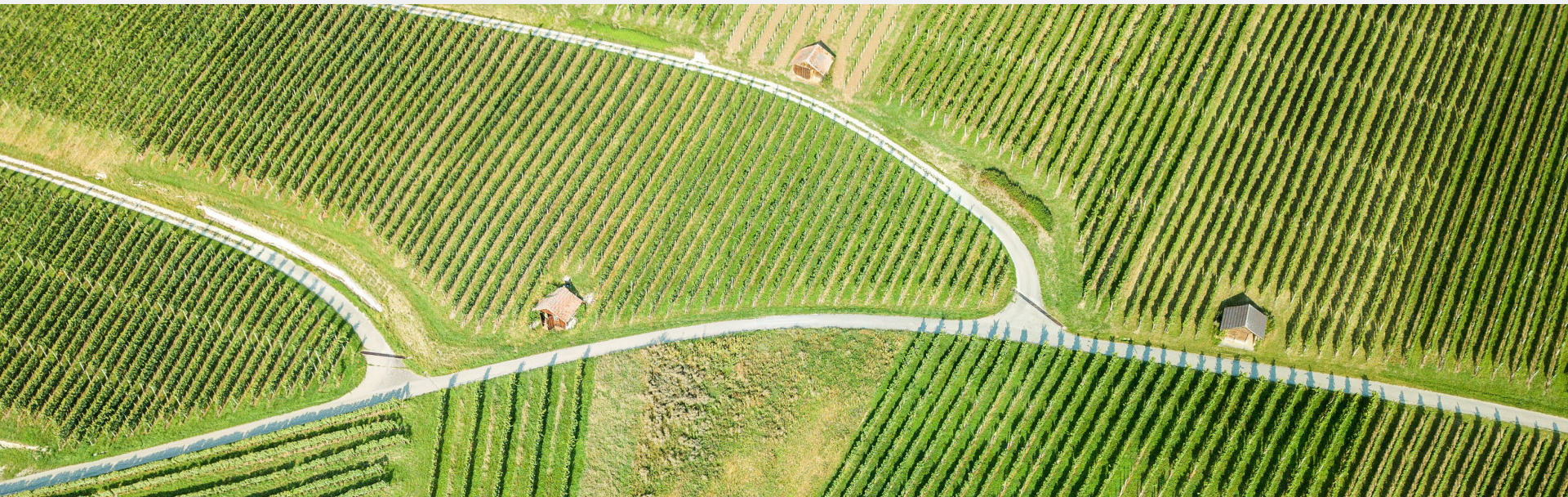


# Sustainable Finance

July 2022



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# Presenters



**Brendan Boucher,**  
Group Treasurer



**Agatha Donnelly,**  
Director of Investor Relations



**Amy Keister,**  
SVP Sustainability & Culinary



# Today's agenda

**Business overview**

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**Sustainability Strategy**

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**Sustainable Financing Framework**

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A close-up, high-resolution photograph of fresh spinach leaves. The leaves are a vibrant green, with prominent veins and are covered in numerous small, clear water droplets, suggesting they have been recently washed. The lighting is soft, creating a natural and fresh appearance. The background is a dense field of these leaves, filling the entire frame.

# **Business**

## Overview



# A global leader in food services



**£18.1bn**

Underlying group revenue<sup>1</sup>  
in FY21



**44**

Number of countries<sup>2</sup>  
we operate in



**c.480,000**

Colleagues<sup>1</sup>



**81%**

Revenue<sup>1</sup> from  
Food Services

## OUR SECTORS<sup>1</sup> (% of Underlying Revenue)



**Business & Industry**  
(31% revenue)



**Healthcare & Seniors**  
(33% revenue)



**Education**  
(18% revenue)



**Sports & Leisure**  
(8% revenue)

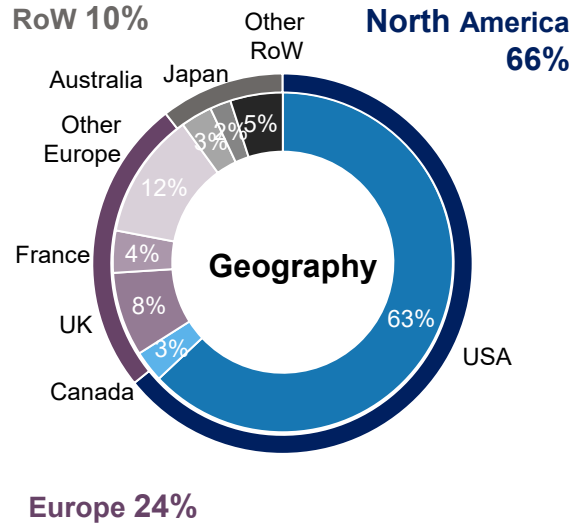


**Defence, Offshore & Remote**  
(10% revenue)

1. From the annual report for the financial year ended 30 September 2021  
2. From the half year results presentation for the half year ended 31 March 2022

