1) Question: Please can you provide us with some further background on how you have prepared the business for the new environment following the pandemic, and what opportunities have arisen if any?

   Mrs Lea, private shareholder.

   Answered by Dominic Blakemore.

   Thank you for the question. I think first of all, we should acknowledge how challenging the pandemic has been for our business, but at the same time we've learned an awful lot and we're very, very excited about the opportunities that are ahead of us. There have been a lot of headwinds for us to face into; we have had to adapt to new health and safety processes and hygiene procedures, supply chain disruptions that we have all seen in recent months, the acceleration in inflation both labour and food, and the lack of labour availability as we've reopened at sites across our sectors. But as challenging as all of those are, we feel we are very well placed to deal with them, and I hope you're seeing that in our results.

   We believe these factors create a tailwind to outsourcing, particularly with self-operated organisations that are providing services themselves. We believe it's a great opportunity for us to step in and provide our services where we have the benefit of scale and process. So, we're very excited about what happens next and opportunities to win more than our fair share of that marketplace, and I think you are already seeing that in our results. For the last two years, we've seen record new business that's continued into this quarter, with more than half of new business now coming from first time outsourcing, where historically it was a third. That's particularly in sectors like Healthcare and Education, where more than half of the marketplace currently remains self-operated, so there is a huge opportunity for us to grow into.

   In terms of the operating model, there are two areas that we've really focused on. The first is accelerating our digitalisation and that we describe as front, middle, and back office. In the front office it's about how our consumers order food with us, how they pay for it, how they are educated around the menu choices and how we get it to them; so often delivery to desk or pick up rather than coming into restaurants. On the back office, it's very much about how we speak to our colleagues, our employees, how we recruit and how we train them through digital apps. The other area is how we deliver services in particularly the B&I sector where we see volatility in the numbers of people dining in the restaurants. We've really focused on how we use what we call central kitchens or commissaries to produce food at scale and deliver it into finishing kitchens. Within our client sites, it means that space can be freed up, we can be more efficient and then we can provide a more economic offering to our clients. So, I think those are the two key areas in which our operating model has changed, and we think both the digitalisation and the delivered-in solutions provide us with an opportunity again for accelerating growth within the B&I sector in particular.

2) Question: Can you provide some further information on your roadmap to net zero, what are the main challenges you face and how you propose to tackle them?

   Ms Jaccard, private shareholder.

   Answered by Dominic Blakemore.

   So, on net zero, we are the first within the hospitality industry to make the commitment to be net zero in all scopes 1, 2 and 3 Green House Gas (GHG) emissions by 2050. It's a significant undertaking and one which we are very aware will take a huge amount of work to get right and deliver. I think what's really important though is it's the right thing to do, but it's also incredibly important to our employees and our clients. We believe our employees and clients want to share our values. Broadly, of our GHG emissions, 10% are scopes 1 and 2, which are emissions we generate in our offices and with the cars that we use in our fleet. We've committed to reducing that by 2030 to net zero and to fully offset, and what that means is really using renewable energy, the electrification of fleet and such like, and that's much more controllable and manageable in the 2030 horizon, and is highly achievable.

The bigger area of challenge is what we call scope 3 GHG emissions, which relate to what we buy from our suppliers. I think one of the things that we're all learning is quite what environmental GHG emissions come out of the food supply chain. So that's more challenging and we'll tackle it first through educating consumers. You may have seen we served all of the gathering in Glasgow for COP 26 and at that we provided environmental labelling on all of our menus, so that consumers could choose between high and low emission menu choices. So, it will be about educating our consumers and nudging them towards different, more environmentally sustainable choices. More important is how we work with our suppliers and that's going to be more challenging; we are choosing to work with suppliers who share our values and that have their own commitments to net zero. These we can consolidate into our business and our reporting, but there will be elements where will have to work hard over a longer term, particularly around initiatives like regenerative agriculture and finding partners that can do that at scale, as opposed to the means of agriculture that we have available to us today.

So, as I started by saying, we are totally committed. It's a significant programme of activity. I don't think we're being unrealistic about what's ahead of us, and we know we have a plan where we can see tangible benefits over the short term.

3) Question: On digital evolution and hybrid working, the most interesting sector is Business & Industry. Will you adopt a Just Eat or Deliveroo type of model for industry and businesses, or are you looking to remain in the same building, or use central kitchens and have runners. Can you tell us more how it works?

Nick Steiner, private shareholder.

Answered by Dominic Blakemore.

