–	–	(8)
Operating profit/(loss)	1,931	297	205	(120)	2,313
Net gain on sale and closure of businesses[3]					24
Finance costs					(200)
Profit before tax					2,137
Income tax expense					(525)
Profit for the year					1,612

1. See note 1.
2. Operating profit excluding specific adjusting items (see note 34).
3. Specific adjusting item (see note 34).

Assets and liabilities by geographical segment	Geographical segments			Unallocated			
	North America $m	Europe $m	Rest of World $m	Central activities $m	Current and deferred tax $m	Net debt $m	Total $m
At 30 September 2024							
Total assets[1]	**13,787**	**7,577**	**1,218**	**719**	**320**	**728**	**24,349**
Total liabilities[1]	**(6,869)**	**(2,663)**	**(801)**	**(469)**	**(522)**	**(6,119)**	**(17,443)**
Net assets/(liabilities)	**6,918**	**4,914**	**417**	**250**	**(202)**	**(5,391)**	**6,906**
Total assets include:							
Interests in joint ventures and associates	**58**	**145**	**–**	**–**	**–**	**–**	**203**
Non-current assets[2]	**9,860**	**5,596**	**473**	**679**	**179**	**69**	**16,856**
At 30 September 2023 (restated[3])							
Total assets	12,127	5,722	1,404	778	346	1,106	21,483
Total liabilities	(5,869)	(1,967)	(956)	(433)	(393)	(5,565)	(15,183)
Net assets/(liabilities)	6,258	3,755	448	345	(47)	(4,459)	6,300
Total assets include:							
Interests in joint ventures and associates	74	224	–	–	–	–	298
Non-current assets[2]	8,748	4,147	591	754	237	55	14,532

1. Rest of World includes assets and liabilities held for sale in respect of Chile, Colombia and Mexico (see note 27).
2. Non-current assets located in the UK, the Group's country of domicile, were $3,325m (2023: $2,414m). Non-current assets located in the US region were $9,162m (2023: $8,182m). Non-current assets located in all countries outside the UK in which the Group holds assets were $13,531m (2023: $12,118m).
3. See note 1.

2 Segmental analysis continued

Other segmental disclosures	Notes	Geographical segments North America $m	Europe $m	Rest of World $m	Central activities $m	Total $m
Year ended 30 September 2024						
Additions to other intangible assets	10	**239**	**57**	**6**	**27**	**329**
Additions to contract fulfilment assets	11	**495**	**9**	**10**	**–**	**514**
Additions to right-of-use assets	12	**169**	**83**	**10**	**–**	**262**
Additions to property, plant and equipment	13	**357**	**171**	**44**	**–**	**572**
Amortisation of other intangible assets[1]	10	**200**	**99**	**8**	**5**	**312**
Amortisation of contract fulfilment assets	11	**296**	**4**	**6**	**–**	**306**
Depreciation of right-of-use assets	12	**112**	**94**	**13**	**1**	**220**
Depreciation of property, plant and equipment	13	**226**	**107**	**40**	**1**	**374**
Impairment losses – strategic portfolio review	3	**–**	**29**	**–**	**127**	**156**
Impairment losses – other non-current assets	3	**1**	**2**	**–**	**7**	**10**
Impairment reversals – non-current assets	3	**(6)**	**(1)**	**–**	**–**	**(7)**
Other non-cash items[2]	26	**27**	**13**	**5**	**23**	**68**
Assets held for sale	27	**–**	**–**	**273**	**–**	**273**
Liabilities held for sale	27	**–**	**–**	**(179)**	**–**	**(179)**
Year ended 30 September 2023 (restated[3])						
Additions to other intangible assets	10	184	43	9	27	263
Additions to contract fulfilment assets	11	364	10	6	–	380
Additions to right-of-use assets	12	171	94	15	–	280
Additions to property, plant and equipment	13	261	135	49	–	445
Amortisation of other intangible assets[1]	10	172	67	12	5	256
Amortisation of contract fulfilment assets	11	274	4	4	–	282
Depreciation of right-of-use assets	12	96	89	13	1	199
Depreciation of property, plant and equipment	13	202	89	45	1	337
Impairment losses – strategic portfolio review	3	–	60	–	–	60
Impairment losses – goodwill	9	–	–	6	–	6
Impairment losses – other non-current assets	3	12	–	–	–	12
Impairment reversals – non-current assets	3	–	(2)	–	–	(2)
Other non-cash items[2]	26	23	11	5	15	54
Assets held for sale		–	–	5	–	5

1. Including the amortisation of acquisition intangibles.
2. Other non-cash items represent share-based payment charges.
3. See note 1.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

3 Operating costs

Operating costs	Notes	2024 $m	Restated[1] 2023 $m
Food and materials			
Cost of inventories consumed		**11,482**	10,569
Labour			
Employee remuneration	4	**19,598**	17,625
Overheads			
Commissions and fees paid to clients		**1,811**	1,685
Expense relating to short-term leases, low-value assets and variable lease payments	12	**192**	182
Amortisation – other intangible assets	10	**150**	134
Amortisation – contract fulfilment assets	11	**306**	282
Depreciation – right-of-use assets	12	**220**	199
Depreciation – property, plant and equipment	13	**374**	337
Impairment losses – non-current assets		**10**	12
Impairment reversals – non-current assets		**(7)**	(2)
Net impairment losses – trade and other receivables	16	**44**	42
Acquisition-related charges (see below)[2]	34	**235**	153
Charges related to the strategic portfolio review (see below)[2]	34	**170**	118
Audit and non-audit services (see below)		**11**	10
Other		**4,866**	4,316
Total		**39,462**	35,662

1. See note 1.
2. Specific adjusting item (see note 34).

Acquisition-related charges

Represent amortisation and impairment charges in respect of intangible assets acquired through business combinations, direct costs incurred through business combinations or other strategic asset acquisitions, business integration costs, changes in consideration in relation to past acquisition activity and other acquisition-related items.

Acquisition-related charges	Notes	2024 $m	Restated[1] 2023 $m
Amortisation – acquisition intangibles	10	**162**	122
Impairment losses – goodwill	9	**–**	6
Acquisition transaction costs	27	**41**	21
Adjustment to contingent consideration payable on business acquisitions	21	**67**	4
Gains on bargain purchases	27	**(35)**	–
Total		**235**	153

1. See note 1.

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 $160m as a specific adjusting item, which includes $146m for the non-cash impairment of work-in-progress head office (non-client-related) computer software assets. An impairment charge of $10m has been recognised in respect of our business in Qatar.

In 2023, charges related to the strategic portfolio review reflect the impact of site closures and contract renegotiations and terminations in the UK.

Charges related to the strategic portfolio review	Notes	2024 $m	Restated[1] 2023 $m
Other intangible assets	10	**146**	–
Right-of-use assets	12	**–**	52
Property, plant and equipment	13	**–**	8
Joint ventures and associates	14	**10**	–
Impairment losses		**156**	60
Write-off – other receivables		**–**	25
Onerous contracts and other costs – provisions	23	**14**	24
Other costs – other payables		**–**	9
Total		**170**	118

1. See note 1.

3 Operating costs continued

Audit and non-audit services

Audit and non-audit services	2024 $m	Restated[1] 2023 $m
Fees payable for the audit of the Company and consolidated financial statements	**2.4**	2.3
Fees payable for the audit of the Company's subsidiaries and joint ventures	**7.3**	7.1
Audit services	**9.7**	9.4
Audit-related assurance	**0.9**	0.4
Non-audit services	**0.9**	0.4
Total	**10.6**	9.8

1. See note 1.

4 Employees

Average number of employees, including directors and part-time employees	2024	2023
North America	**292,993**	276,378
Europe	**176,765**	172,198
Rest of World	**109,368**	113,884
Total	**579,126**	562,460

Aggregate remuneration of all employees, including directors	Notes	2024 $m	Restated[1] 2023 $m
Wages and salaries		**16,594**	14,998
Social security costs		**2,606**	2,282
Share-based payments	26	**68**	54
Pension costs – defined contribution plans	24	**289**	254
Pension costs – defined benefit plans	24	**41**	37
Total		**19,598**	17,625

1. See note 1.

In addition to the pension costs shown in operating costs above, there is an interest charge on net post-employment benefit obligations of $29m (2023: $11m).

The remuneration of directors and key management personnel[1] is set out below. Additional information on directors' and key management remuneration, long-term incentive plans, pension contributions and entitlements can be found in the audited section of the Directors' Remuneration Report on pages 86 to 118 and forms part of these accounts.

Remuneration of key management personnel[1]	2024 $m	Restated[2] 2023 $m
Salaries	**10.7**	10.1
Other short-term employee remuneration	**15.0**	13.7
Share-based payments	**19.2**	12.0
Pension salary supplement	**0.4**	0.5
Total	**45.3**	36.3

1. Key management personnel is defined as the Board and the individuals who made up the Executive Committee from time to time during the year, more details of which can be found on pages 56 to 61.
2. See note 1.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

5 Finance costs

Significant accounting policy

Finance income and expenses are recognised in the income statement in the period in which they are incurred.

Finance costs	Notes	2024 $m	Restated[1] 2023 $m
Interest on cash and cash equivalents		**30**	53
Other		**7**	6
Finance income		**37**	59
Interest on bank loans and overdrafts		**(4)**	(2)
Interest on other borrowings[2]		**(207)**	(158)
Interest on lease liabilities	12	**(65)**	(50)
Net present value adjustments[3]	21, 23	**(10)**	(15)
Finance expense		**(286)**	(225)
Net present value adjustments[3]	21	**(9)**	–
Acquisition-related charges[4]		**(9)**	–
Net (losses)/gains on derivative financial instruments in a fair value hedge		**(3)**	1
Net losses on derivative financial instruments in a net investment hedge		**(5)**	–
Net losses on derivative financial instruments at fair value through profit or loss		**(61)**	(40)
Change in fair value of financial assets at fair value through profit or loss	15	**2**	(9)
Dividends received from Rabbi Trust investments	15	**28**	23
Interest on net post-employment benefit obligations	24	**(29)**	(11)
Other		**1**	2
Other financing items[4]		**(67)**	(34)
Total		**(325)**	(200)

1. See note 1.
2. Includes interest expense on derivative financial instruments in a fair value hedge of $95m (2023: $83m), interest expense on derivative financial instruments in a net investment hedge of $8m (2023: $nil) and interest income on derivative financial instruments at fair value through profit or loss of $49m (2023: $57m).
3. From 2024, net present value adjustments on deferred and contingent consideration payable on business acquisitions are classified as a specific adjusting item. Net present value adjustments on deferred and contingent consideration payable on business acquisitions were $6m in 2023 (see note 21).
4. Specific adjusting item (see note 34).

6 Tax

Significant accounting policy

Income tax expense comprises current and deferred tax. Tax is recognised in the consolidated income statement except where it relates to items taken directly to the consolidated statement of comprehensive income or equity, in which case it is recognised in the consolidated statement of comprehensive income or equity as appropriate.

Current tax
Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted in respect of that period at the balance sheet date. Tax benefits are recognised if it is probable that these will be accepted by the relevant tax authorities. Subsequently, they are reviewed each year to assess whether provisions against full recognition of the benefits are necessary.

Deferred tax
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the enacted or substantively enacted tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.

Other source of estimation uncertainty

The Group has operations in around 30 countries. The tax position in each country is often not agreed with the tax authorities until some time after the relevant period end and, if subject to a tax audit, may be open for an extended period. In these circumstances, the recognition of tax liabilities and assets requires management estimation to reflect a variety of factors, including historical experience, interpretations of tax law and the likelihood of settlement.

The international corporate tax environment remains complex and the sustained increase in audit activity from tax authorities means that the potential for tax uncertainties and disputes remains high. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the results in the year in which such determination is made. In addition, the calculation and recognition of temporary differences giving rise to deferred tax assets requires estimates to be made of the extent to which future taxable profits are available against which these temporary differences can be utilised.

Uncertain tax positions
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. The Group has recognised provisions in respect of uncertain tax positions, none of which is individually material. In determining such liabilities, the Group assesses the range of potential outcomes and estimates whether additional tax may be due.

The Group is currently subject to audits and reviews in a number of countries that primarily relate to complex corporate tax issues.

The UK tax authority's inquiry into an intra-group refinancing was resolved during the year consistent with the provision previously held.

The Group does not currently anticipate any material changes to the amounts recorded at 30 September 2024.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

6 Tax continued

Other source of estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets of $179m (2023: $237m) include $80m (2023: $103m) relating to the carry forward of unused tax losses. It is considered probable that sufficient taxable profits over a period of between one and five years will be available against which the unused tax losses can be utilised. In evaluating whether sufficient taxable profits will be available in the future, forecasts have been derived from the most recent three-year strategic plan approved by management adjusted for the effect of applicable tax laws and regulations relevant to those future taxable profits. No reasonably possible change in any of the key assumptions would result in a significant reduction in projected taxable profits such that the recognised deferred tax assets would not be realised.

Climate change

Climate change and the Group's net zero commitments are not expected to have a material impact on taxable profits over the period during which deferred tax assets are expected to be utilised.

Income tax expense

Income tax expense	**2024 $m**	Restated[1] 2023 $m
Current tax		
Current year	**703**	593
Adjustment in respect of prior years	**(38)**	(47)
Current tax expense	**665**	546
Deferred tax		
Current year	**(39)**	(12)
Impact of changes in statutory tax rates	–	(1)
Adjustment in respect of prior years	**16**	(8)
Deferred tax credit	**(23)**	(21)
Total	**642**	525

1. See note 1.

The income tax expense for the year is based on the effective UK statutory rate of corporation tax for the period of 25% (2023: 22%). Overseas tax is calculated at the rates prevailing in the respective jurisdictions.

The income tax effects of the adjustments between statutory and underlying results are shown in note 34 to the consolidated financial statements.

Reconciliation of effective tax rate	**2024 $m**	Restated[1] 2023 $m
Profit before tax	**2,056**	2,137
Notional income tax expense at the effective UK statutory rate of 25% (2023: 22%) on profit before tax	**514**	470
Effect of different tax rates of subsidiaries operating in other jurisdictions	**45**	71
Impact of changes in statutory tax rates	–	(1)
Permanent differences	**103**	37
Tax on profit of joint ventures and associates	**1**	–
Losses and other temporary differences not previously recognised	–	(1)
Unrelieved current year tax losses	**1**	4
Prior year items	**(22)**	(55)
Income tax expense	**642**	525

1. See note 1.

Permanent differences include the current year movement in our estimated liability for uncertain tax positions, the benefit of tax credits and the tax effect of non-deductible expenditure, including losses arising on disposals. Prior year items relate to the reassessment of prior year tax estimates and the resolution of open items.

The global nature of the Group's operations gives rise to various factors which could affect the future tax rate. These include the mix of profits, changes to overseas statutory tax rates or tax legislation and the foreign exchange rates applicable when those profits are translated into US dollars. The UK government enacted an increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. In addition, the future tax charge may be affected by the impact of acquisitions, disposals or other restructuring activities and the resolution of open issues with tax authorities.

6 Tax continued

Tax charged/(credited) to other comprehensive income

Tax charged/(credited) to other comprehensive income	2024 $m	Restated[1] 2023 $m
Current and deferred tax credit on actuarial and other movements on post-employment benefits	(11)	(53)
Deferred tax charge on change in fair value of financial assets at fair value through other comprehensive income	48	17
Current tax credit on foreign exchange movements	(2)	(4)
Total	**35**	(40)

1. See note 1.

Tax credited to equity

Tax credited to equity	2024 $m	Restated[1] 2023 $m
Current and deferred tax credit on share-based payments	(8)	(4)
Total	**(8)**	(4)

1. See note 1.

Deferred tax

Movement in net deferred tax asset/(liability)	Tax depreciation $m	Intangibles and contract fulfilment assets $m	Net pensions and post-employment benefits $m	Tax losses $m	Net self-funded insurance provisions $m	Net short-term temporary differences $m	Total $m
At 1 October 2022 (restated[1])	(63)	(496)	78	106	105	348	78
Credit/(charge) to income	12	7	10	(11)	5	(2)	21
Credit/(charge) to other comprehensive income/equity	–	–	53	–	–	(15)	38
Business acquisitions	–	(22)	–	–	–	(1)	(23)
Sale and closure of businesses	–	–	–	–	–	(1)	(1)
Reclassification	5	(2)	–	1	–	(4)	–
Exchange adjustment	6	(7)	(16)	7	–	2	(8)
At 30 September 2023 (restated[1])	(40)	(520)	125	103	110	327	105
(Charge)/credit to income	**(22)**	**(2)**	**18**	**(16)**	**4**	**41**	**23**
Credit/(charge) to other comprehensive income/equity	–	–	**14**	–	–	**(48)**	**(34)**
Business acquisitions	–	**(173)**	–	**(2)**	–	**2**	**(173)**
Sale and closure of businesses	–	–	–	–	–	**(14)**	**(14)**
Transfer to held for sale	**(1)**	–	–	**(6)**	–	**(10)**	**(17)**
Reclassification	**1**	–	–	**(1)**	–	**14**	**14**
Exchange adjustment	**6**	**(16)**	**(11)**	**2**	–	**7**	**(12)**
At 30 September 2024	**(56)**	**(711)**	**146**	**80**	**114**	**319**	**(108)**

1. See note 1.

Net short-term temporary differences relate principally to provisions and other liabilities of overseas subsidiaries. After netting off balances within countries, the following are the deferred tax assets and liabilities recognised in the consolidated balance sheet:

Net deferred tax balance	2024 $m	Restated[1] 2023 $m
Deferred tax assets	179	237
Deferred tax liabilities	(287)	(132)
Net deferred tax (liability)/asset	**(108)**	105

1. See note 1.

Deferred tax assets have not been recognised in respect of tax losses of $101m (2023: $129m) and other temporary differences of $13m (2023: $26m). Of the unrecognised tax losses, $38m (2023: $61m) will expire at various dates between 2025 and 2032. These deferred tax assets have not been recognised as the timing of recovery is uncertain.

The Group does not recognise any deferred tax liability on temporary differences relating to potentially taxable unremitted earnings of overseas subsidiaries totalling $763m (2023: $730m) because it is able to control the timing of reversal of these differences. It is probable that no reversal will take place in the foreseeable future.

6 Tax continued

Regulatory developments

The legislation implementing the Pillar Two Model Rules in the UK will apply from the financial year ending 30 September 2025. The Group is reviewing this legislation and also monitoring the status of implementation of the model rules worldwide. The impact is not expected to be material. The Group has applied the temporary exception under IAS 12 Income Taxes in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two Model Rules.

7 Earnings per share

Significant accounting policy

Basic earnings per share is calculated based on profit for the year attributable to equity shareholders and the weighted average number of ordinary shares in issue during the year, which excludes shares held in treasury.

Diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue during the year, adjusted to assume conversion of all the dilutive potential ordinary shares into ordinary shares.

Profit for the year attributable to equity shareholders	2024 $m	Restated[1] 2023 $m
Profit for the year attributable to equity shareholders	**1,404**	1,607

1. See note 1.

Weighted average number of ordinary shares	2024 Ordinary shares of $11^{1}/_{20}$p each millions	2023 Ordinary shares of $11^{1}/_{20}$p each millions
Weighted average number of ordinary shares for basic earnings per share	**1,705**	1,743
Dilutive effect of share-based payment plans	**2**	2
Weighted average number of ordinary shares for diluted earnings per share	**1,707**	1,745

Earnings per share	2024 cents	Restated[1] 2023 cents
Basic	**82.3**	92.2
Diluted	**82.2**	92.1

1. See note 1.

Underlying earnings per share for the year ended 30 September 2024 was 119.5c (2023: 105.2c). Underlying earnings per share is calculated based on earnings excluding the effect of acquisition-related charges, charges related to the strategic portfolio review, one-off pension charge, gains and losses on sale and closure of businesses and other financing items, together with the tax attributable to these amounts (see note 34).

8 Dividends

Significant accounting policy

Interim dividends are recognised in the financial statements when they are paid. Final dividends, which are subject to approval by the shareholders in a general meeting after the balance sheet date, are not included as a liability in the financial statements. Instead, they are disclosed as a post-balance sheet event and recognised in the financial statements when they are approved (see note 33).

A final dividend in respect of 2024 of 39.1c per share, $664m in aggregate[1], has been proposed, giving a total dividend in respect of 2024 of 59.8c per share (2023: 52.6c per share). The proposed final dividend is subject to approval by shareholders at the Annual General Meeting to be held on 6 February 2025.

	2024		Restated[2] 2023	
Dividends on ordinary shares	**Dividends per share cents**	**$m**	Dividends per share cents	$m
Amounts recognised as distributions to equity shareholders during the year				
Final 2022	–	–	27.7	462
Interim 2023	–	–	17.9	334
Final 2023	**34.7**	**606**	–	–
Interim 2024	**20.7**	**357**	–	–
Total	**55.4**	**963**	45.6	796

1. Based on the number of ordinary shares in issue at 30 September 2024, excluding shares held in treasury and the Compass Group PLC All Share Schemes Trust (1,697m shares).
2. See note 1.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

9 Goodwill

Significant accounting policy

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less any accumulated impairment losses.

Goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the acquisition, which is usually the geographical location of the operations of the Group. Goodwill is subsequently monitored and tested for impairment at the level at which it is allocated. Gains and losses on the disposal of businesses take account of the carrying amount of goodwill relating to the business sold, allocated where necessary on the basis of relative fair value, unless another method is determined to be more appropriate.

The recoverable amount of a CGU is determined based on value-in-use calculations. If the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognised in the consolidated income statement which is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised in respect of goodwill is not subsequently reversed.

Major source of estimation uncertainty

The value in use of the UK CGU is estimated for the purposes of impairment testing based on assumptions, including the most recent three-year strategic plan approved by management, long-term growth rates and discount rates. A reasonably possible change in the assumptions used to derive this estimate could have a material effect on the carrying amount of goodwill in the UK CGU in the next 12 months. The key assumptions used in the value-in-use calculations, together with sensitivity analysis, are set out below.

Climate change

The potential impact of climate change and the Group's net zero commitments on forecast cash flows beyond the Group's three-year planning period has been considered during impairment testing by including in the sensitivity analysis assumptions consistent with the quantitative scenario analysis performed for the Task Force on Climate-Related Financial Disclosures (see pages 47 and 48).

Goodwill	2024 $m	Restated[1] 2023 $m
Cost		
At 1 October	**6,748**	6,323
Business acquisitions	**618**	225
Sale and closure of businesses	**(78)**	(33)
Transfer to held for sale	**(14)**	–
Currency adjustment	**407**	233
At 30 September	**7,681**	6,748
Impairment		
At 1 October	**643**	608
Impairment	**–**	6
Sale and closure of businesses	**(7)**	–
Transfer to held for sale	**(1)**	–
Currency adjustment	**147**	29
At 30 September	**782**	643
Net carrying amount		
At 30 September	**6,899**	6,105

1. See note 1.

9 Goodwill continued

Goodwill by business segment	2024 $m	Restated[1] 2023 $m
US	2,961	2,889
Canada	328	265
North America	**3,289**	**3,154**
UK[2]	2,081	1,877
CH&CO[3]	352	–
Finland	159	151
HOFMANNS[3]	125	–
Other	629	602
Europe	**3,346**	**2,630**
Japan	121	116
Other	143	205
Rest of World	**264**	**321**
Total	**6,899**	**6,105**

1. See note 1.
2. Includes $1.7bn which arose in 2000 on the Granada transaction.
3. Goodwill recognised on the acquisition of CH&CO and HOFMANNS (see note 27) has not yet been allocated to the UK and Germany CGUs, respectively, pending completion of the integration of the businesses.

Impairment testing

The key assumptions used in the value-in-use calculations are operating cash flow forecasts from the most recent three-year strategic plan approved by management, adjusted to remove the expected benefits of future restructuring activities and improvements to assets, externally-derived long-term growth rates and pre-tax discount rates.

The strategic plan is based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth from both new business and like-for-like growth, and taking into consideration macroeconomic and geopolitical factors, including the impact of inflation.

Cash flows beyond the three-year period covered by the plan are extrapolated using estimated growth rates based on local expected economic conditions and do not exceed the long-term average growth rate for the country. Cash flow forecasts for a period of up to five years are used by exception to reflect the medium-term prospects of the business if the initial level of headroom in the impairment test for a country is low, with cash flows beyond five years extrapolated using estimated growth rates that do not exceed the long-term average growth rate for that country.

The pre-tax discount rates are based on the Group's Weighted Average Cost of Capital (WACC) adjusted for specific risks relating to the country in which the CGU operates. The beta and gearing ratio assumptions used in the calculation of the discount rates represent market participant measures based on the averages of a number of companies with similar assets.

Growth and discount rates	2024		2023	
	Long-term growth rates	Pre-tax discount rates	Long-term growth rates	Pre-tax discount rates
US	2.6%	11.3%	2.1%	11.3%
Canada	2.1%	11.5%	2.1%	11.8%
UK	2.0%	11.1%	2.1%	11.7%
Finland	2.0%	8.3%	2.0%	9.4%
Rest of Europe[1]	1.2% – 15.5%	10.3% – 27.1%	1.2% – 16.4%	10.7% – 31.3%
Japan	1.4%	10.5%	1.0%	10.6%
Rest of World	1.6% – 4.2%	10.3% – 15.9%	1.8% – 4.3%	10.6% – 20.2%

1. Rest of Europe includes Türkiye which has residual growth rate and pre-tax discount rate assumptions of 15.5% (2023: 16.4%) and 27.1% (2023: 31.3%), respectively. Excluding Türkiye, the residual growth rate and pre-tax discount rate assumptions for Rest of Europe range from 1.2% to 2.2% (2023: 1.2% to 2.5%) and 10.3% to 13.3% (2023: 10.7% to 14.6%), respectively.

Consistent with prior years, the goodwill impairment testing was performed as at 31 July. Subsequent to 31 July, management has considered whether there have been any indicators that the goodwill may be impaired. There was no impact on the reported amounts of goodwill as a result of this review.

9 Goodwill continued

Sensitivity analysis

The Group has performed a sensitivity analysis based on changes in key assumptions considered to be reasonably possible by management. There was no impact on the reported amounts of goodwill as a result of this review.

The UK CGU is sensitive to reasonably possible changes in key assumptions. Most of the UK goodwill arose in 2000 on the Granada transaction. The estimated recoverable amount of the Group's operations in the UK exceeds its carrying value by $512m (2023: $227m). The associated impact of changes in key assumptions on the impairment assessment is presented in the table below. The sensitivity analysis presented is prepared on the basis that a change in each key assumption would not have a consequential impact on other assumptions used in the impairment review.

	UK CGU	
Decrease in recoverable amount	**2024 $m**	2023 $m
Increase in pre-tax discount rate by 1%	**(309)**	(243)
Decrease in projected operating profit by 3%	**(95)**	(77)
Decrease in the long-term growth rate by 0.1%	**(25)**	(23)

In order for the recoverable amount to be equal to the carrying value, the pre-tax discount rate would have to be increased by 1.8% (2023: 0.9%), projected operating profit decreased by 16% (2023: 9%) or the long-term growth rate decreased to a decline of 0.6% (2023: growth of 1.0%).

Other than as disclosed above, the directors do not consider that any reasonably possible changes in the key assumptions would cause the value in use of the net operating assets of the individually significant CGUs disclosed above to fall below their carrying values.

10 Other intangible assets

Significant accounting policy

Acquisition intangibles
Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition and mainly relate to client contracts and brands.

Client contract intangibles
Client contract intangibles are capitalised at cost and relate to payments made to clients, typically at the start of a contract, to obtain the right to generate significant consumer revenue through the provision of food services at the client site.

Computer software
Software licences acquired for use by the Group are capitalised at cost, including the cost of purchasing the licence and the directly attributable cost of bringing the software application to use.

Software-as-a-Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's software over the contract period. As such, the Group does not receive a software intangible asset at the contract commencement date. Implementation services are assessed to determine whether they are distinct from the underlying use of the software. Where implementation services are not distinct, the cost is expensed as incurred. Where implementation services are distinct, an intangible asset is recognised if it satisfies the conditions for recognition as an intangible asset in accordance with IAS 38 Intangible Assets, otherwise the cost is expensed as incurred.

Trademarks and licences
Trademarks and licences are capitalised at cost.

Amortisation and impairment
The method of amortisation reflects the pattern in which the economic benefits of the asset are expected to be consumed. The following methods are applied:

- acquisition intangibles: straight line over the life of the contract, including the renewal period where appropriate. The typical useful lives range from 2 to 20 years.
- client contract intangibles: straight line over the life of the contract. The typical useful lives range from 3 to 5 years.
- computer software: straight line or a method which better reflects the pattern in which the economic benefits of the asset are expected to be consumed. The typical useful lives range from 3 to 10 years.
- trademarks and licences: straight line over the term of the trademark or licence.

Other intangible assets are tested for impairment if there are any indicators of impairment.

Other source of estimation uncertainty

During the year, the Group recognised acquisition intangibles on business acquisitions of $901m largely relating to the acquisitions of HOFMANN[s] in Germany and CH&CO in the UK and Ireland (see note 27). Where appropriate, external valuation specialists are engaged to perform the identification and valuation of acquisition intangibles, which primarily comprise client contracts and brands. The fair value of acquired intangibles is estimated based on assumptions, including operating cash flow forecasts, long-term growth rates and discount rates, as well as retention rates for client contracts and royalty rates for brands. The Group does not currently anticipate any material changes to the amounts recorded at 30 September 2024.

Climate change

In the event that there are indicators of impairment in respect of long-life acquisition intangibles, the potential impact of climate change and the Group's net zero commitments on forecast cash flows beyond the Group's three-year planning period is considered during impairment testing by including in the sensitivity analysis assumptions consistent with the quantitative scenario analysis performed for the Task Force on Climate-Related Financial Disclosures (see pages 47 and 48).