# Diverse customer base across the world

## Underlying revenue<sup>1</sup> by geography



## A diverse portfolio of B2B brands

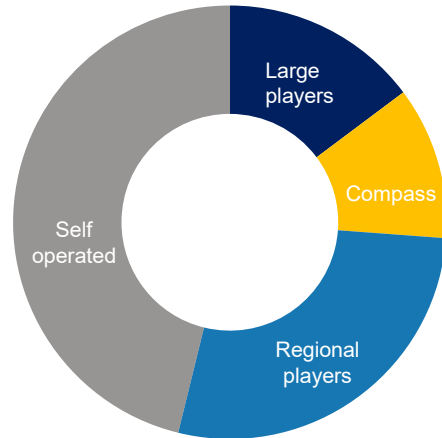


## Some of our clients around the world



# Significant market opportunity, ESG increasingly important

**Global food services market  
c. £220bn**



## **Our competitive advantages**

- Extensive portfolio of B2B brands
- Scale in procurement
- Financial strength
- People, culture and ESG focus
- Decentralised structure & MAP framework
- Culinary and digital innovation

**c.70% of recent bids in the UK included an environmental focus as a top priority**



A close-up photograph of a person's hand planting a small, light-colored seed into dark, rich soil. Several other similar seeds are scattered across the surface of the soil. The text "Sustainability Strategy" is overlaid in the center, flanked by two horizontal white lines.

# **Sustainability Strategy**

# ESG strategy aligns with areas where we can have greatest impact



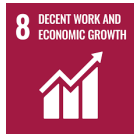
Donating **surplus food** through donation programmes



Supporting a balanced lifestyle through **wellbeing and nutrition initiatives**



Lead supporter of **Women in Hospitality, Travel and Leisure**



Providing skills training to **disadvantaged people** in our communities



Committed to **reducing food waste by 50%** by 2030



We have set **Science Based Targets** and a **Net Zero 2050 target**.



Goal for 50% of our **fish and seafood to be certified sustainable**



Our **palm oil will be 100% certified** sustainable from physical sources by 2022



Joined the **World Business Council for Sustainable Development**

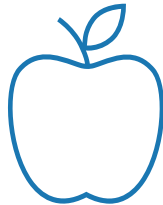
# Our sustainability strategy

## *Performance* **People** *Purpose*

**NET ZERO**



**FOOD WASTE**



**HEALTH & WELLBEING**





# Global roadmap to Net Zero

## Our Targets to Net Zero

To make our Climate Net Zero ambitions a reality, the actions we take over the next decade will be crucial. Which is why we have committed to:



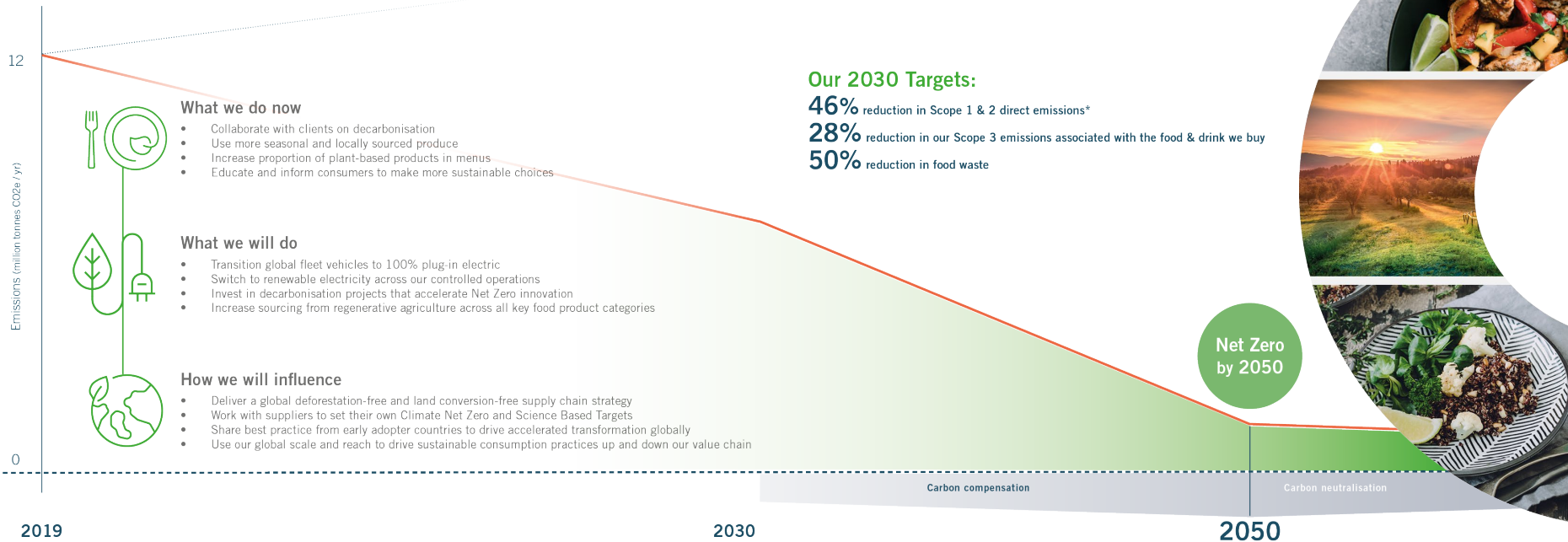
Approved Science based targets to 2030



Carbon neutrality in our operations by 2030 (Scope 1 & 2)



Climate Net Zero by 2050 across our value chain



2019

2030

2050

\*All climate targets are based on a 2019 baseline year.

# Examples of eligible projects

## DIGITAL TRANSFORMATION REDUCING FOOD WASTE

- Compass UK & Ireland's Chartwells Higher Education digital food offer
- Convenience, authenticity and variety for discerning Gen-Z populations
- Multi-functional social spaces, click and collect and delivery options, partnership with high-street brands
- Increases participation levels, operational efficiencies, reducing food waste

## ECO-LABELLING

- Eco-labelling of menus
- Dishes are labelled A-E to highlight environmental impact of certain foods
- Nudging consumers to make climate friendly choices
- Used at COP 26







# **Sustainable**

## Financing Framework



# The Compass Group Sustainable Financing Framework



- As part of Compass Group's continued commitment to sustainability, a Sustainable Financing Framework has been developed, integrating sustainability into our Treasury operations
- The Sustainable Financing Framework was reviewed by The Carbon Trust <sup>1</sup>, who has issued a Second Party Opinion confirming that the framework aligns with all requirements of the core components of the ICMA GBP and SBP (June 2021) and APLMA/LMA/LSTA GLP (February 2021) and SLP (April 2021)
- The structure of the framework is developed in line with:
  - the Green Bond Principles, 2021 (GBP)
  - the Social Bond Principles, 2021 (SBP) as published by ICMA
  - the Green Loan Principles, 2021, and the Social Loan Principles, 2021, as published by the LMA
- It is Compass Group's intention to follow best practices, in relation to Green Bonds and Loans, as the market standards develop, including, for example the EU Taxonomy and Green Bond Standard
- Compass Group will report on the allocation of net proceeds to the portfolio of Eligible Sustainability Projects and, wherever feasible, report on the impacts of the portfolio of Eligible Sustainability Projects, at least at the category level. Reporting will take place in line with the annual reporting cycle until full allocation of Sustainable Financing net proceeds, and thereafter as appropriate

1. Details of The Carbon Trust can be found here: <https://www.carbontrust.com/what-we-do/green-finance>

# How will our Framework make a difference?

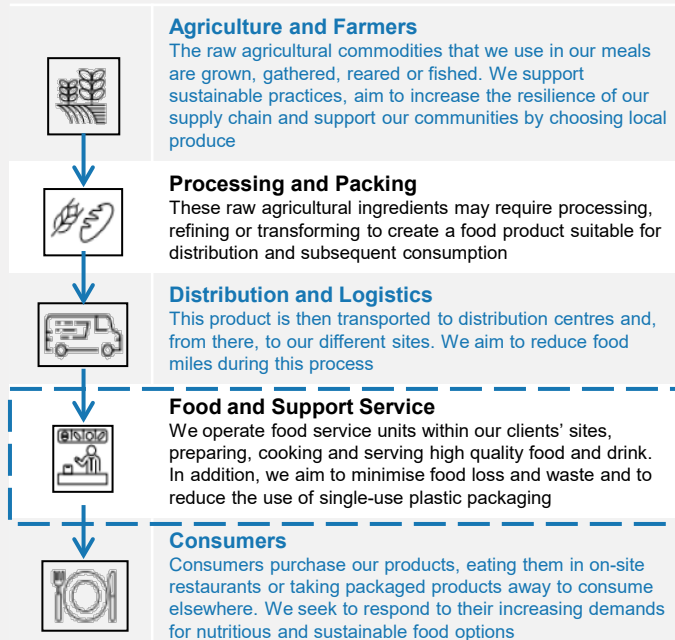
Our framework supports **three key areas** where we can make a difference:

1. **Net Zero**
2. **Food Waste**
3. **Health and Wellbeing**





Directing our sustainability objectives through our value chain to drive meaningful change

## COMPASS GROUP'S VALUE CHAIN

The Compass Group sustainability strategy maximises the positive social and environmental impact we create across our value chain



# Eligible Projects in the Sustainable Financing Framework

CATEGORIES	ELIGIBLE PROJECTS	UN SDGs
<b>Green: Environmentally sustainable management of living natural resources and land use</b>	<b>Sustainable, Fairtrade, and/or Organic goods</b> <ul style="list-style-type: none"> <li>We recognise our scale in procurement can help promote a sustainable food chain supporting biodiversity and meeting our Net Zero commitment</li> </ul>	 
<b>Green: Pollution prevention and control</b>	<b>Food waste avoidance</b> <ul style="list-style-type: none"> <li>This is a key area in which we can pioneer the role of technology and influence behaviour to support our Net Zero commitment and preserve valuable resources</li> </ul>	
<b>Green: Clean transportation</b>	<b>Reduction of transport carbon intensity</b> <ul style="list-style-type: none"> <li>We will electrify our leased fleet and support the reduction of transport carbon intensity within the supply chain</li> </ul>	
<b>Social: Socioeconomic advancement and empowerment</b>	<b>Local and diverse suppliers</b> <ul style="list-style-type: none"> <li>In addition to buying locally we proactively conduct business with small, medium and minority owned enterprises</li> </ul>	
<b>Social: Food security</b>	<b>Meal donations to vulnerable communities</b> <ul style="list-style-type: none"> <li>In-kind donations of food products (no more than 5% of total allocations from any issuance)</li> </ul>	
<b>Social: Access to healthy food</b>	<b>Healthy eating initiatives, innovation, farming decarbonisation</b> <ul style="list-style-type: none"> <li>We are working with our clients to help consumers make informed and healthier choices</li> <li>We are working actively with suppliers to find ways to produce more food with less water, land, waste and greenhouse gas emissions</li> <li>We work hard to test and scale packaging innovations that avoid plastic and virgin materials</li> </ul>	



**The Treasury Management Committee (TMC) is responsible for oversight of the framework:**

- TMC is a committee of Compass Group's board of the directors
- TMC has formed a Sustainable Financing Working Group (SFWG) to assess project eligibility and allocation of proceeds and will review such projects against the framework
- SFWG includes senior representatives from procurement, sustainability, finance, treasury, investor relations, digital & technology
- SFWG will report to the TMC on at least a semi-annual basis



# Management of proceeds

## Process for managing proceeds

- Compass Group will manage the new proceeds of financing on a portfolio basis
- Proceeds will be allocated to projects approved by the Treasury Management Committee and will be used for financing and/or refinancing the portfolio of Eligible Sustainable Projects as a whole
- Proceeds yet to be allocated towards Eligible Sustainable Projects will be held and/or invested in Compass Group's treasury liquidity portfolio
- Compass Group intends to request a verification report on the allocation of the Sustainable Financing proceeds by an external party



# Annual reporting

**Compass Group will provide a green financing report annually until full allocation and thereafter as appropriate**

## **Allocation reporting**

- The total amount of investments and expenditures in the Eligible Sustainable Project portfolio
- The amount or percentage of new and existing Eligible Sustainable Projects
- The balance of unallocated proceeds

## **Impact reporting**

- The impact reporting aims to disclose the environmental and social impacts of Eligible Projects financed under this framework, by way of existing sustainability reporting and/or specific impact reports

## **Examples of impact metrics**

% of goods purchased from certified sustainable sources

% of food waste reduction

GHG emission reduction

% of vehicles leased that are electric and/or hybrid

% of certified ethically traded coffee and tea



A pair of hands is shown holding a young plant with five bright green, serrated leaves. The plant is centered in the frame, and the hands are positioned on either side, supporting it. The background is dark and out of focus, showing some soil texture on the left. The text 'Q&A' is overlaid in the center of the image, flanked by two horizontal white lines.

**Q&A**



A still life photograph featuring two ripe red tomatoes in a small, light-colored ceramic bowl. The bowl sits on a larger, darker, textured ceramic base. To the left, a bunch of fresh green carrots with their leafy tops is visible. In the bottom left corner, the tops of two red onions are partially shown. The background is dark and textured, creating a moody atmosphere. The text "Thank you" is centered over the tomatoes, flanked by two horizontal white lines.

**Thank you**