I think with that question you're absolutely on point. I think coming out of the pandemic, and anyway because of the evolution of digital models, it's a risk but also an opportunity to our business model. We anticipate that we will see less people on site in offices in the future, and so we've got to adapt our operating model to that. I think it's a few of the things that you heard me talking about earlier, in particular as you referenced yourself, it's can we have kitchens which are outside the offices where we produce batches at scale of very high quality food, that we then deliver into our clients, and where I don't think we will quite ever be a 'Just Eat' is in the world of B2C, as we call it, where the meals are prepared individually and for families. I think we will always have the opportunity to produce batches at scale into office communities of 50, 100, 200; that gives us economies of scale, but also allows us to provide variety to our clients. In some instances, it means we can take the kitchens off the client site, and that frees up space for our clients. In others, we will have finishing kitchens on site where we would have produced 75% of the menu before the final finishing on the client site. But I think what's important is that our offering will vary very much based on what our client wants. We think it creates a great opportunity for us to get into smaller businesses. We're more excited about the opportunity than the risk at the moment. What we're also seeing is that clients are bringing their employees back to the office, and actually great food programmes are really important. Having that incentive to be in the office to get together, because people physically haven't been together, is becoming more important than it's ever been. So yes, a risk but an opportunity, absolutely.

4) Question: Question about the dividend, and this is not just this company, but there does seem to be a trend with the pandemic for companies to stop paying dividends. A lot of people, not just myself, rely on dividend income. What is the Board's feeling on whether it was appropriate not to pay a dividend during the pandemic?

   Unidentified, private shareholder.

   Answered by Ian Meakins.

   I think it's very good question, clearly at the time when the pandemic struck it was impossible at that stage to predict what was going to happen in terms of the business. The way Compass tackled it at the time was the right thing to do to protect the Company. This entailed a rights issue and the suspension of the dividend for a period of time. As it has transpired, and as Dominic has highlighted today, I think business has recovered very well and we're now absolutely back on the dividend stream and we plan to do that going forward. But I think at the time when the pandemic struck, and given the lack of certainty, the action taken by the Board was completely appropriate. But I understand fully the impact it has had on shareholders.

5) Question: I'd like to ask you a question about resolution number 19, political donations. In your explanatory notes you say that some of your routine activities might unintentionally fall within the definition of political donations, or political expenditure. Could you explain what sort of activities these are?

   Andrew Chowns, private shareholder.

   Answered by Ian Meakins.

   To be very clear we have no intention to make political donations at all. The Companies Act 2006 definition of 'political donation' is broad - the resolution is there to ensure that the Company does not unintentionally trip into an activity that may be caught by the definition. Most other large cap companies have the same resolution.

6) Question: would it be possible when you open the meeting, to have 10 minutes on the Company's activities regarding the environment? Will you congratulate the new royal patron of English rugby? Will the Board celebrate the Queen's 70th year, and will the Company do something for shareholders?

   Unidentified private shareholder.

   Answered by Ian Meakins.

   I think the first point on the environment is a very sensible suggestion. We will take a look at that for next year's AGM. I think it appropriate that we congratulate royal family, and recognise the Queen's performance over a very long period of time.

7) Question: I would like to buy some Compass Group shares in certificated form, but I can't find a stockbroker that deals in this.

   Stanley Gold, private shareholder.

   Answered by Alison Yapp.

   Please come and see us afterwards.

8) Question submitted online: what steps is Compass Group taking to increase and systematise rigorous human rights due diligence in its commodity and labour supply chains?

   CCLA Investment Management.

   Answered by Dominic Blakemore.

   First of all, I thank the CCLA for the positive engagement we've had over the last 12 months, and we remain committed to transparent dialogue with the CCLA and all of our shareholders on these matters. I also just want to stress how committed we are to eradicating any human rights abuses that may be apparent in our supply chain, or indirectly within those of our suppliers. We take these matters very, very seriously. In terms of specific actions, we have a supplier code of conduct which has precise requirements in this area, and we conduct regular supplier audits as well, which gives us confidence of compliance with that code of conduct. We've recently appointed a senior manager from our HR function, dedicated to the human rights agenda, who will be managing any areas of risk, which you'll see disclosed in our Modern Slavery Act statement which will be published later this week. We have a SpeakUp hotline which is available to all of our employees, which we have extended to our suppliers and their employees should they have concerns about their treatment. Finally, we are committed to using specialist advisers as appropriate to consult with and audit where necessary should matters be raised to our attention. I think the CCLA have an approach which they advocate as 'find it', 'fix it', 'prevent it', and we very much subscribe to that point of view, and we are very open to any communication to us of any matters that we need to investigate or address.