10 Other intangible assets continued

Other intangible assets	Acquisition intangibles $m	Client contract intangibles $m	Computer software $m	Trademarks and licences $m	Total $m
Cost					
At 1 October 2022 (restated[1])	1,993	894	748	7	3,642
Additions	–	103	159	1	263
Disposals	(4)	(23)	(12)	–	(39)
Business acquisitions	271	–	–	–	271
Sale and closure of businesses	(22)	(2)	(7)	–	(31)
Reclassification	–	2	1	1	4
Currency adjustment	37	(3)	34	1	69
At 30 September 2023 (restated[1])	2,275	971	923	10	4,179
Additions	–	**156**	**173**	–	**329**
Disposals	–	**(72)**	**(72)**	**(2)**	**(146)**
Business acquisitions	**901**	**1**	**5**	–	**907**
Sale and closure of businesses	**(34)**	**(6)**	**(13)**	**(3)**	**(56)**
Transfer to held for sale	–	**(2)**	**(7)**	–	**(9)**
Reclassification	**(1)**	**19**	**2**	–	**20**
Currency adjustment	**74**	**10**	**38**	**1**	**123**
At 30 September 2024	**3,215**	**1,077**	**1,049**	**6**	**5,347**
Amortisation					
At 1 October 2022 (restated[1])	615	438	394	7	1,454
Charge for the year	122	74	59	1	256
Impairment	–	10	–	–	10
Disposals	(2)	(22)	(9)	–	(33)
Sale and closure of businesses	(6)	(2)	(2)	–	(10)
Reclassification	–	1	(1)	–	–
Currency adjustment	7	(2)	16	1	22
At 30 September 2023 (restated[1])	736	497	457	9	1,699
Charge for the year	**162**	**80**	**69**	**1**	**312**
Impairment – strategic portfolio review[2]	–	–	**146**	–	**146**
Impairment – other	–	–	**7**	–	**7**
Disposals	–	**(60)**	**(65)**	**(2)**	**(127)**
Sale and closure of businesses	**(28)**	**(3)**	**(10)**	**(2)**	**(43)**
Transfer to held for sale	–	**(2)**	**(6)**	–	**(8)**
Currency adjustment	**14**	**6**	**16**	–	**36**
At 30 September 2024	**884**	**518**	**614**	**6**	**2,022**
Net book value					
At 30 September 2023 (restated[1])	1,539	474	466	1	2,480
At 30 September 2024	**2,331**	**559**	**435**	–	**3,325**

1. See note 1.
2. In 2024, we have recognised a charge of $146m for the non-cash impairment of work-in-progress head office (non-client-related) computer software assets (see note 3). The residual value of the impaired computer software assets is $78m, with remaining useful economic lives between 7 and 10 years.

Significant acquisition intangibles

Acquisition	Year	Acquisition intangibles	Remaining useful economic life	Net book value 2024 $m	Net book value Restated[1] 2023 $m
Fazer Food Services	2020	Client contracts	6-14 years	**224**	234
CH&CO	2024	Client contracts	11 years	**317**	–
CH&CO	2024	Brands	5-20 years	**152**	–
HOFMANN[s]	2024	Client contracts	8-10 years	**118**	–
HOFMANN[s]	2024	Brands	19 years	**65**	–

1. See note 1.

11 Contract balances

Significant accounting policy

Contract fulfilment assets

Costs incurred in the fulfilment of the Group's obligations to the client under the contract include contributions towards service assets, such as kitchen and restaurant fit-out costs and equipment, which are capitalised as contract fulfilment assets. Contract fulfilment assets originate when payments are made, normally upfront at the start of the client contract, that provide enhanced resources to the Group over the contract term. Contract fulfilment costs covered within the scope of another accounting standard, such as property, plant and equipment and intangible assets, are not capitalised as contract fulfilment assets, but are treated according to other standards.

Costs to obtain contracts

Costs incurred during the bidding period, prior to a contract being awarded, are expensed to the income statement. Costs incurred in securing the contract after preferred bidder status has been obtained are generally expensed as incurred, unless they fulfil the conditions for capitalisation as an asset.

The incremental costs to obtain a contract with a customer, such as commissions to the salesforce, are capitalised if it is expected that those costs will be recoverable. Only commissions directly attributable to an individual contract award are capitalised, while commissions payable due to multiple contract wins or due to a portfolio of client contracts are expensed as incurred as they cannot be directly attributable to an identified contract. Costs to obtain contracts that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Amortisation and impairment

Contract fulfilment assets are amortised on a straight-line basis over the shorter of the life of the client contract and the useful economic life of the assets. The amortisation charge is included in operating costs.

Capitalised costs to obtain contracts are unwound over the life of the client contract as an expense.

Contract fulfilment assets and capitalised costs to obtain contracts are reviewed annually to identify indicators of impairment. Whenever impairment indicators exist, the Group determines the recoverability of the contract fulfilment assets and capitalised costs to obtain contracts by comparing their carrying amount to the remaining amount of consideration that the Group expects to receive, less the costs that relate to providing services under the relevant contract.

The following table provides information about contract costs, assets and liabilities from contracts with customers and other contract-related balances.

Contract balances	Notes	2024 $m	Restated[1] 2023 $m
Contract costs			
Contract fulfilment assets		**1,405**	1,210
Costs to obtain contracts		**120**	106
Costs to obtain and fulfil contracts		**1,525**	1,316
Contract assets			
Accrued income	16	**537**	498
Contract liabilities			
Deferred income	22	**(768)**	(552)
Other contract balances			
Contract prepayments	16	**299**	177
Trade receivables	16	**4,139**	3,734
Net contract balances		**5,732**	5,173

1. See note 1.

The Group's accrued and deferred income balances solely relate to revenue from contracts with customers. The timing of revenue recognition may differ from the timing of invoicing to customers. Accrued income typically arises where the timing of the related billing cycle occurs in a period after the performance obligation is satisfied and is recognised as a contract asset. Deferred income generally arises as a result of upfront payments under client contracts, including prepaid customer cards, and is recognised as contract liabilities, which are released over the term of the contract as revenue is recognised. Generally, such contract liabilities are recognised as revenue within 12 months. Movements during the year were driven by transactions entered into by the Group in the normal course of business.

11 Contract balances continued

Contract fulfilment assets

Contract fulfilment assets relate to contributions towards assets that the Group uses in the performance of its obligations in its contracts with clients.

Contract fulfilment assets	2024 $m	Restated[1] 2023 $m
At 1 October	**1,210**	1,143
Additions	**514**	380
Derecognition	**(23)**	(29)
Business acquisitions	**3**	–
Amortisation charge for the year	**(306)**	(282)
Impairment reversal	**6**	–
Reclassification	**(2)**	(3)
Currency adjustment	**3**	1
At 30 September	**1,405**	1,210

1. See note 1.

With the exception of contract fulfilment assets, cash payments in respect of contract balances are classified as cash flows from operating activities. There is a significant judgement in respect of the classification of cash payments relating to contract fulfilment assets in the cash flow statement. The Group classifies additions to contract fulfilment assets as cash flows from investing activities as they arise from cash payments in relation to assets that will generate long-term economic benefits. During the year, the purchase of contract fulfilment assets in cash flows from investing activities was $508m (2023: $380m).

12 Leases

Significant accounting policy

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. The Group allocates the consideration in the contract to each lease and non-lease component. The non-lease component, where it is separately identifiable, is not included in the right-of-use asset.

When a contract is or contains a lease, the Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date with respect to all lease arrangements in which it is the lessee, except for leases of low-value assets with an initial fair value less than approximately $7,500 and short-term leases of 12 months or less. For these leases, the lease payments are charged to the income statement as an operating expense on a straight-line basis over the period of the lease.

The lease term is the non-cancellable period beginning at the contract commencement date plus periods covered by an option to extend the lease, if it is reasonably certain that the Group will exercise the option, and periods covered by an option to terminate the lease, if it is reasonably certain that the Group will not exercise this option.

Right-of-use assets
The right-of-use asset is initially measured at cost, comprising the initial lease liability adjusted for any lease payments already made, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received.

Depreciation and impairment
The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. The right-of-use asset is tested for impairment if there are any indicators of impairment.

Lease liabilities
The lease liability is measured at the present value of the lease payments that are reasonably certain and not paid at the commencement date, discounted at the incremental borrowing rate specific to the term, country and start date of the lease. The lease liability is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured, with a corresponding adjustment to the right-of-use asset, by discounting the revised lease payments as follows:

- using the initial discount rate at the commencement of the lease when lease payments change as a result of changes to residual value guarantees and changes in an index other than a floating interest rate
- using a revised discount rate when lease payments change as a result of the Group's reassessment of whether it is reasonably certain to exercise a purchase, extension or termination option, changes in the lease term or as a result of a change in floating interest rates

Variable lease payments that are not included in the measurement of the lease liability are recognised in the consolidated income statement in the period in which the event or condition that triggers payment occurs.

Information regarding leases for which the Group is a lessee is provided below. The Group does not have any material arrangements where it acts as a lessor.

The Group's lease portfolio consists of office premises, concession rentals and other assets, such as catering equipment, vending machines and motor vehicles. Lease terms are negotiated on an individual basis and contain a broad range of terms and conditions.

Some lease agreements contain variable payments that are not linked to an index or rate, but are based on the performance of the underlying asset. The variable payments depend on sales and, consequently, on overall economic developments over the next few years. Variable payment terms are used to link rental payments to cash flows and reduce fixed costs.

The Group does not expect any significant changes in the overall ratio of the variable payments to the Group's entire lease portfolio.

Extension and termination options are included in a number of lease agreements and provide the Group with operational flexibility. These options are assessed at contract commencement to determine whether they are reasonably certain to be exercised and are reassessed if a significant event or change in circumstances occurs which is in the control of the Group.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

12 Leases continued

Right-of-use assets

Right-of-use assets	Land and buildings $m	Plant and machinery $m	Fixtures and fittings $m	Total $m
At 1 October 2022 (restated[1])	646	270	1	917
Additions	156	123	1	280
Amendments[2]	43	1	–	44
Depreciation charge for the year	(126)	(72)	(1)	(199)
Impairment – strategic portfolio review	(52)	–	–	(52)
Impairment – other	(1)	–	–	(1)
Sale and closure of businesses	(4)	(6)	–	(10)
Reclassification	(4)	(13)	–	(17)
Currency adjustment	27	3	–	30
At 30 September 2023 (restated[1])	685	306	1	992
Additions	**117**	**144**	**1**	**262**
Amendments[2]	**62**	**1**	**–**	**63**
Business acquisitions	**33**	**4**	**–**	**37**
Depreciation charge for the year	**(135)**	**(84)**	**(1)**	**(220)**
Sale and closure of businesses	**(4)**	**–**	**–**	**(4)**
Transfer to held for sale	**(1)**	**(4)**	**–**	**(5)**
Reclassification	**–**	**(11)**	**–**	**(11)**
Currency adjustment	**26**	**4**	**–**	**30**
At 30 September 2024	**783**	**360**	**1**	**1,144**

1. See note 1.
2. Amendments include lease terminations, modifications, reassessments and extensions to existing lease agreements.

Lease liabilities

Lease liabilities	2024 $m	Restated[1] 2023 $m
Current	**273**	237
Non-current	**1,042**	916
Total	**1,315**	1,153

1. See note 1.

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented in note 20.

Income statement

Amounts recognised in the income statement	2024 $m	Restated[1] 2023 $m
Leases of low-value assets, excluding short-term leases of low-value assets	**58**	54
Short-term leases	**112**	108
Variable lease payments	**22**	20
Expense relating to short-term leases, low-value assets and variable lease payments	**192**	182
Depreciation expense of right-of-use assets	**220**	199
Impairment – strategic portfolio review	**–**	52
Impairment – other	**–**	1
Interest on lease liabilities	**65**	50
Total	**477**	484

1. See note 1.

Cash flow statement

The Group had total cash outflows for leases of $292m (2023: $265m), comprising $65m (2023: $50m) of interest in cash flow from operating activities and $227m (2023: $215m) of principal in cash flow from financing activities. The Group has various non-cancellable lease contracts that had not yet commenced at 30 September 2024. The future lease payments for these non-cancellable lease contracts are $1m within one year (2023: $3m), $1m between one and five years (2023: $16m) and $2m thereafter (2023: $26m).

13 Property, plant and equipment

Significant accounting policy

Freehold land is carried at cost and is not depreciated. All other property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. When assets are sold, the difference between the sales proceeds and the carrying amount of the assets is recognised in the consolidated income statement.

Depreciation and impairment

Depreciation is provided on a straight-line basis over the anticipated useful lives of the assets. The following rates are applied for the Group: freehold buildings: 2% per annum; plant and machinery: 8% to 33% per annum; and fixtures and fittings: 8% to 33% per annum.

Property, plant and equipment is tested for impairment if there are any indicators of impairment.

Property, plant and equipment	Land and buildings $m	Plant and machinery $m	Fixtures and fittings $m	Total $m
Cost				
At 1 October 2022 (restated[1])	445	2,105	921	3,471
Additions	33	302	110	445
Disposals	(31)	(173)	(64)	(268)
Business acquisitions	6	21	1	28
Sale and closure of businesses	(4)	(68)	(17)	(89)
Reclassification	2	17	2	21
Currency adjustment	8	44	44	96
At 30 September 2023 (restated[1])	459	2,248	997	3,704
Additions	**28**	**397**	**147**	**572**
Disposals	**(21)**	**(247)**	**(91)**	**(359)**
Business acquisitions	**34**	**37**	**12**	**83**
Sale and closure of businesses	**–**	**(52)**	**(44)**	**(96)**
Transfer to held for sale	**–**	**(44)**	**(8)**	**(52)**
Reclassification	**–**	**5**	**4**	**9**
Currency adjustment	**14**	**43**	**44**	**101**
At 30 September 2024	**514**	**2,387**	**1,061**	**3,962**
Depreciation				
At 1 October 2022 (restated[1])	277	1,426	710	2,413
Charge for the year	27	227	83	337
Impairment – strategic portfolio review	–	3	5	8
Impairment – other	–	1	–	1
Impairment reversal	–	(2)	–	(2)
Disposals	(20)	(140)	(73)	(233)
Sale and closure of businesses	(4)	(50)	(13)	(67)
Reclassification	(1)	6	–	5
Currency adjustment	5	36	35	76
At 30 September 2023 (restated[1])	284	1,507	747	2,538
Charge for the year	**29**	**255**	**90**	**374**
Impairment	**–**	**2**	**1**	**3**
Impairment reversal	**–**	**–**	**(1)**	**(1)**
Disposals	**(19)**	**(223)**	**(83)**	**(325)**
Sale and closure of businesses	**–**	**(37)**	**(33)**	**(70)**
Transfer to held for sale	**–**	**(34)**	**(6)**	**(40)**
Reclassification	**–**	**1**	**(3)**	**(2)**
Currency adjustment	**8**	**34**	**32**	**74**
At 30 September 2024	**302**	**1,505**	**744**	**2,551**
Net book value				
At 30 September 2023 (restated[1])	175	741	250	1,166
At 30 September 2024	**212**	**882**	**317**	**1,411**

1. See note 1.

14 Interests in joint ventures and associates

Significant accounting policy

Joint arrangements are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and other entities under a contractual agreement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. An associate is an undertaking that is not a subsidiary or joint arrangement over which the Group has significant influence and can participate in financial and operating policy decisions.

Joint ventures and associates are accounted for using the equity method. The consolidated income statement includes the Group's share of the results of joint ventures and associates and the consolidated balance sheet includes the Group's share of their net assets.

Investments in associates include goodwill identified on acquisition and are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in value.

Interests in joint ventures and associates	Notes	2024 $m	Restated[1] 2023 $m
Net book value			
At 1 October		**298**	301
Additions[2]		**15**	9
Sale and closure of businesses	27	**(61)**	–
Step acquisitions	27	**(30)**	(29)
Loss on step acquisitions	27	**(1)**	–
Share of profit before tax of joint ventures	2	**17**	36
Tax on share of profit of joint ventures[3]	2	**(1)**	–
Share of results of associates	2	**28**	32
Transfer to held for sale[4]		**(10)**	(6)
Dividends received		**(65)**	(60)
Currency adjustment		**13**	15
At 30 September		**203**	298
Comprised of			
Interests in joint ventures		**1**	104
Interests in associates		**202**	194
Total		**203**	298

1. See note 1.
2. 2024 includes $6m of contingent consideration payable.
3. Specific adjusting item (see note 34).
4. Following transfer to held for sale in 2024, the Group's business in Qatar was fully impaired (see note 3).

Significant interests in joint ventures and associates measured using the equity method are as follows:

Significant joint ventures and associates	Interest	Holding	Principal place of business	Carrying amount 2024 $m	Carrying amount Restated[1] 2023 $m
Twickenham Experience Limited[2]	Associate	40%	UK	**105**	97
Abu Dhabi National Hotels Compass Middle East LLC	Joint venture	50%	UAE	–	79

1. See note 1.
2. The holding of 40% is based on the Group's share of voting rights. Based on the nominal value of share capital, the Group's holding is 16% (see note 36).

The Group's 50% interest in Abu Dhabi National Hotels Compass Middle East LLC was sold in March 2024.

The Group's joint ventures and associates provide food and/or support services. None of these investments is considered to be individually material to the results or financial position of the Group.

15 Other investments

Significant accounting policy

Other investments comprising debt and equity instruments are recognised at fair value plus direct transaction costs.

Debt instruments are classified at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the income statement. When the debt instrument is derecognised, cumulative amounts in other comprehensive income are reclassified to the income statement.

Equity investments have been irrevocably designated at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, and are not subsequently reclassified to the Group income statement, including on derecognition. Impairment losses are not recognised separately from other changes in fair value. Dividends are recognised in the consolidated income statement when the Group's right to receive payment is established.

Other investments that are not equity investments, whose cash flows are not solely principal and interest or are not held in order to collect contractual cash flows, are classified and measured at fair value through profit and loss. Investments are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Other investments	Notes	2024 $m	Restated[1] 2023 $m
Net book value			
At 1 October		**1,049**	881
Additions		**2**	4
Disposals		**(330)**	(4)
Change in fair value of financial assets at fair value through other comprehensive income		**350**	115
Change in fair value of financial assets at fair value through profit or loss	5	**2**	(9)
Rabbi Trust contributions[2]		**101**	90
Rabbi Trust benefits paid[2]		**(53)**	(54)
Dividends received from Rabbi Trust investments[2]	5	**28**	23
Currency adjustment		**–**	3
At 30 September		**1,149**	1,049
Comprised of			
Rabbi Trust investments[2]		**1,022**	760
Mutual fund investments[3]		**62**	58
Life insurance policies[3]		**36**	35
Trade investments[4]		**29**	181
Other investments		**–**	15
Total		**1,149**	1,049

1. See note 1.
2. The Rabbi Trust arrangements are deferred compensation plans for US employees (see note 24).
3. Held by overseas companies to meet the cost of unfunded post-employment benefit obligations (see page 191).
4. 2023 primarily represented a 19% effective interest in ASM Global Parent, Inc., which was sold in August 2024.

The Group's 19% effective interest in ASM Global Parent, Inc. was sold in August 2024 for $327m.

The credit totalling $350m (2023: $115m) from the change in fair value of financial assets at fair value through other comprehensive income includes $171m (2023: $69m) in respect of assets held by the Rabbi Trust arrangements and $179m (2023: $46m) in respect of trade and other investments in the US (including ASM Global Parent, Inc.).

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

16 Trade and other receivables

Significant accounting policy

The carrying value of all trade receivables is recorded at amortised cost and reduced by provisions for impairment, which are measured at an amount equal to lifetime expected credit losses. In determining credit risk, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and forward-looking information.

Trade and other receivables	2024 Current $m	2024 Non-current $m	2024 Total $m	Restated[1] 2023 Current $m	Restated[1] 2023 Non-current $m	Restated[1] 2023 Total $m
Trade receivables	**4,139**	**–**	**4,139**	3,734	–	3,734
Accrued income	**537**	**–**	**537**	498	–	498
Rebates receivable[2]	**578**	**–**	**578**	513	–	513
Prepayments – contract	**54**	**245**	**299**	32	145	177
Prepayments – other	**211**	**3**	**214**	163	4	167
Deferred consideration receivable on business disposals[3]	**27**	**80**	**107**	6	72	78
Other[4]	**140**	**82**	**222**	148	88	236
Total	**5,686**	**410**	**6,096**	5,094	309	5,403

1. See note 1.
2. Rebates receivable are net of a provision for impairment of $7m (2023: $12m).
3. Includes $57m (2023: $67m) in respect of the sale of four businesses in Central and Eastern Europe receivable over four years from the date of disposal in October 2022.
4. Other receivables are net of a provision for impairment of $14m (2023: $43m).

The ageing of gross trade receivables and of the provision for impairment is as follows:

Trade receivables	2024 Not yet due $m	0-3 months overdue $m	3-6 months overdue $m	6-12 months overdue $m	Over 12 months overdue $m	Total $m
Expected loss rate	**–**	**4%**	**26%**	**83%**	**94%**	**3%**
Gross	**3,387**	**738**	**66**	**24**	**48**	**4,263**
Provision	**(14)**	**(28)**	**(17)**	**(20)**	**(45)**	**(124)**
Total	**3,373**	**710**	**49**	**4**	**3**	**4,139**

Trade receivables	Restated[1] 2023 Not yet due $m	0-3 months overdue $m	3-6 months overdue $m	6-12 months overdue $m	Over 12 months overdue $m	Total $m
Expected loss rate	1%	3%	33%	89%	74%	3%
Gross	3,161	538	78	22	48	3,847
Provision	(17)	(16)	(25)	(20)	(35)	(113)
Total	3,144	522	53	2	13	3,734

1. See note 1.

Movements in the provision for impairment of trade receivables, rebates receivable and other receivables are as follows:

Provision for impairment	2024 Trade receivables $m	2024 Rebates receivable $m	2024 Other $m	2024 Total $m	Restated[1] 2023 Trade receivables $m	Restated[1] 2023 Rebates receivable $m	Restated[1] 2023 Other $m	Restated[1] 2023 Total $m
At 1 October	**113**	**12**	**43**	**168**	107	10	49	166
Charged to income statement	**48**	**17**	**2**	**67**	44	17	–	61
Credited to income statement	**(11)**	**(12)**	**–**	**(23)**	(10)	(9)	–	(19)
Utilised	**(24)**	**(10)**	**(2)**	**(36)**	(31)	(6)	(10)	(47)
Sale and closure of businesses	**(4)**	**–**	**(29)**	**(33)**	(1)	–	–	(1)
Transfer to held for sale	**(2)**	**–**	**–**	**(2)**	–	–	–	–
Reclassification	**–**	**–**	**–**	**–**	2	–	(1)	1
Currency adjustment	**4**	**–**	**–**	**4**	2	–	5	7
At 30 September	**124**	**7**	**14**	**145**	113	12	43	168

1. See note 1.

Trade receivable days at 30 September 2024 were 42 days (2023: 41 days on a constant-currency basis).

17 Inventories

Significant accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using either the weighted average price or the first in, first out method as appropriate to the circumstances. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Agreed discounts relating to inventories are credited to the income statement in cost of sales as the goods are consumed.

Rebates relating to items purchased, but still held at the balance sheet date, are deducted from the carrying value of these items so that the cost of inventories is recorded net of applicable rebates.

Inventories	2024 $m	Restated[1] 2023 $m
Net book value		
At 1 October	**692**	570
Business acquisitions	**30**	13
Sale and closure of businesses	**(21)**	(11)
Transfer to held for sale	**(11)**	–
Net movement	**36**	119
Currency adjustment	**8**	1
At 30 September	**734**	692

1. See note 1.

18 Cash and cash equivalents

Significant accounting policy

Cash and cash equivalents comprise cash at bank and in hand, money market funds and short-term deposits with an original maturity of three months or less. Cash and overdrafts are presented on a net basis in cash and cash equivalents when the Group has a legally enforceable right to set off the balances and it regularly settles the balances on a net basis.

Bank overdrafts classified as borrowings (see note 19) are an integral part of the Group's cash management and are included in cash and cash equivalents in the consolidated cash flow statement.

Cash and cash equivalents by type	2024 $m	Restated[1] 2023 $m
Cash at bank and in hand	**437**	382
Short-term bank deposits	**60**	137
Money market funds	**126**	510
Total	**623**	1,029

1. See note 1.

Cash and cash equivalents by currency	2024 $m	Restated[1] 2023 $m
US dollar	**38**	46
Sterling	**174**	701
Euro	**215**	45
Japanese yen	**40**	7
Other	**156**	230
Total	**623**	1,029

1. See note 1.

The Group's policy to manage the credit risk associated with cash and cash equivalents is set out in note 20. The book value of cash and cash equivalents represents the maximum credit exposure.

18 Cash and cash equivalents continued

Master netting or similar agreements

The Group has an agreement with a bank counterparty such that, following each quarter end, all balances are net settled simultaneously to a single sterling value which is transferred to the sterling bank account of Compass Group PLC and included in cash and cash equivalents at the balance sheet date. The cash and overdraft figures before netting are shown in the table below:

	2024			Restated[1] 2023		
	Gross $m	**Offset $m**	**Net $m**	Gross $m	Offset $m	Net $m
Cash and cash equivalents	**1,634**	**(1,011)**	**623**	1,708	(679)	1,029
Bank overdrafts	**(1,081)**	**1,011**	**(70)**	(878)	679	(199)

1. See note 1.

19 Borrowings

Significant accounting policy

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost unless they are part of a fair value hedge accounting relationship. Borrowings that are part of a fair value hedge accounting relationship are measured at amortised cost adjusted for the fair value attributable to the risk being hedged.

Borrowings by type	Nominal value	Redeemable	Interest	**2024 $m**	Restated[1] 2023 $m
US Private Placement	$352m	Oct 2023	4.12%	**–**	352
Eurobond	€750m	Jul 2024	0.63%	**–**	772
US Private Placement	$100m	Dec 2024	3.54%	**100**	100
Eurobond	£250m	Sep 2025	2.00%	**326**	282
US Private Placement	$300m	Sep 2025	3.81%	**297**	287
Eurobond	£250m	Jun 2026	3.85%	**335**	304
US Private Placement	$300m	Dec 2026	3.64%	**300**	300
Eurobond	€500m	Sep 2028	1.50%	**517**	459
Eurobond	£300m	Jul 2029	2.00%	**353**	299
Eurobond	€500m	Mar 2030	3.00%	**547**	486
Eurobond	€750m	Feb 2031	3.25%	**849**	–
Eurobond	£250m	Sep 2032	4.38%	**317**	270
Eurobond	€500m	Sep 2033	3.25%	**556**	–
Issued debt				**4,497**	3,911
Commercial paper				**25**	–
Bank loans				**4**	4
Bank overdrafts				**70**	199
Total				**4,596**	4,114
Comprised of					
Current				**822**	1,327
Non-current				**3,774**	2,787
Total				**4,596**	4,114

1. See note 1.

The US Private Placements and Eurobonds are shown net of unamortised issue costs. The Group adjusts the carrying values of the US Private Placements and Eurobonds that are designated in effective fair value hedge relationships for fair value gains and losses (based on observable market inputs) attributable to the risk being hedged.

Interest on bank overdrafts is at the relevant money market rates.

19 Borrowings continued

Borrowings by maturity	2024 $m	Restated[1] 2023 $m
Within 1 year, or on demand	**822**	1,327
Between 1 and 2 years	**335**	669
Between 2 and 3 years	**300**	304
Between 3 and 4 years	**517**	300
Between 4 and 5 years	**353**	459
In more than 5 years	**2,269**	1,055
Total	**4,596**	4,114

1. See note 1.

Borrowings by currency	2024 $m	Restated[1] 2023 $m
US dollar	**771**	1,231
Sterling	**1,334**	1,157
Euro	**2,480**	1,716
Other	**11**	10
Total	**4,596**	4,114

1. See note 1.

Financial covenants

The US Private Placement (USPP) notes contain financial covenants which consist of a leverage covenant test and an interest cover covenant test which are tested semi-annually at 31 March and 30 September.

The leverage covenant test stipulates that net debt after adjustments (including removal of leases, derivatives and fair value adjustments) must be less than or equal to 3.5 times underlying EBITDA after adjustments (including non-underlying items, depreciation on right-of-use assets and lease interest) and can be increased to 4 times without breach for a limited period of time following a material acquisition and subject to a coupon step-up being paid.

The interest cover covenant test stipulates that underlying EBITDA after adjustments (including non-underlying items, depreciation on right-of-use assets and lease interest) must be more than or equal to 3 times net finance costs after adjustments (including removal of lease interest and other financing items) and can be reduced to 2.5 times without breach for a limited period of time following a material acquisition and subject to a coupon step-up being paid.

	Covenant requirement[1]	Ratio[2]		Covenant ratio[3]	
		2024	2023	2024	2023
Leverage covenant	<=3.5	**1.3**	1.2	**1.1**	1.0
Interest cover covenant	>=3	**16.6**	21.8	**19.6**	27.6

1. Can be exceeded by 0.5 for three consecutive reporting periods following a material acquisition and subject to a coupon step-up being paid.
2. Calculated using Alternative Performance Measures (see note 34). The leverage ratio reflects net debt divided by underlying EBITDA. The interest cover ratio reflects underlying EBITDA divided by underlying net finance costs.
3. Calculated using Alternative Performance Measures (see note 34) and adjusted as per the USPP agreements.

20 Financial risk management

Significant accounting policy

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps or options, to hedge the risks associated with changes in foreign exchange rates and interest rates. Such derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates.

The use of financial derivatives is governed by the Group's policies approved by the Board that provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or net investment hedges where they hedge the exposure to foreign currency arising from a net investment in foreign operations.

On adoption of IFRS 9 Financial Instruments, the Group elected to continue to apply the hedge accounting guidance in IAS 39 Financial Instruments: Recognition and Measurement.

Fair value hedges

In relation to fair value hedges which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the consolidated income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the consolidated income statement. Where the adjustment is to an unrecognised firm commitment, an asset or liability is recognised on the balance sheet. When the hedged transaction occurs, that asset or liability is recognised in the initial measurement of the acquisition cost and carrying amount of the asset or liability. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the net profit and loss such that it is fully amortised by maturity.

When fair value hedge accounting is discontinued, any adjustment to the carrying amount of the hedged item for the designated risk for interest-bearing financial instruments is amortised to profit or loss, with amortisation commencing no later than when the hedged item ceases to be adjusted.

Net investment hedges

The Group uses foreign currency-denominated debt, forward currency contracts and cross currency swaps to partially hedge against the change in the value of its foreign currency-denominated net assets due to movements in foreign exchange rates. The Group designates these as a hedge of its net investments in foreign operations and recognises the gains or losses on the retranslation of the borrowings in other comprehensive income. If the Group uses derivatives as the hedging instrument, the effective portion of the hedge is recognised in other comprehensive income, with any ineffective portion being recognised immediately in the income statement. Exchange differences arising from a monetary item receivable from or payable to a Group foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve.

Gains and losses accumulated in other comprehensive income are recycled through the consolidated income statement on disposal of the foreign operation.

For derivative financial instruments that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the consolidated income statement in the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

20 Financial risk management continued

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.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due.

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. 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).

Liquidity risk faced by the Group is mitigated by having diverse sources of finance available to it and by maintaining substantial unutilised committed banking facilities to maintain a level of headroom in line with Board approval.

The Group has a £2,000m ($2,683m) Revolving Credit Facility (RCF) committed to August 2026. At 30 September 2024, no amounts were drawn under the RCF (2023: £nil).

The Group has a $4bn commercial paper programme. Commercial paper is issued to meet short-term liquidity requirements and is supported by the RCF. At 30 September 2024, commercial paper of $25m was outstanding under the programme (2023: $nil).

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 equate 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.

The Group has minimal exposure to the foreign currency risk of trade receivables and payables as operations within individual countries have little cross-border activity which might give rise to translation risks on trade-related balances.

The main currencies to which the Group's reported US dollar financial position is exposed are sterling and euro. As set out above, the Group seeks to hedge its exposure to currencies by matching debt in currency against the cash flows generated by the Group's foreign operations in such currencies.

The effect on profit for the year (after tax) and total equity of a 10% strengthening of the US dollar against these currencies on the Group's financial instruments is shown below. A 10% weakening would result in an equal and opposite impact on the profit or loss and equity of the Group. This table shows the impact on the financial instruments in place at 30 September and has been prepared on the basis that the 10% change in exchange rates occurred on the first day of the financial year and applied consistently throughout the year. The majority of the exposure relates to the Company, which has a sterling functional currency.

Financial instruments: impact of US dollar strengthening by 10%	2024 Sterling $m	2024 Euro $m	Restated[1] 2023 Sterling $m	Restated[1] 2023 Euro $m
Decrease in profit for the year (after tax)	**(3)**	**–**	(19)	–
Increase/(decrease) in total equity	**31**	**96**	(36)	102

1. See note 1.

Interest rate risk

As set out above, the Group has effective borrowings in a number of currencies. The Group raises fixed-rate capital market debt and may swap this to floating rate using interest rate swaps on a case-by-case basis. The Group's 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.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

20 Financial risk management continued

During the year, the Group issued fixed-rate sustainable bonds of €750m ($806m) and €500m ($557m) maturing in 2031 and 2033, respectively. The Group entered into cross currency and interest rate swaps to effectively convert these to US dollars and euros paying a floating interest rate. The bonds and swaps are accounted for as fair value hedges and net investment hedges.

The sensitivity analysis given below has been determined based on the derivative and non-derivative financial instruments the Group had in place at the year-end date.

The effect of a 1% increase in interest rates prevailing at the balance sheet date on the Group's cash and cash equivalents and debt subject to variable rates of interest at the balance sheet date would be to decrease profit for the year (after tax) by $14m (2023: increase of $1m). A similar 1% decrease in interest rates would result in an equal and opposite effect.

Interest rate sensitivity analysis	2024 US dollar $m	 Sterling $m	 Euro $m	 Other $m	 Total $m
Increase in interest rate	**+1%**	**+1%**	**+1%**	**+1%**	
Floating rate exposure – debt	**(666)**	**(629)**	**(241)**	**(274)**	**(1,810)**
Decrease in profit for the year (after tax)	**(5)**	**(5)**	**(2)**	**(2)**	**(14)**

Interest rate sensitivity analysis	Restated[1] 2023 US dollar $m	 Sterling $m	 Euro $m	 Other $m	 Total $m
Increase in interest rate	+1%	+1%	+1%	+1%	
Floating rate exposure – (debt)/cash	(208)	275	(29)	93	131
(Decrease)/increase in profit for the year (after tax)	(2)	2	–	1	1

1. See note 1.

These changes are the result of the exposure to interest rates from the Group's floating-rate cash and cash equivalents and debt. The sensitivity gains and losses given above may vary because cash flows vary throughout the year and interest rate and currency hedging may be implemented after the year-end date in order to comply with the treasury policies outlined above.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's policy is to minimise its exposure to credit risk from the failure of any single financial counterparty by spreading its risk across a portfolio of financial counterparties and managing the aggregate exposure to each against certain pre-agreed limits. Exposure to counterparty credit risk arising from deposits and derivatives (including forward currency contracts and cross currency swaps) is concentrated at the Group centre where possible. Financial counterparty limits are derived from the long-term and short-term credit ratings, and the balance sheet strength of the financial counterparty. All financial counterparties are required to have a minimum long-term credit rating from Moody's of Baa2 and a short-term credit rating from Moody's of P-2 or equivalent from another recognised agency. To reduce credit exposures, the Group has International Swaps and Derivatives Association (ISDA) Master Agreements with all of its counterparties for financial derivatives, which permit net settlement of assets and liabilities in certain circumstances. The maximum exposure to credit risk resulting from financial activities, without considering netting arrangements, is equal to the carrying value of the Group's financial assets.

At 30 September 2024, 70% of cash and cash equivalents were held with investment-grade bank counterparties, 20% with AAA money market funds and 10% with non-investment-grade bank counterparties. In addition, 100% of derivative instruments were held with investment-grade bank counterparties.

Credit sales are only made after credit approval procedures have been completed satisfactorily. The policy for making provisions for expected credit losses varies from country to country as different countries and markets have different payment practices. Various factors are considered, including how overdue the debt is, the type of receivable and its past history, and current market and trading conditions. Full provision is made for debts that are not considered to be recoverable.

There is limited concentration of credit risk with respect to trade and other receivables due to the diverse and unrelated nature of the Group's client and supplier base. Expected credit losses are measured using historical cash collection data grouped according to payment terms. The historical default rates are adjusted where macroeconomic factors are expected to have a significant impact when determining future expected credit loss rates. The expected credit loss provision is calculated using a provision matrix, in which the provision increases as balances age.

Trade and other receivables are written off when there is no reasonable expectation of recovery and enforcement activity has ceased. An impairment analysis is performed at each reporting date to measure expected credit losses. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for the impairment of receivables. The book value of trade and other receivables represents the Group's maximum exposure to credit risk.

At 30 September 2024, trade receivables of $766m (2023: $590m) were past due but not impaired (see note 16). The Group has made a provision based on a number of factors, including past history of the debtor and expected credit losses, and all amounts not provided for are considered to be recoverable.

20 Financial risk management continued

Management has considered the impact of reasonable changes in the expected credit loss rates used in the estimates made and does not consider that a reasonable change would lead to a material adjustment to the estimate in the next 12 months.

Hedging activities

An analysis of the Group's derivative financial instruments is shown below:

	2024				Restated[1] 2023			
Derivative financial instruments	**Current assets $m**	**Non-current assets $m**	**Current liabilities $m**	**Non-current liabilities $m**	Current assets $m	Non-current assets $m	Current liabilities $m	Non-current liabilities $m
Fair value hedges								
Interest rate swaps	–	4	(19)	(67)	–	–	(32)	(143)
Cross currency swaps	–	1	–	(105)	–	–	–	(107)
Net investment hedges								
Cross currency swaps	12	60	–	–	–	–	–	(1)
Forward currency contracts	11	–	(1)	–	2	–	(11)	–
Cash flow hedges								
Forward currency contracts	1	–	(1)	–	–	–	–	–
Not in a hedging relationship								
Interest rate swaps	12	4	–	(12)	11	55	–	(2)
Interest rate options	–	–	–	(3)	–	–	–	–
Forward currency contracts	–	–	–	–	9	–	(2)	–
Total	**36**	**69**	**(21)**	**(187)**	22	55	(45)	(253)

1. See note 1.

On adoption of IFRS 9 Financial Instruments, the Group elected to continue to apply the hedge accounting guidance in IAS 39 Financial Instruments: Recognition and Measurement.

Fair value hedges

The Group uses interest rate and cross currency swaps to hedge the fair value of some of its fixed-rate borrowings. These instruments swap the fixed interest payable on the borrowings into floating interest rates and hedge the fair value of the borrowings against changes in interest rates and foreign exchange rates. These swaps all qualify for fair value hedge accounting as defined by IAS 39.

Net investment hedges

The Group uses foreign currency-denominated debt, cross currency swaps and forward currency contracts to partially hedge against the change in the sterling value of its foreign currency-denominated net assets due to movements in foreign exchange rates.

The carrying value of debt and derivatives in a net investment hedge was $1,196m (2023: $851m). A foreign exchange gain of $318m (2023: $203m) relating to the net investment hedges has been netted off during the year within currency translation differences as presented in the consolidated statement of comprehensive income. During the year, cumulative foreign exchange gains on net investment hedges attributable to business disposals of $8m (2023: losses of $4m) were recycled to the consolidated income statement. The balance remaining in the foreign currency translation reserve from net investment hedging relationships for which hedge accounting continues to apply is a loss of $566m (2023: $876m) and for which hedge accounting is no longer applied is $nil (2023: $nil).

Derivatives not in a hedging relationship

The Group has a number of derivative financial instruments that do not meet the criteria for hedge accounting. These include some interest rate swaps, interest rate options and forward currency contracts used for interest and cash management.

Impact of hedging activities

The impact of the hedged items on the Group's financial statements is as follows:

	2024			Restated[1] 2023		
Hedged items	**Carrying amount of the hedged items $m**	**Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items $m**	**Change in fair value of hedged items used to determine hedge effectiveness $m**	Carrying amount of the hedged items $m	Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items $m	Change in fair value of hedged items used to determine hedge effectiveness $m
Fair value hedges						
Interest rate risk						
Short-term borrowings	(623)	12		(1,124)	22	
Long-term borrowings	(3,139)	88		(2,083)	238	
Total	**(3,762)**	**100**	**(175)**	(3,207)	260	(32)

1. See note 1.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

20 Financial risk management continued

The impact of the hedging instruments on the Group's financial statements is as follows:

Hedging instruments	2024 Nominal amount of the hedging instruments $m	2024 Carrying amount of the hedging instruments $m	2024 Change in fair value of hedging instruments used to determine hedge effectiveness $m	Restated[1] 2023 Nominal amount of the hedging instruments $m	Restated[1] 2023 Carrying amount of the hedging instruments $m	Restated[1] 2023 Change in fair value of hedging instruments used to determine hedge effectiveness $m
Fair value hedges						
Interest rate risk						
Derivative financial instruments – non-current assets	**1,395**	**5**		–	–	
Derivative financial instruments – current liabilities	**635**	**(19)**		1,146	(32)	
Derivative financial instruments – non-current liabilities	**1,853**	**(172)**		2,336	(250)	
Total	**3,883**	**(186)**	**172**	3,482	(282)	33
Net investment hedges						
Foreign currency risk						
Derivative financial instruments – current assets	**(1,553)**	**23**		(1,067)	2	
Derivative financial instruments – non-current assets	**(1,137)**	**60**		(308)	–	
Derivative financial instruments – current liabilities	**(201)**	**(1)**		(467)	(11)	
Derivative financial instruments – non-current liabilities	**–**	**–**		(215)	(1)	
Short-term borrowings	**(425)**	**(422)**		(352)	(352)	
Long-term borrowings	**(858)**	**(856)**		(493)	(489)	
Total	**(4,174)**	**(1,196)**	**318**	(2,902)	(851)	203

1. See note 1.

The notional amount of interest rate and cross currency swaps by currency is as follows:

Notional amount of interest rate and cross currency swaps by currency	2024 Fair value hedges $m	2024 Net investment hedges $m	2024 Not in a hedging relationship $m	Restated[1] 2023 Fair value hedges $m	Restated[1] 2023 Net investment hedges $m	Restated[1] 2023 Not in a hedging relationship $m
US dollar	**300**	**813**	**885**	652	–	1,424
Sterling	**1,072**	**–**	**–**	976	–	305
Euro	**2,511**	**649**	**313**	1,854	522	485
Japanese yen	**–**	**–**	**60**	–	–	92
Other	**–**	**–**	**325**	–	–	592
Total	**3,883**	**1,462**	**1,583**	3,482	522	2,898

1. See note 1.

The effective currency denomination of borrowings and leases after the effect of derivatives is as follows:

Effective currency denomination of borrowings and leases after the effect of derivatives	2024 Gross borrowings $m	2024 Lease liabilities $m	2024 Forward currency contracts[2] $m	2024 Effective currency of borrowings $m	Restated[1] 2023 Gross borrowings $m	Restated[1] 2023 Lease liabilities $m	Restated[1] 2023 Forward currency contracts[2] $m	Restated[1] 2023 Effective currency of borrowings $m
US dollar	**771**	**672**	**1,214**	**2,657**	1,231	550	835	2,616
Sterling	**1,334**	**286**	**(946)**	**674**	1,157	261	(857)	561
Euro	**2,480**	**203**	**(1,103)**	**1,580**	1,716	184	(773)	1,127
Japanese yen	**–**	**–**	**141**	**141**	–	–	104	104
Other	**11**	**154**	**703**	**868**	10	158	714	882
Total	**4,596**	**1,315**	**9**	**5,920**	4,114	1,153	23	5,290

1. See note 1.
2. Includes cross currency contracts.

20 Financial risk management continued

Maturity analysis of the contractual cash flows of financial liabilities

The following table provides an analysis of the expected contractual cash flows, including interest payable, of certain financial liabilities and derivative financial instruments on an undiscounted basis. Where interest payments are calculated at a floating rate, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at the respective year-ends. The gross cash flows of derivatives are presented net for the purposes of this table.

	2024							
Maturity analysis of the contractual cash flows of financial liabilities	**Less than 1 year $m**	**Between 1 and 2 years $m**	**Between 2 and 3 years $m**	**Between 3 and 4 years $m**	**Between 4 and 5 years $m**	**Over 5 years $m**	**Total $m**	**Carrying amount $m**
Borrowings	**834**	**335**	**300**	**558**	**402**	**2,288**	**4,717**	**4,596**
Interest on borrowings	**137**	**117**	**101**	**93**	**85**	**188**	**721**	**48**
Trade and other payables	**6,570**	**80**	**87**	**3**	**27**	**1**	**6,768**	**6,752**
Lease liabilities	**282**	**255**	**212**	**173**	**150**	**553**	**1,625**	**1,315**
Interest rate swaps	**30**	**14**	**10**	**10**	**11**	**5**	**80**	**78**
Cross currency swaps	**36**	**17**	**36**	**85**	**16**	**(10)**	**180**	**32**
Forward currency contracts	**(10)**	**–**	**–**	**–**	**–**	**–**	**(10)**	**(10)**

	Restated[1] 2023							
Maturity analysis of the contractual cash flows of financial liabilities	Less than 1 year $m	Between 1 and 2 years $m	Between 2 and 3 years $m	Between 3 and 4 years $m	Between 4 and 5 years $m	Over 5 years $m	Total $m	Carrying amount $m
Borrowings	1,349	706	305	300	530	1,201	4,391	4,114
Interest on borrowings	102	88	68	54	45	106	463	45
Trade and other payables	4,996	164	30	5	–	16	5,211	5,207
Lease liabilities	244	214	189	155	125	517	1,444	1,153
Interest rate swaps	22	29	18	16	15	23	123	111
Cross currency swaps	31	35	31	33	55	2	187	108
Forward currency contracts	2	–	–	–	–	–	2	2

1. See note 1.

21 Financial instruments

Significant accounting policy

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument and derecognised when it ceases to be party to such provisions. Financial assets are classified as current if they are expected to be received within 12 months of the balance sheet date. Financial liabilities are classified as current if they are legally due to be paid within 12 months of the balance sheet date.

Financial assets and liabilities, including derivative financial instruments, denominated in foreign currencies are translated into US dollars at period-end exchange rates. Financial assets are classified as either fair value through profit and loss, fair value through other comprehensive income or amortised cost. Classification and subsequent remeasurement depends on the Group's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Certain of the Group's financial instruments are held at fair value.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The fair value measurement hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

There were no transfers of financial instruments between levels of the fair value hierarchy in either the year ended 30 September 2024 or 2023. The carrying amounts of financial instruments measured at fair value are shown in the table below:

Financial instruments measured at fair value	Notes	Level	2024 $m	Restated[1] 2023 $m
Non-current				
Rabbi Trust investments[2]	15	1	**1,022**	760
Mutual fund investments[2]	15	1	**62**	58
Other investments[2]	15	1	**–**	15
Life insurance policies[2]	15	2	**36**	35
Derivative financial instruments – assets	20	2	**69**	55
Derivative financial instruments – liabilities	20	2	**(187)**	(253)
Trade investments[2]	15	3	**29**	181
Contingent consideration payable on business acquisitions[3]	22	3	**(102)**	(97)
Non-controlling interest put options[3]	22	3	**(65)**	(22)
Current				
Money market funds[4]	18	1	**126**	510
Derivative financial instruments – assets	20	2	**36**	22
Derivative financial instruments – liabilities	20	2	**(21)**	(45)
Contingent consideration payable on business acquisitions[3]	22	3	**(250)**	(61)
Non-controlling interest put options[3]	22	3	**(5)**	–

1. See note 1.
2. Classified as other investments in the consolidated balance sheet.
3. Classified as trade and other payables in the consolidated balance sheet.
4. Classified as cash and cash equivalents in the consolidated balance sheet on the basis that they have a maturity of three months or less from the date of acquisition.

Due to the variability of the valuation factors, the fair values presented at 30 September 2024 may not be indicative of the amounts the Group would expect to realise in the current market environment. The fair values of financial instruments at levels 2 and 3 of the fair value hierarchy have been determined based on the valuation methodologies listed below:

Level 2

Life insurance policies Cash surrender values provided by third-party insurance providers.

Derivative financial instruments Present values determined from future cash flows discounted at rates derived from market-sourced data. The fair values of derivative financial instruments represent the maximum credit exposure.

21 Financial instruments continued

Level 3

Trade investments Estimated values using income and market value approaches.

Contingent consideration payable on business acquisitions Estimated amounts payable based on the likelihood of specified conditions, such as earnings targets, being met.

Non-controlling interest put options Estimated amounts payable based on the likelihood of options being exercised by minority shareholders.

A reconciliation from opening to closing balances for Level 3 financial instruments is as follows:

	2024			Restated[1] 2023		
Level 3 financial instruments	**Trade investments $m**	**Contingent consideration payable on business acquisitions $m**	**Non-controlling interest put options $m**	Trade investments $m	Contingent consideration payable on business acquisitions $m	Non-controlling interest put options $m
At 1 October	**181**	**(158)**	**(22)**	142	(77)	(50)
Change in fair value recognised in the income statement	**–**	**(67)**	**–**	–	(4)	–
Change in fair value recognised in the statement of comprehensive income	**175**	**–**	**–**	39	–	–
Change in fair value recognised in the statement of changes in equity	**–**	**–**	**7**	–	–	16
Additions	**–**	**(153)**	**(54)**	–	(121)	(2)
Disposals	**(327)**	**–**	**–**	–	–	–
Purchase of non-controlling interests	**–**	**–**	**–**	–	–	10
Payments relating to businesses acquired in previous years	**–**	**50**	**–**	–	44	4
Net present value adjustments	**–**	**(9)**	**–**	–	(6)	–
Currency translation	**–**	**(15)**	**(1)**	–	6	–
At 30 September	**29**	**(352)**	**(70)**	181	(158)	(22)

1. See note 1.

The directors do not consider that any reasonably possible changes in the key assumptions would cause the fair value of the Level 3 financial instruments to be significantly higher or lower.

With the exception of borrowings, the carrying amounts of financial instruments measured at amortised cost approximate to their fair values. Borrowings are measured at amortised cost unless they are part of a fair value hedge, in which case amortised cost is adjusted for the fair value attributable to the risk being hedged. The carrying amount of borrowings at 30 September 2024 is $4,596m (2023: $4,114m). The fair value of borrowings at 30 September 2024, calculated by discounting future cash flows to net present values at current market rates for similar financial instruments (Level 2 inputs), is $4,625m (2023: $4,131m).

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

22 Trade and other payables

Significant accounting policy

Trade and other payables are initially recognised at fair value, including transaction costs, and subsequently carried at amortised cost.

Trade payables are not interest-bearing and are stated at their nominal value.

The Group evaluates supplier arrangements against a number of indicators to assess if the liability has the characteristics of a trade payable or should be classified as borrowings. This assessment considers the commercial purpose of the arrangement, whether the payment terms are similar to customary payment terms, whether the Group is legally discharged from its obligation towards the supplier before the end of the original payment term and the Group's involvement in agreeing terms between the bank and the supplier.

Contingent consideration recognised in a business combination is initially measured at fair value at the date of acquisition and subsequently remeasured at fair value at each reporting date, with changes in the fair value after the date of acquisition recognised in the income statement.

	2024			Restated[1] 2023		
Trade and other payables	**Current $m**	**Non-current $m**	**Total $m**	Current $m	Non-current $m	Total $m
Trade payables	**3,317**	**–**	**3,317**	2,940	–	2,940
Accruals	**2,896**	**9**	**2,905**	2,464	27	2,491
Deferred income	**554**	**214**	**768**	347	205	552
Social security and other taxes	**569**	**32**	**601**	619	34	653
Contingent consideration payable on business acquisitions	**250**	**102**	**352**	61	97	158
Non-controlling interest put options	**5**	**65**	**70**	–	22	22
Other payables[2]	**581**	**41**	**622**	735	58	793
Total	**8,172**	**463**	**8,635**	7,166	443	7,609

1. See note 1.
2. Includes a $119m (2023: $184m) commitment in respect of the share buyback.

The current trade and other payables are payable on demand.

Trade payable days at 30 September 2024 were 65 days (2023: 64 days on a constant-currency basis).

Supply chain financing

The Group has Supply Chain Financing (SCF) arrangements in place. The principal purpose of these arrangements is to enable the supplier, if it so wishes, to sell its receivables due from the Group to a third-party bank prior to their due date, thus providing earlier access to liquidity. From the Group's perspective, the invoice payment due date remains unaltered and the payment terms of suppliers participating in the SCF programmes are similar to those of suppliers that are not participating, and to the wider industry more generally.

If a receivable is purchased by a third-party bank, that third-party bank does not benefit from additional security when compared to the security originally enjoyed by the supplier.

At 30 September 2024, the value of invoices sold under the SCF programmes was $1,025m, with $989m related to the Group's programme in the US (2023: $963m and $897m, respectively). These amounts are included in trade payables and all cash flows associated with the programmes are included in net cash flow from operating activities as they continue to be part of the normal operating cycle of the Group.

23 Provisions

Significant accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the cost of settling these liabilities and are discounted to present value where the effect is material using the discount rate applicable to the liability.

Provisions	Workers' compensation and similar obligations $m	Severance $m	Onerous contracts $m	Legal and other claims $m	Provisions in respect of discontinued and disposed businesses $m	Other $m	Total $m
At 1 October 2022 (restated[1])	462	49	37	29	13	57	647
Charged to income statement – strategic portfolio review	–	2	18	–	–	4	24
Charged to income statement – other	168	–	16	7	–	8	199
Released to income statement	(40)	(1)	(13)	(5)	–	(4)	(63)
Utilised in the year	(121)	(35)	(20)	(4)	–	(6)	(186)
Sale and closure of businesses	–	–	–	–	(1)	(1)	(2)
Net present value adjustments	9	–	–	–	–	–	9
Reclassification	–	(13)	1	–	–	5	(7)
Currency adjustment	2	4	1	1	–	4	12
At 30 September 2023 (restated[1])	480	6	40	28	12	67	633
Charged to income statement – strategic portfolio review	–	**5**	–	–	–	**9**	**14**
Charged to income statement – sale and closure of businesses	–	–	–	–	**63**	–	**63**
Charged to income statement – other	**172**	**9**	**9**	**15**	–	**7**	**212**
Released to income statement	**(17)**	**(2)**	**(9)**	**(1)**	–	**(2)**	**(31)**
Utilised in the year	**(139)**	**(2)**	**(18)**	**(8)**	–	**(7)**	**(174)**
Business acquisitions	–	–	**1**	**1**	–	**3**	**5**
Sale and closure of businesses	–	–	–	–	–	**(14)**	**(14)**
Transfer to held for sale	–	**(1)**	–	–	–	**(7)**	**(8)**
Net present value adjustments	**10**	–	–	–	–	–	**10**
Reclassification	–	–	**5**	**(3)**	**(2)**	**(3)**	**(3)**
Currency adjustment	**2**	–	**1**	**1**	**1**	**2**	**7**
At 30 September 2024	**508**	**15**	**29**	**33**	**74**	**55**	**714**

1. See note 1.

Comprised of	2024 $m	Restated[1] 2023 $m
Current	**370**	284
Non-current	**344**	349
Total	**714**	633

1. See note 1.

23 Provisions continued

In estimating the provisions above, management has made estimates and used assumptions in determining the nature, amount and timing of potential outflows. Management does not consider that a reasonable change in key assumptions in any of the provision estimates made at the date of the balance sheet could lead to a material adjustment in the next 12 months to the carrying amount of the liability recorded.

Workers' compensation and similar obligations The provision for workers' compensation and similar obligations relates mainly to the potential settlement of claims by employees in the US for medical benefits and lost wages associated with injuries incurred in the course of their employment, and is essentially long-term in nature. The provision is estimated with the assistance of a third-party actuary using assumptions based on claims history. The maximum potential exposure per individual claim is $2m.

Severance Provisions for severance primarily represent redundancy costs. The Group expects these provisions to be substantially utilised within the next year.

Onerous contracts A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Provisions for onerous contracts represent the liabilities in respect of unavoidable contract losses which will be utilised over the remaining life of each individual contract. The typical length of a client contract is three to five years. A full analysis is performed at least annually of the future profitability of all loss-making contracts and contracts with low profitability, and of the balance sheet items directly linked to these contracts.

Legal and other claims Provisions for legal and other claims relate principally to provisions for the estimated cost of litigation and other sundry claims. The timing of the settlement of these claims is uncertain.

Provisions in respect of discontinued and disposed businesses Provisions in respect of discontinued and disposed businesses relate to estimated amounts payable in connection with onerous contracts and claims in respect of warranties and indemnities arising from disposals. The final amount payable remains uncertain as, at the date of approval of these financial statements, negotiations in relation to claims are ongoing and there remains a period during which further claims may be received. The timing of any settlement will depend upon the nature and extent of claims received.

Other Other provisions include environmental provisions in respect of potential liabilities relating to the Group's responsibility for maintaining its operating sites in accordance with statutory requirements. The Group's aim is to have a low impact on the environment. These provisions are expected to be utilised as operating sites are closed or as environmental matters are resolved.

24 Post-employment benefits

Significant accounting policy

Pension obligations

The Group operates two types of pension plans:

- defined contribution plans where the Group makes contributions to a member's pension plan, but has no further payment obligations once the contributions have been paid
- defined benefit plans which provide pension payments upon retirement to members as defined by the plan rules

For defined contribution plans, the Group pays contributions to separately administered pension plans. The contributions payable by the Group are charged to the consolidated income statement when they are due. Payments made to state-managed schemes are treated as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution pension plan.

For defined benefit plans, the calculation of the defined benefit obligation is performed half-yearly by a qualified actuary using the projected unit credit method. A current service cost is recognised which represents the expected present value of the defined benefit pension entitlement earned by members in the period. The consolidated balance sheet reflects a net asset or net liability for each defined benefit pension plan. The net asset or liability recognised is the present value of the defined benefit obligation discounted using the yields on high-quality corporate bonds, less the fair value of plan assets (at bid price), if any. If the fair value of the plan assets exceeds the defined benefit obligation, a pension surplus is only recognised if the Group considers that it has an unconditional right to a refund.

For the UK defined benefit plan, the Group considers that it has an unconditional right to a refund of a surplus, assuming the gradual settlement of the plan liabilities over time until all members have left the plan. The trustees cannot unconditionally wind up the plan or use the surplus to enhance member benefits without employer consent. The Group's judgement is that these trustee rights do not prevent the Group from recognising an unconditional right to a refund and therefore a surplus.

Net interest income (if a plan is in surplus) or net interest expense (if a plan is in deficit) is calculated using yields on high-quality corporate bonds and recognised in the consolidated income statement.

Remeasurements, which include gains and losses as a result of changes in actuarial assumptions, the effect of the limit on the plan surplus (if any) and returns on plan assets (other than amounts included in net interest) are recognised in the consolidated statement of comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other post-employment obligations

Some Group companies provide other post-employment benefits. The expected costs of these benefits are accrued over the period of employment using a similar basis to that used for defined benefit pension schemes. Actuarial gains and losses are recognised immediately in the consolidated statement of comprehensive income.

The non-qualified deferred compensation plans in the US (Rabbi Trust arrangements) do not meet the definition of a defined contribution plan under IAS 19 and are, therefore, accounted for as defined benefit plans.

Major source of estimation uncertainty

The present value of defined benefit liabilities is estimated based on actuarial assumptions determined with independent actuarial advice, including discount rates, inflation, pension and salary increases, and mortality and other demographic assumptions. A reasonably possible change in the assumptions used to derive these estimates could have a material effect on the present value of defined benefit liabilities in the next 12 months. The key assumptions used to value the liabilities, together with sensitivity analysis, are set out below.

Climate change

Plan assets

The trustees of the Compass Group Pension Plan (UK Plan), the Group's largest defined benefit plan, have integrated climate change considerations into their long-term decision-making and reporting processes across all classes of assets, actively engaging with all fund and portfolio managers.