9) Question submitted online: Can you be more transparent about the ways in which you bring in third parties to scrutinise your practises such as sharing the scope, methodology and findings of their investigations?

   CCLA Investment Management.

   Answered by Dominic Blakemore.

   The best way is really to give you an example. COVID had a particular impact on our Middle Eastern businesses, and as a result, we chose to conduct a detailed audit of our labour recruitment policies and processes in the Middle East, particularly in Qatar and the UAE. We used a third party to support us in that, and it was a validation in particular against the 11 International Labour Organization's forced labour indicators. We were pleased to see that we had general compliance across that, but with some areas for improvement. When we publish our statement later this week, we will disclose both the process we went through, and also the matters that we identified and how we have chosen to address those. We continue to think of it as an example of the approach that we would prefer to adopt as we go forward, should any other matters be raised to our attention.

10) Question submitted online: Are there proven benefits with regard to living wage contracts, such as lower staff absences and staff turnover, and has the Company carried out an analysis of whether it might not actually cost them anything to only provide a living wage tenders, and would you consider moving to this standard in future?

    Daniel Gazzi, private shareholder.

    Answered by Dominic Blakemore.

    Here in the UK, we are an accredited member of the Real Living Wage programme. That means that all of our direct employees are on the living wage. We are advocates of the real living wage in bids with our clients, and are working to move toward that wherever possible. Currently two of our five sectors are around 98% compliant with the real living wage for employees, so it is a direction of travel that we were very committed to, and that's not just in the UK but globally. But it is also about working with our clients on this to ensure that it is a shared value and something that is consistent between us. Where it comes to retention, we are very focused - it is not just about pay, but it’s around pay, conditions, treatment, respect and training, and in particular, the opportunity that we can provide our employees. So we are very focused not just on pay levels but how quickly we can progress our employees to more senior roles to allow them to access greater wealth opportunities.

11) Question: You talked about returning excess capital to shareholders. Where are you on excess capital with respect to the £2billion raised through the capital issue? Has the improvement in the retained equity position had any impact on remuneration?

    Gary Davis, private shareholder.

    Answered by Dominic Blakemore.

    On the use of capital in the business, clearly, as we talked about when discussing the suspension of the dividend earlier, a number of exceptional measures had to be taken at the time, because we had no way of gauging the extent and length of impact of COVID on the business, and clearly those first quarters were very significant and impactful on the business. Of course, without a vaccine, some of those measures would have been absolutely critical. We are deleveraging as we grow the business both in terms of top line and profitability, and we have a well-trodden path on capital allocation where our preference remains that we invest organically in the business for growth. Within this business is a fantastic opportunity to accelerate the historic growth levels and reward our shareholders through that path. We see lots of opportunities to create value through acquisitions and there's a reminder that historic returns to this business were 20%; M&A was, or is, quickly double digits and grows up to the company levels of return over time, and again I think the consequence of the pandemic is that those M&A opportunities will be available to us. Should we deleverage within our target range of 1 – 1.5 times, and not see the opportunity for M&A, then we will look at the possibility of capital returns at that point, but it isn't simply a matter of looking at those kind of returns ahead of other investment opportunities within the business.

12) Question: Why weren’t shareholders offered a rights issue last year?

    John Dilly, private shareholder.

    Answered by Dominic Blakemore.

We did provide a retail opportunity for shareholders to participle through the PrimaryBid platform.

13) Question: How would we have known about that?

John Dilly, private shareholder.

Answered by Alison Yapp.

An announcement was made that it would be made available through PrimaryBid, and we were of course the first company to make a retail offer.

14) Question: on page 81 of the annual report, in the section on principle risks for the business, subsection of compliance and fraud, there is a little bit about information systems and technology. The little arrow suggests that this was an increasing risk in 2020 but the risk is static in 2021. However, the description alongside talks of increasing risk for global businesses, and an increase in the number of sophisticated phishing and malware attacks, suggesting the risk is anything but static. So, I just wondered if the Board would like to comment on this, more generally how the Board manages to keep oversight of all this; for instance, does cyber security get mentioned at every Board meeting and do Board members receive training?

Paul Castle, private shareholder.

Answered by Ian Meakins.

There is an increasing risk of cyber security. Compass has very good systems and protocols in place to test the efficiency of how good our systems and process are at the moment, and that's done across the world. The Board regularly reviews our progress on cyber security; we have actually got a session this afternoon, with this very much part of the discussion. All large companies of our sort of scale are potentially vulnerable to attacks, and we constantly remain aware of and monitor developments in this area.