Defined benefit obligations

The actuarial assumptions used to calculate the present value of defined benefit obligations comprise financial and demographic assumptions. The key financial assumptions are discount rates and inflation and, as these reflect long-term market expectations, they implicitly reflect the market's expectations of the potential impact of climate change. The directors have considered the potential impact of climate change on demographic assumptions, in particular on the long-term mortality assumptions and, at the present time, do not believe that there is sufficient evidence to require a change in the assumptions used in the calculation of the defined benefit liabilities. The directors will continue to monitor any potential future impact on the assumptions used.

24 Post-employment benefits continued

Pension schemes

The Group operates a number of pension arrangements throughout the world which have been developed in accordance with statutory requirements and local customs and practices. The majority of schemes are self-administered and the schemes' assets are held independently of the Group's assets. Pension costs are assessed in accordance with the advice of independent, professionally qualified actuaries.

UK schemes

Current UK employees in a pension arrangement are in the Compass Retirement Income Savings Plan (CRISP) section of the UK Plan, a GAD section of the UK Plan or the National Employment Savings Trust (NEST).

Prior to 1 January 2024, the main vehicle for pension provision for eligible new joiners in the UK was CRISP. CRISP was a defined contribution (money purchase) arrangement whereby the Group matched employee contributions up to 6% of pay (minimum 5%). Senior employees who contributed to CRISP were also offered a Compass Higher Income Plan (CHIP) payment that they could take as an additional employer-only pension contribution or, in part or in whole, as a cash allowance instead of a pension contribution. On 1 January 2024, CRISP transferred into the UK Plan and, from that date, eligible new joiners in the UK have been invited to join the CRISP section of the UK Plan with the same matched contribution structure and additional employer-only pension contribution for senior employees who choose to take their CHIP payment in that way.

The GAD section of the UK Plan is a defined benefit arrangement, which provides predominantly final salary benefits. Those UK employees who transferred from the public sector under the Transfer of Undertakings (Protection of Employment) Regulations 2006, typically up until 31 March 2015, have been eligible to join the UK Plan, which has otherwise been closed to new entrants since 2003. Such transferees entered into the GAD section of the UK Plan and are known as 'GAD members'. However, under the UK government's revised guidance for 'Fair Deal for staff pensions', the expectation is, and the approach has been, that the Group participates in the relevant public sector pension scheme and closes the UK Plan to future entrants. The UK Plan closed to future accrual for all existing members, other than GAD members, on 5 April 2010. The affected members were offered membership of CRISP from 6 April 2010.

The GAD section of the UK Plan operates on a funded basis. The funding policy is to contribute such variable amounts, on the advice of the actuary, as to achieve a 100% funding level on a projected salary basis. The actuarial assessments covering expense and contributions are carried out by independent qualified actuaries. A formal actuarial valuation of the GAD section is carried out every three years. The most recent valuation of the GAD section took place as at 5 April 2022. At the valuation date, the total market value of the assets of the GAD section was $3,420m, which represented 113% of the benefits that had accrued to members after allowing for expected future increases in earnings. With effect from 1 October 2022, the Company has paid contributions to the GAD section at a revised rate of 47.1% of pensionable pay (previously 57.2%) and, with effect from 1 January 2024, the schedule of contributions was revised to reflect the CRISP section contributions.

The GAD section of the UK Plan is reappraised half-yearly for accounting purposes by independent actuaries in accordance with IAS 19 Employee Benefits requirements.

The UK Plan has a corporate trustee, Compass Group Pension Trustee Company Limited (the Trustee). Following the transfer of CRISP into the UK Plan on 1 January 2024, there are 12 trustee directors, including an independent chairman and one other independent trustee director. The other 10 trustee directors are either UK-based employees or former employees of the Group (three of whom have been nominated by UK Plan members). The composition of the Trustee board, including the arrangements relating to trustee directors nominated by members, is currently being reviewed by the Trustee and the Company and the results of the review will be implemented by no later than 31 December 2024. The UK Plan operates under the Fifth Definitive Trust Deed dated 25 March 2013 and subsequent amendments and relevant legislation (principally the Pensions Acts 1993, 1995, 2004 and 2021), with regulatory oversight from the Pensions Regulator. A new section of the rules was created following the transfer of CRISP into the UK Plan to mirror the existing CRISP rules.

The Group is subject to the Pension Automatic Enrolment Regulations for its workforce in the UK. All new UK employees who meet the statutory eligibility criteria, and who do not join the CRISP section, are automatically enrolled into the NEST. Responsibility for the Group's ongoing compliance with the Pension Automatic Enrolment Regulations and for ensuring that the administration and investment of funds relating to automatic enrolment remain appropriate lies with the Group's Pension Automatic Enrolment Governance Committee.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Limited against aspects of the June 2023 decision. The Trustee and the Company have considered the implications of the case for the UK Plan. Based on the outcome of a legal review of the UK Plan's governing deeds and rules provided by the Trustee's lawyers, the UK Plan is not impacted by the outcome of the case.

US schemes

In the US, the main vehicle for retirement provision is the defined contribution plan. There are several legacy defined benefit plans which are all closed to new participants. These legacy defined benefit plans are non-qualified plans that are intended to be unfunded arrangements for US tax and Employee Retirement Income Security Act (ERISA) purposes. Compass USA has taken out life insurance policies and invested in mutual funds to meet these unfunded defined benefit pension obligations, working towards a 100% funding level on a projected salary basis.

The Group also has non-qualified deferred compensation plans (Rabbi Trust arrangements), which are salary sacrifice schemes providing a tax-efficient way of saving for senior management. Employee and employer contributions credited to the plans are deemed invested on behalf of the employees in investment funds and they are entitled to the account balance, as adjusted for deemed investments, on or after leaving the Group. Plan benefits are paid in cash. Participants can elect to receive payment either as a lump sum or in annual instalments over 5 or 10 years.

24 Post-employment benefits continued

Compass USA engages with a number of unions and is required to abide by the individual collective bargaining agreements (CBAs) negotiated with each union. Under the terms of certain CBAs, Compass USA is required to pay the union members' salary and contribute to various multi-employer benefit plans which include: post-employment benefits, including pensions and post-employment healthcare; defined contribution plans, such as 401(k) and annuity and savings plans; and other plans which include legal funds, training funds and education funds.

Participation in multi-employer pension plans bears risks that differ from single-employer plans. These risks include:

- assets contributed to the plans by Compass USA may be used to provide benefits to employees of other participating employers i.e. there are no individual accounts in these plans
- if a participating employer stops contributing to the plan for any reason, the unfunded obligation remaining may transition to the remaining employers participating in the plan
- if Compass USA stops participating in the plan for any reason, or has a significant decrease in its level of participation, it may be required to pay a proportionate amount to the plan for its share of the unfunded liability, known as withdrawal liability

Compass USA is involved with 41 multi-employer defined benefit pension plans (2023: 38). The Group is not aware, and has no reasonable expectation, that any plan in which it currently participates is in imminent danger of becoming insolvent or is likely to experience a mass withdrawal.

These plans are accounted for as defined contribution plans as the information provided by the plan administrators is insufficient for them to be accounted for as defined benefit plans. The Group made total contributions of $52m in the year (2023: $54m) to these arrangements.

Other schemes

In Canada, Germany, Norway, Spain and Switzerland, the Group also participates in funded defined benefit arrangements. In other countries, Group employees participate primarily in state arrangements to which the Group makes the appropriate contributions.

Other than where required by local regulation or statute, the defined benefit schemes are closed to new entrants. For these schemes, the current service cost will increase under the projected unit credit method as the members of the schemes approach retirement.

Defined benefit schemes

The Group's obligations in respect of defined benefit pension schemes are calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value and the fair value of scheme assets is then deducted. The discount rate used is the yield at the valuation date on high-quality corporate bonds, with terms consistent with the timing of the expected benefit payments over future years.

The Group takes advice from independent actuaries relating to the appropriateness of the assumptions, which include inflation, expected salary and pension increases, and life expectancy of members. It is important to note that comparatively small changes in the assumptions used may have a significant effect on the consolidated income statement and balance sheet.

The split of defined benefit liabilities on an IAS 19 basis between active, deferred and pensioner members is shown below:

Split of defined benefit liabilities	2024			2023		
	Active	**Deferred**	**Pensioner**	Active	Deferred	Pensioner
UK Plan	**1%**	**41%**	**58%**	1%	43%	56%
UK unfunded arrangements	**–**	**4%**	**96%**	–	4%	96%
US[1]	**38%**	**1%**	**61%**	40%	1%	59%
Other	**67%**	**3%**	**30%**	65%	3%	32%

1. Excluding the Rabbi Trust arrangements.

Disclosures showing the assets and liabilities of the schemes are set out below. The liabilities have been calculated using the following assumptions, which are presented as weighted averages where appropriate:

Assumptions	UK schemes		US schemes[1]		Other schemes	
	2024	2023	**2024**	2023	**2024**	2023
Discount rate	**5.1%**	5.7%	**4.7%**	5.6%	**5.9%**	6.1%
Inflation	**3.4%**	3.6%	**2.3%**	2.3%	**1.3%**	1.5%
CPI inflation	**3.0%**	3.2%	**n/a**	n/a	**n/a**	n/a
Rate of increase in salaries	**3.4%**	3.6%	**3.2%**	3.2%	**6.6%**	4.7%
Rate of increase for pensions in payment	**3.2%**	3.3%	**2.3%**	2.3%	**0.2%**	0.2%
Rate of increase for deferred pensions	**3.2%**	3.3%	**n/a**	n/a	**n/a**	n/a

1. Excluding the Rabbi Trust arrangements.

The mortality assumptions used to value the UK pension schemes are derived from the S3PA generational mortality tables (2023: S3PA generational mortality tables) with improvements in line with the projection model prepared by the 2023 Continuous Mortality Investigation of the UK actuarial profession (2023: 2022 model), with an S-kappa of 7.0 (2023: 7.0), with 115% (2023: 115%) weighting for male non-pensioners and 109% (2023: 109%) weighting for male pensioners, 103% (2023: 103%) weighting for female non-pensioners and 99% (2023: 99%) weighting for female pensioners, and with a long-term underpin of 1.5% per annum (2023: 1.5% per annum). These mortality assumptions take account of experience to date and assumptions for further improvements in the life expectancy of scheme members. The Group estimates the average duration of the liabilities of the UK and US plans to be 12 years (2023: 12 years) and 8 years (2023: 8 years), respectively. Examples of the resulting life expectancies for the UK Plan are as follows:

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

24 Post-employment benefits continued

	2024		2023	
Life expectancy at age 65	**Male**	**Female**	Male	Female
Member aged 65 in 2024 (2023)	**20.9**	**23.6**	20.9	23.6
Member aged 65 in 2049 (2048)	**22.6**	**25.6**	22.6	25.5

The other demographic assumptions have been set having regard to the latest trends in scheme experience and other relevant data. The assumptions are reviewed and updated as necessary as part of the periodic actuarial valuation of pension schemes.

For the overseas schemes, regionally appropriate assumptions have been used where recommended by local actuaries. The mortality assumptions used to value the US schemes are derived from the mortality table Pri-2012 (2023: Pri-2012) and MP2021 generational scale (2023: MP2021). Examples of the resulting life expectancies for the US schemes are as follows:

	2024		2023	
Life expectancy at age 65	**Male**	**Female**	Male	Female
Member aged 65 in 2024 (2023)	**22.0**	**23.5**	22.0	23.4
Member aged 65 in 2049 (2048)	**23.7**	**25.1**	23.7	25.1

Risks

The Group bears a number of risks in relation to its defined benefit pension schemes. These risks and how they are mitigated for the Group's largest defined benefit plan are described below:

Risk	Description of risk	Mitigation
Interest rate	A decrease in corporate bond yields will increase the schemes' benefit obligations under IAS 19. The schemes are therefore exposed to the risk that falls in interest rates will decrease the schemes' surplus.	As part of the investment strategy, the UK Plan aims to mitigate this risk through investment in a liability-driven investment (LDI) portfolio. LDI is a form of investing designed to match to a large extent the movement in pension plan assets with the movement in projected benefit obligations over time.
Inflation	The schemes' benefit obligations are linked to inflation. A higher rate of expected long-term inflation will therefore lead to higher liabilities, for both the IAS 19 and funding liability.	The UK Plan contains caps on increases in scheme benefits to mitigate the risk of increases in inflation. Additionally, the UK Plan invests in LDI products which increase (decrease) in value when expectations of future inflation rates increase (fall), thus providing protection against inflation risk.
Investment	Asset returns can be volatile and there is a risk that the value of pension schemes' assets may not move in line with changes in pension scheme liabilities.	To mitigate against investment risk, the UK Plan invests in a way which aims to hedge a large proportion of the movements in the corresponding liabilities, and investments are diversified across and within asset classes to avoid overexposure to any one asset class or market. The trustees and the Group regularly monitor the funding position and operate a diversified investment strategy.
Life expectancy	The schemes' obligations are to provide benefits for the life of the member and therefore increases in life expectancy will lead to higher liabilities.	The UK Plan's trustees and the Group regularly monitor the impact of changes in longevity on scheme obligations.

Sensitivity analysis

Measurement of the Group's defined benefit obligations is particularly sensitive to changes in key assumptions, including the discount rate, inflation and life expectancy. The sensitivities of the principal assumptions used to measure the defined benefit obligations of the schemes are set out below:

	Increase/(decrease) in defined benefit obligations			
	2024		Restated[1] 2023	
Financial assumptions	**+0.5% $m**	**-0.5% $m**	+0.5% $m	-0.5% $m
Discount rate				
UK	**(109)**	**120**	(94)	104
US and other	**(12)**	**13**	(10)	11
Inflation				
UK	**59**	**(58)**	51	(51)
US and other	**5**	**(5)**	4	(4)
CPI inflation				
UK	**12**	**(13)**	11	(11)

1. See note 1.

24 Post-employment benefits continued

Demographic assumptions	Increase in defined benefit obligations 2024 +1 year $m	Restated[1] 2023 +1 year $m
Life expectancy from age 65		
UK	**78**	61
US and other	**6**	5

1. See note 1.

Management has also considered the impact of a 1% change in the discount rate and inflation assumptions used to measure the defined benefit obligations of the UK schemes. A 1% increase or decrease in the discount rate would decrease or increase the liabilities by $208m and $253m (2023: $181m and $220m), respectively. A 1% increase or decrease in inflation would increase or decrease the liabilities by $119m and $115m (2023: $104m and $99m), respectively.

The sensitivities above consider the impact of the single change shown, with the other assumptions assumed to be unchanged. The sensitivity analyses have been determined based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption (although this is not always the case). The impact of a change in the UK inflation rate shown above includes the impact of a change in both the RPI and CPI inflation rates.

The Group's net pension surplus or deficit is the difference between the schemes' assets and liabilities. Changes in the assumptions may occur at the same time as changes in the market value of scheme assets. These may or may not offset the changes in assumptions. For example, a fall in interest rates will increase the schemes' liabilities, but may also trigger an offsetting increase in the market value of certain assets so there may be little effect on the Group's net asset or liability.

Plan assets

At 30 September 2024, the assets of the various schemes were invested in a diversified portfolio that consisted primarily of debt securities and property funds. The UK Plan's unquoted property fund assets comprise a UK property fund of $70m (2023: $189m) and a global property fund of $36m (2023: $160m). The UK property fund's value is based on the net asset value at 30 September 2024. The global property fund's value is based on the net asset value at 30 June 2024. There has been no material change in the fair value of the global property fund between 30 June and 30 September 2024. The majority of the remainder of the UK Plan's assets are held in a bespoke liability-driven investment portfolio in a unit-linked insurance policy managed by Legal & General. The cash balance at 30 September 2024 includes $360m of cash in transit from the redemption of the UK Plan's corporate bond fund, which was invested in the LDI portfolio on 1 October 2024.

The fair value of the Group's plan assets is shown by major category below:

	2024			Restated[1] 2023		
Fair value of plan assets by major category	**UK Plan[2] $m**	**Other $m**	**Total $m**	UK Plan[2] $m	Other $m	Total $m
Equities						
Quoted global equities	**1**	**45**	**46**	–	37	37
Government bonds						
Quoted UK fixed interest	**820**	**–**	**820**	635	–	635
Quoted UK index-linked	**1,090**	**–**	**1,090**	783	–	783
Corporate bonds						
Quoted corporate bonds	**–**	**29**	**29**	314	23	337
Quoted diversified securities	**–**	**20**	**20**	–	17	17
Other						
Quoted property funds	**–**	**10**	**10**	–	25	25
Unquoted property funds	**106**	**18**	**124**	349	–	349
Unquoted insurance policies	**–**	**7**	**7**	–	6	6
Derivatives	**5**	**–**	**5**	(17)	–	(17)
Cash and cash equivalents	**418**	**3**	**421**	99	2	101
Other	**–**	**18**	**18**	1	18	19
At 30 September	**2,440**	**150**	**2,590**	2,164	128	2,292

1. See note 1.
2. The UK Plan does not hold any assets related to the Company's transferable financial instruments. There are no pension assets that are property occupied by, or other assets used by, the Company.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

24 Post-employment benefits continued

Net post-employment benefit assets and obligations recognised in the balance sheet

	2024			
Post-employment benefit assets/(obligations) recognised in the balance sheet	**Fair value of plan assets $m**	**Present value of defined benefit obligations $m**	**Effect of asset ceiling $m**	**Total $m**
UK Plan	**2,440**	**(1,898)**	–	**542**
Post-employment benefit assets	**2,440**	**(1,898)**	–	**542**
UK unfunded arrangements	–	**(40)**	–	**(40)**
US	–	**(1,122)**	–	**(1,122)**
Other	**150**	**(261)**	**(1)**	**(112)**
Post-employment benefit obligations	**150**	**(1,423)**	**(1)**	**(1,274)**
Net post-employment benefit obligations	**2,590**	**(3,321)**	**(1)**	**(732)**

	Restated[1] 2023			
Post-employment benefit assets/(obligations) recognised in the balance sheet	Fair value of plan assets $m	Present value of defined benefit obligations $m	Effect of asset ceiling $m	Total $m
UK Plan	2,164	(1,639)	–	525
Post-employment benefit assets	2,164	(1,639)	–	525
UK unfunded arrangements	–	(34)	–	(34)
US	–	(860)	–	(860)
Other	128	(217)	–	(89)
Post-employment benefit obligations	128	(1,111)	–	(983)
Net post-employment benefit obligations	2,292	(2,750)	–	(458)

1. See note 1.

24 Post-employment benefits continued

Movements in net defined benefit asset/(obligation)	2024 Fair value of plan assets $m	2024 Present value of defined benefit obligations $m	2024 Effect of asset ceiling $m	2024 Total $m	Restated[1] 2023 Fair value of plan assets $m	Restated[1] 2023 Present value of defined benefit obligations $m	Restated[1] 2023 Effect of asset ceiling $m	Restated[1] 2023 Total $m
At 1 October	**2,292**	**(2,750)**	**–**	**(458)**	2,375	(2,567)	(6)	(198)
Reclassification	**–**	**(15)**	**–**	**(15)**	–	–	–	–
Current service cost	**–**	**(32)**	**–**	**(32)**	–	(27)	–	(27)
Past service credit/(cost)	**–**	**1**	**–**	**1**	–	(4)	–	(4)
Administration expenses[2]	**(10)**	**–**	**–**	**(10)**	(6)	–	–	(6)
Interest income/(expense)	**128**	**(157)**	**–**	**(29)**	132	(143)	–	(11)
Remeasurements – financial assumptions	**–**	**(280)**	**–**	**(280)**	–	46	–	46
Remeasurements – demographic assumptions	**–**	**5**	**–**	**5**	–	46	–	46
Remeasurements – experience adjustments	**–**	**(11)**	**–**	**(11)**	–	(59)	–	(59)
Return on plan assets, excluding interest income	**63**	**–**	**–**	**63**	(331)	–	–	(331)
Change in asset ceiling, excluding interest income	**–**	**–**	**(1)**	**(1)**	–	–	6	6
Employer contributions[3]	**14**	**–**	**–**	**14**	35	–	–	35
Employee contributions	**3**	**(84)**	**–**	**(81)**	4	(77)	–	(73)
Benefits paid	**(126)**	**179**	**–**	**53**	(135)	189	–	54
Business acquisitions	**–**	**(1)**	**–**	**(1)**	–	–	–	–
Currency adjustment	**226**	**(176)**	**–**	**50**	218	(154)	–	64
At 30 September	**2,590**	**(3,321)**	**(1)**	**(732)**	2,292	(2,750)	–	(458)

1. See note 1.
2. The expenses of running the UK Plan are met directly by the UK Plan rather than by the principal employer.
3. Employer contributions in 2024 are shown net of amounts paid by the GAD section of the UK Plan into the CRISP section from 1 January 2024 totalling $12m. Employer contributions in 2023 included $10m following a change in legislation in Türkiye effective from March 2023.

The present value of defined benefit obligations includes $1,022m (2023: $760m) in respect of the Rabbi Trust arrangements, which is exactly matched by their investments (see note 15).

The $280m increase in the present value of defined benefit obligations due to changes in financial assumptions in 2024 includes the impact of the increase in the Rabbi Trust investments and the impact on the liabilities of the UK Plan of a 0.4 percentage point reduction in the discount rate, net of inflation.

Certain Group companies have taken out life insurance policies and invested in mutual funds to meet unfunded pension obligations. The current value of these policies and other assets of $98m (2023: $93m) may not be offset against post-employment benefit obligations under IAS 19 (see note 15).

Net post-employment benefit assets, including the Rabbi Trust investments, life insurance policies and mutual fund investments, is shown below:

Net post-employment benefit assets	Notes	2024 $m	Restated[1] 2023 $m
Net post-employment benefit obligations		**(732)**	(458)
Rabbi Trust investments	15	**1,022**	760
Mutual fund investments	15	**62**	58
Life insurance policies	15	**36**	35
Total		**388**	395

1. See note 1.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

24 Post-employment benefits continued

Amounts recognised in the income statement

Amounts recognised in the income statement	2024 UK $m	2024 US $m	2024 Other $m	2024 Total $m	Restated[1] 2023 UK $m	Restated[1] 2023 US $m	Restated[1] 2023 Other $m	Restated[1] 2023 Total $m
Current service cost	–	20	12	32	–	17	10	27
Past service (credit)/cost	–	–	(1)	(1)	–	–	4	4
Administration expenses	10	–	–	10	6	–	–	6
Charged to operating expenses	10	20	11	41	6	17	14	37
Interest on net post-employment benefit assets/obligations	(28)	52	5	29	(34)	42	3	11
(Credited)/charged to finance costs	(28)	52	5	29	(34)	42	3	11
Total	(18)	72	16	70	(28)	59	17	48

1. See note 1.

The Group recognised a charge of $289m (2023: $254m) in respect of contributions to defined contribution schemes during the year.

Amounts recognised in other comprehensive income

Amounts recognised in other comprehensive income	2024 $m	Restated[1] 2023 $m
Effect of changes in financial assumptions	(280)	46
Effect of changes in demographic assumptions	5	46
Effect of experience adjustments	(11)	(59)
Remeasurement of post-employment benefit obligations	(286)	33
Return on plan assets, excluding interest income	63	(331)
Change in asset ceiling, excluding interest income	(1)	6
Total	(224)	(292)

1. See note 1.

Contributions

During the year, the Group made total contributions to defined benefit schemes of $46m (including the Rabbi Trust arrangements) (2023: $52m). Contributions in 2023 included $10m following a change in legislation in Türkiye effective from March 2023. The Group expects to make a similar level of contributions to these schemes in 2025.

The UK Plan is the largest scheme in the Group and was in surplus on a funding basis at the date of the most recent actuarial valuation as at 5 April 2022, and no deficit contributions are currently required. The remaining Group-funded schemes do not have significant minimum funding requirements whilst contributions to unfunded pension schemes are quite stable. As a result, we do not expect the required future contributions to change substantially beyond next year.

25 Share capital and other reserves

Significant accounting policy

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Capital

The capital structure of the Group consists of net debt (see note 34) and total equity. 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. At 30 September 2024, the ratio of net debt to underlying EBITDA was 1.3x (2023: 1.2x) (see note 34).

Share capital

Share capital	2024 Number	2024 $m	Restated[1] 2023 Number	Restated[1] 2023 $m
Allotted, called up and fully paid				
Ordinary shares of 11 1/20p each	**1,785,403,977**	**346**	1,785,403,977	346
At 30 September	**1,785,403,977**	**346**	1,785,403,977	346

1. See note 1.

During the year, 20,406,756 shares in Compass Group PLC were purchased under the share buybacks announced in May 2023 and November 2023 (2023: 46,311,952 shares were purchased under the share buybacks announced in May 2022, November 2022 and May 2023), which are held in treasury, and 2,585,610 (2023: 1,343,592) shares were released to satisfy awards under the Company's long-term incentive plans, leaving a balance held in treasury at 30 September 2024 of 87,992,005 (2023: 70,170,859). The shares purchased had an average price of $27.44 per share (2023: $24.96 per share) and represent 1.1% (2023: 2.6%) of the Company's issued share capital. Shares held in treasury are not entitled to receive dividends.

Other reserves

Capital redemption reserve

The nominal value of shares in the Company purchased and subsequently cancelled is shown as a reduction in share capital and an equal and opposite transfer to the capital redemption reserve.

Own shares reserve

The own shares reserve represents shares in Compass Group PLC held either in treasury, including transaction costs, or by employee share trusts to satisfy liabilities to employees for long-term incentive plans. Own shares are treated as a deduction to equity until the shares are cancelled, reissued or sold, at which point they are transferred to retained earnings.

The own shares reserve comprises $2,288m (2023: $1,833m) in respect of 87,992,005 (2023: 70,170,859) shares in Compass Group PLC held in treasury and $8m (2023: $15m) in respect of 298,712 (2023: 573,223) shares in Compass Group PLC held by the Compass Group PLC All Share Schemes Trust (ASST).

The share buyback announced in May 2023 was completed in November 2023, with 6,357,210 shares repurchased during the year for a total price, including transaction costs, of $161m.

In November 2023, the Company announced that it was commencing a further share buyback to repurchase up to $500m of its own shares. During the year, 14,049,546 shares were repurchased for a total price, including transaction costs, of $399m, of which $392m was paid in cash during the year. The mandate issued to the broker to purchase the shares was irrevocable at 30 September 2024 and, therefore, a creditor of $112m in respect of the value of the shares not yet purchased has been recognised. In the period from 1 October to 26 November 2024, 2,356,198 shares were repurchased for a total price, including transaction costs, of $77m. The share buyback is scheduled to complete by 17 December 2024.

The ASST is a discretionary trust for the benefit of employees and the shares held are used to satisfy some of the Group's liabilities to employees for long-term incentive plans. During the year, no shares (2023: 800,000) in Compass Group PLC were purchased by the ASST and 274,511 (2023: 448,686) shares were released from the ASST to satisfy awards under the Company's long-term incentive plans. At 30 September 2024, the nominal value of the shares in the ASST was $44,274 (2023: $77,314), with a market value of $10m (2023: $14m).

No treasury shares have been reissued since the end of the financial year to the date of this Report. On 1 October 2024, 2,393 shares were released by the ASST to satisfy an award under the Compass Group PLC Restricted Share Award Plan which had vested on 30 September 2024.

Merger reserve

The merger reserve arose in 2000 as a result of the merger between Compass and Granada.

Revaluation reserve

The revaluation reserve arose on the acquisition of the remaining 50% interest in GRSA during 2008. The portion of the fair value adjustment pertaining to the Group's existing 50% shareholding in GRSA was credited to the revaluation reserve in accordance with IFRS 3 Business Combinations. The revaluation reserve was reclassified to retained earnings on disposal of GRSA in 2024.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

25 Share capital and other reserves continued

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Non-controlling interest put options reserve

Where put options are held in respect of a non-controlling interest in a subsidiary and the minority shareholders hold present access to the returns of the entity, the Group recognises a non-controlling interest, together with a put option liability measured at fair value and a corresponding non-controlling interest put options reserve. Subsequent remeasurements of put option liabilities under the present access and anticipated acquisition methods are recognised in the non-controlling interest put options reserve.

Other reserves	Capital redemption reserve $m	Own shares reserve $m	Merger reserve $m	Revaluation reserve $m	Translation reserve[1] $m	Non-controlling interest put options reserve $m	Total $m
At 1 October 2023 (restated[2])	511	(1,848)	7,554	14	(1,544)	(105)	4,582
Other comprehensive income							
Currency translation differences	–	–	–	–	267	–	267
Reclassification of cumulative currency translation differences on sale of businesses	–	–	–	–	250	–	250
Tax credit on items relating to the components of other comprehensive income	–	–	–	–	2	–	2
Total other comprehensive income for the year	–	–	–	–	519	–	519
Change in fair value of non-controlling interest put options	–	–	–	–	–	7	7
Changes to non-controlling interests due to acquisitions and disposals	–	–	–	–	–	(54)	(54)
Reclassification of revaluation reserve on sale of businesses	–	–	–	(14)	–	–	(14)
Cost of shares transferred to employees	–	64	–	–	–	–	64
Purchase of own shares – share buyback[3]	–	(512)	–	–	–	–	(512)
At 30 September 2024	511	(2,296)	7,554	–	(1,025)	(152)	4,592

1. Includes a loss of $566m in relation to the balance remaining in the foreign currency translation reserve from net investment hedging relationships for which hedge accounting continues to apply.
2. See note 1.
3. The difference between the $512m charged to the own shares reserve during the year and the $577m cash outflow in respect of share buybacks (see page 143) reflects a $119m creditor at 30 September 2024 in respect of the $500m share buyback announced in November 2023, less a $184m creditor at 30 September 2023 in respect of the share buyback announced in May 2023 (see note 22).

Other reserves	Capital redemption reserve $m	Own shares reserve $m	Merger reserve $m	Revaluation reserve $m	Translation reserve[1] $m	Non-controlling interest put options reserve $m	Total $m
At 1 October 2022 (restated[2])	511	(618)	7,554	14	(1,776)	(126)	5,559
Other comprehensive income							
Currency translation differences	–	–	–	–	229	–	229
Reclassification of cumulative currency translation differences on sale of businesses	–	–	–	–	(1)	–	(1)
Tax credit on items relating to the components of other comprehensive income	–	–	–	–	4	–	4
Total other comprehensive income for the year	–	–	–	–	232	–	232
Change in fair value of non-controlling interest put options	–	–	–	–	–	16	16
Changes to non-controlling interests due to acquisitions and disposals	–	–	–	–	–	(2)	(2)
Reclassification of non-controlling interest put options reserve on exercise of put options	–	–	–	–	–	7	7
Cost of shares transferred to employees	–	35	–	–	–	–	35
Purchase of own shares – share buyback	–	(1,246)	–	–	–	–	(1,246)
Purchase of own shares – employee share-based payments	–	(19)	–	–	–	–	(19)
At 30 September 2023 (restated[2])	511	(1,848)	7,554	14	(1,544)	(105)	4,582

1. Includes a loss of $876m in relation to the balance remaining in the foreign currency translation reserve from net investment hedging relationships for which hedge accounting continues to apply.
2. See note 1.

26 Share-based payments

Significant accounting policy

The Group issues equity-settled share-based payments to certain employees, which are measured at fair value at the date of grant using option pricing models. The fair value is expensed on a straight-line basis over the vesting period based on the Group's estimate of the number of shares expected to vest.

Income statement expense

The Group recognised a charge of $68m (2023: $54m) in respect of share-based payment transactions. All share-based payment plans are equity-settled. The charge is broken down by share-based payment plan as follows:

Share-based payment charge	2024 $m	Restated[1] 2023 $m
Long-term incentive plans	**59**	47
Restricted shares	**8**	7
Other share-based payment plans	**1**	–
Total	**68**	54

1. See note 1.

Long-term incentive plans (LTIP)

Full details of The Compass Group PLC Long Term Incentive Plan 2018 (2018 LTIP) can be found in the Directors' Remuneration Report on pages 86 to 118.

The following table shows the movements in shares during the year:

Long-term incentive plans	2024 Number of shares	2023 Number of shares
Outstanding at 1 October	**8,878,102**	7,547,857
Awarded	**3,024,294**	3,153,815
Notional Dividend Shares awarded[1]	**182,806**	160,952
Vested	**(2,528,072)**	(1,113,799)
Lapsed	**(509,663)**	(870,723)
Outstanding at 30 September	**9,047,467**	8,878,102

1. Eligible awards granted under the 2018 LTIP accrue dividends in the form of Notional Dividend Shares.

The following Executive Committee and leadership LTIP awards were made under the terms of the 2018 LTIP during the year:

LTIP awards	2024	
	Award date	**Fair value**
Executive Committee	**1 Dec 2023**	**1,474.16p**
Leadership	**1 Dec 2023**	**1,656.36p**
Leadership	**20 May 2024**	**2,097.80p**

LTIP awards	2023	
	Award date	Fair value
Executive Committee	1 Dec 2022	1,363.71p
Leadership	1 Dec 2022	1,507.63p
Leadership	17 May 2023	2,134.32p

The vesting conditions of the LTIP awards are included in the Directors' Remuneration Report. The fair value of awards subject to Adjusted Free Cash Flow (AFCF) and Return On Capital Employed (ROCE) performance targets is calculated using the Black-Scholes option pricing model. The vesting probability of these non-market conditions has been assessed based on a simulation model of the AFCF and ROCE forecasts. The fair value of awards subject to Total Shareholder Return (TSR) performance targets is calculated using the Monte Carlo model.

The following assumptions were used in calculating the fair value of LTIP awards made during the year:

Weighted average assumptions – long-term incentive plans	2024	2023
Expected volatility[1]	**22.2%**	39.6%
Risk-free interest rate	**4.1%**	3.1%
Expected life	**3.0 years**	3.0 years
Share price at date of grant	**2,036.36p**	1,856.77p

1. Expected volatility is calculated based on the Group's weekly share price during the three years prior to the date of each award.

26 Share-based payments continued

Eligible awards granted under the 2018 LTIP accrue dividends in the form of Notional Dividend Shares. Accordingly, the dividend yield in the fair value calculation is nil.

The weighted average share price at the date of vesting for the 2,528,072 shares (2023: 1,113,799) that vested during the year was 2,037.92p (2023: 1,824.00p).

The LTIP awards outstanding at the end of the year have a weighted average remaining contractual life of 1.2 years (2023: 1.2 years).

Restricted shares

These are awards to certain employees in order to incentivise the achievement of particular business objectives under specific circumstances or where similar such shares have been forfeited by a new employee on joining the Group. The plan can take different forms, such as an award of shares dependent on service or achievement of specific performance conditions other than service.

The following table shows the movements in shares during the year:

Restricted shares	2024 Number of shares	2023 Number of shares
Outstanding at 1 October	**825,280**	1,083,225
Awarded	**342,180**	365,818
Notional Dividend Shares awarded[1]	**15,584**	16,228
Vested	**(304,146)**	(570,398)
Lapsed	**(85,283)**	(69,593)
Outstanding at 30 September	**793,615**	825,280

1. Eligible awards granted under the Restricted Share Award Plan accrue dividends in the form of Notional Dividend Shares.

The following assumptions were used in calculating the fair value of restricted share awards made during the year:

Weighted average assumptions – restricted shares	2024	2023
Expected volatility[1]	**21.5%**	37.0%
Risk-free interest rate	**4.1%**	3.4%
Expected life	**2.4 years**	2.2 years
Share price at date of grant	**2,101.49p**	1,920.21p

1. Expected volatility is calculated based on the Group's weekly share price during the three years prior to the date of each award.

Eligible awards granted under the Restricted Share Award Plan accrue dividends in the form of Notional Dividend Shares. Accordingly, the dividend yield in the fair value calculation is nil.

The weighted average share price at the date of vesting for the 304,146 shares (2023: 570,398) that vested during the year was 2,074.05p (2023: 1,989.24p).

Other share-based payment plans

Other share-based payment plans comprise The Compass Group Share Option Plan 2010 (CSOP), Deferred Annual Bonus Plan (DAB) and Deferred Bonus Plan (DBP). The last CSOP award was made in November 2013 and expired in November 2023. The last DAB award was made in November 2018 and all remaining shares had lapsed by the end of the year. The DBP is used to facilitate the grant of deferred bonus shares for executive directors. The first awards under the DBP were made in December 2023.

The following table shows the movements in shares during the year:

Other share-based payment plans	2024 Number of shares	2023 Number of shares
Outstanding at 1 October	**7,422**	202,422
Awarded	**88,931**	–
Vested and exercised	**(32,065)**	(108,081)
Lapsed (following net settlement)	–	(84,579)
Lapsed	**(7,422)**	(2,340)
Outstanding at 30 September	**56,866**	7,422

The expense relating to these plans is not significant.

27 Acquisition, sale and closure of businesses

Significant accounting policy

Business acquisitions

The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued.

Identifiable assets acquired and liabilities and contingent liabilities assumed are recognised at the fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale which are recognised and measured at fair value less costs to sell.

The cost of the acquisition in excess of the Group's interest in the net fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Where not all the equity of a subsidiary is acquired, the non-controlling interest is recognised either at fair value or at the non-controlling interest's proportionate share of the net assets of the subsidiary. This election is made for each acquisition. Put options over non-controlling interests are recognised as a financial liability measured at fair value, which is re-evaluated at each year-end with a corresponding entry in the non-controlling interest put options reserve.

Business disposals

The Group ceases to consolidate a subsidiary when it has lost control. Upon losing control of a subsidiary, a gain or loss is recognised in the consolidated income statement which includes any cumulative currency translation differences previously recognised in other comprehensive income. Any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if the carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, management is committed to a sale plan, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Assets held for sale are measured at the lower of carrying value and fair value less costs to sell. Goodwill is allocated to the held-for-sale business on a relative fair value basis where this business forms part of a larger CGU. Investments in joint ventures and associates that have been classified as held for sale are no longer accounted for using the equity method.

If the non-current asset or disposal group that ceases to be classified as held for sale is a subsidiary, joint venture or associate, prior year comparatives are restated for the periods since classification as held for sale and accounted for retrospectively.

27 Acquisition, sale and closure of businesses continued

Acquisition of businesses

The total cash spent on the acquisition of subsidiaries during the year, net of cash acquired, was $1,256m (2023: $410m), including $431m (2023: $nil) on the repayment of borrowings acquired through business acquisitions, $61m (2023: $48m) of deferred and contingent consideration and other payments relating to businesses acquired in previous years, and $41m (2023: $21m) of acquisition transaction costs included in net cash flow from operating activities.

The Group made two individually material acquisitions during the year (HOFMANN^s and CH&CO). Detailed disclosures in respect of these acquisitions are provided below.

HOFMANN^s

On 19 December 2023, the Group acquired 100% of the issued share capital of Hofmann-Menü Holdings GmbH (trading as HOFMANN^s), a German producer of high-quality cook and freeze meals, for cash consideration of €94m ($103m) net of cash acquired. The cash consideration excludes third-party debt acquired and repaid on the date of acquisition of €168m ($185m).

The goodwill of $123m represents the premium the Group has paid to acquire a company that complements its existing businesses and creates significant opportunities for synergies. In particular, the ability to offer additional services to the Group's existing customers and to leverage cross-selling opportunities with customers of HOFMANN^s will deliver significant economies of scale.

The fair value of net assets acquired includes $197m in respect of other intangible assets which mainly relate to brands ($66m) and client contracts ($126m). The brands were valued using the relief from royalty method, with the key assumptions being forecast revenue, royalty rate, useful life and discount rate. The client contracts were valued using the multi-period excess earnings method, with the key assumptions being forecast operating profit, attrition rate, useful life and discount rate. The intangible assets were valued by independent valuation experts.

The acquisition did not have a material impact on the Group's revenue or profit for the year. If the acquisition had occurred on 1 October 2023, it would not have had a material impact on the Group's revenue or profit for the year.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of HOFMANN^s:

	Fair value $m
Net assets acquired	
Other intangible assets	197
Right-of-use assets	5
Property, plant and equipment	30
Trade and other receivables	13
Inventories	18
Cash and cash equivalents	41
Borrowings	(185)
Lease liabilities	(5)
Current tax liabilities	(18)
Trade and other payables	(23)
Deferred tax liabilities	(52)
Fair value of net assets acquired	21
Goodwill	123
Total consideration	144
Satisfied by	
Cash consideration paid	144
Total consideration	144
Cash flow	
Cash consideration paid	144
Less: Cash and cash equivalents acquired	(41)
Cash consideration net of cash acquired	103
Add: Repayment of borrowings acquired through business acquisitions[1]	185
Add: Acquisition transaction costs[2]	7
Total cash outflow from purchase of subsidiary companies	295
Consolidated cash flow statement	
Net cash flow from operating activities[2]	7
Net cash flow from investing activities	103
Net cash flow from financing activities[1]	185
Total cash outflow from purchase of subsidiary companies	295

1. Repayment of borrowings acquired through business acquisitions is included in net cash flow from financing activities.
2. Acquisition transaction costs are included in net cash flow from operating activities.

27 Acquisition, sale and closure of businesses continued

CH&CO

On 30 April 2024, the Group acquired 100% of the issued share capital of Orchestra Topco Limited (trading as CH&CO), a provider of premium contract and hospitality services in the UK and Ireland, for cash consideration of £274m ($344m) net of cash acquired. The cash consideration excludes third-party debt acquired and repaid on the date of acquisition of £197m ($246m).

Contingent consideration is payable in 2025 and 2026 based on EBITDA for the years ending 30 April 2025 and 2026, with an additional payment due in 2027 in respect of contracts won but not mobilised by the end of the second year. The fair value of these contingent payments, which has been estimated based on forecast EBITDA and contract wins and losses, is £63m ($79m), with minimum and undiscounted maximum values of £nil and £165m ($207m), respectively.

The goodwill of $329m represents the premium the Group has paid to acquire a company that complements its existing businesses and creates significant opportunities for synergies, including economies of scale in purchasing and overhead cost savings.

The fair value of net assets acquired includes $452m in respect of other intangible assets which relate to brands ($145m) and client contracts ($307m). The brands were valued using the relief from royalty method, with the key assumptions being forecast revenue, royalty rate, useful life and discount rate. The client contracts were valued using the multi-period excess earnings method, with the key assumptions being forecast operating profit, attrition rate, useful life and discount rate. The intangible assets were valued by independent valuation experts.

The acquisition did not have a material impact on the Group's revenue or profit for the year. If the acquisition had occurred on 1 October 2023, it would not have had a material impact on the Group's revenue or profit for the year.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of CH&CO:

	Fair value $m
Net assets acquired	
Other intangible assets	452
Right-of-use assets	7
Property, plant and equipment	11
Trade and other receivables	113
Tax recoverable	2
Inventories	5
Cash and cash equivalents	12
Deferred tax assets	10
Borrowings	(246)
Lease liabilities	(5)
Provisions	(5)
Trade and other payables	(137)
Deferred tax liabilities	(113)
Fair value of net assets acquired	106
Goodwill	329
Total consideration	435
Satisfied by	
Cash consideration paid	356
Contingent consideration payable	79
Total consideration	435
Cash flow	
Cash consideration paid	356
Less: Cash and cash equivalents acquired	(12)
Cash consideration net of cash acquired	344
Add: Repayment of borrowings acquired through business acquisitions[1]	246
Add: Acquisition transaction costs[2]	16
Total cash outflow from purchase of subsidiary companies	606
Consolidated cash flow statement	
Net cash flow from operating activities[2]	16
Net cash flow from investing activities	344
Net cash flow from financing activities[1]	246
Total cash outflow from purchase of subsidiary companies	606

1. Repayment of borrowings acquired through business acquisitions is included in net cash flow from financing activities.
2. Acquisition transaction costs are included in net cash flow from operating activities.

27 Acquisition, sale and closure of businesses continued

All acquisitions

In addition to the acquisitions set out above, the Group also completed a number of individually immaterial acquisitions during the year. A summary of all acquisitions completed during the year is presented in aggregate below:

	Fair value 2024 $m	Fair value Restated[1] 2023 $m
Net assets acquired		
Other intangible assets	**907**	271
Contract fulfilment assets	**3**	–
Right-of-use assets	**37**	–
Property, plant and equipment	**83**	28
Trade and other receivables	**144**	18
Deferred tax assets	**11**	–
Inventories	**30**	13
Tax recoverable	**3**	–
Cash and cash equivalents	**61**	13
Borrowings	**(431)**	–
Lease liabilities	**(35)**	–
Provisions	**(5)**	–
Current tax liabilities	**(18)**	(2)
Trade and other payables	**(181)**	(21)
Post-employment benefit obligations	**(1)**	–
Deferred tax liabilities	**(184)**	(23)
Fair value of net assets acquired	**424**	297
Less: Step acquisitions	**(30)**	(29)
Less: Gains on bargain purchases	**(35)**	–
Less: Non-controlling interests	**(40)**	(2)
Goodwill	**618**	225
Total consideration	**937**	491
Satisfied by		
Cash consideration paid	**784**	354
Deferred and contingent consideration payable	**145**	137
Non-cash consideration	**8**	–
Total consideration	**937**	491
Cash flow		
Cash consideration paid	**784**	354
Less: Cash and cash equivalents acquired	**(61)**	(13)
Cash consideration net of cash acquired	**723**	341
Add: Repayment of borrowings acquired through business acquisitions[2]	**431**	–
Add: Acquisition transaction costs[3]	**41**	21
Net cash outflow arising on acquisition	**1,195**	362
Deferred and contingent consideration and other payments relating to businesses acquired in previous years	**61**	48
Total cash outflow from purchase of subsidiary companies	**1,256**	410
Consolidated cash flow statement		
Net cash flow from operating activities[3]	**41**	21
Net cash flow from investing activities	**784**	389
Net cash flow from financing activities[2]	**431**	–
Total cash outflow from purchase of subsidiary companies	**1,256**	410

1. See note 1.
2. Repayment of borrowings acquired through business acquisitions is included in net cash flow from financing activities.
3. Acquisition transaction costs are included in net cash flow from operating activities.

Contingent consideration is an estimate at the date of acquisition of the amount of additional consideration that will be payable in the future. The actual amount paid can vary from the estimate depending on the terms of the transaction and, for example, the actual performance of the acquired business.

27 Acquisition, sale and closure of businesses continued

The goodwill arising on the acquisition of the businesses represents the premium the Group has paid to acquire companies which complement its existing businesses and create significant opportunities for cross-selling and other synergies. The goodwill arising is not expected to be deductible for tax purposes.

The acquisitions did not have a material impact on the Group's revenue or profit for the year. If the acquisitions had occurred on 1 October 2023, they would not have had a material impact on the Group's revenue or profit for the year.

Sale and closure of businesses

The Group has recognised a net loss of $203m (2023: net gain of $24m) on the sale and closure of businesses, including exit costs of $92m (2023: $14m). Activity in the year includes the sale of the Group's businesses in Argentina, Brazil, mainland China and the United Arab Emirates, the exit from Angola and sale of the final 5% shareholding in Highways Royal Co., Limited (Japanese Highways).

A summary of business disposals completed during the year is presented in aggregate below:

	2024 $m	Restated[1] 2023 $m
Net assets disposed		
Goodwill	**71**	33
Other intangible assets	**13**	21
Right-of-use assets	**4**	10
Property, plant and equipment	**26**	22
Interest in joint ventures and associates	**61**	–
Trade and other receivables	**200**	33
Deferred tax assets	**14**	1
Inventories	**21**	11
Tax recoverable	**1**	–
Cash and cash equivalents	**30**	35
Assets held for sale	**5**	32
Lease liabilities	**(4)**	(11)
Provisions	**(14)**	(2)
Current tax liabilities	**(15)**	–
Trade and other payables	**(210)**	(50)
Net assets disposed	**203**	135
Consolidated income statement		
Cash consideration	**319**	102
Deferred consideration	**24**	70
Less: Net assets disposed	**(203)**	(135)
Less: Exit costs	**(92)**	(14)
Less: Loss on step acquisitions	**(1)**	–
(Less)/add: Reclassification of cumulative currency translation differences on sale of businesses[2]	**(250)**	1
Net (loss)/gain on sale and closure of businesses	**(203)**	24
Consolidated cash flow statement		
Cash consideration received	**319**	102
Tax payments arising on disposal of businesses	**(35)**	–
Exit costs paid	**(29)**	(9)
Cash and cash equivalents disposed	**(30)**	(35)
Net proceeds from sale of subsidiary companies, joint ventures and associates net of exit costs	**225**	58

1. See note 1.
2. Includes cumulative foreign exchange gains of $8m (2023: losses of $4m) on net investment hedges (see note 20).

27 Acquisition, sale and closure of businesses continued

Assets and liabilities held for sale

In July 2024, the Group agreed the sale of its businesses in Chile, Colombia and Mexico. The disposals, which are subject to regulatory approval and completion procedures, are expected to complete in the first half of the 2025 financial year. Accordingly, the assets and liabilities of the Group's businesses in Chile, Colombia and Mexico are classified as held for sale at 30 September 2024. The Group's investment in its joint venture in Qatar is also classified as held for sale at 30 September 2024, with a carrying value of $nil.

	Carrying value $m
Assets held for sale	
Goodwill	**13**
Other intangible assets	**1**
Costs to obtain contracts	**1**
Right-of-use assets	**5**
Property, plant and equipment	**12**
Trade and other receivables	**165**
Deferred tax assets	**17**
Inventories	**11**
Tax recoverable	**8**
Cash and cash equivalents	**40**
Total	**273**
Liabilities held for sale	
Lease liabilities	**(6)**
Provisions	**(8)**
Current tax liabilities	**(8)**
Trade and other payables	**(157)**
Total	**(179)**

28 Reconciliation of operating profit to cash generated from operations

Reconciliation of operating profit to cash generated from operations	2024 $m	Restated[1] 2023 $m
Operating profit before joint ventures and associates	**2,540**	2,245
Adjustments for:		
Acquisition-related charges[2]	**194**	132
Charges related to the strategic portfolio review	**170**	118
One-off pension charge	**8**	8
Amortisation – other intangible assets[3]	**150**	134
Amortisation – contract fulfilment assets	**306**	282
Amortisation – contract prepayments	**94**	66
Depreciation – right-of-use assets	**220**	199
Depreciation – property, plant and equipment	**374**	337
Unwind of costs to obtain contracts	**33**	27
Impairment losses – non-current assets[4]	**10**	12
Impairment reversals – non-current assets	**(7)**	(2)
Gain on disposal of property, plant and equipment/intangible assets/contract fulfilment assets	**(5)**	(4)
Other non-cash changes	**–**	(1)
Increase/(decrease) in provisions	**7**	(50)
Investment in contract prepayments	**(213)**	(88)
Increase in costs to obtain contracts[5]	**(47)**	(45)
Post-employment benefit obligations net of service costs	**7**	(21)
Share-based payments – charged to profit	**68**	54
Operating cash flow before movements in working capital	**3,909**	3,403
Increase in inventories	**(36)**	(119)
Increase in receivables	**(670)**	(680)
Increase in payables	**892**	679
Cash generated from operations	**4,095**	3,283

1. See note 1.
2. Includes amortisation and impairment of acquisition intangibles. Excludes acquisition transaction costs of $41m (2023: $21m) as acquisition transaction costs are included in net cash flow from operating activities.
3. Excludes amortisation of acquisition intangibles.
4. Excludes impairment losses of $156m (2023: $60m) included in charges related to the strategic portfolio review.
5. Cash payments in respect of contract balances are classified as cash flows from operating activities, with the exception of contract fulfilment assets which are classified as cash flows from investing activities as they arise out of cash payments in relation to assets that will generate long-term economic benefits. During the year, the purchase of contract fulfilment assets in cash flows from investing activities was $508m (2023: $380m).

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

29 Movements in assets and liabilities arising from financing activities

Movements for the year ended 30 September 2024	Restated[1] 1 October 2023 $m	Cash outflow/ (inflow) $m	Other non-cash movements $m	New lease liabilities and amendments $m	Currency translation (losses)/gains $m	30 September 2024 $m
Borrowings (excluding bank overdrafts)	**(3,915)**	**211**	**(610)**	**–**	**(212)**	**(4,526)**
Lease liabilities	**(1,153)**	**227**	**(25)**	**(325)**	**(39)**	**(1,315)**
Derivative financial instruments	**(221)**	**(46)**	**115**	**–**	**49**	**(103)**
Net movement in assets and liabilities arising from financing activities		**392**				
Purchase of own shares – share buyback		**577**				
Dividends paid to equity shareholders		**963**				
Dividends paid to non-controlling interests		**10**				
Net cash flow from financing activities		**1,942**				

Movements for the year ended 30 September 2023 (restated[1])	1 October 2022 $m	Cash outflow/ (inflow) $m	Other non-cash movements $m	New lease liabilities and amendments $m	Currency translation (losses)/gains $m	30 September 2023 $m
Borrowings (excluding bank overdrafts)	(4,145)	542	(37)	–	(275)	(3,915)
Lease liabilities	(1,019)	215	11	(323)	(37)	(1,153)
Derivative financial instruments	(107)	(157)	(9)	–	52	(221)
Net movement in assets and liabilities arising from financing activities		600				
Purchase of own shares – share buyback		1,148				
Purchase of own shares – employee share-based payments		19				
Purchase of non-controlling interests		10				
Dividends paid to equity shareholders		796				
Dividends paid to non-controlling interests		7				
Net cash flow from financing activities		2,580				

1. See note 1.

Other non-cash movements are as follows:

Other non-cash movements	2024 $m	Restated[1] 2023 $m
Borrowings acquired through business acquisitions	**(431)**	–
Amortisation of fees and discounts on issue of debt	**(4)**	(5)
Changes in fair value of borrowings in a fair value hedge	**(175)**	(32)
Borrowings	**(610)**	(37)
Lease liabilities acquired through business acquisitions	**(35)**	–
Lease liabilities derecognised on sale and closure of businesses	**4**	11
Lease liabilities transferred to held for sale	**6**	–
Lease liabilities	**(25)**	11
Changes in fair value of derivative financial instruments	**115**	(9)
Total	**(520)**	(35)

1. See note 1.

30 Contingent liabilities

Significant accounting policy

Provisions for legal and other claims are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Where it is possible that a settlement will be reached or it is not possible to make a reliable estimate of the amount of the obligation, no provision is recognised, but appropriate disclosure as a contingent liability is made.

Performance bonds, guarantees and indemnities

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of such guarantees relating to the Group's own contracts and/or the Group's share of certain contractual obligations of joint arrangements and associates. Where the Group enters into such arrangements, it does so in order to provide assurance to the beneficiary, typically the client, that it will fulfil its contractual obligations, rather than to provide an insurance contract to compensate the client in the event that it does not fulfil those contractual obligations. The issue of such guarantees and indemnities does not increase the Group's overall exposure and is not in scope of IFRS 17 Insurance Contracts.

Litigation and claims

The Group is involved in various legal proceedings incidental to the nature of its business and maintains insurance cover to reduce financial risk associated with claims related to these proceedings. Where appropriate, provisions are made to cover any potential uninsured losses.

Although it is not possible to predict the outcome or quantify the financial effect of these proceedings, or any claim against the Group related thereto, in the opinion of the directors, any uninsured losses resulting from the ultimate resolution of these matters will not have a material effect on the financial position of the Group. The timing of the settlement of these proceedings or claims is uncertain.

During the period of the Group's ownership of its business in Brazil, which was sold during the year, the federal tax authorities issued notices of deficiency in respect of 2014 and 2017 relating primarily to the PIS/COFINS treatment of certain food costs which we formally objected to and which are proceeding through the appeals process. At 30 September 2024, the total amount assessed in respect of these matters is $87m, including interest and penalties. The possibility of further notices of deficiency for subsequent years during the period of the Group's ownership cannot be ruled out and the judicial process is likely to take a number of years to conclude. Based on the opinion of our local legal advisers, we do not currently consider it likely that we will have to settle a liability with respect to these matters and, on this basis, no provision has been recorded.

The Group is currently subject to audits and reviews in a number of countries that primarily relate to complex corporate tax issues. None of these audits is currently expected to have a material impact on the Group's financial position. We continue to engage with tax authorities and other regulatory bodies on payroll and sales tax reviews, and compliance with labour laws and regulations.

Food safety

In the ordinary course of business, food safety incidents are identified from time to time and our businesses' operations receive external reviews of their food hygiene and safety practices, both on a periodic basis and in connection with identified incidents. At any point, a number of reviews will be ongoing. Although it is not possible to predict the outcome or quantify the financial effect of the outcome of these reviews, or any claim against Group companies related thereto, in the opinion of the directors, any uninsured losses resulting from the ultimate resolution of these ongoing reviews are not expected to have a material effect on the financial position of the Group. The timing of the outcome of these reviews is generally uncertain.

31 Commitments

Contracted for but not provided for	2024 $m	Restated[1] 2023 $m
Client contract intangibles	**89**	88
Contract balances	**790**	696
Property, plant and equipment	**70**	45
Total	**949**	829

1. See note 1.

32 Related party transactions

The following transactions were carried out with related parties of Compass Group PLC:

Subsidiaries

Transactions between the ultimate parent company and its subsidiaries, and between subsidiaries, have been eliminated on consolidation.

Joint ventures

With the exception of the sale of the Group's joint venture in the United Arab Emirates, there were no significant transactions between joint ventures or joint venture partners and the rest of the Group during the year.

Associates

There were no significant transactions with associated undertakings during the year.

Key management personnel

The remuneration of directors and key management personnel is set out in note 4. During the year, there were no other material transactions or balances between the Group and its key management personnel or members of their close families.

Post-employment benefit schemes

Details of the Group's post-employment benefit schemes are set out in note 24.

33 Post-balance sheet events

On 31 October 2024, the Group acquired 100% of the issued share capital of DR Holding (trading as Dupont Restauration), a provider of contract catering services in France, for cash of €296m ($321m). If the acquisition had occurred on 1 October 2023, it would not have had a material impact on the Group's revenue or profit for the year ended 30 September 2024. Given the proximity of the completion date to the date of this Annual Report, certain elements of the acquisition accounting are not yet available. Full disclosures will be provided in the 2025 Half Year Results Announcement and Annual Report.

On 31 October 2024, the Group agreed the sale of its business in Kazakhstan, subject to regulatory approval. The net assets of the business at 30 September 2024 are not material.

On 13 November 2024, the Group entered into an agreement to acquire 4Service AS, a provider of catering and facility management services in Norway, for an enterprise value of approximately NOK5.5bn ($494m). The acquisition is subject to regulatory approval which we expect to receive during the 2025 financial year.

In the period from 1 October to 26 November 2024, 2,356,198 shares were repurchased for a total price, including transaction costs, of $77m under the share buyback announced in November 2023. The share buyback is scheduled to complete by 17 December 2024.

On 26 November 2024, a final dividend in respect of 2024 of 39.1c per share, $664m in aggregate, was proposed.

34 Non-GAAP measures

Introduction

The Executive Committee manages and assesses 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.

In determining the adjustments to arrive at underlying results, we use a set of established principles relating to the nature and materiality of individual items or groups of items, including, for example, events which: (i) are outside the normal course of business; (ii) are incurred in a pattern that is unrelated to the trends in the underlying financial performance of our ongoing business; or (iii) are related to business acquisitions or disposals as they are not part of the Group's ongoing trading business and the associated cost impact arises from the transaction rather than from the continuing business.

Definitions

Measure	Definition	Purpose
Income statement		
Underlying revenue	Revenue plus share of revenue of joint ventures.	Allows management to monitor the sales performance of the Group's subsidiaries and joint ventures.
Underlying operating profit	Operating profit excluding specific adjusting items[2].	Provides a measure of operating profitability that is comparable over time.
Underlying operating margin[1]	Underlying operating profit divided by underlying revenue.	An important measure of the efficiency of our operations in delivering great food and support services to our clients and consumers.
Organic revenue[1]	Current year: Underlying revenue excluding businesses acquired, sold and closed in the year. Prior year: Underlying revenue including a proforma 12 months in respect of businesses acquired in the year and excluding businesses sold and closed in the year translated at current year exchange rates. Where applicable, a 53rd week is excluded from the current or prior year.	Embodies our success in growing and retaining our customer base, as well as our ability to drive volumes in our existing businesses and maintain appropriate pricing levels in light of input cost inflation.
Organic operating profit	Current year: Underlying operating profit excluding businesses acquired, sold and closed in the year. Prior year: Underlying operating profit including a proforma 12 months in respect of businesses acquired in the year and excluding businesses sold and closed in the year translated at current year exchange rates. Where applicable, a 53rd week is excluded from the current or prior year.	Provides a measure of operating profitability that is comparable over time.

1. Key Performance Indicator.
2. See page 211 for definitions of the specific adjusting items and a reconciliation from the statutory to the underlying income statement.

34 Non-GAAP measures continued

Definitions (continued)

Measure	Definition	Purpose
Income statement (continued)		
Underlying finance costs	Finance costs excluding specific adjusting items[2].	Provides a measure of the Group's cost of financing excluding items outside of the control of management.
Underlying profit before tax	Profit before tax excluding specific adjusting items[2].	Provides a measure of Group profitability that is comparable over time.
Underlying income tax expense	Income tax expense excluding tax attributable to specific adjusting items[2].	Provides a measure of income tax expense that is comparable over time.
Underlying effective tax rate	Underlying income tax expense divided by underlying profit before tax.	Provides a measure of the effective tax rate that is comparable over time.
Underlying profit for the year	Profit for the year excluding specific adjusting items[2] and tax attributable to those items.	Provides a measure of Group profitability that is comparable over time.
Underlying profit attributable to equity shareholders (underlying earnings)	Profit for the year attributable to equity shareholders excluding specific adjusting items[2] and tax attributable to those items.	Provides a measure of Group profitability that is comparable over time.
Underlying earnings per share[1]	Earnings per share excluding specific adjusting items[2] and tax attributable to those items.	Measures the performance of the Group in delivering value to shareholders.
Net operating profit after tax (NOPAT)	Underlying operating profit excluding the operating profit of non-controlling interests, net of tax at the underlying effective tax rate.	Provides a measure of Group operating profitability that is comparable over time.
Underlying EBITDA	Underlying operating profit excluding underlying impairment, depreciation and amortisation of intangible assets, tangible assets and contract-related assets.	Provides a measure of Group operating profitability that is comparable over time.
Balance sheet		
Net debt	Bank overdrafts, bank and other borrowings, lease liabilities and derivative financial instruments, less cash and cash equivalents.	Allows management to monitor the indebtedness of the Group.
Net debt to EBITDA	Net debt divided by underlying EBITDA.	Provides a measure of the Group's ability to finance and repay its debt from its operations.
Capital employed	Total equity shareholders' funds, excluding: net debt; post-employment benefit assets and obligations; and investments held to meet the cost of unfunded post-employment benefit obligations.	Provides a measure of the Group's efficiency in allocating its capital to profitable investments.
Return on Capital Employed (ROCE)[1]	NOPAT divided by 12-month average capital employed.	ROCE demonstrates how we have delivered against the various investments we make in the business, be it operational expenditure, capital expenditure or bolt-on acquisitions.

1. Key Performance Indicator.
2. See page 211 for definitions of the specific adjusting items and a reconciliation from the statutory to the underlying income statement.

34 Non-GAAP measures continued

Definitions (continued)

Measure	Definition	Purpose
Cash flow		
Capital expenditure	Purchase of intangible assets, purchase of contract fulfilment assets, purchase of property, plant and equipment and investment in contract prepayments, less proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets.	Provides a measure of expenditure on long-term intangible, tangible and contract-related assets, net of the proceeds from disposal of intangible, tangible and contract-related assets.
Underlying operating cash flow	Net cash flow from operating activities, including purchase of intangible assets, purchase of contract fulfilment assets, purchase of property, plant and equipment, proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets, repayment of principal under lease liabilities and share of results of joint ventures and associates, and excluding interest and net tax paid, post-employment benefit obligations net of service costs, cash payments related to the cost action programme and COVID-19 resizing costs, strategic portfolio review and one-off pension charge, and acquisition transaction costs.	Provides a measure of the success of the Group in turning profit into cash that is comparable over time.
Underlying operating cash flow conversion	Underlying operating cash flow divided by underlying operating profit.	Provides a measure of the success of the Group in turning profit into cash that is comparable over time.
Free cash flow	Net cash flow from operating activities, including purchase of intangible assets, purchase of contract fulfilment assets, purchase of property, plant and equipment, proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets, purchase of other investments, proceeds from sale of other investments, dividends received from joint ventures and associates, interest received, repayment of principal under lease liabilities and dividends paid to non-controlling interests.	Provides a measure of the success of the Group in turning profit into cash that is comparable over time.
Underlying free cash flow[1]	Free cash flow excluding cash payments related to the cost action programme and COVID-19 resizing costs, strategic portfolio review and one-off pension charge, and acquisition transaction costs.	Provides a measure of the success of the Group in turning profit into cash that is comparable over time.
Underlying free cash flow conversion[2]	Underlying free cash flow divided by underlying profit for the year.	Provides a measure of the success of the Group in turning profit into cash that is comparable over time.
Underlying cash tax rate	Net tax paid included in net cash flow from operating activities divided by underlying profit before tax.	Provides a measure of the cash tax rate that is comparable over time.
Business growth		
New business	Current year underlying revenue for the period in which no revenue had been recognised in the prior year.	The measure of incremental revenue in the current year from new business.
Lost business	Prior year underlying revenue for the period in which no revenue has been recognised in the current year.	The measure of lost revenue in the current year from ceased business.
Net new business	New business minus lost business as a percentage of prior year organic revenue.	The measure of net incremental revenue in the current year from business wins and losses.
Retention	100% minus lost business as a percentage of prior year organic revenue.	The measure of our success in retaining business.

1. Key Performance Indicator.
2. Underlying profit for the year has replaced underlying operating profit as the denominator in the calculation of underlying free cash flow conversion.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

34 Non-GAAP measures continued

Reconciliations

Income statement

Underlying revenue and operating profit are reconciled to GAAP measures in note 2 (segmental analysis).

	Geographical segments				
Organic revenue	North America $m	Europe $m	Rest of World $m	Central activities $m	Total $m
Year ended 30 September 2024					
Underlying revenue	**28,581**	**9,887**	**3,708**	–	**42,176**
Organic adjustments	**(105)**	**(570)**	**(480)**	–	**(1,155)**
Organic revenue	**28,476**	**9,317**	**3,228**	–	**41,021**
Year ended 30 September 2023					
Underlying revenue (restated[1])	25,768	8,598	3,850	–	38,216
Currency adjustments	(6)	49	(112)	–	(69)
Underlying revenue – constant currency	25,762	8,647	3,738	–	38,147
Organic adjustments	14	(322)	(764)	–	(1,072)
Organic revenue	25,776	8,325	2,974	–	37,075
Increase in underlying revenue at reported rates – %	**10.9%**	**15.0%**	**(3.7)%**		**10.4%**
Increase in underlying revenue at constant currency – %	**10.9%**	**14.3%**	**(0.8)%**		**10.6%**
Increase in organic revenue – %	**10.5%**	**11.9%**	**8.5%**		**10.6%**

1. See note 1.

	Geographical segments				
Organic operating profit	North America $m	Europe $m	Rest of World $m	Central activities $m	Total $m
Year ended 30 September 2024					
Underlying operating profit/(loss)	**2,335**	**583**	**224**	**(144)**	**2,998**
Underlying operating margin – %	**8.2%**	**5.9%**	**6.0%**		**7.1%**
Organic adjustments	**2**	**(61)**	**(33)**	–	**(92)**
Organic operating profit/(loss)	**2,337**	**522**	**191**	**(144)**	**2,906**
Year ended 30 September 2023					
Underlying operating profit/(loss) (restated[1])	2,019	479	214	(120)	2,592
Underlying operating margin – %	7.8%	5.6%	5.6%		6.8%
Currency adjustments	–	(1)	(11)	(4)	(16)
Underlying operating profit/(loss) – constant currency	2,019	478	203	(124)	2,576
Organic adjustments	1	(24)	(53)	–	(76)
Organic operating profit/(loss)	2,020	454	150	(124)	2,500
Increase in underlying operating profit at reported rates – %	**15.7%**	**21.7%**	**4.7%**		**15.7%**
Increase in underlying operating profit at constant currency – %	**15.7%**	**22.0%**	**10.3%**		**16.4%**
Increase in organic operating profit – %	**15.7%**	**15.0%**	**27.3%**		**16.2%**

1. See note 1.

34 Non-GAAP measures continued

Reconciliations (continued)

Underlying income statement	Notes	2024 Statutory $m	Specific adjusting items 1	2	3	4	5	2024 Underlying $m
Operating profit	2	**2,584**	**235**	**8**	**1**	**170**	**–**	**2,998**
Net loss on sale and closure of businesses		**(203)**	**–**	**–**	**–**	**203**	**–**	**–**
Finance costs	5	**(325)**	**9**	**–**	**–**	**–**	**67**	**(249)**
Profit before tax		**2,056**	**244**	**8**	**1**	**373**	**67**	**2,749**
Income tax expense	6	**(642)**	**(43)**	**(2)**	**(1)**	**1**	**(15)**	**(702)**
Profit for the year		**1,414**	**201**	**6**	**–**	**374**	**52**	**2,047**
Less: Non-controlling interests		**(10)**	**–**	**–**	**–**	**–**	**–**	**(10)**
Profit attributable to equity shareholders		**1,404**	**201**	**6**	**–**	**374**	**52**	**2,037**
Earnings per share (cents)		**82.3c**	**11.8c**	**0.4c**	**–**	**22.0c**	**3.0c**	**119.5c**
Effective tax rate (%)		**31.2%**						**25.5%**

Underlying income statement (restated[1])	Notes	2023 Statutory $m	Specific adjusting items 1	2	3	4	5	2023 Underlying $m
Operating profit	2	2,313	153	8	–	118	–	2,592
Net gain on sale and closure of businesses		24	–	–	–	(24)	–	–
Finance costs	5	(200)	–	–	–	–	34	(166)
Profit before tax		2,137	153	8	–	94	34	2,426
Income tax expense	6	(525)	(32)	(1)	–	(21)	(9)	(588)
Profit for the year		1,612	121	7	–	73	25	1,838
Less: Non-controlling interests		(5)	–	–	–	–	–	(5)
Profit attributable to equity shareholders		1,607	121	7	–	73	25	1,833
Currency adjustments								(15)
Profit attributable to equity shareholders – constant currency								1,818
Earnings per share (cents)		92.2c	7.0c	0.4c	–	4.2c	1.4c	105.2c
Earnings per share – constant currency (cents)								104.3c
Effective tax rate (%)		24.6%						24.2%

1. See note 1.

Specific adjusting items are as follows:

1. Acquisition-related charges
Represent amortisation and impairment charges in respect of intangible assets acquired through business combinations, direct costs incurred through business combinations or other strategic asset acquisitions, business integration costs, changes in consideration in relation to past acquisition activity, other acquisition-related items (see note 3) and, from 2024, net present value adjustments on deferred and contingent consideration payable on business acquisitions (see note 5).

2. One-off pension charge
Mainly reflects a past service cost following a change in legislation in Türkiye eliminating the minimum retirement age requirement for certain employees effective from March 2023 (see note 24).

3. Tax on share of profit of joint ventures
Reclassification of tax on share of profit of joint ventures to income tax expense.

4. Gains and losses on sale and closure of businesses and charges related to the strategic portfolio review
Profits and losses on the sale of subsidiaries, joint ventures and associates, exit costs on closure of businesses (see note 27) and charges in respect of a strategic portfolio review to focus on the Group's core markets (see note 3).

5. Other financing items
Financing items, including hedge accounting ineffectiveness, change in the fair value of derivatives held for economic hedging purposes, change in the fair value of investments and financing items relating to post-employment benefits (see note 5).

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

34 Non-GAAP measures continued

Reconciliations (continued)

Net operating profit after tax (NOPAT)	2024 $m	Restated[1] 2023 $m
Underlying operating profit	**2,998**	2,592
Deduct:		
Tax on underlying operating profit at effective tax rate	**(762)**	(626)
Operating profit of non-controlling interests net of tax	**(10)**	(5)
NOPAT	**2,226**	1,961

1. See note 1.

Underlying EBITDA	2024 $m	Restated[1] 2023 $m
Underlying operating profit	**2,998**	2,592
Add back/(deduct):		
Depreciation of property, plant and equipment and right-of-use assets	**594**	536
Amortisation of other intangible assets, contract fulfilment assets and contract prepayments[2]	**550**	482
Impairment losses –non-current assets[3]	**10**	12
Impairment reversals –non-current assets	**(7)**	(2)
Underlying EBITDA	**4,145**	3,620

1. See note 1.
2. Excludes amortisation of acquisition intangibles.
3. Excludes impairment losses of $156m (2023: $60m) included in charges related to the strategic portfolio review.

Balance sheet

Components of net debt	2024 $m	Restated[1] 2023 $m
Borrowings	**(4,596)**	(4,114)
Lease liabilities	**(1,315)**	(1,153)
Derivative financial instruments	**(103)**	(221)
Gross debt	**(6,014)**	(5,488)
Cash and cash equivalents	**623**	1,029
Net debt	**(5,391)**	(4,459)

1. See note 1.

Net debt reconciliation	2024 $m	Restated[1] 2023 $m
Net decrease in cash and cash equivalents	**(296)**	(1,273)
(Deduct)/add back:		
Increase in borrowings	**(1,381)**	(1)
Repayment of borrowings	**1,161**	543
Repayment of borrowings acquired through business acquisitions	**431**	–
Net cash flow from derivative financial instruments	**(46)**	(157)
Repayment of principal under lease liabilities	**227**	215
Decrease/(increase) in net debt from cash flows	**96**	(673)
New lease liabilities and amendments	**(325)**	(323)
Borrowings acquired through business acquisitions	**(431)**	–
Amortisation of fees and discounts on issue of debt	**(4)**	(5)
Changes in fair value of borrowings in a fair value hedge	**(175)**	(32)
Lease liabilities acquired through business acquisitions	**(35)**	–
Lease liabilities derecognised on sale and closure of businesses	**4**	11
Changes in fair value of derivative financial instruments	**115**	(9)
Currency translation losses	**(143)**	(91)
Increase in net debt	**(898)**	(1,122)
Net debt at 1 October	**(4,459)**	(3,337)
Cash and lease liabilities transferred to held for sale	**(34)**	–
Net debt at 30 September	**(5,391)**	(4,459)

1. See note 1.

34 Non-GAAP measures continued

Reconciliations (continued)

Net debt to EBITDA	2024 $m	Restated[1] 2023 $m
Net debt	**(5,391)**	(4,459)
Underlying EBITDA	**4,145**	3,620
Net debt to EBITDA (times)	**1.3**	1.2

1. See note 1.

Return on capital employed (ROCE)	2024 $m	Restated[1] 2023 $m
NOPAT	**2,226**	1,961
Average capital employed	**11,722**	10,138
ROCE (%)	**19.0%**	19.3%

1. See note 1.

Cash flow

Capital expenditure	2024 $m	Restated[1] 2023 $m
Purchase of intangible assets	**329**	263
Purchase of contract fulfilment assets	**508**	380
Purchase of property, plant and equipment	**572**	445
Investment in contract prepayments	**213**	88
Proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets	**(81)**	(78)
Capital expenditure	**1,541**	1,098

1. See note 1.

Underlying operating cash flow	2024 $m	Restated[1] 2023 $m
Net cash flow from operating activities	**3,135**	2,536
Purchase of intangible assets	**(329)**	(263)
Purchase of contract fulfilment assets	**(508)**	(380)
Purchase of property, plant and equipment	**(572)**	(445)
Proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets	**81**	78
Repayment of principal under lease liabilities	**(227)**	(215)
Share of results of joint ventures and associates	**44**	68
Add back/(deduct):		
Interest paid	**267**	208
Net tax paid	**693**	539
Post-employment benefit obligations net of service costs[2]	**(7)**	11
Cash payments related to the cost action programme and COVID-19 resizing costs	**8**	35
Cash payments related to the strategic portfolio review	**8**	24
Cash payments related to the one-off pension charge	**8**	11
Acquisition transaction costs	**41**	21
Underlying operating cash flow	**2,642**	2,228

1. See note 1.
2. 2023 excludes $10m of cash payments related to the one-off pension charge.

Underlying operating cash flow conversion	2024 $m	Restated[1] 2023 $m
Underlying operating cash flow	**2,642**	2,228
Underlying operating profit	**2,998**	2,592
Underlying operating cash flow conversion (%)	**88.1%**	86.0%

1. See note 1.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

34 Non-GAAP measures continued

Reconciliations (continued)

Free cash flow	2024 $m	Restated[1] 2023 $m
Net cash flow from operating activities	**3,135**	2,536
Purchase of intangible assets	**(329)**	(263)
Purchase of contract fulfilment assets	**(508)**	(380)
Purchase of property, plant and equipment	**(572)**	(445)
Proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets	**81**	78
Purchase of other investments	**(2)**	(4)
Proceeds from sale of other investments[2]	**3**	4
Dividends received from joint ventures and associates	**65**	60
Interest received	**39**	61
Repayment of principal under lease liabilities	**(227)**	(215)
Dividends paid to non-controlling interests	**(10)**	(7)
Free cash flow	**1,675**	1,425

1. See note 1.
2. 2024 excludes $327m received in respect of the sale of the Group's 19% effective interest in ASM Global Parent, Inc. in August 2024.

Underlying free cash flow	2024 $m	Restated[1] 2023 $m
Free cash flow	**1,675**	1,425
Add back:		
Cash payments related to the cost action programme and COVID-19 resizing costs	**8**	35
Cash payments related to the strategic portfolio review	**8**	24
Cash payments related to the one-off pension charge	**8**	11
Acquisition transaction costs	**41**	21
Underlying free cash flow	**1,740**	1,516

1. See note 1.

Underlying free cash flow conversion	2024 $m	Restated[1,2] 2023 $m
Underlying free cash flow	**1,740**	1,516
Underlying profit for the year	**2,047**	1,838
Underlying free cash flow conversion (%)	**85.0%**	82.5%

1. See note 1.
2. As underlying free cash flow includes interest and tax cash flows, 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% in 2024 (2023: 58.5%) using underlying operating profit as the denominator.

Underlying cash tax rate	2024 $m	Restated[1] 2023 $m
Tax received	**18**	31
Tax paid	**(711)**	(570)
Net tax paid	**(693)**	(539)
Underlying profit before tax	**2,749**	2,426
Underlying cash tax rate (%)	**25.2%**	22.2%

1. See note 1.

Business growth

Net new business	2024 $m	Restated[1] 2023 $m
New business less lost business	**1,573**	1,472
Prior year organic revenue	**37,075**	31,872
Net new business (%)	**4.2%**	4.6%

1. See note 1.

35 Exchange rates

Average rates are used to translate the income statement and cash flow statement. Closing rates are used to translate the balance sheet. Only the most significant currencies are shown.

	2024	2023
Average exchange rate for the year		
Australian dollar	**1.51**	1.51
Brazilian real	**5.20**	5.09
Canadian dollar	**1.36**	1.35
Euro	**0.92**	0.94
Japanese yen	**150.03**	140.07
Pound sterling	**0.79**	0.82
Turkish lira	**31.33**	21.51
Closing exchange rate at 30 September		
Australian dollar	**1.44**	1.55
Brazilian real	**5.45**	5.00
Canadian dollar	**1.35**	1.35
Euro	**0.90**	0.94
Japanese yen	**143.04**	149.22
Pound sterling	**0.75**	0.82
Turkish lira	**34.19**	27.41

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

36 Details of related undertakings of Compass Group PLC

A full list of related undertakings as at 30 September 2024 is set out below. Related undertakings include: wholly-owned subsidiary undertakings, joint arrangements, memberships, and associates. Unless otherwise stated, the Group's shareholding represents 100% ordinary shares held indirectly by Compass Group PLC.

Principal subsidiaries	Principal activities
Australia	
Ground Floor 35 – 51 Mitchell Street, McMahons Point, NSW 2060, Australia	
Compass Group (Australia) Pty Limited	Food and support services
Belgium	
1831 Diegem, Hermeslaan 1H, Belgium	
Compass Group Belgium NV	Food services
Canada	
1 Prologis Boulevard, Suite 400, Mississauga, Ontario L5W 0G2, Canada	
Compass Group Canada Ltd. Groupe Compass Canada Ltée (iii)(iv)(v)(vi)(viii)	Food and support services
Chile	
Av. Las Condes 11.774, 7th floor, Vitacura, Santiago, Chile	
Compass Catering Y Servicios Chile Limitada	Food and support services
Denmark	
Rued Langgards Vej 8, 1. sal, 2300 København S, Denmark	
Compass Group Danmark A/S	Food services
Finland	
P.O. Box 210, FI-00281 Helsinki, Finland	
Compass Group Finland Oy	Food services
France	
123 Avenue de la République – Hall A, 92320 Châtillon, France	
Compass Group France Holdings SAS	Holding company
Compass Group France SAS	Food and support services
Germany	
Helfmann-Park 2, 65760, Eschborn, Germany	
Compass Group Deutschland GmbH	Holding company
Eurest Deutschland GmbH	Food services to Business and Industry
Eurest Services GmbH	Support services to Business and Industry
Italy	
Via Angelo Scarsellini, 14, 20161, Milano, Italy	
Compass Group Italia S.p.A.	Food and support services
Japan	
Hamarikyu Kensetsu Plaza, 5-5-12, Tsukiji, Chuo-ku, Tokyo 104-0045, Japan	
Compass Group Japan Inc.	Food and support services
Netherlands	
Haaksbergweg 70, 1101 BZ, Amsterdam, Netherlands	
Compass Group International B.V.	Holding company
Compass Group Nederland B.V.	Food and support services
Compass Group Nederland Holding B.V.	Holding company
Norway	
Drengsrudbekken 12, 1383, PO Box 74, NO-1371, Asker, Norway	
Compass Holding Norge AS	Holding company
Spain	
Calle Pinar de San José 98 planta 1ª 28054 Madrid, Spain	
Eurest Colectividades S.L.U.	Food and support services
Sweden	
Box 1183, 171 23 Solna, Stockholm, Sweden	
Compass Group Sweden AB	Holding company
Switzerland	
Oberfeldstrasse 14, 8302, Kloten, Switzerland	
Compass Group (Schweiz) AG	Food and support services
Türkiye	
Ünalan Mah. Libadiye Cad. Emaar Square Sit. F Blok No:82F/77 Üsküdar Istanbul, Türkiye	
Sofra Yemek Űretim Ve Hizmet A.Ş. (iii)	Food and support services
United Kingdom	
Parklands Court, 24 Parklands, Birmingham Great Park, Rubery, Birmingham, B45 9PZ, United Kingdom	
Compass Contract Services (U.K.) Limited	Food and support services
Compass Group, UK and Ireland Limited	Holding company
Foodbuy Europe Limited (iii)(iv)	Client procurement services management in the UK
Compass House, Guildford Street, Chertsey, Surrey, KT16 9BQ, United Kingdom	
Compass Group Holdings PLC (i)(iii)	Holding company and corporate activities
Hospitality Holdings Limited (i)	Intermediate holding company
United States	
2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505, US	
Bon Appétit Management Co. (viii)	Food services
251 Little Falls Drive, Wilmington, DE 19808, US	
Compass Group USA Investments Inc.	Holding company
Compass Group USA, Inc. (viii)	Food and support services
Crothall Services Group	Support services to the Healthcare market
Foodbuy, LLC	Purchasing services in North America
Markvend Co.	Vending, coffee, dining and micro market services
Restaurant Associates Corp.	Fine dining facilities
80 State Street, Albany, NY 12207-2543, US	
Flik International Corp.	Fine dining facilities
801 Adlai Stevenson Drive, Springfield, IL 62703, US	
Levy Restaurant Limited Partnership	Fine dining and food service at Sports and entertainment facilities
2 Sun Court, Suite 400, Peachtree Corners, GA 30092, US	
Morrison Management Specialists, Inc. (viii)	Food services to the Healthcare and Senior Living market

Notes
1. Unless stated otherwise, country shown is place of incorporation.
2. In some of the jurisdictions where we operate, share classes are not defined and in these instances, for the purposes of disclosure, we have classified these holdings as ordinary.
3. A number of the companies listed are legacy companies which no longer serve any operational purpose.

Classifications key
(i) Directly owned by Compass Group PLC
(ii) Dormant/non-trading
(iii) A Ordinary shares
(iv) B Ordinary shares
(v) C Ordinary and/or Special shares
(vi) D, E and/or F Ordinary shares
(vii) Deferred shares
(viii) Preference including cumulative, non-cumulative and redeemable shares
(ix) Redeemable shares
(x) No share capital, share of profits
(xi) Limited by guarantee

36 Details of related undertakings of Compass Group PLC continued

Other wholly owned subsidiaries

Algeria

Eurojapan Résidence No.23, RN n°3 BP 398, Hassi Messaoud, Algeria

Eurest Algerie SPA

Angola

Condominio Dolce Vita, Via S8, Edifício 1D, Fração A & B, 2º andar, Talatona, Município de Belas, Luanda, República de Angola

Express Support Services, Limitada

Australia

Ground Floor 35 – 51 Mitchell Street, McMahons Point, NSW 2060, Australia

28 Villages Pty Ltd
Compass (Australia) Catering & Services PTY Ltd (iii)(iv)
Compass Group B&I Hospitality Services PTY Ltd
Compass Group Defence Hospitality Services PTY Ltd
Compass Group Education Hospitality Services PTY Ltd
Compass Group Events Stadia Venues Hospitality Services Pty Ltd
Compass Group Healthcare Hospitality Services PTY Ltd
Compass Group Health Services Pty Ltd
Compass Group Management Services PTY Ltd
Compass Group Relief Hospitality Services PTY Ltd
Compass Group Remote Hospitality Services PTY Ltd
Delta Facilities Management PTY Ltd
Delta FM Australia PTY Ltd
Eurest (Australia) Food Services PTY Ltd
Eurest (Australia) PTY Ltd
Foodbuy Pty Ltd
HEC Hospitality Services Pty Ltd
Omega Security Services PTY Ltd
Village Hospitality Holdings Pty Ltd
Village Hospitality Services Pty Ltd

Austria

Ignaz-Köck-Str. 8/6, 1210 Vienna, Austria

Die Menü-Manufaktur GmbH

IZD Tower, Wagramer Strasse 19/4. Stock, 1220 Wien, Austria

Compass Group Austria Holdings One GmbH
Compass Group Austria Holdings Two GmbH
Eurest Restaurationsbetriebsgesellschaft m.b.H
Kunz Gebäudereinigung GmbH

Belgium

1831 Diegem, Hermeslaan 1H, Belgium

Compass Group Service Solutions NV
F.L.R. Holding NV (ii)
Xandrion Belgie BV

Boomseseenweg 28, 2627 Schelle, Belgium

J&M Catering Services NV
Flinckheuvel BV
Silverspoon BV

Gemeentepark 5, 2930 Brasschaat, Belgium

Kasteel Van Brasschaat NV

British Virgin Islands

Craigmuir Chambers, PO Box 71, Roadtown, Tortola, VG1110, British Virgin Islands

Compass Group Holdings (BVI) Limited

Cambodia

c/o Action Group Ltd., No.12, Street 614, Sangkat Boeung Kok II, Khan Tuol Kork, Phnom Penh City, Cambodia

Compass Group (Cambodia) Co. Ltd. (ii)

Cameroon

100, Rue n° 1044 Hydrocarbures, Bonapriso, BP 5767, Douala, Cameroon

Eurest Cameroun SARL (ii)
Eurest Camp Logistics Cameroun SARL (ii)

Canada

12 Kodiak Crescent, Toronto, Ontario, M3J 3G5, Canada

Imperial Coffee and Services Inc. (iii)(iv)(v)

1 Prologis Boulevard, Suite 400, Mississauga, Ontario L5W 0G2, Canada

Canteen of Canada Limited (iii)
Compass Canada Support Services Ltd (iii)(iv)(v)(vi)(viii)
Compass Group Canada Operations Ltd (iii)
GoJava Inc. (iii)(viii)

1600-421 7 Avenue SW, Calgary, Alberta T2P 4K9, Canada

McMurray Coin Machines (1983) Ltd

1969 Upper Water Street, Purdy's Wharf Tower II, Suite 1300, Halifax, Nova Scotia B3J 3R7, Canada

Crothall Services Canada Inc. (iii)(iv)

5B rue De Montgolfier, Boucherville, Québec, J4B 8C4, Canada

Caf-Caf Inc. (iii)(iv)(v)(vi)

1959 Upper Water Street, Suite 1100, Halifax, Nova Scotia, B3J 3E5, Canada

East Coast Catering (NS) Limited (iii)

30 Queen's Road, St. John's, Newfoundland and Labrador, A1C 2A5, Canada

East Coast Catering Limited (iii)(iv)(v)(viii)
Long Harbour Catering Limited Partnership (x)
Long Harbour Catering Limited (iii)(viii)

2580 Rue Dollard, Lasalle, Quebec, H8N 1T2, Canada

Groupe Compass (Québec) Ltée (iii)(iv)(v)(vi)(viii)

Chile

Av. Las Condes 11.774, 7th floor, Vitacura, Santiago, Chile

Cadelsur S.A.
Compass Catering S.A.
Compass Servicios S.A.
Scolarest S.A.

Colombia

Calle 98#11B – 29 Bogotá – Colombia

Compass Group Services Colombia S.A.

Congo

Enceinte de Brometo Centre Ville, BP 5208, Pointe-Noire, The Democratic Republic of the Congo

Eurest Services Congo SARL (ii)

Cyprus

195, Arch. Makariou III Avenue, Neocleous House, 3030 Limassol, Cyprus

Eurest Support Services (Cyprus) International Ltd

France

123 Avenue de la République – Hall A, 92320 Châtillon, France

Academie Formation Groupe Compass SAS
Caterine Restauration SAS
Eurest Sports & Loisirs SAS
La Puyfolaise de Restauration SAS
Levy Restaurants France SAS
Mediance SAS
Memonett SAS
Servirest SAS
SHRM Angola SAS (ii)
Société Nouvelle Lecocq SAS
Sud Est Traiteur SAS

Rue des Artisans, ZA de Bel Air, 12000 Rodez, France

Central Restauration Martel (CRM)

Zone Artisanale, 40500 Bas Mauco, France

Culinaire Des Pays de L'Adour SAS

40, Bd de Dunkerque, 13002 Marseille, France

Société International D'Assistance SA (ii)

Lieu Dit la Prade, 81580 Soual, France

Occitanie Restauration SAS

3 rue Camille Claudel Atlanparc Bat.M, Zone Kerluherne, CS 20043, 56890 Plescop, France

Océane de Restauration SAS

Rue Eugène Sué, Zone Industrielle de Blanzat, 03100 Montluçon, France

Sogirest SAS

Gabon

ZONE OPRAG, (Face á Bernabé Nouveau Port), BP 1292, Port Gentil, Gabon

Eurest Support Services Gabon SA (ii)

Germany

Adelbert-Hofmann-Straße 6, 97944 Boxberg, Germany

Hofmann Catering-Service GmbH
Hofmann-Menü Holdings GmbH
Hofmann Menü-Manufaktur GmbH

Adolphsplatz 1, 20457 Hamburg, Germany

Maison van den Boer Deutschland GmbH

Helfmann-Park 2, 65760, Eschborn, Germany

Compass Group GmbH
Eurest Süd GmbH
Food affairs GmbH
Kanne Café GmbH
Medirest GmbH
MU Catering Bremen GmbH

Konrad-Zuse-Platz 2, 81829 München, Germany

Leonardi HPM GmbH
Leonardi SVM GmbH
Levy Restaurants GmbH

Sankt-Florian-Weg 1, 30880, Laatzen, Germany

orgaMed Betriebsgesellschaft für Zentralsterilisationen GmbH
PLURAL Gebäudemanagement GmbH
PLURAL Personalservice GmbH
PLURAL Servicepool GmbH

Guernsey

Plaza House, Third Floor, Elizabeth Avenue, St. Peter Port, Guernsey GY1 2HU

Compass Group Finance Ltd

Hong Kong

Room 805, 8/F, New Kowloon Plaza, 38 Tai Kok Tsui Road, Kowloon, Hong Kong

Compass Group Hong Kong Ltd
Encore Catering Ltd
Shing Hin Catering Group Ltd

India

7th Floor, Tower B, Spaze I – Tech Park, Sector 49, Sohna Road, Gurgaon – 122018, India

Compass Group (India) Private Limited
Compass India Food Services Private Limited

36 Details of related undertakings of Compass Group PLC continued

Ireland

3rd Floor, 43a, Yeats Way, Parkwest Business Park, Dublin 12, Ireland

Amstel Limited (ii)
Catering Management Ireland Limited (ii)
Cheyenne Limited (ii)
Compass Catering Services, Ireland Limited
COH Ireland Investments Unlimited Company (viii)(ix)
Drumburgh Limited (ii)
Fitzers Catering Events, Venue & Location Catering Limited
Management Catering Services Limited
National Catering Limited (ii)
Rushmore Investment Company Limited (ii)(viii)
Sutcliffe Ireland Limited
Zadca Limited (ii)

Unit 3, 2050 Orchard Avenue, Cooldown Commons, Dublin, Ireland

Levy Ireland Limited

Unit 3, Northwest Business Park, Blanchardstown, Dublin 15, Ireland

Glanmore Foods Limited

79 Fitzwilliam Lane, Dublin 2, Dublin, D02 V567, Ireland

Gather & Gather International Limited
Gather & Gather Ireland Limited

Isle of Man

Tower House, Loch Promenade, Douglas, IM1 2LZ, Isle of Man

Queen's Wharf Insurance Services Limited (viii)

Japan

Hamarikyu Kensetsu Plaza, 5-5-12, Tsukiji, Chuo-ku, Tokyo 104-0045, Japan

Fuyo, Inc.

Jersey

44 Esplanade, St Helier, JE4 9WG, Jersey

Malakand Unlimited (i)

Kazakhstan

060011, Atyrauskaya Oblast, Atyrau City, Beibarys Sultan Avenue 506, Kazakhstan

Compass Kazakhstan LLP
Eurest Support Services Kazakhstan LLP (ii)
ESS Support Services LLP

Mangilik El Avenue, Building 55/23, Block C4.4, Office No.133, Esil district, Astana, Z05T3F6, Republic of Kazakhstan

EC Holding Limited

Kenya

209/8919 Sigma Road Off Enterprises Road, PO BOX 14 662, Nairobi, Kenya

Kenya Oilfield Services Ltd (ii)

Luxembourg

1-5 rue de l'Innovation, L-1896 Kockelscheuer, Luxembourg

Eurest Luxembourg S.A.
IMMO Capellen S.A.
Innoclean S.A.
Novelia Senior Services S.A.

Malaysia

Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia

Compass Group Malaysia Sdn Bhd

Mexico

Calle Jaime Balmes 11, Oficina 101 letra D, Colonia Los Morales Polanco, Alcaldía Miguel Hidalgo, 11510 Ciudad de México, Mexico

Compass México Servicios de Soporte, S.A. De C.V. (iii)(iv)
Eurest Proper Meals de Mexico S.A. de C.V. (iii)(iv)
Servicios Corporativos Eurest-Proper Meals de Mexico S.A. De C.V. (iii)(iv)

251 Little Falls Drive, Wilmington, DE 19808, USA

Food Works of Mexico, S. de R.L. de C.V. (ii)(iii)(iv)
Food Works Services of Mexico, S. de R.L. De C.V. (ii)(iii)(iv)

Netherlands

Haaksbergweg 70, 1101 BZ, Amsterdam, Netherlands

CGI Holdings (2) B.V.
Compass Group Finance Netherlands B.V.
Compass Group Holding B.V.
Compass Group International 2 B.V.
Compass Group International 3 B.V.
Compass Group International 4 B.V.
Compass Group International 5 B.V.
Compass Group International 9 B.V.
Compass Group International Finance 1 B.V.
Compass Group International Finance 2 B.V.
Compass Group Vending Holding B.V.
Compass Hotels Chertsey B.V.
Eurest Services B.V.
Famous Flavours B.V. (viii)

Middenweg 168e, 1782BL Den Helder, Netherlands

Eurest Support Services (ESS) B.V.

De Amert 207, 5462GH, Veghel, Netherlands

Maison van den Boer B.V.

Stationsweg 95, 6711 PM Ede, Netherlands

Xandrion B.V.

New Caledonia

85 Avenue du Général de Gaulle, Immeuble Carcopino 3000, BP 2353, 98846 Nouméa Cedex, New Caledonia

Eurest Caledonie SARL (ii)

New Zealand

Level 3, 7-11 Kenwyn Street, Parnell, Auckland, 1052, New Zealand

Compass Group New Zealand Limited
Crothall Services Group Limited (ii)
Eurest NZ Limited (ii)

Norway

Drengsrudbekken 12, 1383, PO Box 74, NO-1371, Asker, Norway

Compass Group Norge AS (iii)

Forusparken 2, 4031 Stavanger, Postboks 8083 Stavanger Postterminal, 4068, Stavanger, Norway

ESS Mobile Offshore Units AS
ESS Support Services AS

Papua New Guinea

c/o Warner Shand Lawyers Waigani, Level 1 RH Hypermarket, Allotment 1 Section 479 (off Kennedy Road), Gordons NCD, Papua New Guinea

Eurest (PNG) Catering & Services Ltd (ii)

Philippines

37F Cyberscape Gamma. Topaz and Ruby Roads. Ortigas Center, Pasig City

Compass Group Philippines Inc (ii)

Poland

Ul. Olbrachta 94, 01-102 Warszawa, Poland

Compass Group Poland Sp. Z o.o.

Portugal

Edíficio Prime, Avenida Quinta Grande, 53-60, Alfragide 2614-521 Amadora, Portugal

Eurest (Portugal) – Sociedade Europeia de Restaurantes, Lda.
Eurest Catering & Services Group Portugal, Lda.

Singapore

82 Ubi Avenue 4, #07-03 Edward Boustead Centre, 408832, Singapore

Compass Group (Singapore) PTE Ltd (iii)(iv)

8 Marina Boulevard, # 05-02, Marina Bay Financial Centre, 018981, Singapore

Compass Group Asia Pacific PTE. Ltd (ii)

Spain

Calle Frederic Mompou 5, planta 5a, Edificio Euro 3, 08960, San Just Desvern, Barcelona, Spain

Asistentes Escolares, S.L.
Eurest Catalunya, S.L.U.
Medirest Social Residencias, S.L.U.

Calle Castilla 8-10 – C.P. 50.009, Zaragoza, Spain

Servicios Renovados de Alimentacion, S.A.U.

Calle Pinar de San José 98, Planta 1a, 28054, Madrid, Spain

Eurest Parques, S.L.U.
Eurest Servicios Feriales, S.L.U.

Poligono Ugaldeguren 1, Parcela 7, 48160 Derio (Vizcaya), Spain

Eurest Euskadi S.L.U.

Calle R, s/n, Mercapalma, 07007 Palma de Mallorca, Baleares, Spain

Compass Group Holdings Spain, S.L.U.
Levy Compass Group Holdings, S.L. (ii)

Sweden

Box 1183, 171 23 Solna, Stockholm, Sweden

Compass Group AB

Switzerland

c/o BDO AG, Industriestrasse 53, 6312 Steinhausen, Switzerland

Creative New Food Dream Steam GmbH

c/o Buchhaltungs- und Revisions – AG, Bundesstrasse 3, 6302 Zug, Switzerland

Hofmann Swiss Prime Menue AG

Gwattstrasse 8, 3185 Schmitten FR, Switzerland

Sevita Group GmbH

Oberfeldstrasse 14, 8302, Kloten, Switzerland

Restorama AG

Türkiye

Ünalan Mah. Libadiye Cad. Emaar Square Sit. F Blok No:82F/73 Üsküdar Istanbul, Türkiye

Euroserve Gűvenlik A.Ş.

Ünalan Mah. Libadiye Cad. Emaar Square Sit. F Blok No:82F/78 Üsküdar Istanbul, Türkiye

Euroserve Hizmet ve İşletmecilik A.Ş.

Ünalan Mah. Libadiye Cad. Emaar Square Sit. F Blok No:82F/74 Üsküdar Istanbul, Türkiye

Turkaş Gıda Hizmet ve İşletmecilik A.Ş.

36 Details of related undertakings of Compass Group PLC continued

United Kingdom

Parklands Court, 24 Parklands, Birmingham Great Park, Rubery, Birmingham, B45 9PZ, United Kingdom

14Forty Limited (ii)
3 Gates Services Limited (ii)
A.C.M.S. Limited (ii)
Air Publishing Limited
Bateman Catering Limited (ii)(vii)
Bateman Healthcare Services Limited (ii)
Baxter and Platts Limited (iii)(iv)(v)
Bromwich Catering Limited (ii)
Business Clean Limited (ii)
Capitol Catering Management Services Limited
Carlton Catering Partnership Limited (ii)(iii)
Castle Independent Limited (ii)
Cataforce Limited (ii)
Caterexchange Limited (ii)
Caterskill Group Limited (ii)
Caterskill Management Limited (ii)
Chalk Catering Ltd (ii)
Chartwells Hounslow (Feeding Futures) Limited (iii)(iv)
Chartwells Limited (ii)
Circadia Limited (ii)
Cleaning Support Services Limited (ii)
Compass Accounting Services Limited (ii)
Compass Catering Services Limited (ii)
Compass Cleaning Services Limited (ii)
Compass Contract Services Limited (ii)
Compass Contracts UK Limited (ii)(viii)
Compass Experience Limited (ii)(vii)
Compass Food Services Limited
Compass Group Medical Benefits Limited (ii)
Compass Mobile Catering Limited (ii)
Compass Office Cleaning Services Limited (ii)
Compass Payroll Services Limited (ii)
Compass Planning and Design Limited (ii)
Compass Purchasing Limited
Compass Road Services Limited (ii)
Compass Security Limited (ii)(vii)
Compass Security Oldco Group Limited (ii)
Compass Security Oldco Holdings Limited (ii)
Compass Security Oldco Investments Limited (ii)
Compass Services (Midlands) Limited (ii)
Compass Services for Hospitals Limited (ii)(viii)
Compass Services Group Limited (ii)
Compass Services Limited (ii)
Compass Services Trading Limited (ii)
Compass Services, UK and Ireland Limited
Compass Services (U.K.) Limited
Compass Staff Services Limited (ii)
Cookie Jar Limited (ii)
CRBS Resourcing Limited (ii)
CRN 1990 (Four) Limited (ii)
Customised Contract Catering Limited (ii)
Cygnet Food Holdings Limited (ii)
Cygnet Foods Limited
Dine Contract Catering Limited
DRE Developments Limited (ii)
E-Foods Limited
Eat Dot Limited (ii)(iii)
Eaton Catering Limited (ii)
Eaton Wine Bars Limited (ii)
EF Group Ltd (iii)(iv)
Elvendon Restaurants Limited
Equinoxe Solutions Limited
Eurest Airport Services Limited (ii)
Eurest Defence Support Services Limited (ii)
Eurest Offshore Support Services Limited (ii)(viii)
Eurest Prison Support Services Limited (ii)
Eurest UK Limited (ii)
Everson Hewett Limited (ii)(iii)(iv)
Facilities Management Catering Limited (ii)
Fads Catering Limited (ii)
Fairfield Catering Company Limited (ii)
Fingerprint Managed Services Limited (ii)
Funpark Caterers Limited (ii)(iii)
Goodfellows Catering Management Services Limited (ii)
Gruppo Events Limited (ii)
Hallmark Catering Management Limited (ii)
Hamard Catering Management Services Limited (ii)(vii)
Hamard Group Limited (ii)
Henry Higgins Limited (ii)
Hospital Hygiene Services Limited (ii)
Integrated Cleaning Management Limited
Integrated Cleaning Management Support Services Limited
Keith Prowse Limited (ii)
Kennedy Brookes Finance Limited (ii)
Knott Hotels Company of London (ii)
Langston Scott Limited (ii)
Leisure Support Services Limited (iii)(iv)
Leith's Limited (ii)
Letheby & Christopher Limited (ii)
Meal Service Company Limited (ii)
Milburns Catering Contracts Limited (ii)
Milburns Limited (ii)
Milburns Restaurants Limited (ii)(iii)
National Leisure Catering Limited (ii)
NLC (Holdings) Limited (ii)
NLC (Wembley) Limited (ii)
P & C Morris (Catering) Ltd (ii)(vii)
P & C Morris Catering Group Limited (ii)
Payne & Gunter Limited (ii)
Pennine Services Limited (ii)
Peter Parfitt Leisure Overseas Travel Limited (ii)
Peter Parfitt Sport Limited (ii)(vii)
PPP Infrastructure Management Limited
Prideoak Limited (ii)
QCL Limited (ii)
Regency Purchasing Group Limited (iii)(iv)(v)(vi)
Regency Technologies Ltd (iii)(iv)
Reliable Refreshments Limited
Rhine Four Limited (ii)(vii)
Rocket Food Ltd (iii)
Roux Fine Dining Limited (ii)
Scolarest Limited (ii)
Security Office Cleaners Limited (ii)
Selkirk House (CVH) Limited (ii)
Selkirk House (FP) Limited (ii)(iii)(iv)(v)
Selkirk House (GHPL) Limited (ii)(viii)
Selkirk House (GTP) Limited (ii)
Selkirk House (WBRK) Limited
Shaw Catering Company Limited
Ski Class Limited (ii)
Solutions on Systems Ltd (ii)
Summit Catering Limited (ii)
Sunway Contract Services Limited
Sutcliffe Catering Midlands Limited (ii)
Sutcliffe Catering South East Limited (ii)
Sycamore Newco Limited (ii)
The Bateman Catering Organization Limited (ii)(viii)
The Cuisine Centre Limited (ii)
THF Oil Limited (ii)
Tunco (1999) 103 Limited (ii)
Vendepac Holdings Limited (viii)
Vivo Markets Ltd
Waseley Fifteen Limited (ii)
Waseley Nominees Limited (ii)
Wembley Sports Arena Limited (ii)
Wheeler's Restaurants Limited (ii)(vii)
Woodin & Johns Limited (ii)

Compass House, Guildford Street, Chertsey, Surrey, KT16 9BQ, United Kingdom

Audrey (London) Limited (ii)
Audrey Investments Limited (ii)
Bateman Services Limited (ii)
Compass Group Finance No.2 Limited (i)
Compass Group Finance No.3 Limited
Compass Group Finance No.4 Limited (i)(iii)(iv)(viii)
Compass Group Finance No.5 Limited (i)(ii)(xi)
Compass Group North America Investments No.2
Compass Group North America Investments Limited
Compass Group Pension Trustee Company Limited (ii)
Compass Group Procurement Limited
Compass Group Trustees Limited (ii)
Compass Healthcare Group Limited (ii)(viii)
Compass Hotels Chertsey (iii)
Compass Nominee Company Number Fourteen Limited (ii)
Compass Overseas Holdings Limited
Compass Overseas Holdings No.2 Limited
Compass Overseas Services Limited (ii)
Compass Pension Trustees Limited (ii)
Compass Quest Limited (ii)
Compass Secretaries Limited (ii)
Compass Site Services Limited (ii)(vii)
Compass UK Pension Trustee Co Limited (ii)
CRISP Trustees Limited (ii)
Meritglen Limited (ii)(vii)(viii)
Nextonline Limited (iii)(iv)
Sevita (UK) Limited
The Compass Group Foundation
The Excelsior Insurance Company Limited

Kings Park House, Laurelhill Business Park, Stirling, Scotland, FK7 9JQ, United Kingdom

Inspire Catering Scotland LLP

Suite D, Pavilion 7 Kingshill Park, Venture Drive, Arnhill Business Park, Westhill, Aberdeenshire, AB32 6FL, United Kingdom

CCG (UK) Ltd (ii)
Coffee Partners Limited (ii)
Compass Offshore Catering Limited (ii)(viii)
Compass Scottish Site Services Limited (ii)
Waseley (CVI) Limited (ii)
Waseley (CVS) Limited (ii)

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

36 Details of related undertakings of Compass Group PLC continued

1st Floor, 12 Cromac Quay, Cromac Wood, Belfast, Northern Ireland, BT7 2JD, United Kingdom

Lough Erne Holiday Village Limited (ii)

550 Second Floor Thames Valley Park, Reading, RG6 1PT, United Kingdom

Absolutely Catering Limited
Catermasters Contract Catering Limited (ii)
CH & Co Catering Group (Holdings) Limited
CH & Co Catering Group Limited
CH & CO Catering Limited
Company of Cooks Ltd
Concerto Group Holdings Limited (ii)
Concerto Group Limited
Gather & Gather Limited
Orchestra Bidco Limited
Orchestra Holdco Limited
Orchestra Midco Limited
Orchestra Topco Limited
Principal Catering Consultants Limited
Public Restaurant Partner Limited
The Brookwood Partnership Limited (ii)
Ultimate Experience Limited (ii)
Vacherin Limited

C/O Evelyn Partners LLP, 4th Floor, Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG, United Kingdom

Bite Catering Limited
Concerto Events Limited (ii)
Create Food Limited (ii)
Creativevents Limited (ii)
Ensemble Combined Services Limited (ii)
Harbour and Jones Limited (ii)
HCMGH Limited (ii)
Host Management Limited (ii)
Juice for Life LTD
Upfront Reception Services Limited

Linea House, Harvest Crescent, Fleet, GU51 2UZ, United Kingdom

Citrea Catering Limited (ii)
Citrea Limited
Pabulum Catering Limited (ii)
Pabulum Limited

C/O James Cowper Kreston, 8th Floor South, Reading Bridge House, George Street, Reading, RG1 8LS, United Kingdom

Blue Apple Catering Holdings Limited
Blue Apple Contract Catering Limited

United States

2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505, US

Bon Appétit Management Company Foundation
C&B Holdings, LLC
H&H Catering, L.P.

211 E. 7th Street, Suite 620, Austin, TX 78701-3218, US

Bamco Restaurants of Texas LLC
Levy Premium Foodservice, L.L.C. (ii)
Levy Texas Beverages, LLC
Morrison's Health Care of Texas, Inc.
University Food Services, Inc.
Wolfgang Puck Catering & Events of Texas, LLC

2345 Rice Street, Suite 230, Roseville, MN 55113, US

Canteen One, LLC
Street Eats Limited

84 State Street, Boston, MA 02109, US

Fame Food Management Inc.

7 St. Paul Street, Suite 820, Baltimore, MD 21202, US

Levy Baltimore, LLC

251 Little Falls Drive, Wilmington, DE 19808, US

A.Anthony, LLC
BenchWorks, Inc.
BlueStar Refreshment Services, LLC
CCL Hospitality Group, LLC
CG Analytics and Consulting, LLC
CLS Par, LLC
Compass LATAM Corp.
Compass LCS, LLC
Compass LV, LLC
Compass Paramount, LLC
Concierge Consulting Services, LLC
Convenience Foods International, Inc.
Coreworks, LLC
Corporate Essentials LLC
Crothall Healthcare Inc.
Eat Cloud LLC
Epicurean Group, LLC
Epicurean Federal, LLC
Epicurean Management Group, LLC
Eurest Services, Inc.
Facilities Holdings, LLC
Flik One, LLC
Fresh & Ready Foods LLC
HC Foods, LLC
Levy Oklahoma, Inc.
Levy Prom Golf, LLC
Morrison Investment Company, Inc.
MMS JV Holdings, LLC
National Produce Consultants, LLC
Parlay Solutions, LLC
RAC Holdings Corp. (iii)
Rank + Rally, LLC
Restaurant Services I, LLC
S-82 LLC
SpenDifference LLC
The HUB Design Innovation & Hospitality Services, LLC
Touchpoint Support Services, LLC
Unidine Corporation
Unidine Lifestyles, LLC
Unidine Nevada, LLC
University Food Services, LLC
Wolfgang Puck Catering and Events, LLC
WPL, LLC
Yorkmont Four, Inc.

801 Adlai Stevenson Drive, Springfield, IL 62703, US

E15, LLC
Levy (Events) Limited Partnership
Levy (IP) Limited Partnership
Levy Food Service Limited Partnership
Levy GP Corporation
Levy Holdings GP, Inc.
Levy Illinois Limited Partnership
Levy Premium Foodservice Limited Partnership
Levy R&H Limited Partnership
Levy World Limited Partnership
Professional Sports Catering, LLC
Restaurant One Limited Partnership
RT Wholesale, LLC
Superior Limited Partnership

508 Meeting Street, West Columbia, SC 29169, US

CGSC Capital, Inc.

450 Laurel Street, 8th Floor, Baton Rouge, LA 70801, US

Coastal Food Service, Inc.
S.H.R.M. Catering Services, Inc.

80 State Street, Albany, NY 12207-2543, US

CulinArt Group, Inc.
CulinArt, Inc.
Hudson Yards Catering, LLC
Hudson Yards Enterprises LLC
Hudson Yards Sports & Entertainment LLC
Mazzone Hospitality, LLC
NYMM F&B Management, LLC
Quality Food Management, Inc.
RA Tennis Corp.
RANYST, Inc.
Restaurant Associates LLC
Restaurant Associates, Inc.
Restaurant Services Inc.
USE LI F&B Management, LLC
USE 1V F&B Management, LLC
USE 520 5th F&B Management, LLC
545 West 30th Street F&B Management, LLC

2626 Glenwood Avenue, Suite 550, Raleigh, NC 27608, US

Compass 2K12 Services, LLC
Compass HE Services, LLC
Compass One, LLC
Compass Two, LLC
Strategic Dining Services, LLC
Waveguide LLC

2595 Interstate Drive, Suite 103, Harrisburg, PA 17110, US

Crothall Facilities Management, Inc.
Custom Management Corporation of Pennsylvania
Morrison's Custom Management Corporation of Pennsylvania
Newport Food Service, Inc.

40 Technology Pkwy South, #300, Norcross, GA 30092, US

Food Services Management By Mgr, LLC
Morrison Alumni Association, Inc.
The M-Power Foundation, Inc.

221 Bolivar Street, Jefferson City, MO 65101, US

Fresh Ideas Management, LLC

Princeton South Corporate Ctr, Suite 160, 100 Charles Ewing Blvd, Ewing, NJ 08628, US

Gourmet Dining, LLC

2900 SW Wanamaker Drive, Suite 204, Topeka, KS 66614, US

Levy Kansas, LLC
Myron Green Corporation
PFM Kansas, Inc.
Treat America Limited

2908 Poston Avenue, Nashville, TN 37203, US

Southeast Service Corporation

8585 Old Dairy Road, Suite 208, Juneau, AK 99801, US

Statewide Services, Inc.

600 S, 2nd Street, Suite 155, Bismarck, ND 58504, US

Compass ND, LLC

2 Sun Court, Suite 400, Peachtree Corners, GA 30092, US

Eversource LLC

36 Details of related undertakings of Compass Group PLC continued

Other subsidiaries, joint arrangements, memberships, associates and other significant holdings	% holding
Australia	
Level 3, 12 Newcastle Street, Perth 6000, Australia	
ESS Thalanyji PTY Ltd	60%
Canada	
1 Prologis Boulevard, Suite 400, Mississauga, Ontario, L5W 0G2, Canada	
Chef's Hall Inc. (iii)	67%
Compass Group Sports and Entertainment – (Quebec) (x)	67%
Mercatino Foods Inc. (iii)(iv)	60%
2455624 Ontario Inc. (iii)	51%
2686613 Ontario Inc. (iii)	51%
Ace Kosher Inc. (iii)(iv)(v)	51%
Bluff FD Inc. (iii)	51%
FDX Inc. (iii)	51%
Food Dudes Restaurant Group Inc. (iii)(iv)(v)	51%
The Food Dudes Inc. (iii)(iv)(v)(vi)	51%
ECC – ESS Support Services (x)	50%
2265668 Ontario Limited (iii)(iv)(v)(vi)(viii)	49%
Amik Catering LP (x)	49%
Dease River – ESS Support Services (x)	49%
Dene West Limited Partnership (x)	49%
ESS – East Arm Camp Services (x)	49%
ESS – Kaatodh Camp Services (x)	49%
ESS – Loon River Support Services (x)	49%
ESS – Mi'kmaq Support Services (x)	49%
ESS – Missanabie Cree Support Services (x)	49%
ESS – Na Cho Nyak Dun Camp Services (x)	49%
ESS – N'deh Support Services (x)	49%
ESS – Ochapowace Support Services (x)	49%
ESS – Pessamit Camp Services (x)	49%
ESS – Wapan Manawan Services de Soutien (x)	49%
ESS-CreeQuest Support Services	49%
ESS-Nuvumiut Support Services (x)	49%
Nuvumiut-ESS Support Services (x)	49%
Services de Soutien ESS-SDEUM (x)	49%
ESS-White River Support Services	49%
ESS Haisla Support Services (x)	49%
ESS HLFN Support Services (x)	49%
ESS KNRA Support Services (x)	49%
ESS Komatik Support Services (x)	49%
ESS Liard First Nation Support Services (x)	49%
ESS McKenzie Support Services (x)	49%
ESS Okanagan Indian Band Support Services (x)	49%
ESS Tataskweyak Camp Services (x)	49%
ESS/Bushmaster Camp Services (x)	49%
ESS/McLeod Lake Indian Band Support Services (x)	49%
ESS/Mosakahiken Cree Nation Support Services (x)	49%
ESS/Takla Lake Support Services (x)	49%
ESS/WEDC Support Services (x)	49%
First North Catering (x)	49%
Hill Plain – ESS Support Services (x)	49%
HLCS-ESS Support Services (x)	49%
JCP – ESS Support Services (x)	49%
KDM – ESS Support Services (x)	49%
Metis Infinity – ESS Support Services	49%
Mi'kma'ki Domiculture	49%
Mi'Kmaq-ECC Nova Scotia Support Services (x)	49%
Nisga'a Village – ESS Support Services (x)	49%
Poplar Point Catering (x)	49%
Songhees Nation Support Services (x)	49%
30 Queen's Road, St. John's, Newfoundland and Labrador, A1C 2A5, Canada	
Labrador Catering Inc. (iii)	49%
Labrador Catering LP (x)	49%
Clearwater River Dene Nation Reserve No. 222, P.O. Box 5050, Clearwater, Saskatchewan, S0M 3H0, Canada	
Clearwater Catering Limited (iii)(iv)(v)(vi)	49%
77 King Street West, No. 400, Toronto, Ontario, M5K 0A1, Canada	
O&B Yonge Richmond LP*	33.4%
1600-421 7 AVE SW, Calgary, Alberta T2P 4K9, Canada	
Komplete Modular Solutions Ltd. (iii) (iv)	51%
Rimfire Solutions Ltd.	40%
Finland	
Linnankatu 26 A 41, 20100, Turku, Finland	
Unica Oy	49%
Keskussairaalantie Opinkivi 2, 40600 Jyväskylä, Finland	
Semma Oy	45%
France	
Le Puy Du Fou, 85590 Les Epesses, France	
Puy Du Fou Restauration SAS	99.8%
Germany	
Steenbeker Weg 25, 24106, Kiel, Germany	
Lubinus – orgaMed Sterilgut GmbH	49%
India	
1st Floor, VK Kalyani Commercial Complex, Sankey Rd, Opp: BDA Head Office, Bengaluru, Karnataka, 560020, India	
Bottle Lab Technologies Private Limited	79.55%
Nextup Technologies Private Limited	79.55%
Innov8 Raj Vilas, Lower Ground Floor, Salcon Ras Vilas, D-1 Saket District Centre, Saket (South Delhi), South Delhi, New Delhi-110017, India	
I.C.S Foods Private Limited	70%
Japan	
Hamarikyu Kensetsu Plaza, 5-5-12, Tsukiji, Chuo-ku, Tokyo 104-0045, Japan	
Chiyoda Kyushoku Services Co., Ltd	90%
5-7-5, Chiyoda, Naka-ku, Nagoya-City, Aichi-Prefecture, 460-0012, Japan	
Seiyo General Food Co., Ltd	50%
Kazakhstan	
060011, Atyrauskaya Oblast, Atyrau city, Beibarys Sultan avenue 506, Kazakhstan	
Eurest Support Services Company B LLP (ii)	50%
Luxembourg	
39 Boulevard Joseph, II L-1840, Luxembourg	
Geria SA	25%
Malaysia	
Suite 1301, 13th Floor, City Plaza Jalan Tebrau, 80300 Johor Bahru Johor, Malaysia	
Knusford Compass Sdn. Bhd.	49%
Monaco	
30, Boulevard Princesse Charlotte Le Labor – RDC, 98000 MC, Monaco	
Eurest Monaco S.A.	99.99%
Netherlands	
Haaksbergweg 70, 1101 BZ, Amsterdam, Netherlands	
Compass Group International Finance C.V. (x)	100%
Norway	
Okesnoyveien 16, 1366, Lysaker, 1366, Norway	
Forpleiningstjenester AS	33.33%
Harbitzalléen 2A, 0275 Oslo, PÅ Box 4148, Sjølyst, 0217 Oslo, Norway	
Gress Gruppen AS	33.33%
Papua New Guinea	
c/o Warner Shand Lawyers Waigani, Level 1 RH Hypermarket, Allotment 1 Section 479 (off Kennedy Road), Gordons NCD, Papua New Guinea	
Eurest OKAS Catering Ltd (ii)	55%
Eurest Lotic (PNG) JV Ltd (ii)	50%
Qatar	
2 Floor, Al Mana Commercial Tower, C-Ring road, Doha, PO BOX 22481, Qatar	
Compass Catering Services WLL	20%
Saudi Arabia	
3927, Al Khobar, Street Prince Sultan, Al Jawhara Dist 9618, Saudi Arabia	
Compass Arabia Co. Ltd (LLC)	30%
Spain	
Calle Pinar de San José 98, Planta 1a, 28054, Madrid, Spain	
Eurest Servicios, S.L	99%
United Kingdom	
Parklands Court, 24 Parklands, Birmingham Great Park, Rubery, Birmingham, B45 9PZ, United Kingdom	
Quaglino's Limited (iii)	99%
County Ground, Edgbaston, Birmingham, B5 7QU, United Kingdom	
Edgbaston Experience Limited (iii)(iv)	25%
67 Shrivenham Hundred Business Park Majors Road, Watchfield, Swindon, Oxfordshire, SN6 8TY, United Kingdom	
Benchmark Designs Limited (iii)	50%
Lower Ground 04 Edinburgh House, 154-182 Kennington Lane, London, SE11 5DP, United Kingdom	
Peppermint Events Limited	50%
POP (Purveyors of Plenty) Collective Limited	50%
2nd Floor, Fourways House,57 Hilton Street, Manchester, M1 2EJ, United Kingdom	
FC Sportswear and Retail Services Limited	45%
Rugby House, Allianz Stadium, 200 Whitton Road, Twickenham, Middlesex, TW2 7BA, United Kingdom	
Twickenham Experience Limited	15.53%[1]

1. As a percentage of nominal value of total share capital in issue.

Notes to the consolidated financial statements for the year ended 30 September 2024 continued

36 Details of related undertakings of Compass Group PLC continued

The Oval, Kennington, London, SE11 5SS, United Kingdom	
Oval Events Holdings Limited (iv)(v)(vi)	37.5%
Oval Events Limited (iv)(v)(vi)	37.5%
1st Floor 4 Tabernacle Street, London, EC2A 4LU, United Kingdom	
Cucumber Holdings Limited (iii)	33.9%
Kerb Berlin Limited (iii)	33.9%
Kerb Events Limited (iii)(iv)	33.9%
Kerb Group Limited (iii)(v)(vi)	33.9%
Kerb Seven Dials Limited (iii)	33.9%
Kerb Ventures Limited (iii)	33.9%
United States	
251 Little Falls Drive, Wilmington, DE 19808, US	
HHP-MMS JV1, LLC	90%
HHP-Partner COL, LLC	90%
HHP-Partner, LLC	90%
Levy LA Concessions, LLC	62.5%
Learfield Levy Foodservice, LLC	50%
DIOSS LLC	49%
Pure Solutions, LLC	49%
Thompson Facilities Services LLC	49%
Thompson Hospitality Services, LLC	49%
Chicago Restaurant Partners, LLC	42%
Two Tree Management, LLC	30%
8585 Old Dairy Road, Suite 208, Juneau, AK 99801, US	
KIJIK/ESS, LLC	80%
Statewide/GanaAYoo JV	50%
980 N. Michigan Ave., Suite 400, Chicago, IL 60611, US	
Convention Hospitality Partners	75%
Atlanta Sports Catering	50%
Orlando Foodservice Partners	50%
84 State Street, Boston, MA 02109, US	
Levy Maryland, LLC	74%
2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505, US	
Cosmopolitan Catering, LLC	60%
1090 Vermont Ave N.W., Washington, DC 20005, US	
Seasons Culinary Services, Inc	50.1%
PO Box 1409, Lakeville, CT 06039, US	
Tory Hill, LLC	49%
4605 Duke Drive, Suite 110, Mason, OH 45040, US	
Linkage Solutions, LLC	49%
3903 Volunteer Drive, Suite 200, Chattanooga, TN 37416, US	
Sifted, LLC	40%
1209 Orange Street, Wilmington, DE 19801, US	
AEG Venue Management Holdings, LLC	38%
Link-Age Venture Labs, LLC	30%
945 Market Street, San Francisco, CA 94103, US	
Saluhall SF Inc.	33.9%
1201 Hays Street, Tallahassee, FL 32301, US	
Food Fleet Inc.	25%

Parent Company balance sheet at 30 September 2024

Compass Group PLC	Notes	30 September 2024 £m	2023 £m
Fixed assets			
Investments in subsidiary undertakings	2	**6,763**	6,714
Current assets			
Debtors: amounts falling due within one year	3	**1,413**	2,034
Debtors: amounts falling due after more than one year	3	**5,881**	5,993
Cash at bank and in hand		**12**	434
Current assets		**7,306**	8,461
Creditors: amounts falling due within one year			
Creditors: amounts falling due within one year	4	**(7,245)**	(9,271)
Net current assets/(liabilities)		**61**	(810)
Total assets less current liabilities			
Total assets less current liabilities		**6,824**	5,904
Creditors: amounts falling due after more than one year			
Creditors: amounts falling due after more than one year	4	**(3,293)**	(2,500)
Provisions		**(3)**	(3)
Net assets		**3,528**	3,401
Equity			
Share capital	6	**198**	198
Share premium		**189**	189
Capital redemption reserve		**295**	295
Own shares reserve		**(1,857)**	(1,513)
Retained earnings[1]		**4,703**	4,232
Total equity		**3,528**	3,401

1. The Company's profit on ordinary activities after tax was £1,227m (2023: £1,077m), which includes dividend income of £1,306m (2023: £1,039m) from an intermediate holding company, Hospitality Holdings Limited.

The accompanying notes form part of these Parent Company financial statements.

Approved by the Board of Directors on 26 November 2024 and signed on its behalf by:

Dominic Blakemore, Director
Petros Parras, Director

Parent Company statement of changes in equity for the year ended 30 September 2024

Equity	Share capital £m	Share premium £m	Capital redemption reserve £m	Own shares reserve £m	Retained earnings[1] £m	Total £m
At 1 October 2022	198	189	295	(515)	3,785	3,952
Own shares held by the Compass Group PLC All Share Schemes Trust	–	–	–	(4)	–	(4)
Profit for the year	–	–	–	–	1,077	1,077
Fair value of share-based payments	–	–	–	–	44	44
Cost of shares transferred to employees	–	–	–	26	(26)	–
Purchase of own shares – share buyback	–	–	–	(1,004)	–	(1,004)
Purchase of own shares – employee share-based payments	–	–	–	(16)	–	(16)
Dividends paid to shareholders[2]	–	–	–	–	(648)	(648)
At 30 September 2023	198	189	295	(1,513)	4,232	3,401
Profit for the year	–	–	–	–	**1,227**	**1,227**
Fair value of share-based payments	–	–	–	–	**54**	**54**
Cost of shares transferred to employees	–	–	–	**52**	**(52)**	–
Purchase of own shares – share buyback	–	–	–	**(396)**	–	**(396)**
Dividends paid to shareholders[2]	–	–	–	–	**(758)**	**(758)**
At 30 September 2024	**198**	**189**	**295**	**(1,857)**	**4,703**	**3,528**

1. The non-distributable portion of retained earnings is £389m at 30 September 2024 (2023: £340m).
2. Details of the £758m ($963m) of dividends paid to equity shareholders in 2024 (2023: £648m ($796m)) are shown in note 8 to the consolidated financial statements.

The accompanying notes form part of these Parent Company financial statements.

Capital redemption reserve

The nominal value of shares in the Company purchased and subsequently cancelled is shown as a reduction in share capital and an equal and opposite transfer to the capital redemption reserve.

Own shares reserve

The own shares reserve represents shares in Compass Group PLC held either in treasury, including transaction costs, or by employee share trusts to satisfy liabilities to employees for long-term incentive plans. Own shares are treated as a deduction to equity until the shares are cancelled, reissued or sold, at which point they are transferred to retained earnings.

The own shares reserve comprises £1,851m (2023: £1,501m) in respect of 87,992,005 (2023: 70,170,859) shares in Compass Group PLC held in treasury and £6m (2023: £12m) in respect of 298,712 (2023: 573,223) shares in Compass Group PLC held by the Compass Group PLC All Share Schemes Trust (ASST).

The share buyback announced in May 2023 was completed in November 2023, with 6,357,210 shares repurchased during the year for a total price, including transaction costs, of £131m.

In November 2023, the Company announced that it was commencing a further share buyback to repurchase up to $500m of its own shares. During the year, 14,049,546 shares were repurchased for a total price, including transaction costs, of £312m ($399m), of which £307m was paid in cash during the year. The mandate issued to the broker to purchase the shares was irrevocable at 30 September 2024 and, therefore, a creditor of £84m in respect of the value of the shares not yet purchased has been recognised. In the period from 1 October to 26 November 2024, 2,356,198 shares were repurchased for a total price, including transaction costs, of £60m. The share buyback is scheduled to complete by 17 December 2024.

The ASST is a discretionary trust for the benefit of employees and the shares held are used to satisfy some of the Group's liabilities to employees for long-term incentive plans. During the year, no shares (2023: 800,000) in Compass Group PLC were purchased by the ASST and 274,511 (2023: 448,686) shares were released from the ASST to satisfy awards under the Company's long-term incentive plans. At 30 September 2024, the nominal value of the shares in the ASST was £33,008 (2023: £63,341), with a market value of £7m (2023: £11m).

No treasury shares have been reissued since the end of the financial year to the date of this Report. On 1 October 2024, 2,393 shares were released by the ASST to satisfy an award under the Compass Group PLC Restricted Share Award Plan which had vested on 30 September 2024.

1 Basis of preparation

Introduction

The separate financial statements of Compass Group PLC (the Company) have been prepared on a going concern basis, as discussed on page 145, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards, but makes amendments where necessary to comply with the Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements present information about the Company as an individual undertaking, not as a Group undertaking, and are included in the Compass Group PLC consolidated financial statements for the year ended 30 September 2024. As permitted by section 408 of the Companies Act 2006, the Company has not presented its own income statement. The amount of profit for the year of the Company is disclosed in the Parent Company balance sheet and statement of changes in equity.

FRS 101 exemptions

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- cash flow statement and related notes
- financial instruments and fair values
- share-based payments
- transactions with wholly-owned subsidiaries
- compensation of key management personnel
- capital management
- the effect of new but not yet effective accounting standards

Significant accounting policies

The significant accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Changes in accounting policies

There have been no significant changes in accounting policies during the year.

Investments in subsidiary undertakings

Investments are stated at cost less provision for any impairment. In the opinion of the directors, the value of such investments is not less than shown at the balance sheet date.

Investment income is measured at the fair value of the consideration received or receivable. It represents dividend income, which is recognised when the right to receive payment is established.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year-end. Gains and losses arising on retranslation are included in the income statement for the period.

Financial assets and liabilities

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument and derecognised when it ceases to be party to such provisions. Financial assets are classified as current if they are expected to be received within 12 months of the balance sheet date. Financial liabilities are classified as current if they are legally due to be paid within 12 months of the balance sheet date.

Financial assets and liabilities are initially recorded at fair value including, where permitted by IFRS 9 Financial Instruments, any directly attributable transaction costs. For those financial assets that are not subsequently held at fair value, the carrying amounts are reduced by a provision equal to the lifetime expected credit losses using historical and forward-looking data on credit risk.

The Company classifies its financial assets and liabilities into the following categories:

- financial assets and liabilities at amortised cost
- financial assets and liabilities at fair value through profit or loss

Where financial assets or liabilities are eligible to be carried at either amortised cost or fair value, the Company does not apply the fair value option.

The Company uses derivative financial instruments to manage its exposure to fluctuations in foreign exchange rates and interest rates. Derivative instruments utilised include interest rate swaps, currency swaps and forward currency contracts. The Company and Group policy is disclosed in note 20 to the consolidated financial statements.

Notes to the Parent Company financial statements for the year ended 30 September 2024 continued

1 Basis of preparation continued

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost unless they are part of a fair value hedge accounting relationship. Borrowings that are part of a fair value hedge accounting relationship are measured at amortised cost adjusted for the fair value attributable to the risk being hedged.

Amounts owed by subsidiary undertakings are initially measured at fair value and are subsequently reported at amortised cost. Provisions on intra-group receivables are calculated at an amount equal to the lifetime expected credit losses using historical and forward-looking data on credit risk.

Amounts owed to subsidiary undertakings are initially measured at fair value and are subsequently reported at amortised cost.

Non-interest-bearing payables are stated at their nominal value as they are due on demand.

Dividends

Interim dividends are recognised in the financial statements when they are paid. Final dividends, which are subject to approval by the shareholders in a general meeting after the balance sheet date, are not included as a liability in the financial statements. Instead, they are disclosed as a post-balance sheet event and recognised in the financial statements when they are approved (see note 7).

Deferred tax

Deferred tax is provided at the anticipated rates on temporary differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Share-based payments

The Company issues equity-settled share-based payments to certain employees, which are measured at fair value at the date of grant using option pricing models. The fair value is expensed on a straight-line basis over the vesting period based on the Company's estimate of the number of shares expected to vest.

The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in subsidiary undertakings is reported with a corresponding increase in shareholders' funds.

Financial guarantees and loan commitments

Financial guarantee contract liabilities are measured initially at their fair values. These liabilities are subsequently measured at the higher of the expected credit loss determined under IFRS 9 Financial Instruments and the initial fair value.

2 Investments in subsidiary undertakings

Investments in subsidiary undertakings	2024 £m	2023 £m
Cost		
At 1 October	**6,715**	1,106
Additions	**–**	5,570
Share-based payments to employees of subsidiaries	**54**	44
Recharged to subsidiaries during the year	**(5)**	(5)
At 30 September	**6,764**	6,715
Provisions		
At 1 October and 30 September	**(1)**	(1)
Net book value		
At 30 September	**6,763**	6,714

In 2023, the Company subscribed for shares in a direct subsidiary company, Hospitality Holdings Limited, for consideration totalling £5.6bn as part of a restructuring of certain intra-group loans which resulted in an increase in investments in subsidiary undertakings of £5.6bn and a corresponding change in balances with subsidiary undertakings.

On the basis that the Company's investments in subsidiary undertakings mainly comprise an investment in Hospitality Holdings Limited, which indirectly owns all of the Company's trading businesses, there are no indicators that the carrying value may be impaired.

The principal subsidiary undertakings are listed in note 36 to the consolidated financial statements.

3 Debtors

		2024			2023		
Debtors	Notes	Falling due within one year £m	Falling due after more than one year £m	Total £m	Falling due within one year £m	Falling due after more than one year £m	Total £m
Amounts owed by subsidiary undertakings		**1,375**	**5,827**	**7,202**	2,016	5,948	7,964
Derivative financial instruments	5	**26**	**52**	**78**	18	45	63
Current tax		**12**	**–**	**12**	–	–	–
Deferred tax[1]		**–**	**2**	**2**	–	–	–
Total		**1,413**	**5,881**	**7,294**	2,034	5,993	8,027

1. The deferred tax asset relates to net losses on certain derivative financial instruments recognised in the income statement.

Amounts owed by subsidiary undertakings may be interest-free or interest-bearing loans. Interest-free loans are repayable on demand. Interest-bearing loans incur interest at fixed rates (between 5.0% and 7.0%) or various floating rates with margins ranging from 0% to 1.50% (subject to a minimum all-in rate of 0%) and have maturities ranging from repayable on demand up to May 2031.

The book value of amounts owed by subsidiary undertakings falling due within one year approximates to fair value due to the short-term nature of these receivables. The fair value of amounts owed by subsidiary undertakings falling due after more than one year is £5,721m (2023: £5,556m).

Details of the derivative financial instruments are shown in note 20 to the consolidated financial statements.

4 Creditors

		2024			2023		
Creditors	Notes	Falling due within one year £m	Falling due after more than one year £m	Total £m	Falling due within one year £m	Falling due after more than one year £m	Total £m
Issued debt	5	**538**	**2,022**	**2,560**	288	1,510	1,798
Commercial paper	5	**19**	**–**	**19**	–	–	–
Bank overdrafts	5	**634**	**–**	**634**	410	–	410
Amounts owed to subsidiary undertakings	5	**5,920**	**1,131**	**7,051**	8,341	773	9,114
Derivative financial instruments	5	**15**	**140**	**155**	37	207	244
Other payables[1]	5	**89**	**–**	**89**	152	–	152
Accruals		**30**	**–**	**30**	25	–	25
Current tax		**–**	**–**	**–**	18	–	18
Deferred tax[2]		**–**	**–**	**–**	–	10	10
Total		**7,245**	**3,293**	**10,538**	9,271	2,500	11,771

1. Represents a commitment in respect of the share buyback.
2. The deferred tax liability relates to net gains on certain derivative financial instruments recognised in the income statement.

Notes to the Parent Company financial statements for the year ended 30 September 2024 continued

4 Creditors continued

Issued debt	Nominal value	Redeemable	Interest	2024 Carrying value £m	2023 Carrying value £m
US Private Placement	$352m	Oct 2023	4.12%	–	288
US Private Placement	$100m	Dec 2024	3.54%	**75**	82
Eurobond	£250m	Sep 2025	2.00%	**243**	231
US Private Placement	$300m	Sep 2025	3.81%	**220**	235
Eurobond	£250m	Jun 2026	3.85%	**250**	249
US Private Placement	$300m	Dec 2026	3.64%	**224**	246
Eurobond	£300m	Jul 2029	2.00%	**263**	245
Eurobond	€750m	Feb 2031	3.25%	**633**	–
Eurobond	£250m	Sep 2032	4.38%	**237**	222
Eurobond	€500m	Sep 2033	3.25%	**415**	–
Total				**2,560**	1,798

The Company has a £2,000m Revolving Credit Facility (RCF) committed to August 2026. At 30 September 2024, no amounts were drawn under the RCF (2023: £nil).

The Company has a $4bn commercial paper programme. Commercial paper is issued to meet short-term liquidity requirements and is supported by the RCF. At 30 September 2024, commercial paper of £19m was outstanding under the programme (2023: £nil).

Amounts owed to subsidiary undertakings may be interest-free or interest-bearing loans. Interest-free loans are repayable on demand and classified as current. Interest-bearing loans incur interest at fixed rates (between 1.60% and 3.10%) or various floating rates with margins ranging from -0.15% to +0.70% (subject to a minimum all-in rate of 0%) and have maturities ranging from repayable on demand up to September 2048.

The book value of amounts owed to subsidiary undertakings falling due within one year approximates to fair value due to the short-term nature of these payables. The fair value of amounts owed to subsidiary undertakings falling due after more than one year is shown below:

Amounts owed to subsidiary undertakings falling due after more than one year	Nominal value	Redeemable	Interest	2024 Carrying value £m	2024 Fair value £m	2023 Carrying value £m	2023 Fair value £m
Euro intra-group loan	€405m	Jul 2027	2.05%	**337**	**332**	–	–
Euro intra-group loan	€500m	Sep 2028	1.60%	**385**	**398**	375	387
Euro intra-group loan	€500m	Mar 2030	3.10%	**409**	**419**	398	409
Total				**1,131**	**1,149**	773	796

Details of the derivative financial instruments are shown in note 20 to the consolidated financial statements.

5 Maturity of financial liabilities and derivative financial instruments

The maturity of financial liabilities and derivative financial instruments at 30 September is as follows:

Maturity of financial liabilities and derivative financial instruments	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total £m
	2024				
Issued debt	538	250	487	1,285	2,560
Commercial paper	19	–	–	–	19
Bank overdrafts	634	–	–	–	634
Amounts owed to subsidiary undertakings	5,920	–	722	409	7,051
Derivative financial instruments	(10)	(8)	110	(15)	77
Other payables	89	–	–	–	89

Maturity of financial liabilities and derivative financial instruments	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total £m
	2023				
Issued debt	288	548	495	467	1,798
Bank overdrafts	410	–	–	–	410
Amounts owed to subsidiary undertakings	8,341	–	375	398	9,114
Derivative financial instruments	19	(5)	73	94	181
Other payables	152	–	–	–	152

6 Share capital

Details of the share capital and share-based payments of the Company are shown in notes 25 and 26 to the consolidated financial statements.

7 Post-balance sheet events

In the period from 1 October to 26 November 2024, 2,356,198 shares were repurchased for a total price, including transaction costs, of £60m under the share buyback announced in November 2023. The share buyback is scheduled to complete by 17 December 2024.

On 26 November 2024, a final dividend in respect of 2024 of 39.1c per share, $664m in aggregate, was proposed.

8 Other information

Company audit fee

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £1.9m (2023: £1.9m).

Directors

Information on directors' remuneration, long-term incentive plans, pension contributions and entitlements can be found in the audited section of the Directors' Remuneration Report on pages 86 to 118 and forms part of these accounts.

Employees

The Company had no direct employees in the course of the year (2023: none).

Related party transactions

With the exception of transactions between the Company and its wholly-owned subsidiaries, there are no material related party transactions in the current or prior year.

Shareholder information

Company's registrar

The Company's registrar is Link Group. Shareholders should contact Link directly if they have questions about their shareholding. Link Group can be contacted by:

- **post:** Central Square, 29 Wellington Street, Leeds LS1 4DL, UK
- **email:** shareholderenquiries@linkgroup.co.uk
- **telephone:** within the UK: Freephone 0800 029 4520, and from overseas: +44 333 300 1568. Lines are open between 9.00 am and 5.30 pm UK time, Monday to Friday, excluding public holidays in England and Wales

Manage your holding online

Shareholders can register online to view their shareholding details using the Share Portal, a service offered by the registrar at: www.signalshares.com. To register for the Share Portal, shareholders need their investor code, which is shown on their share certificate or dividend confirmation. The service enables shareholders to check their shareholdings, gain easy access to a range of shareholder information, and to appoint a proxy to attend general meetings.

Electronic communications and published information

The Annual Report and Accounts and all other shareholder communications can be found on our website: www.compass-group.com. Shareholders are encouraged to receive and view documents from the Company electronically. Shareholders will be notified by email each time a new shareholder document is available. Register to receive email communications at: www.signalshares.com. To receive a copy of the Annual Report or Notice of Annual General Meeting in another format, e.g. large print, Braille or an audio version, contact the Group Secretariat, Compass Group PLC, Compass House, Guildford Street, Chertsey, Surrey KT16 9BQ.

Dividends

The Company normally pays a dividend twice each year. Dividends are paid in accordance with the instructions given to the registrar. We strongly encourage shareholders to have dividends paid directly into their bank account. Alternatively, shareholders can reinvest the dividends via the Dividend Reinvestment Plan. Shareholders who appear on the Register of Members will automatically receive their dividends in sterling. Shareholders who wish to receive their dividends in US dollars should contact our registrar for a dividend election form and further information regarding the US dollar dividend option. Alternatively, shareholders can view and update their current dividend elections by registering to use the Link Share Portal. Details above.

Most shareholders resident outside the UK can have dividends of more than £10 paid into their bank account directly via the Link Group international payments service. Details and terms and conditions may be viewed at ips.linkgroup.eu. Shareholders outside the UK who are unable to use the international payments service should contact Link to discuss the payment options available.

Share price information, share dealing and ShareGift

The price of a Compass share is available on our website: www.compass-group.com. Shares can be traded through most banks, building societies, stockbrokers or online dealing services.

ShareGift operates a scheme enabling shareholders with small shareholdings that may be too small to sell economically to make donations of shares to charity. Details of the scheme can be obtained from ShareGift's website: www.sharegift.org, by telephoning: +44 20 7930 3737, or by email: help@sharegift.org.

American Depositary Receipts

Compass Group PLC operates an American Depositary Receipts (ADR) programme under which ADRs are traded on the over-the-counter market under the symbol CMPGY. One ADR represents one ordinary Compass share. BNY is the depositary bank and maintains the Company's ADR register. BNY can be contacted by:

- **post:** BNY Shareowner Services, P.O. Box 43006, Providence, Rhode Island 02940-3078, USA
- **overnight post:** BNY Shareowner Services, 150 Royall St. Suite 101, Canton, Massachusetts 02021, USA
- **email:** shrrelations@cpushareownerservices.com
- **telephone:** +1 888 269 2377 (toll-free number in the USA) or +1 201 680 6825 (international)

Further information can also be found on BNY's website: www.adrbny.com and searching by using the symbol CMPGY.

Identity theft

Shareholders should take measures to protect their personal information and Compass Group PLC shares:

- keep all Compass correspondence in a safe place, or destroy correspondence by shredding
- inform the registrar, Link Group, when changing address
- if a letter is received from Link Group regarding a change of address and there has been no change of address, contact the registrar immediately using the contact information at the top of this page
- have dividends paid directly into a bank or building society account. This will reduce the risk of a cheque being intercepted or lost in the post
- when changing a bank or building society account, inform the registrar of the details of the new account and respond, as requested, to any letters Link Group sends regarding this matter

Warning about share fraud

Investment scams are often sophisticated and difficult to spot. Fraudsters are persuasive and use high-pressure tactics to lure investors into scams. Shareholders should be wary if they are contacted out of the blue, pressured to invest quickly or promised returns that sound too good to be true. The higher the return promised, the more likely it's a high-risk investment or a scam.

The Financial Conduct Authority (FCA) has issued guidance for shareholders on how to recognise and avoid investment fraud. If you receive an unsolicited phone call, do not get into a conversation, note the name of the person and firm contacting you and then end the call.

Check the Financial Services Register available at: https://www.fca.org.uk/firms/financial-services-register to see if the person and firm contacting you is authorised by the FCA.

Call the FCA on 0800 111 6768 if the firm does not have any contact details on the FCA's register, or if you are told that they are out of date.

Remember if you do buy or sell shares through an unauthorised firm, you will not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. Consider obtaining independent financial and professional advice before you hand over any money.

Report a firm or scam by contacting the FCA's Consumer Helpline on 0800 111 6768, or using the FCA's reporting form which can be found on their website, www.fca.org.uk/scamsmart.

Any concerns about a potential scam should be reported to the FCA immediately.

www.compass-group.com

The Investor section of the Company's website: www.compass-group.com, contains a wide range of useful information for shareholders, including: the date, time and place of the Company's AGM and documents related to the AGM, financial calendar and share price, dividend history, share dealing information, taxation, annual reports, and regulatory announcements and statements.

Forward-looking statements

Certain information included in this Annual Report and Accounts is forward-looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, the direct and indirect future impacts and implications of: public health crises such as the COVID-19 pandemic on the economy, nationally and internationally, and on the Group, its operations and prospects; risks associated with changes in environmental scenarios and related regulations including (without limitation) the evolution and development of the global transition to a low carbon economy (including increasing societal and investor expectations); disruptions and inefficiencies in supply chains (such as resulting from the wars in Ukraine and the Middle East); future domestic and global political, economic and business conditions (such as inflation or the UK's exit from the EU); projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans and expected expenditures and divestments; risks associated with changes in economic conditions, levels of economic growth and the strength of the food and support services markets in the jurisdictions in which the Group operates; fluctuations in food and other product costs and labour costs; prices and changes in exchange and interest rates; and the impacts of technological advancements. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as 'believes', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'plans', 'projects', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology.

Forward-looking statements in this Annual Report and Accounts are not guarantees of future performance. All forward-looking statements in this Annual Report and Accounts are based upon information known to the Company on the date of this Annual Report and Accounts. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements when making their investment decisions. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation or warranty that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this Annual Report and Accounts shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

CarbonNeutral.com

Carbon Neutral© Publication Certificate

This certificate verifies that:
The stated subject is carbon neutral through the use of high quality environmental instruments in accordance with The CarbonNeutral Protocol.

All credits adhere to standards approved by the International Carbon Reduction and Offset Alliance (ICROA).

Certification: CarbonNeutral® publication
Duration: 01 Jan 2024 - 31 Dec 2024
Name of organisation: Compass Group PLC
Quantity of contractual instruments: 3 tCO_2e
Subject: Compass Group PLC Annual Report 2024
Project Information: Kulera REDD+ and Cookstoves, Malawi, VCS+CCB
Certificate number: CN20240712718

MIX
Paper | Supporting responsible forestry
FSC® C022913
FSC
www.fsc.org

This report is printed on paper certified in accordance with the FSC® (Forest Stewardship Council®) and is recyclable and acid-free.

Pureprint Ltd is FSC certified and ISO 14001 certified showing that it is committed to all round excellence and improving environmental performance is an important part of this strategy.

Pureprint Ltd aims to reduce at source the effect its operations have on the environment and is committed to continual improvement, prevention of pollution and compliance with any legislation or industry standards.

Pureprint Ltd is a CarbonNeutral® Printing Company.

The images in the Annual Report and Accounts are representative of the services provided by Compass Group PLC and its subsidiaries and partners.

Designed and produced by Black Sun Global
www.blacksun-global.com

Compass Group PLC
Compass House
Guildford Street, Chertsey
Surrey KT16 9BQ
United Kingdom

Registered in England and Wales
Company no. 4083914
Domiciled in the United Kingdom

T +44 1932 573 000

Find this Report online at
www.compass-group.com